

## Trade performance of the European economies: the inter-country input-output tables (IOTs) as a necessary tool

Topic 7 – Better statistics for a globalised world

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### Introduction

The European Commission carries out a number of different analyses of the impact of various trade policy initiatives, all the way from the planning stage to evaluating them ex-post. In the area of free trade agreements (FTAs), so called computable general equilibrium (CGE) models are frequently used. Analyses carried out with this type of models build upon IO tables which show the inter-industry linkages and the contribution made by factors of production to each sector. The inclusion of foreign trade further displays the connection to third markets, including in terms of the share of intermediates sourced domestically or from abroad. This presentation highlights the key importance of this type of approach to assessing the impact of FTAs, discusses its' pros and cons and provides a brief comparison with other types of methodologies used to assess the impact of trade liberalisation.