

Extended Supply-Use Tables in Basic Prices with Firm Heterogeneity: A Proof of Concept for the United States

Topic: 711W Special session: APEC TiVA: SUTs with Firm Heterogeneity (1)

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This paper presents proof-of-concept trade-in-value added (TiVA) statistics estimated from extended supply-use tables for the United States that account for firm heterogeneity. The tables used to estimate the TiVA statistics extend recently-introduced supply-use tables for the United States (Young, Howells, Strassner, and Wasshausen, 2015) by disaggregating the components of supply and use by multinational and domestic-only firms using estimates from Fetzer and Strassner, 2015. Recent research has shown both the advantages of measuring trade on a value added basis when analyzing bilateral trade flows and the dominance of multinational enterprises in U.S. trade in goods and services. Our TiVA statistics for the United States include time-series measures for the period 1997-2013 based on traditional supply-use presentations as well as statistics that reflect firm-level heterogeneity for the year 2011. The comparative analysis of the two sets of statistics allows us to understand better how firms within industries engage in GVCs and if the incorporation of firm heterogeneity provides a more accurate measurement of TiVA.