

Extended Supply-USE Tables by Firm Heterogeneity for China

Topic: Handbook of Extended Supply and Use Tables: Country Applications

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Foreign invested enterprises (FIEs) and domestic owned enterprises (DOEs) are different in many aspects, such as production input, export pattern and impacts on the local economy. For example, compared with DOEs, FIEs are more export-oriented. Besides, FIEs and DOEs play different roles in generating local value-added. A large part of value-added from global value chain in developing economies is generated by affiliates of multi-national enterprises (MNEs). What's more, FIEs and DOEs have different performance on technology dissemination and skill building. Therefore, firm heterogeneity should be reflected when compiling supply and use tables (SUTs) and input-output tables. Otherwise, the simple homogeneous assumption will cause biased estimation in many cases and thus mislead policy makers. Given the SUTs compilation practice in China, this presentation introduces the methods to estimate China extended SUTs with firm heterogeneity (ESUTs), and introduces data source and data processing of ESUTs compilation. Based on the above China's ESUTs and extended input-output table for 2012, we made some empirical analysis on the differences between FIEs and DOEs in terms of value added and income in exports.

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