

NEWSLETTER No. 16

CompNet The Competitiveness Research Network



Interventions by CompNet

The **European Political Strategy Centre** (EPSC), the European Commission's in-house think tank reporting directly to President Juncker, will continue its work on the proposal for a **European System of Competitiveness Authorities** (ESCA). In October, ECB Executive Board member and chief economist **Peter Praet** was invited to present the work of CompNet as well as to discuss ideas for the future ESCA and the ECB's role in it.

In a forthcoming meeting of the Lisbon Methodology Working Group (LIME) at the **European Commission** on November 19 with representatives from national treasuries and economic ministries, **Pavlos Karadeloglou** will present CompNet research results and their implications for the design of surveillance. Both the European Commission and a number of Member States have expressed their interest in this work as the Five Presidents' Report proposal for the new Competitiveness Authorities will now be subject to discussions in the committees.



CompNet at CAED Conference in Istanbul

The 2015 **Comparative Analysis of Enterprise Data (CAED)** conference was held from October 23 to 25 in Istanbul. Producers and users of enterprise micro data, such as statisticians, economists and econometricians, were brought together to exchange ideas and discuss research results together with policymakers and other practitioners.

Several pieces of recent work done by CompNet members were presented. First, **Paloma Lopez-García** and **Filippo Biondi** presented the **CompNet database** and discussed its relevance to assess and compare the degree of competitiveness in euro area countries. Second, **Giovanni Aiello** presented ongoing research (joint with Ghironi, di Mauro et al.) on the effects of structural reforms on product and labor markets in the EU drawing from CompNet data. Aiello emphasized that incorporating micro level dynamics substantially affected policy implications and brought them much closer to the "calls for reforms" narrative that has been front and center in policy debates since the onset of the euro area crisis. Third, **Emmanuel Dhyne** discussed a research

Interventions (contd.)

In a joint **Eurostat** Commission Services and ECB **DG-Statistics** meeting held in mid-October, **Jean-Marc Israël** presented the main features of the CompNet dataset and a range of recently published papers by network members.

The **Bundesbank** and the **IMF** are jointly organising the 2015 **Statistical Forum** which will be held in Frankfurt on November 19 and 20. The focus is on new tasks for micro data based analysis and the response of official statistics, both at NSIs and central banks. For a session titled “Statistics on a from-whom-to-whom basis”, **João Amador** is invited to present the work of CompNet on Global Value Chains (GVC).

5th round of micro-based data collection

The 5th round of the data collection is currently ongoing. The ECB CompNet team is working hard to update the dataset while intensively cooperating with the country teams. Compared to the previous round, the new wave of the firm-level based data also includes the year 2013 and is expected to be available in early 2016.

Further information

All relevant information and documents together with regularly updated news on research output and conferences can be accessed online on the [CompNet website](http://compnet.ecb.europa.eu).

For further information and suggestions please send a mail to compnet@ecb.europa.eu.

project (joint with Demian and Berthou) built upon firm-level based data on exports by firm-size, productivity and sector of eleven European countries to investigate the linkages between export revenues and real effective exchange rate variations. The results suggest that firm-size and productivity heterogeneity are important factors that help explaining the discrepancy between micro and macro trade elasticities of firms. Lastly, **Eric Bartelsman** and **Paloma Lopez-García** discussed whether labour reallocation is productivity-enhancing in Europe, with a particular focus on the impact of the crisis and different policy settings. By employing the labour module of the CompNet database, preliminary results of the authors show that firm employment growth is significantly linked to its initial productivity. On average, reallocation is productivity-enhancing, although there are differences over time as well as across countries and sectors, within a given country.

During the conference, two renowned **keynote speakers** gave additional examples for the use of micro-data: **Ufuk Akcigit** (University of Chicago) used US Census data on firm-level output, R&D and patenting to model firm entry and exit, output and innovation. **Samuel Kortum** (Yale University) presented work that employed micro-data from French firms to build a model of firm-to-firm trade.

CompNet conference in Prague in 2016

The **12th CompNet conference** “Productivity and external rebalancing”, jointly organized with the ECB and the Czech National Bank (CNB), will be held in **Prague** on April 21 and 22, 2016. The conference focuses on the role of competitiveness gaps that have been widely recognized as the main cause of divergent economic developments across countries. Specific examples of research topics to be presented during the conference include:

- ▶ Productivity measurement issues
- ▶ Productivity and resources reallocation
- ▶ The determinants of productivity
- ▶ Trade and competitiveness
- ▶ Trade elasticities
- ▶ Regional Global Value Chains

A call for papers has been published on the ECB’s [website](http://www.ecb.europa.eu). **Andrew B. Bernard** (Tuck School of Business at Dartmouth) and **Jan De Loecker** (Princeton University) have confirmed their participation as keynote speakers.