

New Mixed Method of CHARM-RAS for Generating Regional Input-Output Tables (RIOTs) of Gilan and Hormozgan Provinces, Iran

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The application of CHARM for the estimation of RIOTs needs two residuals: exports and value added. The first one seems to be plausible whereas the second one is not appropriate for those countries like Iran which have regional accounts. The comparison of the regional sectoral value added and the regional GDP figures of Gilan and Hormozgan provinces derived from the CHARM method with corresponding official figures reveal underestimation of 2.4 per cent for Gilan province and overestimation of 9.9 per cent for Hormozgan province. These deviations are more pronounced in regional sectoral value added of two provinces. These observations raise an important question: why one should overlook and/or unnecessarily adjust the official data? To solve this issue a new mixed CHARM-RAS method is proposed. The overall findings show that first of all, as compared to the CHARM method, the proposed mixed method guarantees the regional sectoral value added and GDP of two provinces provided by SCI. Secondly, the degree of accuracy between two methods reveals that the proposed method outperforms the CHARM method in all the statistical methods.

Introduction

Looking backward at the stock of the non-survey methods of regionalization, Harry William Richardson concludes that the mechanical non-survey methods are unsatisfactory and the short cuts are ingenious, but probably unacceptable. Therefore, the forward of RIOTs lies with mixed survey/non-survey and other hybrid methods (Richardson 1985).

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