

# The Harmonization of Chinese and Japanese Input-Output Tables by using PPP 1995

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## 1. Survey on the estimations of China's Purchasing Power Parities

Considerably many estimations have been done concerning the purchasing power parity of RMB from the 1950s to now mainly by western economists. But accurate one has not yet gotten. The results of estimations are very different from each other although they are of the same year.

Table 1. Comparison of Results of Chinese PPP: Yuan/Dollar Price Ratios US=1

Calculator	(1) kravis	(2) Taylor	(3) Field	(4) Ren · Chen	(5) Ren CP	(6) Ren COP	(7) Mizogu- chietal	(8) Sinoza- kietal	(9) Li	(10) PWT 5.5	(11) PWT 5.6	(12) WDI 1998	(13) WDI 1999	(14) WDI 2000	Official Excha. Rate
Subject	GDP	GDP	GDP	GDP	GDP	GDP	Consum t household	total output	GDP	GDP	GDP	GDP	GDP	GDP	Yuan/ Dollar
1975	0.25									0.34	0.46		0.73	0.76	1.86
1976										0.31	0.42		0.72	0.72	1.94
1977										0.31	0.42		0.73	0.73	1.86
1978										0.32	0.32		0.71	0.75	1.68
1979										0.32	0.33		0.71	0.75	1.55
1980										0.31	0.31	0.61	0.69	0.73	1.50
1981	0.67									0.25	0.27	0.53	0.59	0.62	1.70
1982	0.60									0.22	0.26	0.47	0.52	0.55	1.89
1983	0.60									0.21	0.27	0.46	0.51	0.53	1.98
1984	0.47									0.18	0.27	0.39	0.43	0.45	2.32
1985	0.42									0.32	0.15	0.27	0.32	0.36	2.94
1986						0.25				0.14	0.26	0.26	0.29	0.31	3.45
1987								0.05		0.13	0.22	0.24	0.26	0.27	3.72
1988										0.14	0.23	0.25	0.28	0.29	3.72
1989										0.15	0.24	0.27	0.30	0.31	3.77
1990										0.15	0.12	0.24	0.22	0.25	4.78
1991											0.22	0.20	0.23	0.24	5.32
1992											0.21	0.20	0.23	0.24	5.51
1993												0.22	0.25	0.25	5.76
1994												0.17	0.19	0.20	8.62
1995												0.19	0.22	0.23	8.35
1996												0.20	0.23	0.24	8.31
1997													0.24	0.25	8.29
1998														0.25	8.28

## 2. Our Estimation of PPP by sector of China to Japan in 1995

We have done a new estimation about China's PPP. On average, the figures obtained in our calculation approximate closely to the ones in World Development Indicators of World Bank, which may be the most widely used estimation results of China's PPP at present stage, although our estimation method is very different from World Bank's one. Our estimation has an advantage that it is published by sector, being different from the PPPs in World Development Indicators and others. It is also characteristic that our estimation is divided into domestic prices, exports prices and imports prices. Our results of estimation can be used to convert China's input-output tables from in RMB to in Yen of real value.

Table.2 1995 PPP of RMB to Yen

Official Exchange Rate : 1 RMB = 11.26 Yen

	Purchasing Power Parities Yen/RMB			Total Domestic Product in IO table billion yen				
	CHN Domestic v.	CHN Exports v.	CHN Imports v.	CHN covered by Exchange Rate		CHN covered by PPP		JPN
	JPN Domestic	JPN Domestic	JPN Domestic	(a) Volume	(a)/(c)	(b) Volume	(b)/(c)	(c) Volume
1) Agriculture	95.58	37.72	80.63	22,904	1.50	192,340	12.58	15,292
2) Mining	73.47	20.86	13.22	6,144	3.70	38,101	22.96	1,660
3) Food Manufacturing	67.09	31.27	28.74	12,067	0.31	69,822	1.80	38,706
4) Textiles, Clothing and Leather	55.46	26.43	28.04	15,385	1.28	65,571	5.47	11,997
5) Wood and Paper Products	48.55	16.44	35.00	6,675	0.22	25,425	0.85	29,750
6) Energy and Chemical	52.35	43.66	24.53	19,890	0.29	91,439	1.34	67,990
7) Metal and Metal Products	44.84	22.57	16.66	12,954	0.32	49,724	1.23	40,382
8) Machineryes	54.64	31.55	31.93	22,902	0.18	104,867	0.83	126,674
9) Other Manufactures	34.36	25.18	28.38	7,455	0.41	22,470	1.22	18,373
10) Construction	85.79	28.70	28.38	15,091	0.16	114,613	1.22	94,062
11) Transportation & Communication	201.81	28.73	30.99	5,934	0.13	97,010	2.18	44,466
12) Commerce & Restaurants	105.01	28.73	30.99	12,388	0.10	114,389	0.89	129,131
13) Education & Health	226.81	28.73	30.99	5,034	0.03	101,072	0.69	147,346
14) Finance & Insurance	108.65	28.73	30.99	2,768	0.08	25,783	0.71	36,335
15) Public Utilities & Administration	189.18	28.73	30.99	8,678	0.07	140,535	1.12	125,722
Total (Average)	84.36	28.73	30.42	176,270	0.19	1,253,160	1.35	927,884

- ① China's domestic prices are much lower in comparison with Japan's domestic prices.
- ② China's prices of imported products and exported products are higher than the prices of China's domestic products, while they're lower than the prices of Japan's domestic products.
- ③ In comparison between China's domestic prices and Japan's domestic prices, the gap is greater in non-material products (i.e. services) than in material products.
- ④ The gap between two countries prices in manufacture is relatively smaller than those in other sectors.

### REFERENCE

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