

## **Intra- and interregional multipliers in a global production**

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The potential effects of a demand stimulus, e.g. from government spending or exports, on economic growth and employment are of vital importance for policy makers. In an increasingly vertically integrated economy such a stimulus however tends to have less effects on the domestic economy as part of additional income is spent abroad and part of intermediates demand for production is source from abroad. Using the recently released WIOD database we investigate levels and changes of employment multipliers for a large set of countries and industries focusing on the effects of increasing vertical integration over the period 1995-2009. In a further step, the multipliers will be decomposed into intra-regional, inter-regional spillover, and interregional feedback effects using Stone's (1985) additive decomposition method.