

POTSDAM INSTITUTE FOR CLIMATE IMPACT RESEARCH
UNIVERSITY OF POTSDAM

Introductory phase report

Optimal adjustment of the global trade system
to local network disruption

Name:	Sebastian Klipp
Matriculation number:	779142
Period:	1.5.15 - 31.9.15
E-Mail:	sklipp@uni-potsdam.de
Supervisor:	Leonie Wenz
Examiner	Prof. Dr. Anders Levermann

Contents

Chapter 1	Introduction	3
1.1	Introduction	3
1.2	Motivation, connection to real world, extreme events, climate change, examples	3
Chapter 2	Theory	4
2.1	MRIOTs	5
2.1.1	Economic background	5
2.1.2	MRIOT in general	5
2.1.3	EORA MRIOT	5
2.2	Economic background	5
2.2.1	Begriffe	5
2.2.2	Supply Chains	5
2.3	Linear Optimisation - Simplex method	5
2.3.1	Mathematical derivation	5
2.3.2	Simplex application scheme	5
2.3.3	absolute value target function	5
2.4	Graph theory	5
2.4.1	disruption propagation	5
2.4.2	First, Second, Third order effects / direct indirect	5
2.4.3	Forward, backward effect	5
2.5	complex systems, linear responses, phase transition	5
2.6	climate change and extreme events	5
Chapter 3	Model setup	6
3.1	problem specific linear optimisation problem	6
3.1.1	Target function	6
3.1.2	Final demand constraint	6
3.1.3	Supply scaling constraint	6

3.1.4	Production output balance constraint	6
3.1.5	Linear problem 1 (LP1): Maximal adaptation	6
3.1.6	Linear problem 2 (LP2): Reduced adaptation	6
3.1.7	Treatment of EORA to fit my model	6
3.1.8	Application on testworlds - behaviour knowledge	6
3.2	Analysis of the EORA network	6
3.3	Aggregated network	6
Chapter 4	Results	7
4.1	statistics	7
4.1.1	F(ir)	7
4.1.2	comp_ir(ir)	7
4.2	comparison LPS/LPG	9
4.3	absorption potential	9
4.4	linear response	11
4.5	phase transition	13
4.6	case studies incl. forward/backward effects	13
4.6.1	Japan machinery drops out	13
4.6.2	other forward effect example	13
4.6.3	identify supply chains	13
4.7	??? time evolution ???	13
Chapter 5	Final	14
5.1	discussion	14
5.2	Ausblick	14
5.3	Appendix	14

Chapter 1

Introduction

1.1 Introduction

1.2 Motivation, connection to real world, extreme events, climate change, examples

adsffdadf

Chapter 2

Theory

adfdasfa

2.1 MRIOTs

2.1.1 Economic background

2.1.2 MRIOT in general

2.1.3 EORA MRIOT

2.2 Economic background

2.2.1 Begriffe

2.2.2 Supply Chains

2.3 Linear Optimisation - Simplex method

2.3.1 Mathematical derivation

2.3.2 Simplex application scheme

2.3.3 absolute value target function

2.4 Graph theory

2.4.1 disruption propagation

2.4.2 First, Second, Third order effects / direct indirect

2.4.3 Forward, backward effect

2.5 complex systems, linear responses, phase transition

2.6 climate change and extreme events

Chapter 3

Model setup

3.1 problem specific linear optimisation problem

3.1.1 Target function

3.1.2 Final demand constraint

3.1.3 Supply scaling constraint

3.1.4 Production output balance constraint

3.1.5 Linear problem 1 (LP1): Maximal adaptation

3.1.6 Linear problem 2 (LP2): Reduced adaptation

3.1.7 Treatment of EORA to fit my model

3.1.8 Application on testworlds - behaviour knowledge

3.2 Analysis of the EORA network

3.3 Aggregated network

Chapter 4

Results

4.1 statistics

- Idea: In case studies, we identify rules/indices that determine possible compensators due to network properties. So we can create a “law” / “equation” to determine the most probable compensators. This result can be checked with this statistics section

4.1.1 F(ir)

- Plot F(country(rs)) and F(sector(rs)) LPG and LPS
What insights does it give? - first overview about results, identifies first estimates about important regions/sectors/regional sectors that shall be examined more detailed later on.
Maybe aggregate results for regions and sectors and give a general result about “impact value”
Identify differences from LPG and LPS, explain that behaviour. Show that $F(LPG) \neq F(LPS)$
Mention not feasible runs

4.1.2 comp_ir(ir)

- Plot strongest compensator rs_comp(rs) for LPG and LPS
Decide: $\max(p)$ or $\max(p_i * r)$ as criterion?
USA and China as stabilisators of the world economy

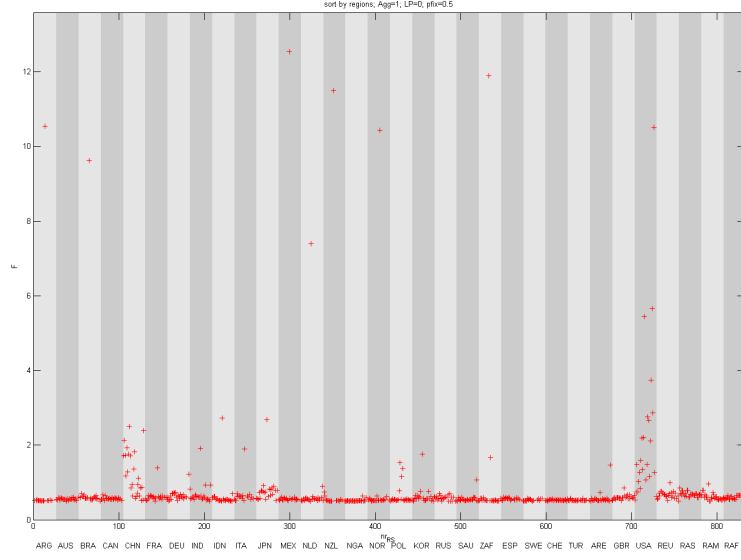


Figure 4.1: F for all ir, LPG, pfix=0.5, by regions

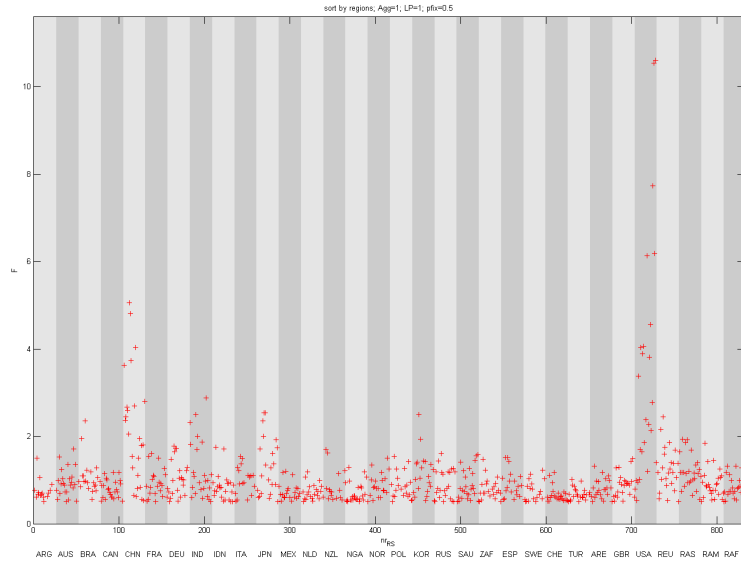


Figure 4.2: F for all ir, LPS, pfix=0.5, by regions

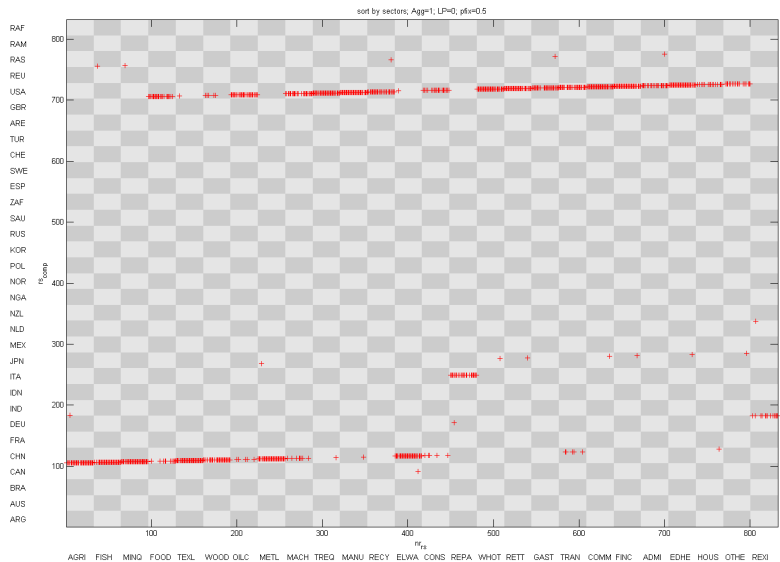


Figure 4.3: compensator rs, LPG, pfix=0.5, by sectors

maybe case-study the other compensators? Why are they important in that specific case?
 Order (as done already) in regions, but alsorder in sectors.

4.2 comparison LPS/LPG

4.3 absorption potential

ad plots with degree(X), alpha(degree), alpha(X)
 For Agg=1, do some kind of statistics. Is the upper right one usually the one with the highest change? Are these three good criterions?
 ad2 Maybe apply other criteria? Some graph theory properties?
 afdafddafd asdADSSADsassssssssss

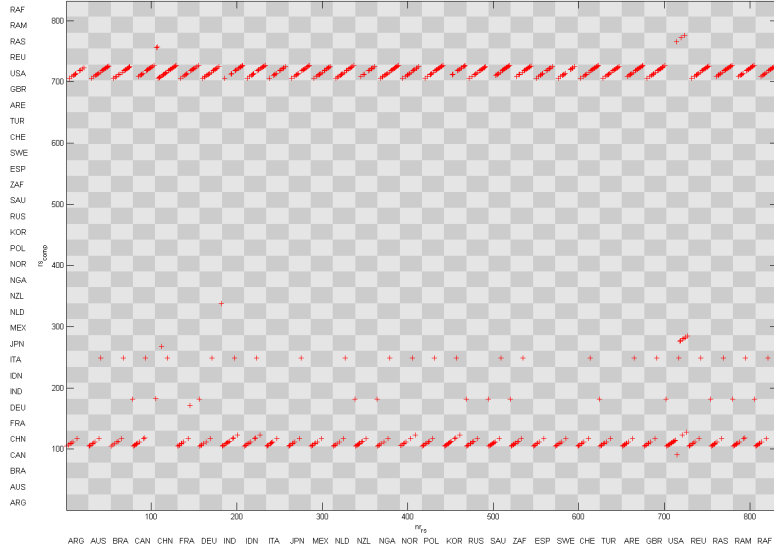


Figure 4.4: compensator rs, LPG, pfix=0.5, by regions

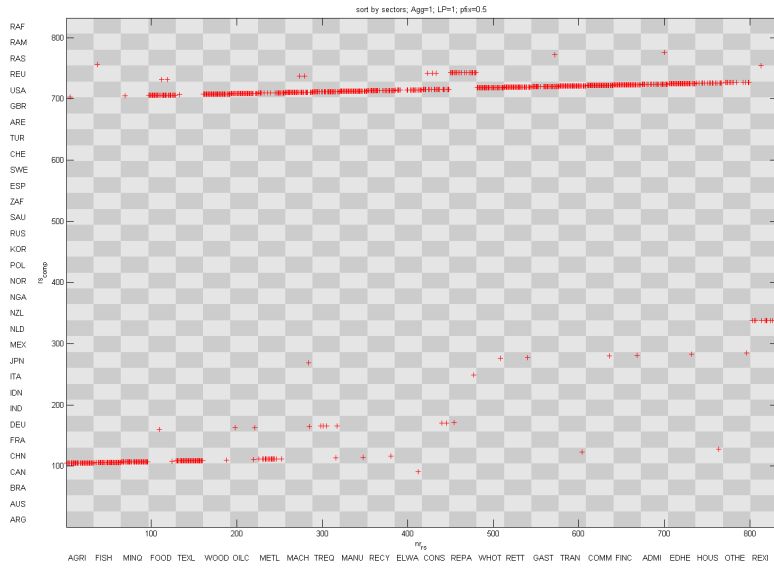


Figure 4.5: compensator rs, LPS, pfix=0.5, by sectors

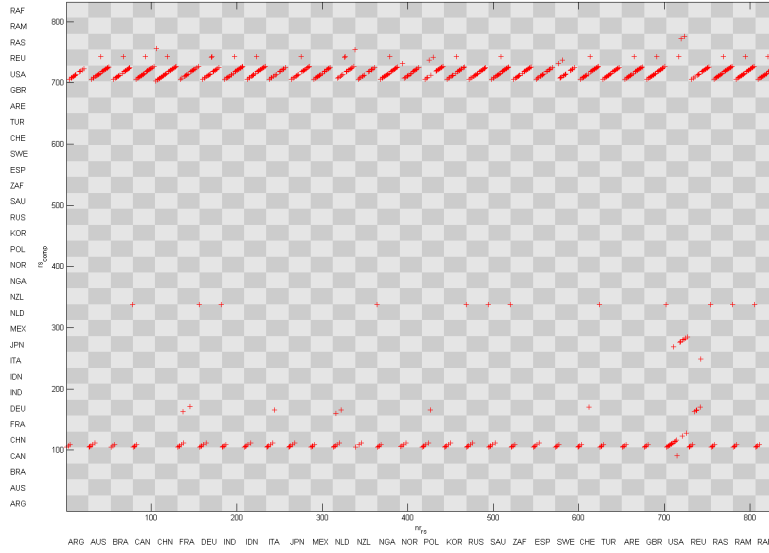


Figure 4.6: compensator rs, LPS, pfix=0.5, by regions

4.4 linear response

- Idea: In theory develop a rule / equation / law that hints at a linear response of the system. Maybe the “expansion” of the polyhedron, until it touches a hyperplane? In this chapter, show that this is the truth.
- Measure the slope $F(\text{pfix}) / p(\text{pfix})$ and connect it to some network properties - estimate the behaviour without actually doing the simulation.
- shows phase transition
- shows $F(\text{LPS}) \dot{=} F(\text{LPG})$

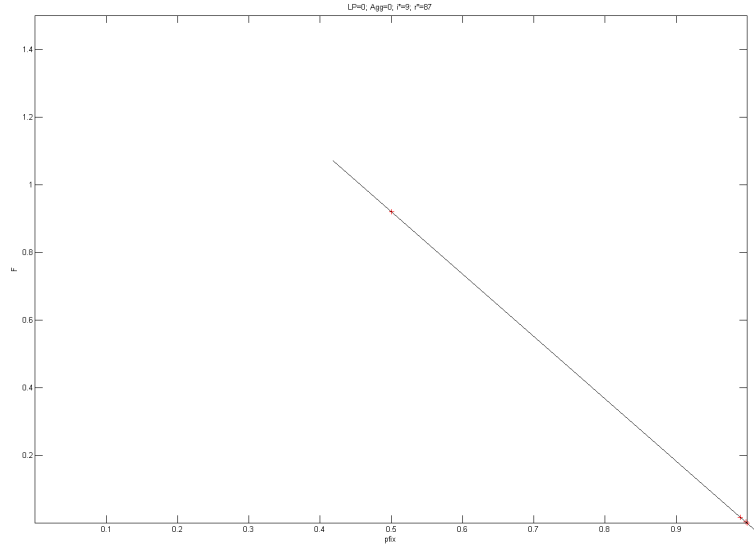


Figure 4.7: Agg=0, LPG, $i^*r^*=2245$, linear part

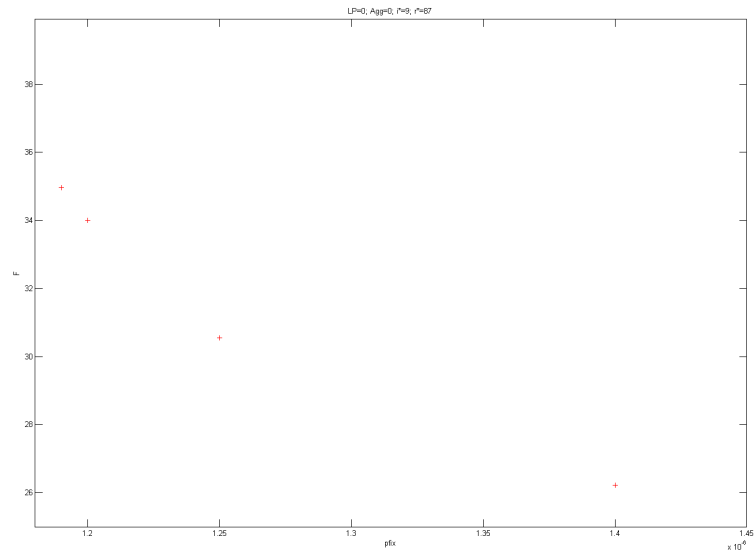


Figure 4.8: Agg=0, LPG, $i^*r^*=2245$, nonlinear part, slope: $m=-1.841=m(\text{Agg1}, \text{LP0})$

4.5 phase transition

4.6 case studies incl. forward/backward effects

4.6.1 Japan machinery drops out

4.6.2 other forward effect example

4.6.3 identify supply chains

4.7 ??? time evolution ???

Chapter 5

Final

5.1 discussion

5.2 Ausblick

5.3 Appendix

Bibliography