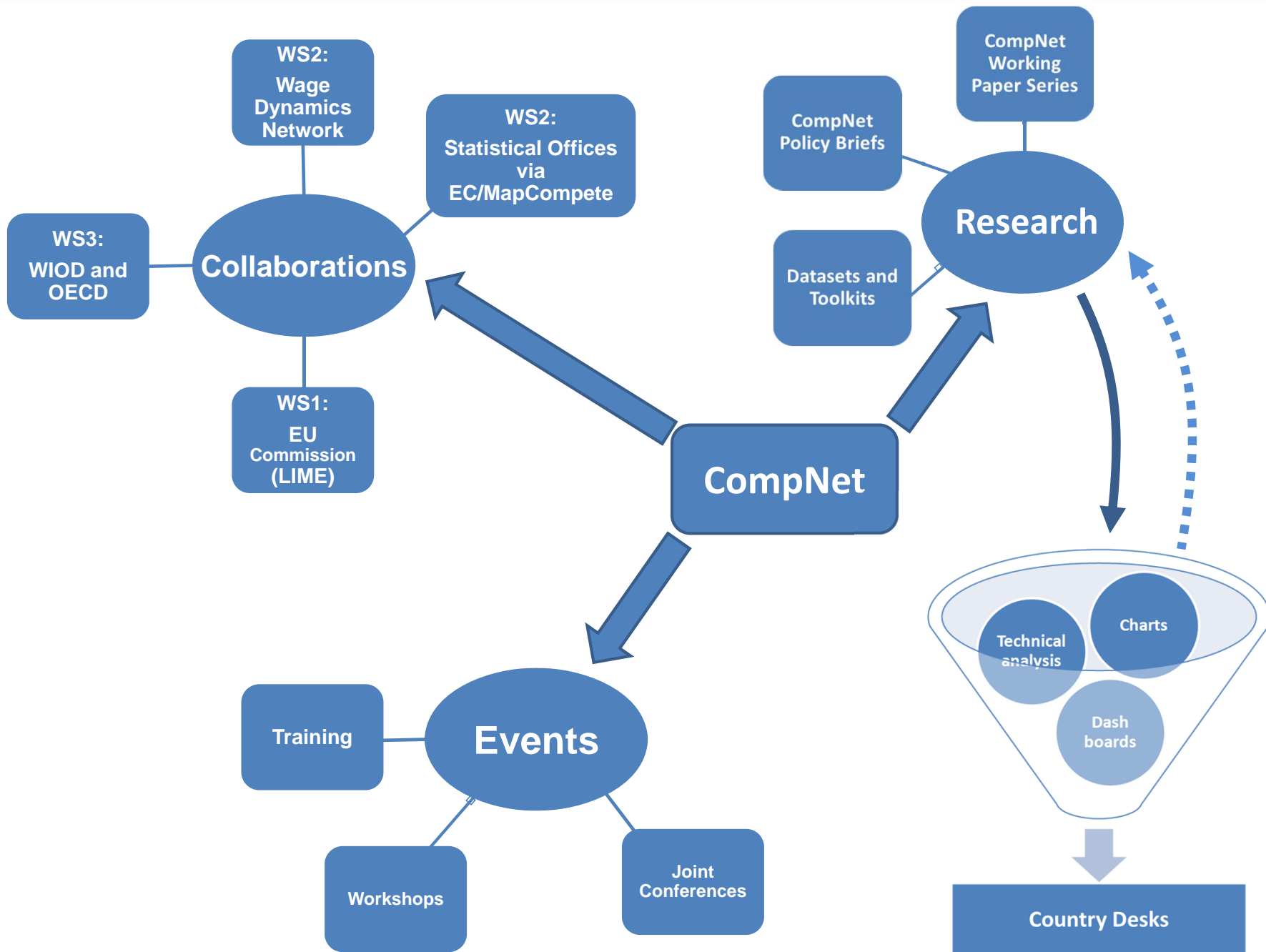


CompNet: What we did and the road ahead

Filippo di Mauro
European Central Bank

June 24, 2013, Frankfurt am Main

CompNet interactions



Most recent developments

1) Main broad research question remains focused:

→ What are the drivers of competitiveness for EU countries and firms? and how do they relate to policy outcomes?

2) Ultimate objective

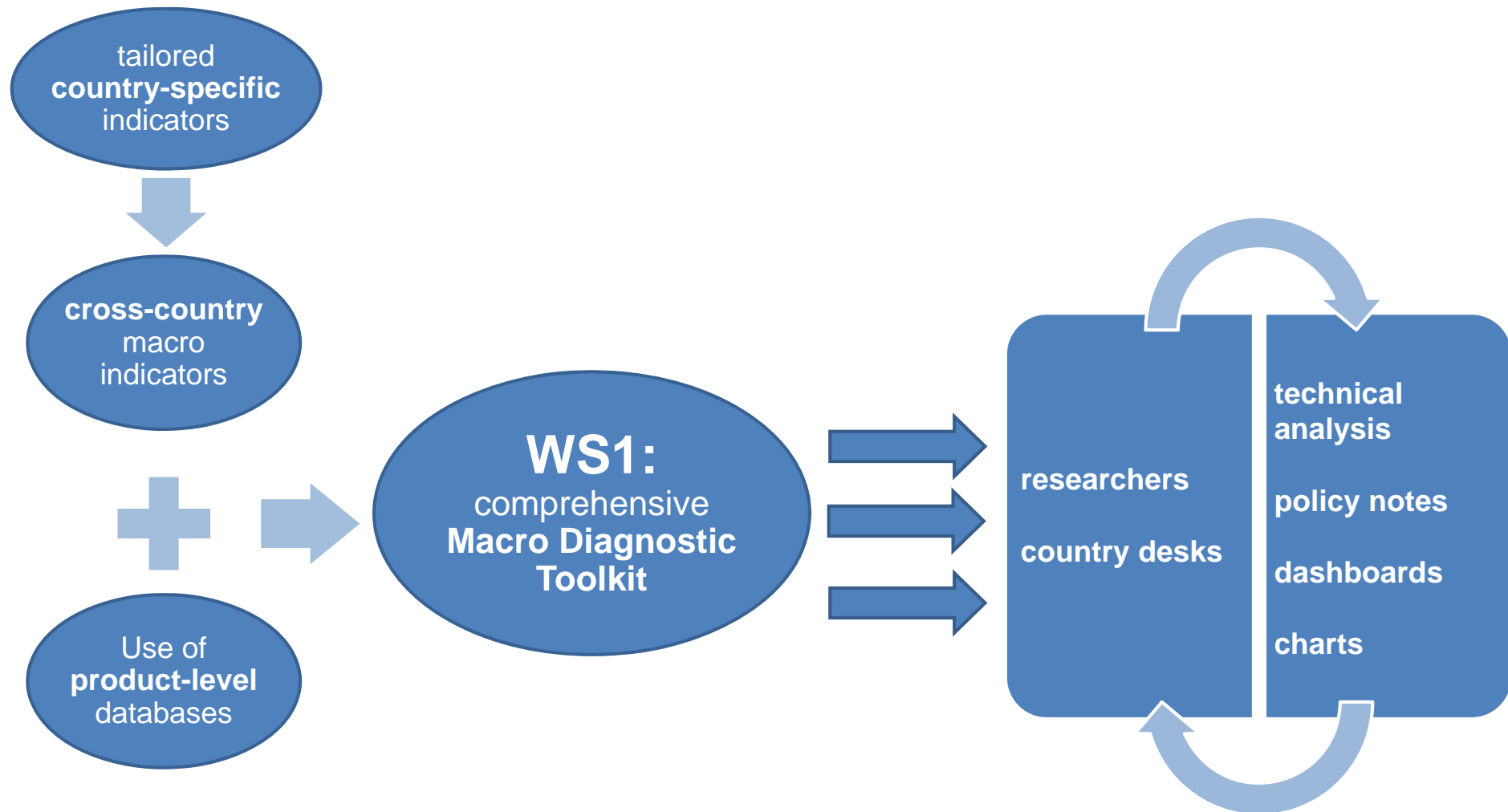
→ Ensure that our holistic approach (macro-micro-cross border) will enrich research and guide/deepen the policy debate (interaction with country desks) at the EU level

3) Spillovers of our analysis on many ongoing debates/research

- a) credit constraints
- b) SMEs
- c) role of services
- d) wage dynamics (Wage Dynamics Network)

4) Will give you a brief account by individual workstream

WS1 approach



WS1 indicators (ready and in pipeline)

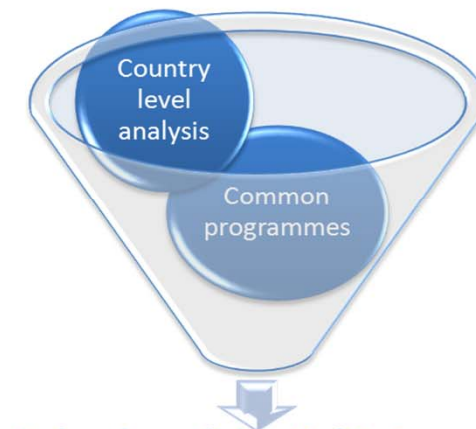
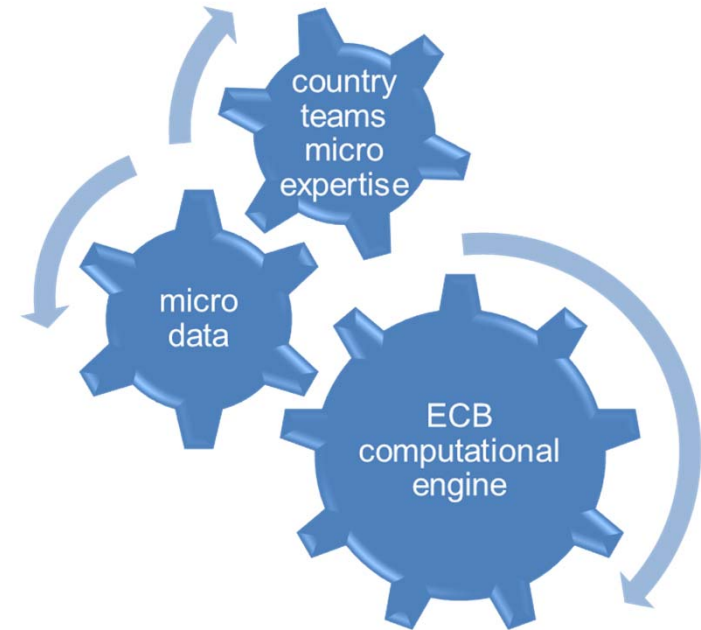
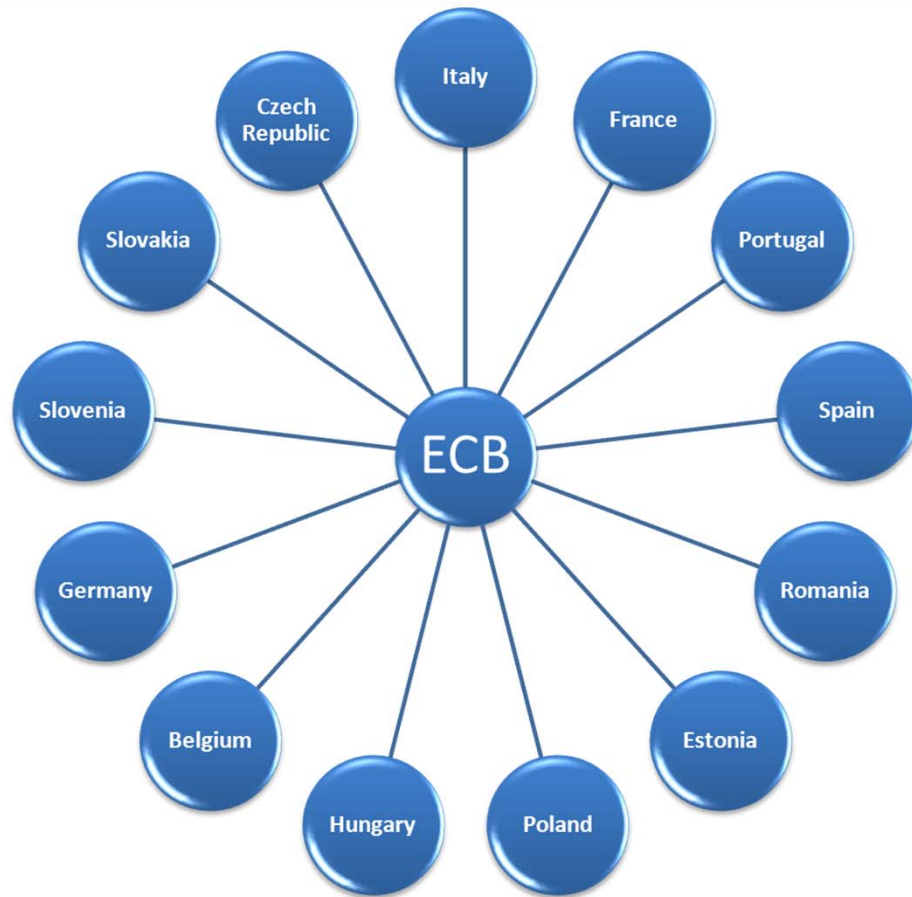
1) Price and non-price competitiveness

- Decomposition of trade balance in price/non-price driven
- Trade-weighted national unit labour costs
- Alternative HCIs based on trade in services and on value-added weights
- Quality-adjusted trade shares and export prices

2) In-depth analysis of product and geographical markets

- Shift-share analysis
- Extensive margins
- Sectoral specialisation in exports of services
- Measures of technological specialisation (imports and exports)
- Export sophistication index based on network analysis
- Barometer of competitive pressure from third countries

WS2 approach



**DATA
DISSEMINATION**

**Common
co-authored
publication**

**Solved confidentiality issues
and uniform results**

WS2 original contribution

Data coverage: 13 EU countries, pre and post-crisis time dimension, 60 NACE sectors (incl. manufacturing, construction, services)

Country Coverage (Country responsible)	Time horizon
BE (Emmanuel Dhyne, Catherine Fuss)	1996-2011
CZ (Kamil Galuscak)	2002-2011
DE (Elena Biewen, Sven Blank)	1997-2010
EE (Jaanika Merikyll)	1995-2011
ES (Paloma López, Antonio Rodriguez, Patrocinio Tello)	1995-2011
FR (Antoine Berthou, Charlotte Sandoz Dit Bragard)	1995-2007
HU (Péter Harasztosi)	2003-2010
IT (Matteo Bugamelli, Leandro Daurizio)	2002-2011
IT-ISTAT (Roberto Monducci, Stefania Rossetti)	2001-2008
PL (Jan Hagemeyer)	2002-2011
PT (João Amador, Luca David Opromolla, Ana Cristina Soares)	2006-2009
RO (Bogdan Chiriacescu)	2003-2011
SI (Urška Cede, Andreja Lenarcic)	1995-2011
SK (Tibor Lalinský)	2000-2011
EFIGE (Giorgio Barba Navaretti, Emanuele Forlani)	2001-2008

As costs rise, returns increase faster for the most productive firms...

(1995-2011)

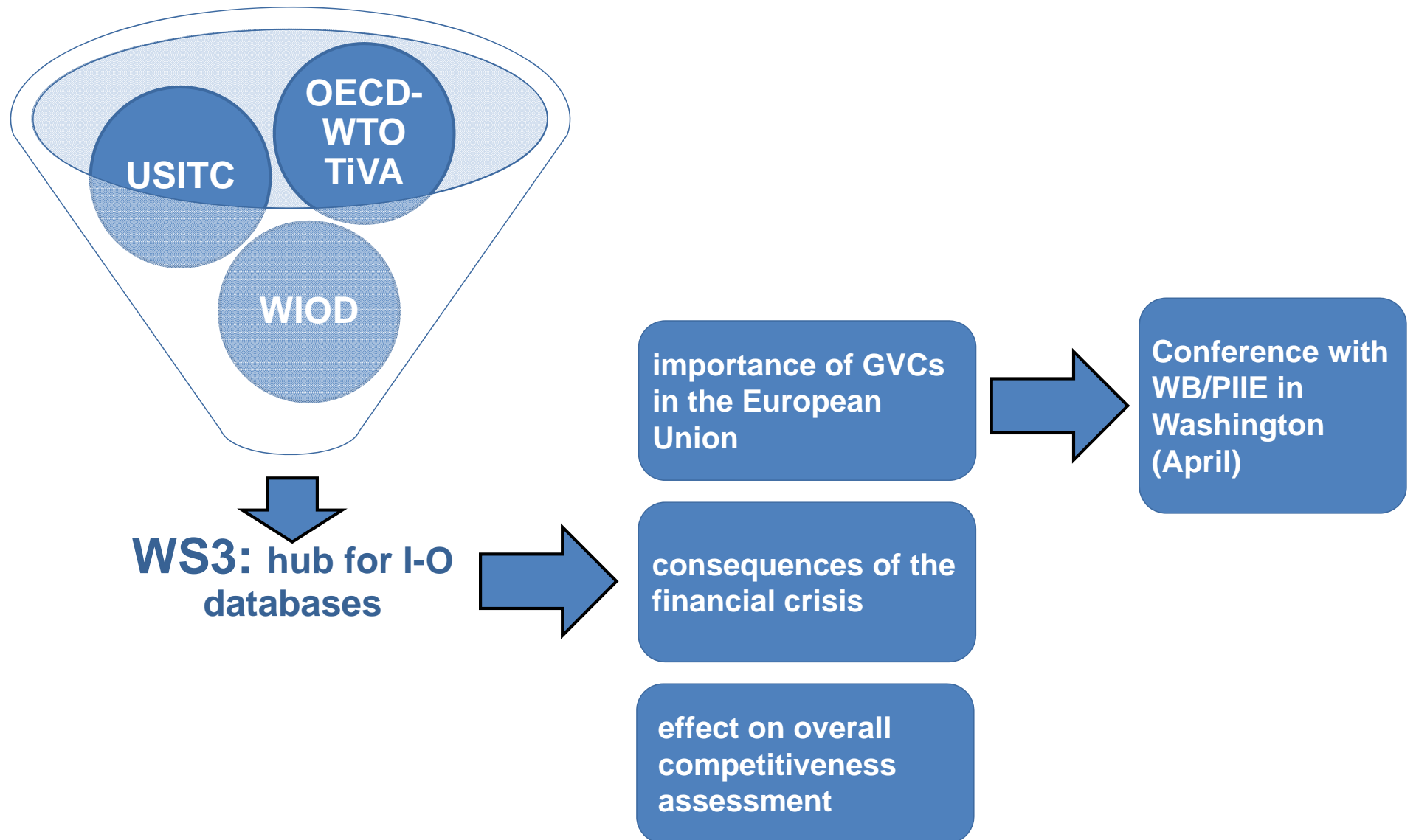


● least productive firms

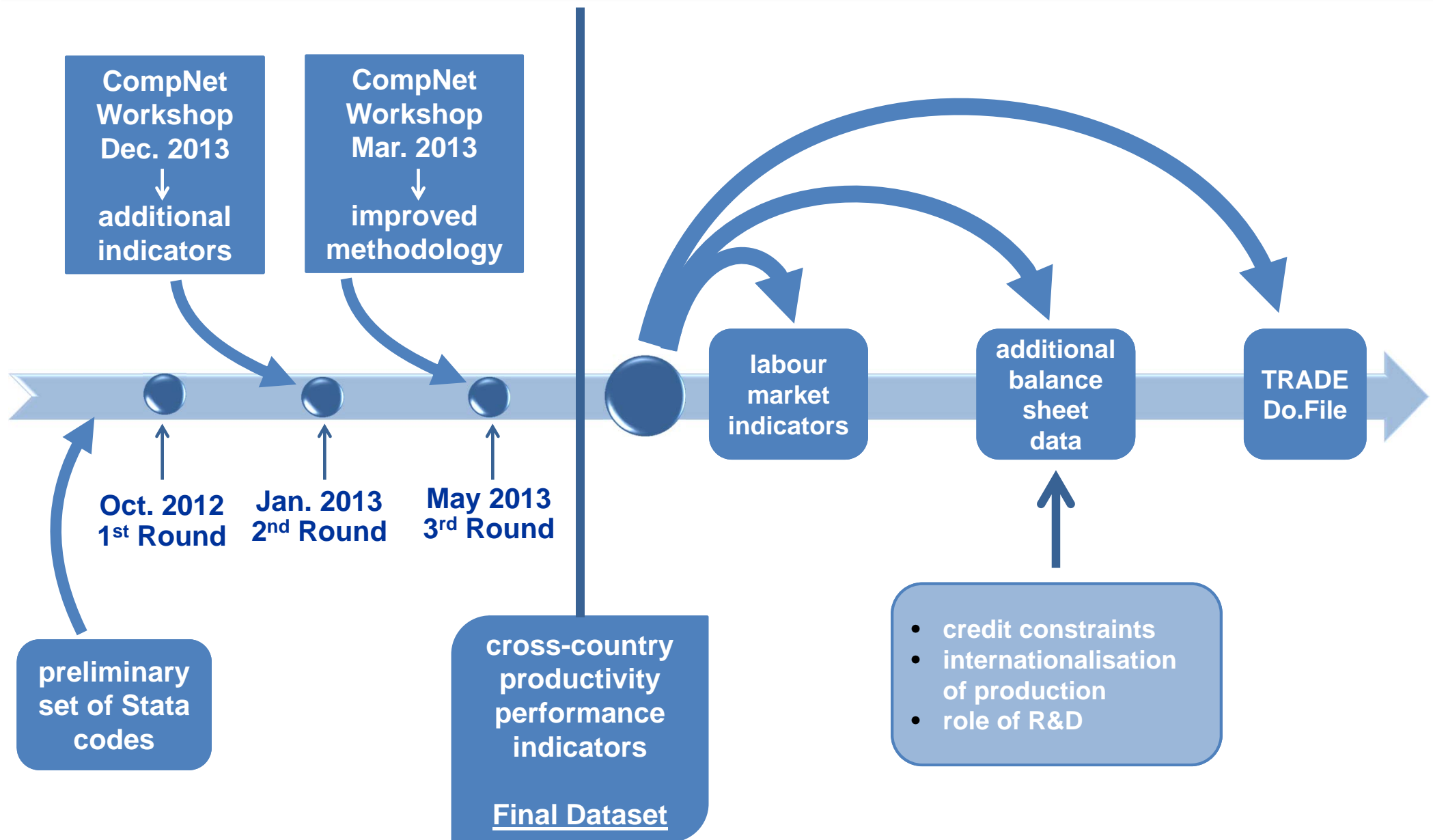
● most productive firms

Source: CompNet Dataset.

WS3 approach



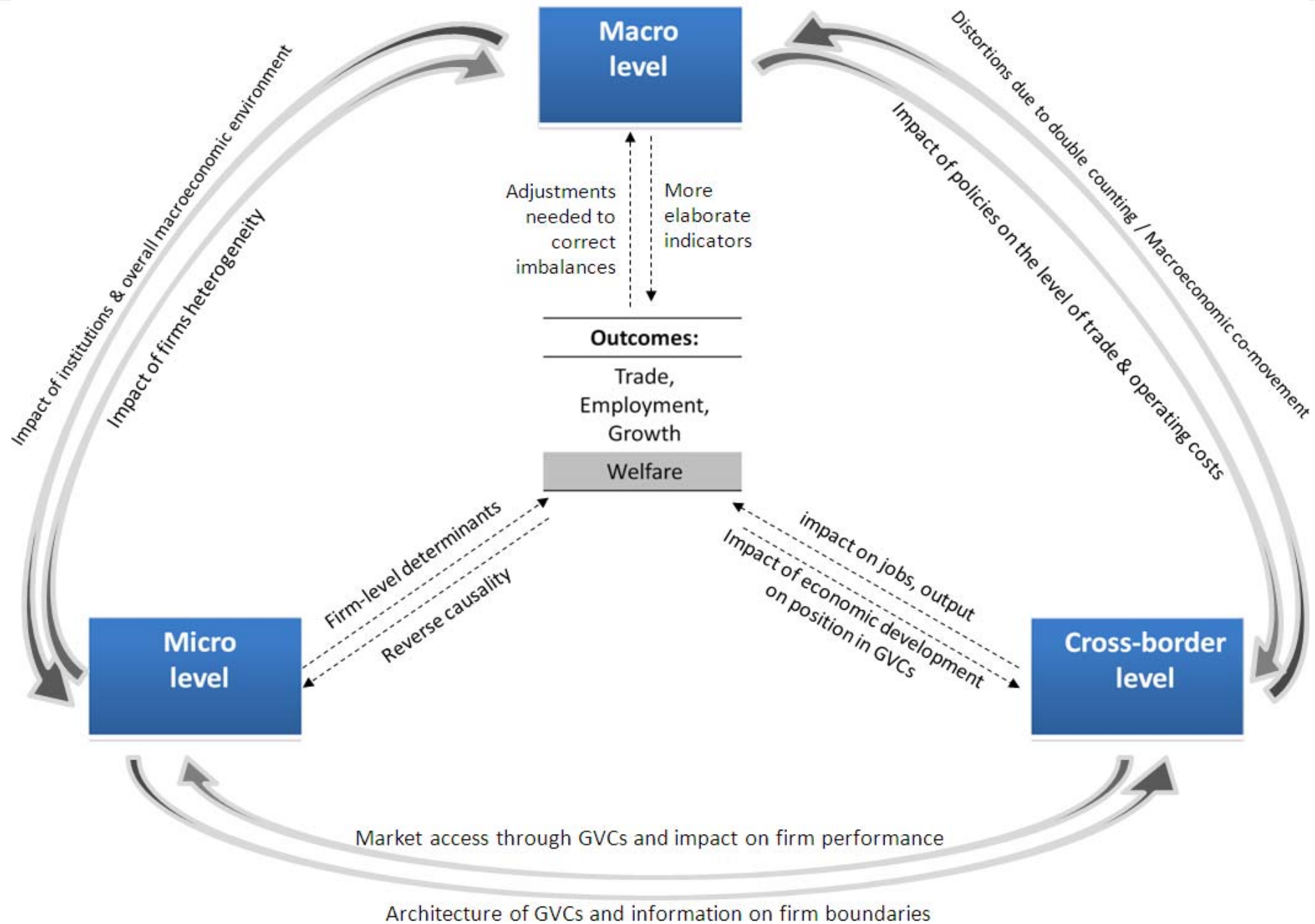
Way ahead (1): WS2 research timeline



Way ahead (2): Improve external communication

- **Intense activity presenting CompNet work** in the last three months (13 interventions/presentations: MPC, ECB EB, Brussels Economic Forum...)
 - **Satisfactory record of publication in the ECB/CompNet WPS:**
 - 5 published, 6 papers accepted, 15 currently under review
 - **Little activity in the CompNet Policy brief** (1 published, one under review)
- **Still we have to produce more and particularly to ensure that our work is better recognised and utilised...**
- **First priority...**

Way ahead (3): Deepen cross dimension fertilisation



**We are doing great and we are going to
have a very fruitful workshop!**

Reserve slides

Increasing visibility of CompNet Research

Presentations on CompNet since the workshop in Dublin

- The EU Central Banks Competitiveness Research Network (*Banque de France Meeting, Paris, June, 21*)
- The EU Central Banks Competitiveness Research Network (*INSEE seminar, Paris, 2013-06-20*)
- Structural reforms and the role of CompNet research (*Brussels Economic Forum, June 19*)
- CompNet: Focus and Value Added (*Heads of Research meeting, Helsinki, June, 14*)
- CompNet - WDN Synergies (*WDN Survey 3rd wave, Frankfurt am Main, June, 05*)
- Global Value Chains: Implications for the Assessment of Competitiveness (*Advisory Trade Council Roundtable, European University Institute, Florence, June, 05*)
- CompNet: First-year results (*TEN meeting, Brussels, June, 03*)
- CompNet Interim Report (*ECB Monetary Policy Committee seminar, May, 28*)
- CompNet Micro Founded Competitiveness Indicators (*ECB DED Seminar, Frankfurt am Main, May, 02*)
- National Competitiveness, Scalability of International Value Chains and Location of Production (*Joint Event Compnet-PIIE-World Bank, Washington, DC, April, 16*)
- The Competitiveness Research Network (*Istat seminar, Rome, April, 08*)
- CompNet: First-year results (*Banca d'Italia meeting, Rome, April, 05*)
- CompNet: First-year results (*Executive Board meeting, Frankfurt am Main, March, 19*)

Way Ahead for CompNet

Upcoming CompNet events:

- 16-18 September 2013: CompNet training on *Network Trade Models*, hosted by Österreichische Nationalbank, Vienna
- 19-20 September 2013: CompNet meeting at the Joint Vienna Institute, hosted by Österreichische Nationalbank, Vienna
- 12-13 December 2013: CompNet meeting at the ECB, Frankfurt am Main