

## **Modeling the Effect of Chinese Exports of Services Trade: A New Partially Endogenous Investments and Consumption Input-Output Model**

Topic: Sraffa and Ghosh

Author: Maorong Jiang

Co-Authors: Min Wei

As an important method to describe national economy development, the input-output technique is a powerful tool for modeling analysis. And the input-output table which the input-output technique relies on is a significant extension of national accounting system, which could clearly record the input and output relations between sectors of national economy in detail. Based on the China Input-Output table 2012 and partially closed input-output model with endogenous consumption, this paper investigates the time lag of fixed capital investment and builds a new partially closed input-output model with endogenous investment, based on input-output technique and econometric theory. With the new model, we evaluate the short-term effects of the Chinese services trade exports. We find that, the growth brought by the unit exports of services is 119.80%, 123.52% and 83.22% respectively of that brought by the exports of good at the three aspects, including added value, employment and environment. The development of exports of services (especially producer service) has brought new growth momentum to the Chinese economy. Compared with the trade in goods, the cleaner and more efficient trade patterns of trade in services deserve to be promoted and developed.