

An Framework Based on Input-output Model for Warning of Overcapacity

Topic: IO Data: IO and micro data

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Overcapacity has been plaguing China for many years. For now, however, there is no mature and universal framework for warning of overcapacity. This research constructs a comprehensive yet relatively concise framework based on IO table for warning overcapacity by including two indicators measuring the relative growth rate of the production capacity and the change of capacity utilization. As an example, China's 15 heavy industry sectors are being analyzed under the above framework. The main contribution and innovation of the research is building the applicable framework for warning overcapacity.