The Economic Growth Centre cordially invites you to a seminar by Asst Prof Gu Qingyang

**Speaker**: Asst Prof Gu Qingyang  
*Division of Economics*  
*School of Humanities and Social Sciences*

**Topic**: "A Multiregional Model of China and its Application"

**Date**: Wednesday, 4 October 2006  
**Time**: 2:30 pm – 4:00 pm  
**Venue**: Executive Seminar Room 3 (S3.1-B1-05)  
Nanyang Business School  
Nanyang Technological University

**About the Speaker:**

Gu Qingyang is an Assistant Professor at the Division of Economics, School of Humanities and Social Sciences, Nanyang Technological University. He obtained his PhD from NTU and his two Master degrees from NUS and Peking University respectively. Before joining NTU, he was with the East Asian Institute of NUS from 1998 to 2001 doing policy research on China's economic developments. Prior to this, he had been teaching at two universities in China for 9 years. His recent publications are in the areas of regional modelling and Chinese economy.

**Abstract:**

China’s rapid economic transformation since 1979 has been accompanied by a stark regional disparity with the coastal provinces integrating swiftly into the world markets while inland regions lagging far behind in the industrialization process. The growth imbalance has placed China’s provinces into different stages of development and called for different policy responses to deal with different challenges they are facing. Similarly, a national policy initiated by the central government is likely to be interpreted and implemented in different ways when local governments take into consideration the different conditions in their localities. Therefore, it would be extremely valuable for policy makers and researchers to have an analytical tool that is capable of studying interactions among the provincial economies and the dynamic relationship between the centre and local governments. The multiregional econometric model of China presented in this paper is the first attempt to provide such a tool. The pioneering model consists of over 1200 equations, covering 30 provinces of China that are linked by inter-regional flows of goods and services. The model is used to study the impact of fiscal recentralization in the 1990s. The counterfactual simulation results show that when China’s central government diverted tax revenue from provincial governments, it achieved higher budgetary revenue for the central government but at the expense of lower overall budgetary revenue and slower economic growth.

**Reservation:**

Admission is free. Please reply to Christina, e-mail: achristina@ntu.edu.sg or Tel: 6790-5689 to confirm your attendance.