Constructing Capital Flow Tables

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Capital Flow Tables (CFTs) trace the domestic deliveries of capital goods from producing to purchasing sectors, thereby providing a representation of investment linkages across industries. Despite their conceptual importance for analyzing production networks, capital allocation, and the propagation of shocks through capital dependencies, CFTs remain rare due to severe data constraints. Existing tables are almost exclusively based on U.S. data and are limited in temporal coverage, consistency, and treatment of intangible assets. Alternative approaches either rely on U.S.-specific data sources or impose assumptions that hinder cross-country applicability and integration with national accounts. Using publicly available official data with standard inputâ€“output compilation practices, I improve upon existing methods and propose a unified framework for constructing a time series of CFTs that extend national inputâ€“output tables without relying on U.S.-centric data or assumptions. I apply the method to Germany for 2000â€“2014, producing annual tables of domestic gross fixed capital formation flows across 56 sectors. I show that the patterns observed in these tables are consistent with well-established findings for the U.S., while also yielding new insights. Finally, I argue that, by making all underlying data and construction steps available, the proposed method can be readily applied to other countries.