



Has the crisis affected the CLI's performance?

A rolling cross-correlation analysis

Roberto Astolfi, OECD

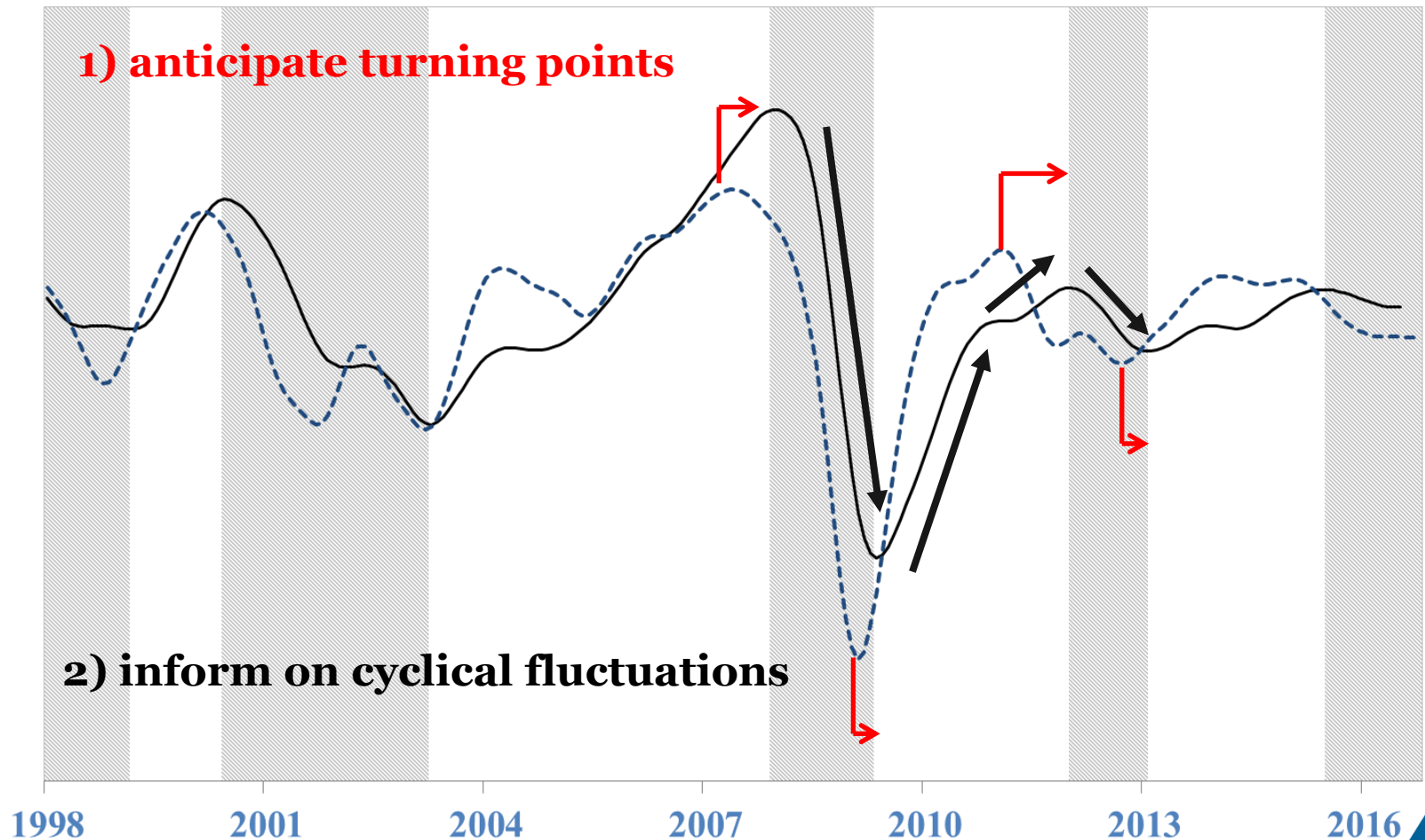
EU Workshop on BCS

Brussels, Belgium
14-15 November 2016



CLIs have two goals

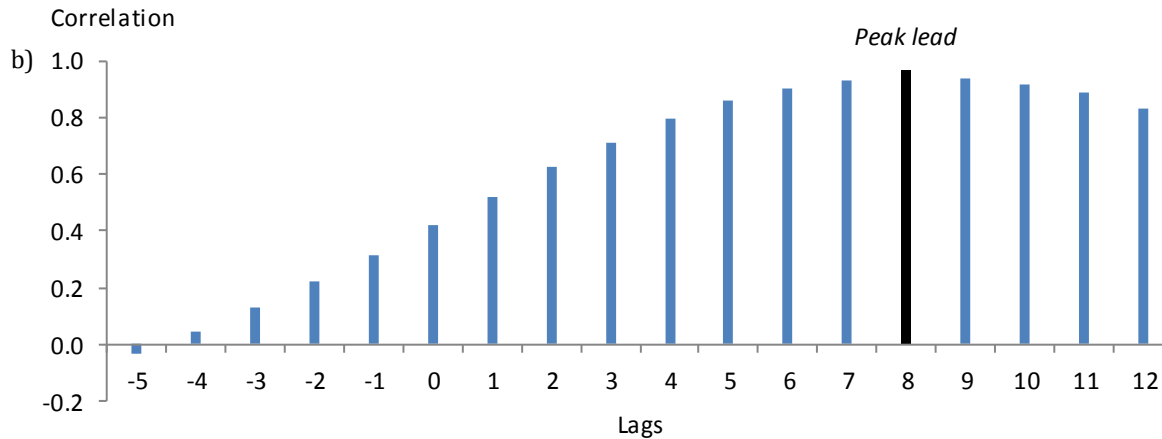
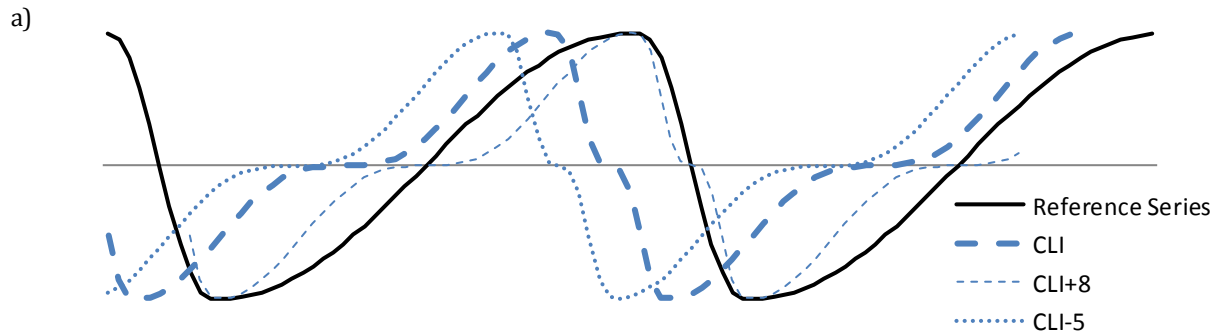
OECD area as a whole





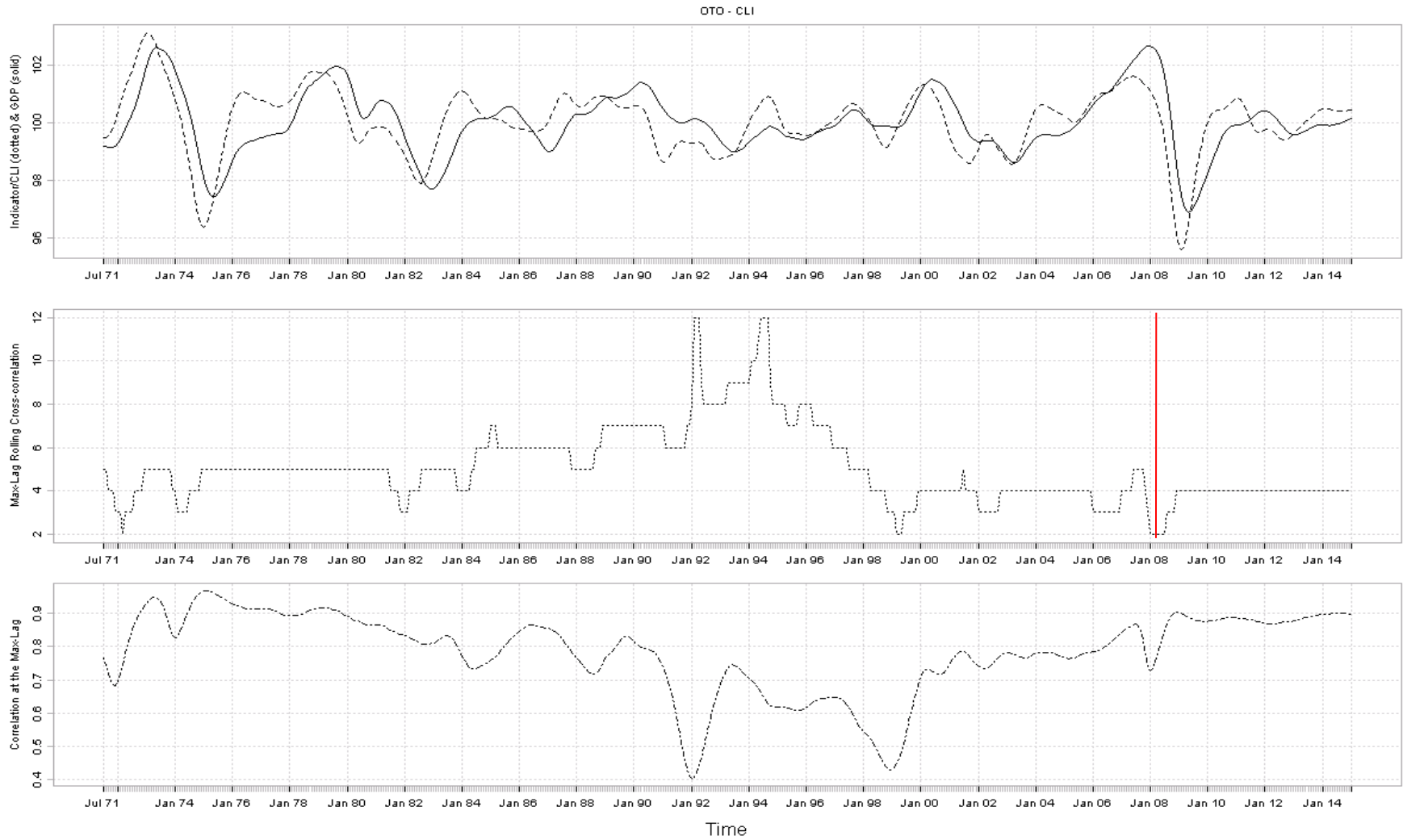
Evaluate cyclical conformity

Rolling Cross Correlation Function.



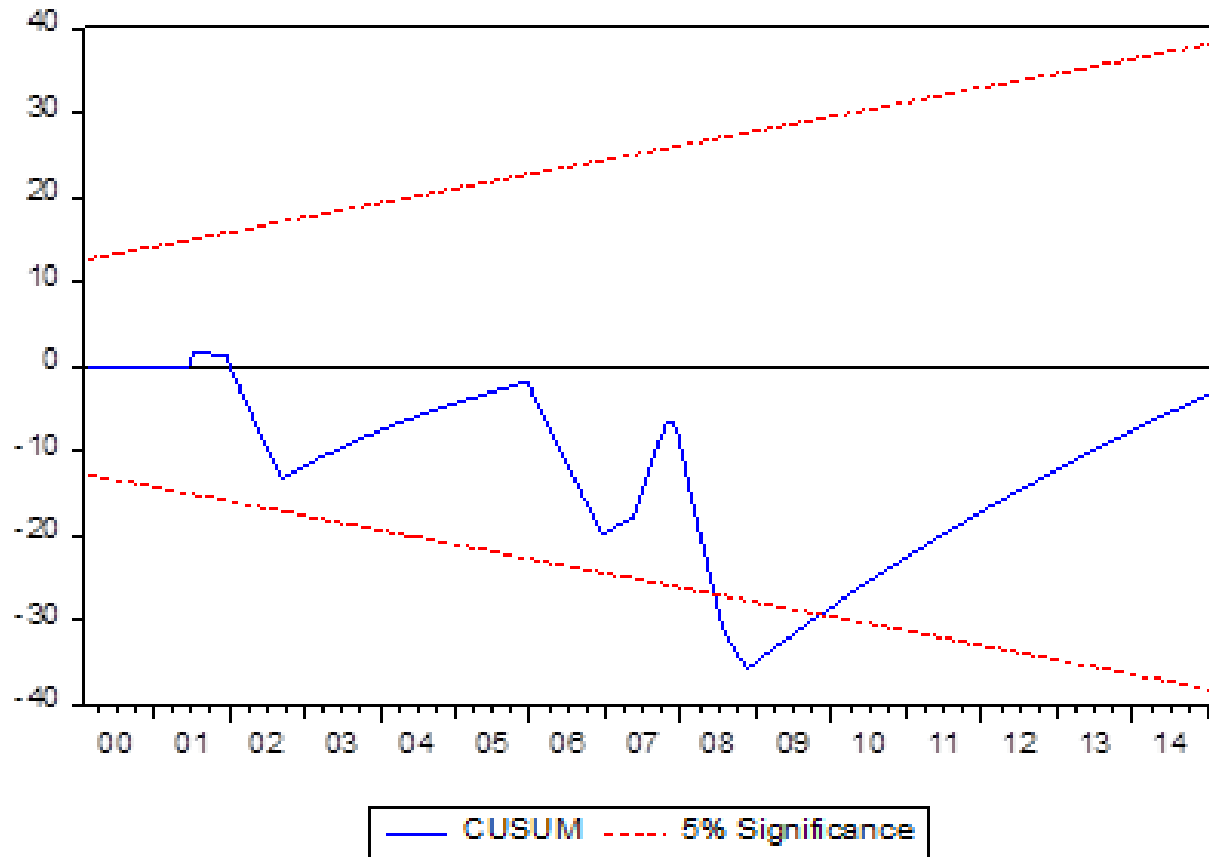


Unchanged lead after the crisis



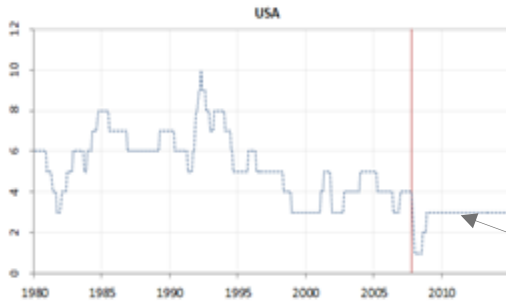
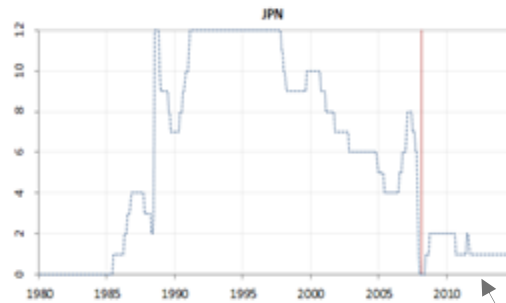
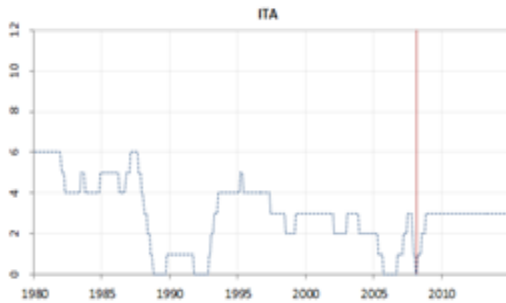
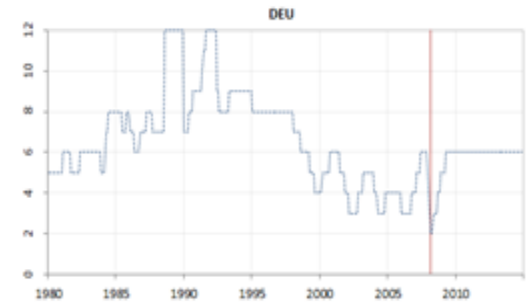
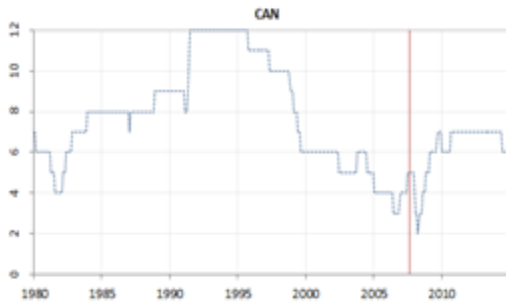


CUSUM test confirms initial results





Minimal increase in most major economies

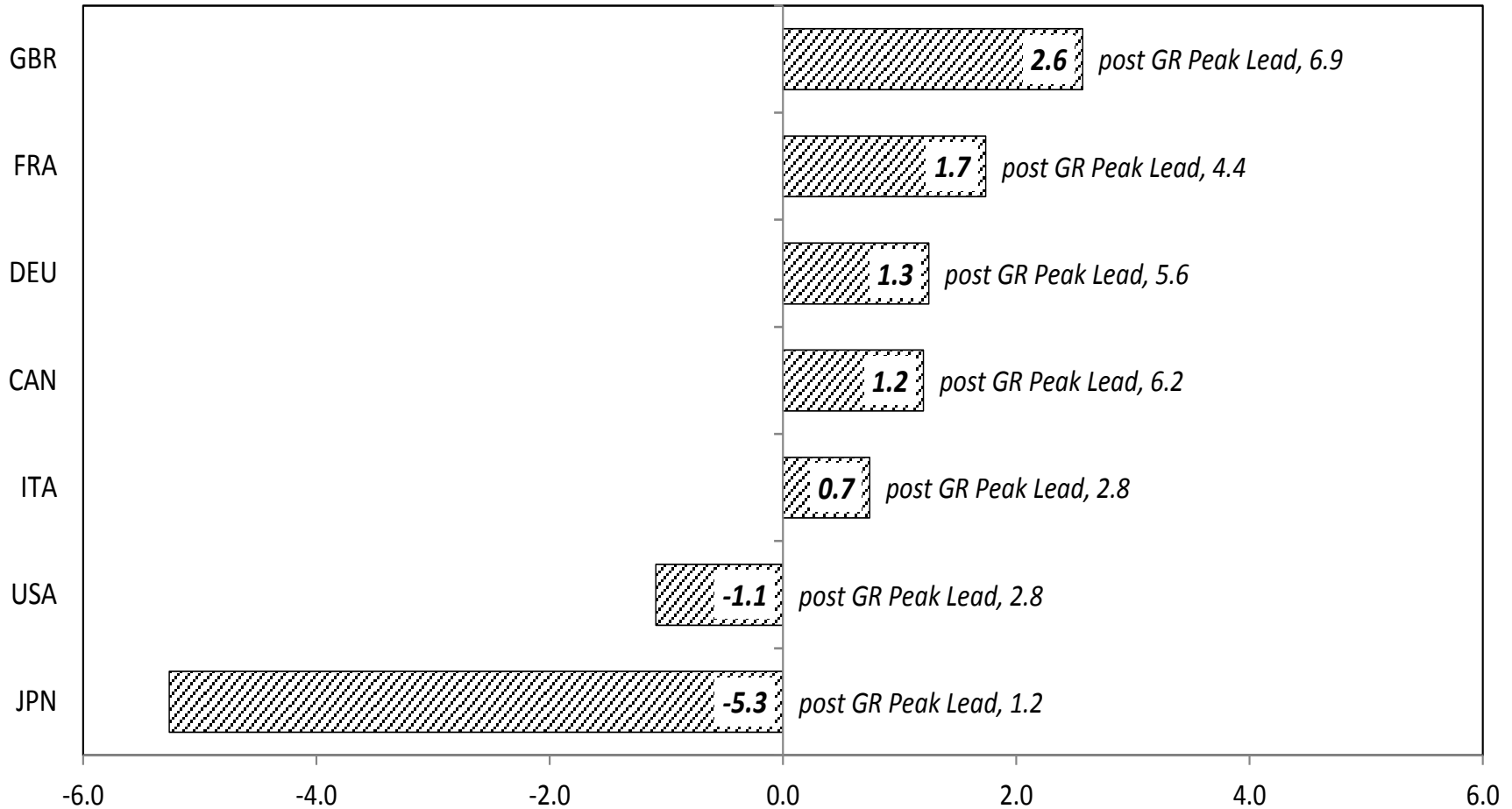


Substantial loss in Japan

Mild deterioration in USA

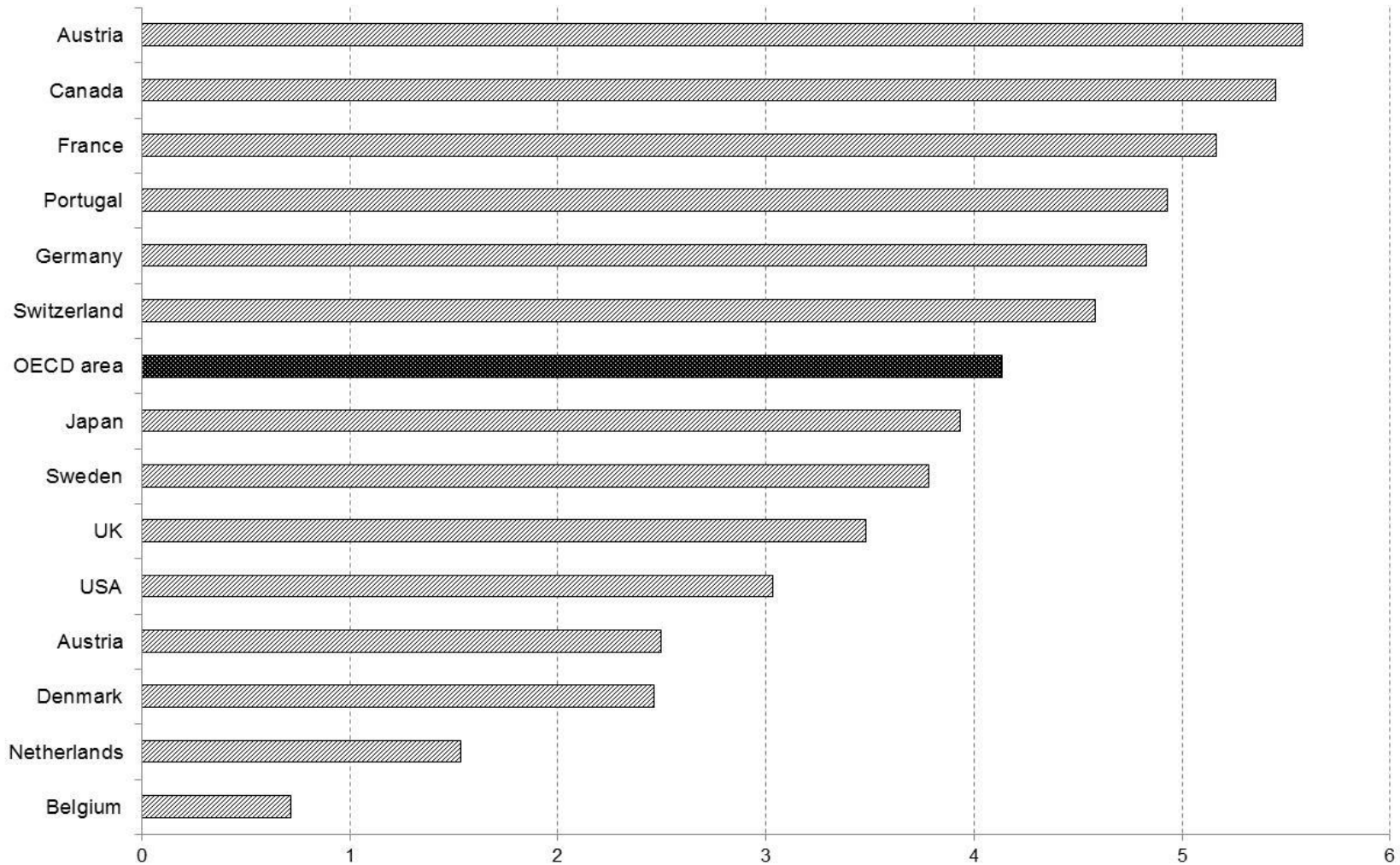


Gain and loss of the CLI peak lead before and after the crisis





Widespread decline in performance during the 90s





Why did the performance declined?

International fragmentation of production

Geopolitical changes

Adoption of “just-in-time” inventory practices

Spread of information and communication technology

Implementation of a novel distribution strategy

Decreasing transportation and communication costs.



International fragmentation of production

Structural changes in production



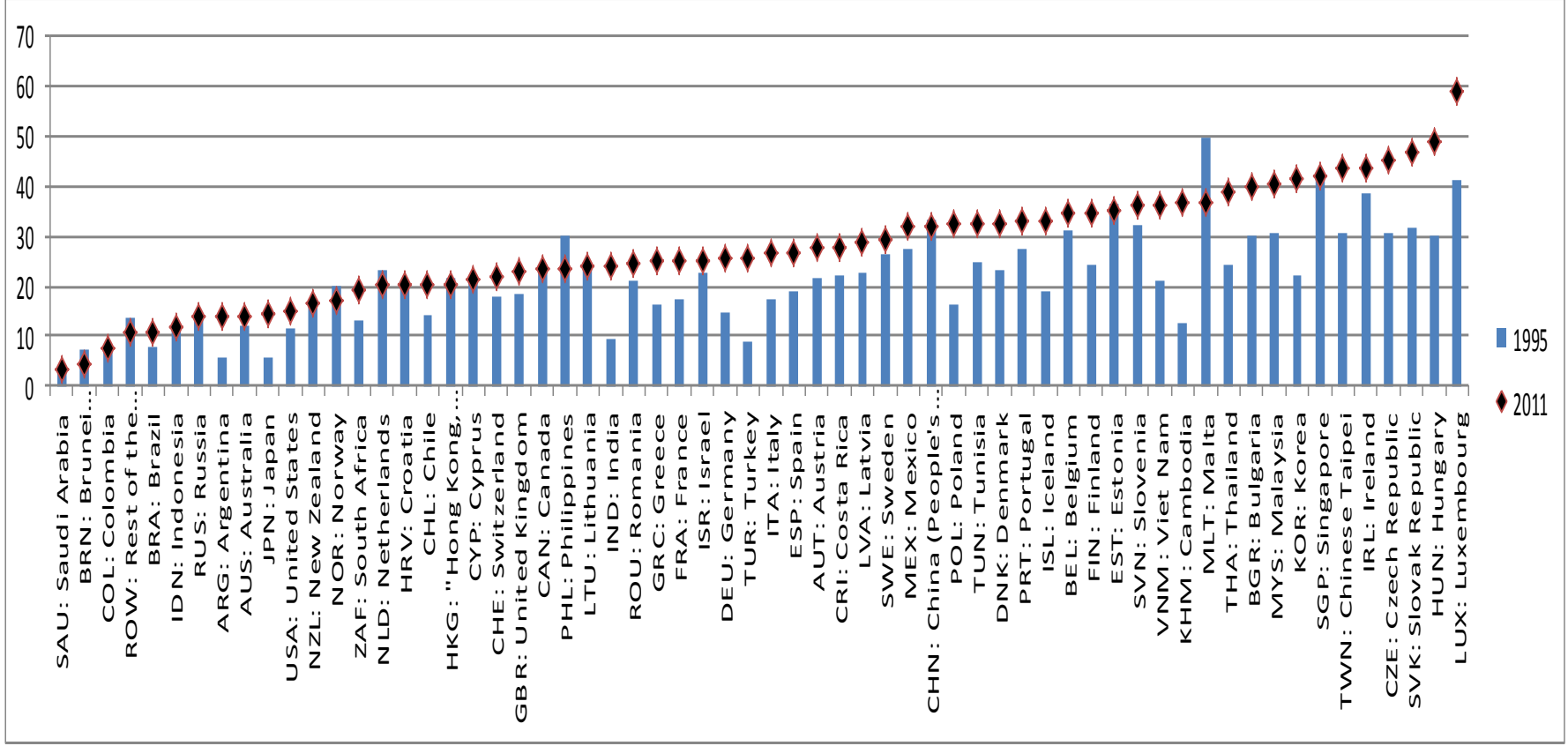
Shorter domestic production times



Permanent downward shift in the CLI's
predictive ability



Import content of export increased in the late 90s





Conclusions

- The crisis has not affected the CLIs performance
- Structural changes in the 90s might have
- CLI components need to be kept under constant review
- RCCF to be added to our tool-box



Thank you for your attention

For more information please contact:
Roberto.Astolfi@oecd.org