

Identifying Heterogeneity in the Production Components of globally Engaged Business Enterprises in the United States

Topic: Eurostat: Estimating Trade

Author: Erich H STRASSNER

Co-Authors: James J Fetzer

This paper presents experimental tables created by the U.S. Bureau of Economic Analysis comparing industry specific shares of the components of total output between globally engaged firms located in the United States that are part of a multinational enterprise (U.S. parents and U.S. affiliates) with those of firms that are part of an enterprise entirely located in the United States. Recent research has shown both the importance of accounting for trade in value added when estimating bilateral trade flows and that multinational enterprises located in the U.S. account for the lion's share of U.S. trade in goods and services. However, trade in value added is typically accounted for using input-output tables that are aggregated across all types of firms. The experimental tables will show to the extent possible how the components of total output differ between different types of firms. Future work will analyze this heterogeneity in more detail using establishment level data on production and trade.