Construction of Regional Input-Output Table in India using non-survey method: The Case of West Bengal

Topic: Regional input-output modeling IV
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Input–output model is one of the most useful tools for studying regional economies within a national economy and is helpful for economic planning both at the national and regional levels. In India, however, only a few numbers of studies had looked into the construction of regional input-output Table. There has been no such attempt in constructing the regional input-output Table of West Bengal, an Eastern region state in India. This study is a preliminary attempt to construct regional input-output Table of West Bengal by following non-survey method. While the survey method may provide more accurate results it is very difficult to apply this methodology to construct the regional input-output Table for any state economy in India because of non-availability of reliable state-level data. In constructing the input output matrix for West Bengal we have generated, first, the regional technical coefficients and the regional inter-sector flow matrix for the state. Then, we generate the final demand vector with the break-up of Private Final Consumption Expenditure, Government Final Consumption Expenditure, Gross Fixed Capital Formation, Change in Stocks and Export minus Import. The input output coefficient matrix of order 25×25 is constructed by applying Flegg's Location Quotient. In this methodology we have to correct for the overestimation for three sectors only. Section 2 deals with the methodological issues used in this study in estimating regional input-output Table of West Bengal. A detail discussion has been made on the quotients approach. Section 3 deals with database and the necessary adjustments. Empirical results are analysed in section 4. Section 5 concludes the paper.