The Construction of WIODâ€™s World Input-Output Tables in Previous Yearâ€™s Prices

Topic: Backcasting and Forecasting II
Author: Bart LOS
Co-Authors: Fokke Reitze Gouma, Marcel Timmer, Pieter IJtsma

Most sets of global input-output tables are expressed in current prices. This implies that changes in values in these tables (or indicators derived from these tables) reflect changes in both quantities and prices. For many types of analysis this is not problematic or even desirable, but if, for example, changes in technology are studied, the effects of changes in quantities should be isolated. This can only be done in a proper way if tables expressed in constant prices are used.

This note describes the procedure to derive the World Input-Output Tables in prices of the previous year that have been published by the WIOD consortium in December 2014. The procedure is an extension of the method introduced by Dietzenbacher and Hoen (1998, Review of Income and Wealth). The note provides a detailed description of the steps that have been adopted to merge information from World Input-Output Tables in current prices, exchange rate data, value added deflators, gross output deflators by industry, consumer price indices and price indices for government consumption and gross fixed capital formation.