

3rd CompNet Data Provider Forum

22 April 2020, Video Conference

Conference Summary

Given the current circumstances that require social distancing due to COVID-19, it was decided that the 3rd CompNet Data Provider Forum will be held as a Virtual Conference.

The Conference was opened by the CompNet Chairman Filippo di Mauro. He greeted all the 52 participants and welcomed to this unusual format of cooperation, which indeed, was a great success. The Chairman, together with Matthias Mertens (Coordinator of the Scientific Team) have presented the upcoming CompNet Productivity Report, jointly written by IWH and ECB teams. The presentation has raised an interesting discussion among the participants about the insights included in the report.

During the Q&A session, the discussion has been focused on the possible impacts of the current COVID-19 crisis on the economy and, in particular, on productivity.

The first question was raised by the European Commission colleagues regarding the magnitude that the global supply chain might have on productivity and global value chains. ECB staff have argued that it is too early to answer this question based on CompNet, but it might be further investigated in the next vintages of data collection.

Ettore Dorrucci (ECB) indicated that ECB has independently run an analysis of trade-transmitted effects of the Covid-19 shock on euro area GDP the impact of the COVID, using input-output. The results suggest that GVC linkages can imply that the adverse economic effects of domestic lockdown measures are magnified and spill over also to other countries. Moreover, applying such lockdown measures globally, i.e. by the whole euro area and the rest of the world at the same time, foreign trade linkages significantly amplify the initial negative shocks on GDP. He indicated that the size of the shock can have serious impact in the long run, and aggregate productivity can be severely affected, e.g., through disruptions of trade linkages.

Aurelija Proškutė (Bank of Lithuania) stated that the impact of Covid-19 is highly dependent on the policy measures implemented by countries. For instance, policy makers could focus on supporting small rather than large firms due to their given circumstances, whereas other countries do not make that separation and save all firms irrespective of their size. She suggested to study the different policy measures and their outcome - country by country.

Eric Bartelsman (Tinbergen Institute) proposed to build a database collecting the policy responses. He also added that policy makers should be guided by data. Peter Boegh Nielsen (Statistics Denmark) highlighted the importance of having a database of firms which applied for COVID-19 subsidies and other related inquiries. This data will be available at micro level.

The second part of the Conference has been focused on the technicality of the 7th Vintage Data Collection. Peter Haug (CompNet Scientific Team and IWH) presented the results of the survey that was completed by the Data Providers. It has been suggested by Eric Bartelsman (Tinbergen Institute) to move away from STATA and

reprogram the code in R in order to improve the computing power. Katja Gattin Turkalj (National Bank of Croatia) noted that it is not only how to run the code, but also how to construct it in a user-friendly dataset, some sort of data warehouse like Eurostat.

Tibor Lalinsky (National Bank of Slovakia) pointed out that the transition to R is not easy, and in any case it would be better to have both R and Stata.

Another interesting question was whether it makes sense to merge 6th and 7th vintages and the short answer was no. Generally speaking, it is advised not to combine different vintages as these are two datasets with different weighting procedures.

Lastly, Matthias Mertens (CompNet Scientific Team) presented future developments and improvement regarding the code construction and data gathering. Following this, Eric Bartelsman proposed to create a small group of data users and data providers to rethink the output design of the CompNet dataset. European Commission colleagues have shown their interest in joining and contributing to this initiative.

The Chairman Filippo di Mauro concluded the video conference and suggesting to organize another meeting in 2-3 weeks to set up a team coping with the modification of the dataset output design.