

## **Do Exporters' and Non-exporters' Factor Inputs Differ? -- A Study Based on Employer-Employee Matched Data for Japan.**

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We use manufacturing census and wage census data for Japan to construct extended Input-Output table for 2011 that accounts for heterogeneity in exporting activities. We split each manufacturing industry in the block of OECD Inter-Country Input-Output (ICIO) table related to Japan into exporting and non-exporting sector. Then we optimize the ICIO table using quadratic programming optimization techniques. First, this enables us to compute various indicators such as domestic value added (DVA) in exports, foreign value added in exports, domestic value added embodied in foreign final demand. The preliminary results show that DVA is generally lower for most of industries if we account for firms' heterogeneity in exporting activities. We infer that exporters rely more on foreign intermediate inputs and outsourcing activities. Second, using employer-employee matched data we compute and analyze employment created by foreign final demand for exporting and non-exporting sectors. Our findings suggest that accounting for heterogeneity by exporting activity can provide a better understanding of various firms' factor inputs' contribution to the domestic value added and employment creation.

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