CompNet at 6 months: Where do we stand?

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Background

- **Tremendous progress on all fronts (data, indicators, research)**

- **Network is grown in number and reputation and increasingly is a hub for several initiatives (e.g. World Bank conference in April 2013)**

- **We are committed to our ambitious objective to interfacing macro and micro level, to improve understanding of growth drivers**

- **There is quite a bit of untapped potential**

Outline

1. CompNet : Objectives and Tools
2. Activities of the three Workstreams
3. An evaluation of results
4. The way ahead

1. CompNet: Motivation, Objectives, Tools

Motivation

- **Approach to competitiveness must be broad-based and better grounded in contemporary trade theory**
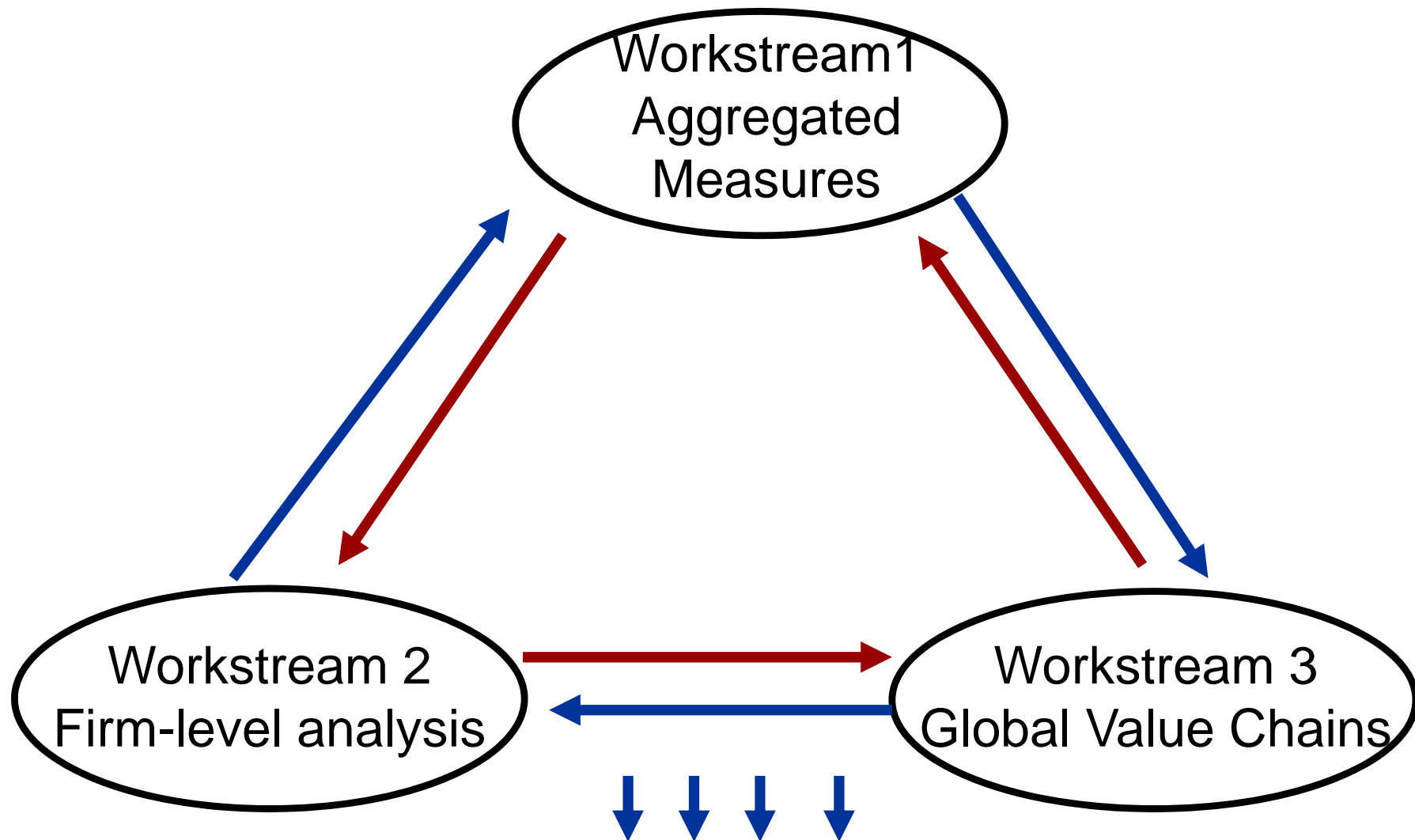
Objectives

1) **Foster interaction between micro and macro analysis**
2) **Determine more solid connection competitiveness determinants and outcomes.**

Tools

➢ **Data collection/indicators improvements**
➢ **Research**

Maximise interaction among Workstreams/views

Workstream1
Aggregated
Measures

Workstream 2
Firm-level analysis

Workstream 3
Global Value Chains

Attain a broad-based Synthetic Assessment

2. CompNet Activities March-September 2012

2.1 Data

- **WS1**
  - Established list of indicators built at highly disaggregated product level
  - Data to be made available to members

- **WS2**
  - Established a <u>minimum common set</u> of firm level based indicators across EU countries
  - Completed data inventory with NCBs for <u>three categories of data</u> (export/import, ownership structure, balance sheet) to be cross checked within and across countries

- **WS3**
  - We are teaming up with OECD, WTO, US ITC and World Bank...using their previous work, and exploiting respective regional specialization
  - Three source of data currently available: WIOD, EFIGE, Business Survey (C. Altomonte)

2.2 Research

- **WS1**
  - Work close to completion on: i) disentangling non-price competitiveness; ii) assessing quality; iii) assessing export drivers via Bayesian approach; iv) trade elasticity, …

- **WS2**
  - Computation of TFP and Margins of Trade indicators using common methodology for countries where data are available (FR, HU, BE). Four teams involved at BdF, Hungarian Academy of Sciences, Bnb, and ECB
  - Among the topics: mark-up, innovation margins, shift share, geographical/sectorial specialization, …

- **WS3**
  - Established a work agenda focused on
  - Start work on mapping GVC in Europe, survey of literature, long term perspective on GVC (from '60s)

2.3 Consultants

- ➤ **WS1**
  - **To be finalized**

- ➤ **WS2**
  - **Barba Navaretti**
  - **Halpern**
  - **Bartelsman**
  - **Haltiwanger**

- ➤ **WS3**
  - **Stehrer**

2.4 Expected Output Format

➢ **Working Papers**
- **We have established preferential path for ECB Working paper series (refereeing by head of WS)**
- **Need to come up soon with papers**

➢ **CompNet Policy Briefs**
- *We had one already on "pitfalls of ULC"*
- *More are encouraged to be referreed internally and posted on website/circulated in the institutions (extract of research, new indicator…)*

➢ **Conference organization-cosponsoring**
- *In April 2013 one already to be organised with World Bank and PIIE in Washington on Global Value Chains*
- *More are encouraged!*

3. Overall Assessment

On Data:

➔ **Good progress on assessing data availability, but still little outcome in terms of gaining larger access**

➔ **Effective comparison at firm level possible only for three countries**

➔ **Limitations to data access for not NATIONAL researchers**

Current Data Availability, by Countries[1]

	Data			Possibility of Matching	International Availability[2]
	Customs by products and destination	Balance Sheet Data	Ownership & FDI		
FR	🟩	🟩	🟩	🟩	National
DE	🟥	🟧	🟩	🟥	
PT	🟩	🟩	🟧	🟩	National
RO	🟩	🟩	🟧	🟩	
PL	🟧	🟧	🟧	🟥	National
BE	🟩	🟩	🟩	🟩	National
HU (IEHAS)	🟩	🟩	🟩	🟩	
HU (NCB)	🟧	🟩	🟩	🟩	National
IT	🟧	🟩	🟩	🟥	
ES	🟧	🟩	🟧	🟩	National
CZ	🟧	🟩	🟧	🟩	
SK	🟩	🟩	🟩	🟩	
IE	🟧	🟧	🟧	🟧	National
DK	🟩	🟩	🟩	🟩	National
SE	🟩	🟩	🟩	🟩	International
FI	🟧	🟧	🟧	🟧	National

1. NCBs response to questionnaires
2. Missing information if not confirmed

3. Overall Assessment (contd)

On Research:

➔ **CompNet Research pipeline comprises more than 100 projects, of which about 20 are WP close to publication (List to be distributed and updated)**

➔ **Issues:**
- **How do we increase involvement? And what kind?**
- **How do we increase collaboration across teams?**
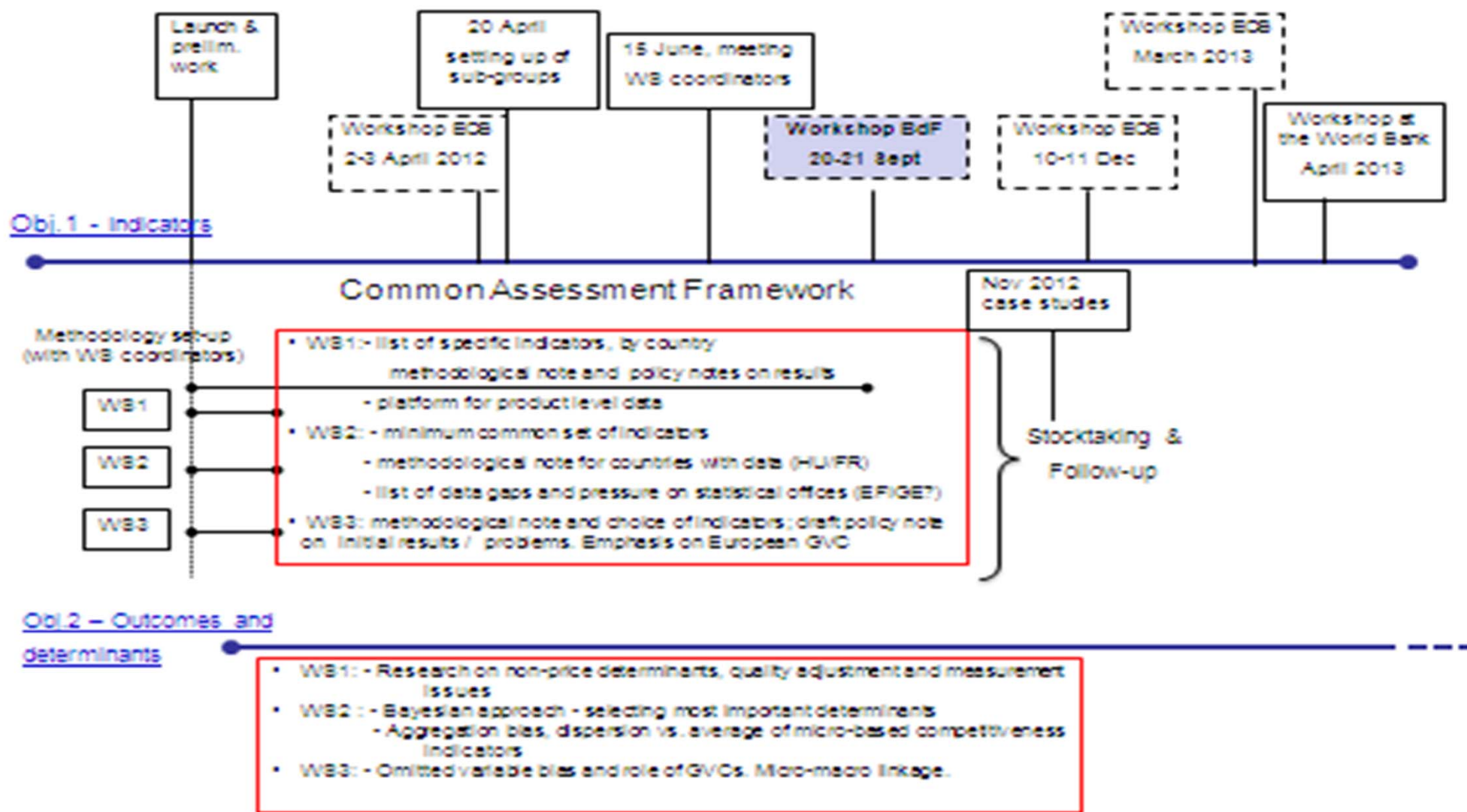
4. The Way Ahead

On Data:

- **Keep pursuing the quest for firm level data initiated in April**
  ➔ Members to check with their statistical offices by end-October
- **Coordinate efforts with other initiatives (Matcompete, OECD)**
- **Enhance effective use by members of data in common platforms (e.g. WS1 data)**
- **Establish more systematic dialogue on this also with OECD, World Bank and US-ITC**
- **Decide form of sharing: if not of data, at least promote common indicators construction**

- **In parallel, we will consider a possible support to a second round of the EFIGE survey**

4. The Way Ahead (contd)

<u>On Research:</u>

- **Enhance interaction across teams in different countries (e.g. cross-countries studies)**
- **Enhance interaction across workstreams, also with more frequent workshops (every 3 months)**

- **Fully exploit data availability and consultants input**
- **Needs to concentrate on conceptual framework for integrating firm level information in macro competitiveness assessment**

Conclusion