

What matters in measuring domestic value added in exports by international or single country model

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This paper proposes a method to compute the domestic value added in exports based on international input-output model, and examines it with the method based on single-country model using world input-output table. It shows that for any country, in total, the results of domestic value added in exports by international IO model equal to that by single country IO model. However, in decomposition, the method on international IO model gives the effects of feedbacks among countries, originating from the inter country division and the international industrial chains. Yet the results of single country model cannot provide this kind of decomposition. Then by using WIOTs, we compute the domestic value added in exports by the method in this paper, and analyze the results.