Measuring the EU value added embodied in EU foreign exports by a consolidation of 27 national supply and use tables for 2000-2007

Topic: International Input-Output and Supply-Use models
Author: Maaike Corinne Bouwmeester
Co-Authors: Jan Oosterhaven, José Manuel Rueda-Cantuche

The main contribution of this paper is the development of a method to consolidate national supply and use tables into a single supra-regional supply and use table (SUT). The method deals with mirror trade statistics problems, such as the different valuation of imports and exports, and it corrects for the double-counting of re-exports. To test the contribution of the various construction steps, the second part of the paper decomposes the EU value added that is embodied in the EU exports to third countries into seven components. When the national SUTs for the period 2000-2007 are used, neglecting intra-EU spillovers and feedback effects between the 27 EU-members results in an underestimation of the embodied value added of 12-15%. Not consolidating the national tables leads to a further underestimation of 11-16%. Both type of errors are not negligible.