

Problem Set #3

We are going to use the Input-Output tables from Bangka Belitung Province (Indonesia) for 2005 (tables are available in Microsoft Excel file [babel.xls](#)). Bangka Belitung is a relatively new province in Indonesia, created in 2000.

Bangka Belitung has about 1 million population in 2005, with density of 64 people per sq. kilometer and annual growth of 0.93%. The educational attainment in this province is still a big concern. About 30% of the population had never attended or finished elementary schools. Only about 34% finished elementary school and 32% finished (junior & high) high school. Only 3% ever finished advanced education. The unemployment rate is 8% with a life expectancy of 67 years.

More information can be seen in <http://www.bangkabelitungprov.go.id/>

You are asked to answer and discuss the following questions. Some concepts are straightforward, but some others may need further definitions. We will discuss this in the session.

1. Which sector has the highest output?
Note that there are several notions that we can denote as output.
2. Which sector is primarily supplier to other production sector, and which is one that primarily serving final user?
3. Which sector relies on the private and government consumptions the most?
Note that government consumption is the easiest tool for government intervention.
4. What is the province's primary export commodity? What can you say about this?
5. Which sector has the most import content?
Note that import can be for inputs of production, can also be for the final demand. You have to define for what purpose is the analysis.
6. Which sector is the most labor intensive?
The easiest is to look at the wages/salaries component. However, you could be creative in identifying labor intensive sector.

Write down a small report (2 page maximum – Times New Roman 1 space) describing the Bangka Belitung province as you can see from the Input-Output table. You may use information you gathered by answering the above questions. You can use your creativity to obtain more information about the province from the IO table.