

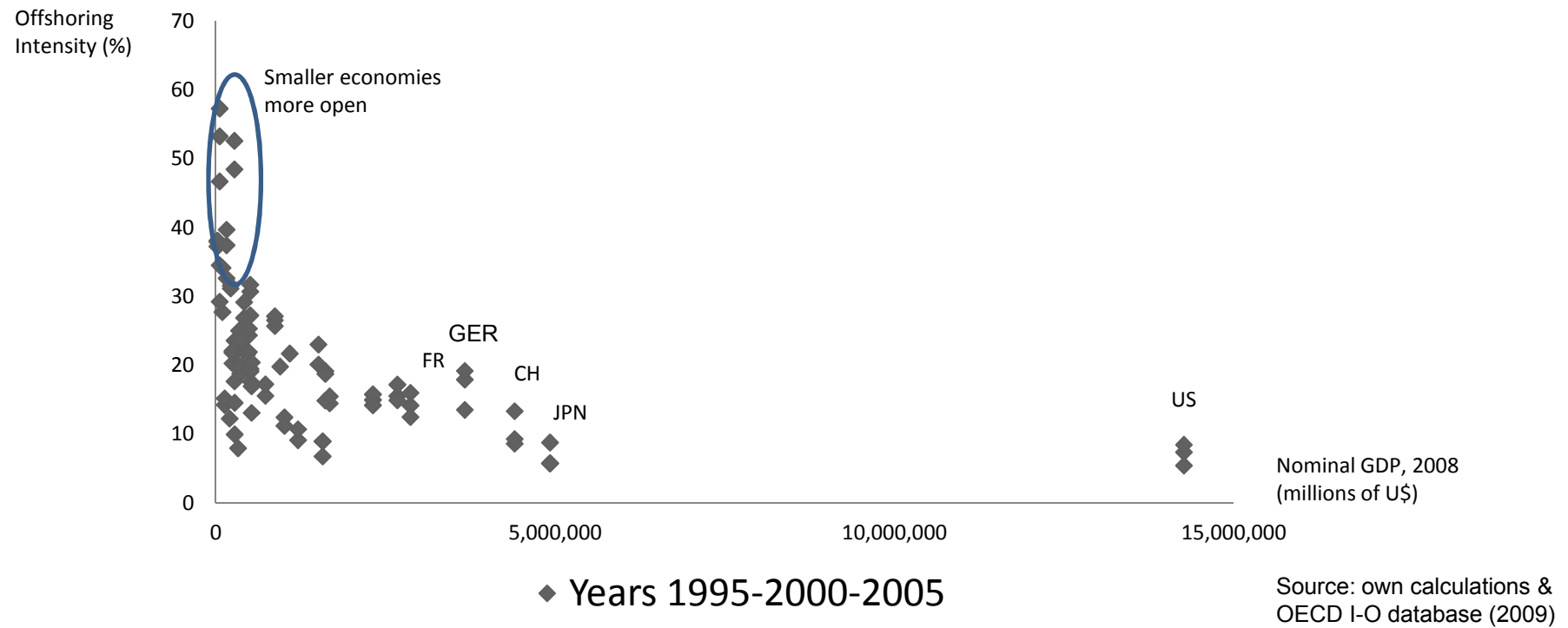
- Direct indicators not easy to come by
- Indirectly:

$$OS_{it} = \sum_j \left(\frac{\eta_{jt}}{Q_t} \right)^i$$

where η is imported inputs and Q is total inputs, for industry / firm i at time t

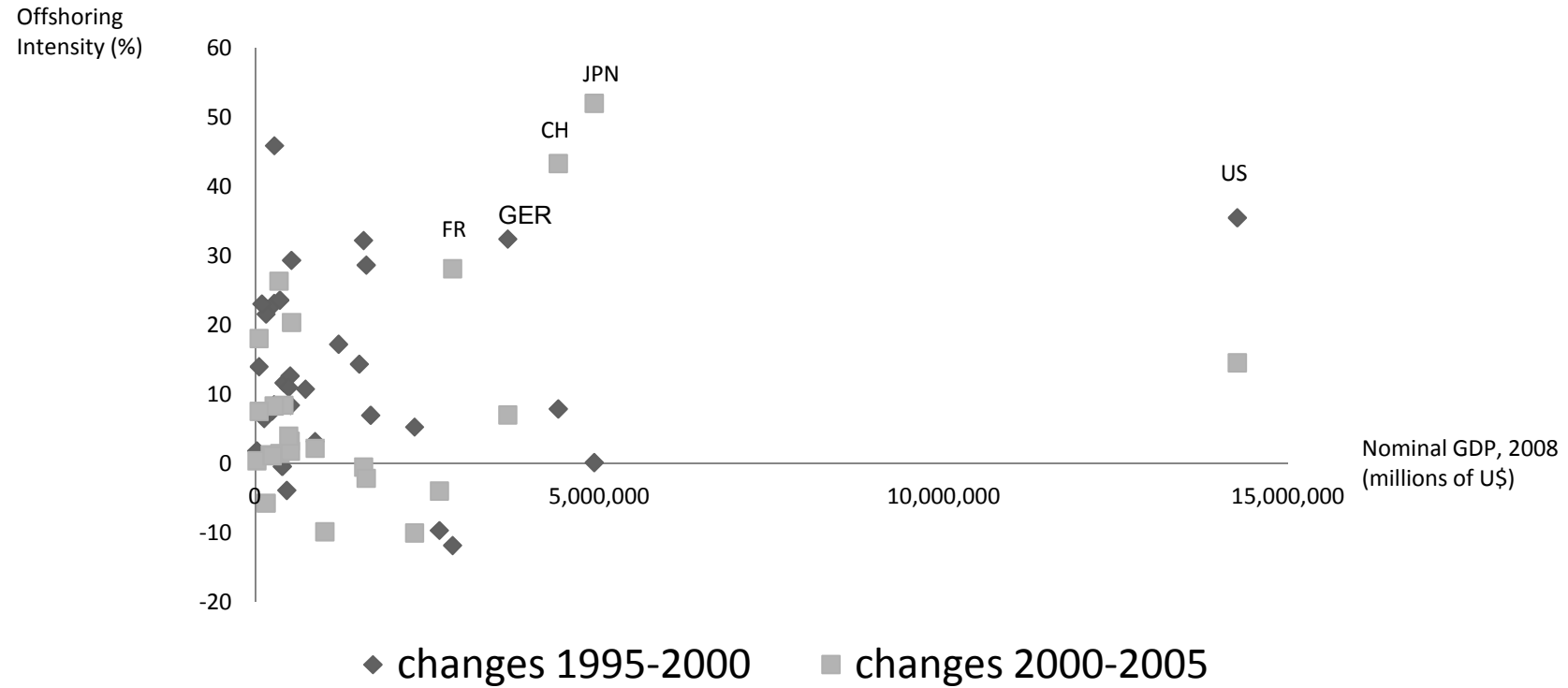
- Rationale?

Imported inputs in total inputs (%)

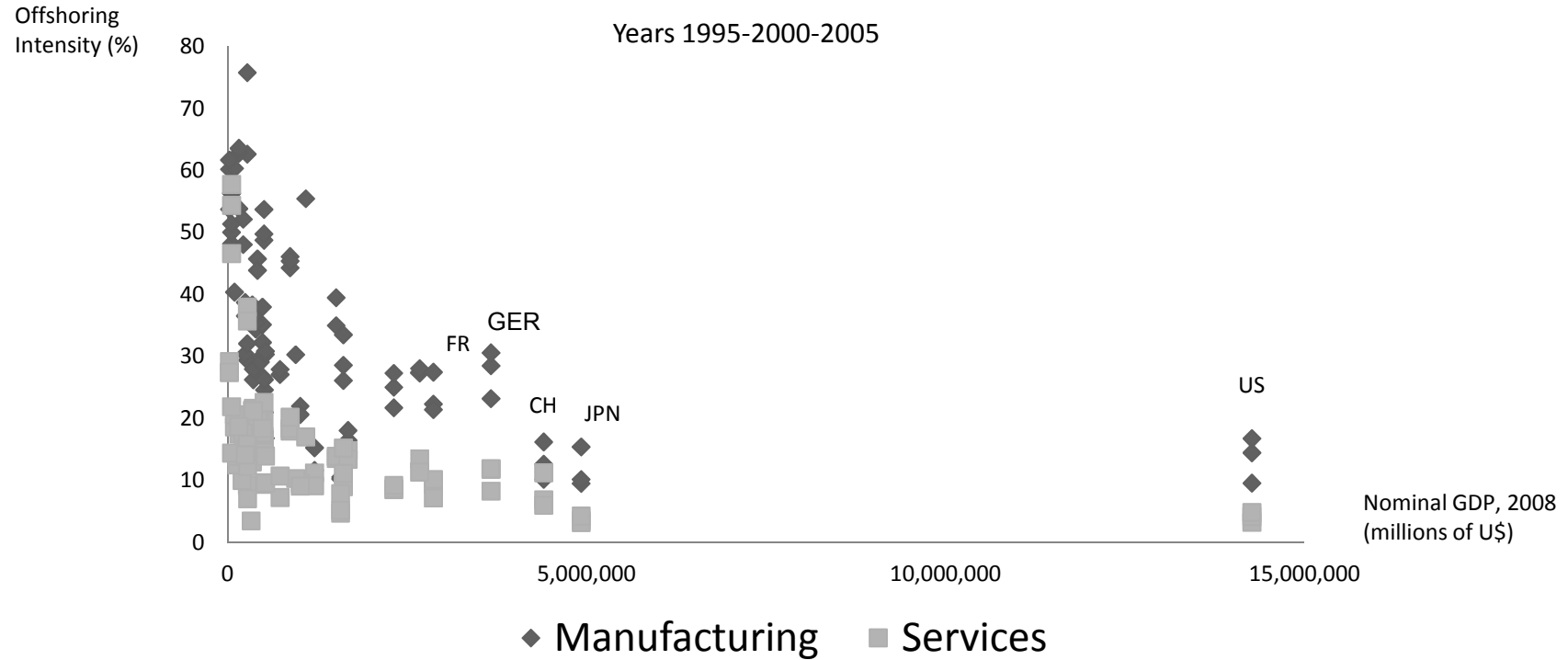


| | 1995 | 2000 | 2005 |
|-------------------|------|------|------|
| <i>w. mean</i> | 10.6 | 12.0 | 13.5 |
| <i>change (%)</i> | | 13.7 | 12.3 |

Change (%)

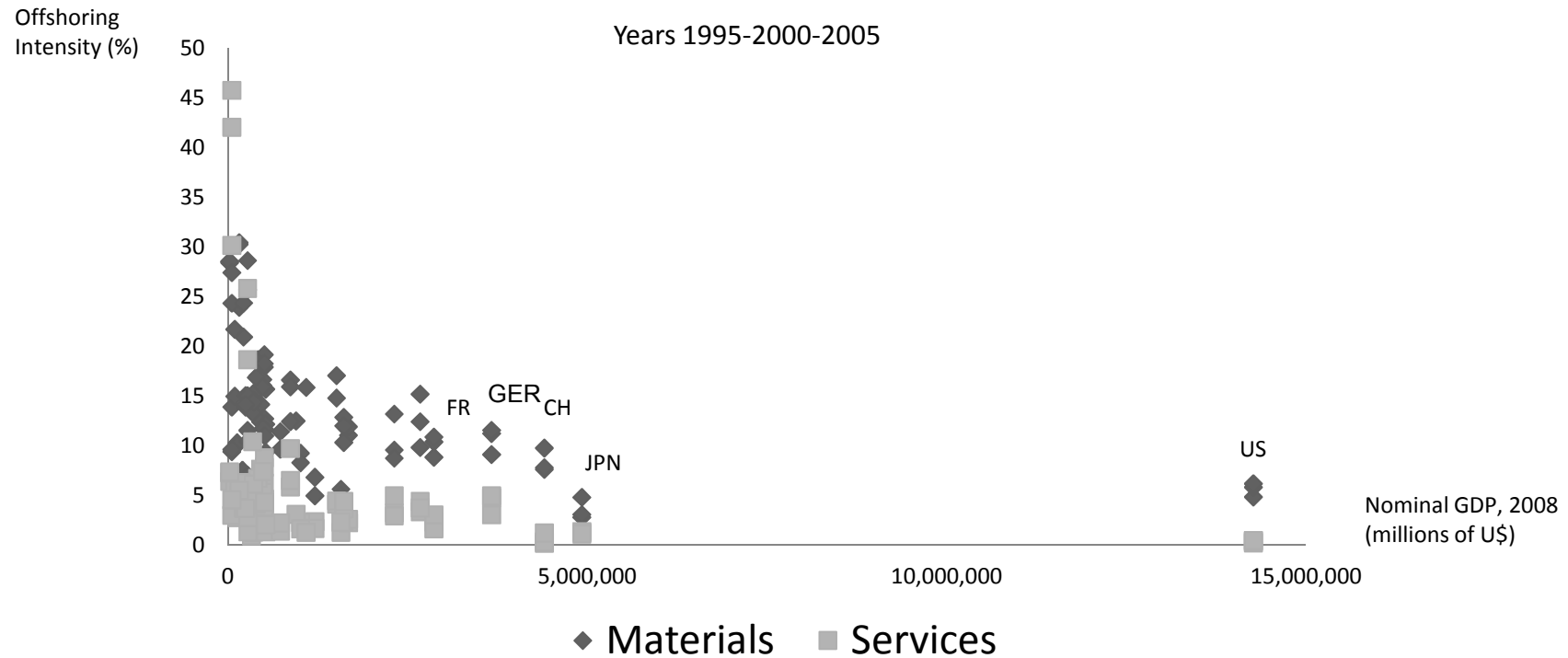


Offshoring and economic sector (%)



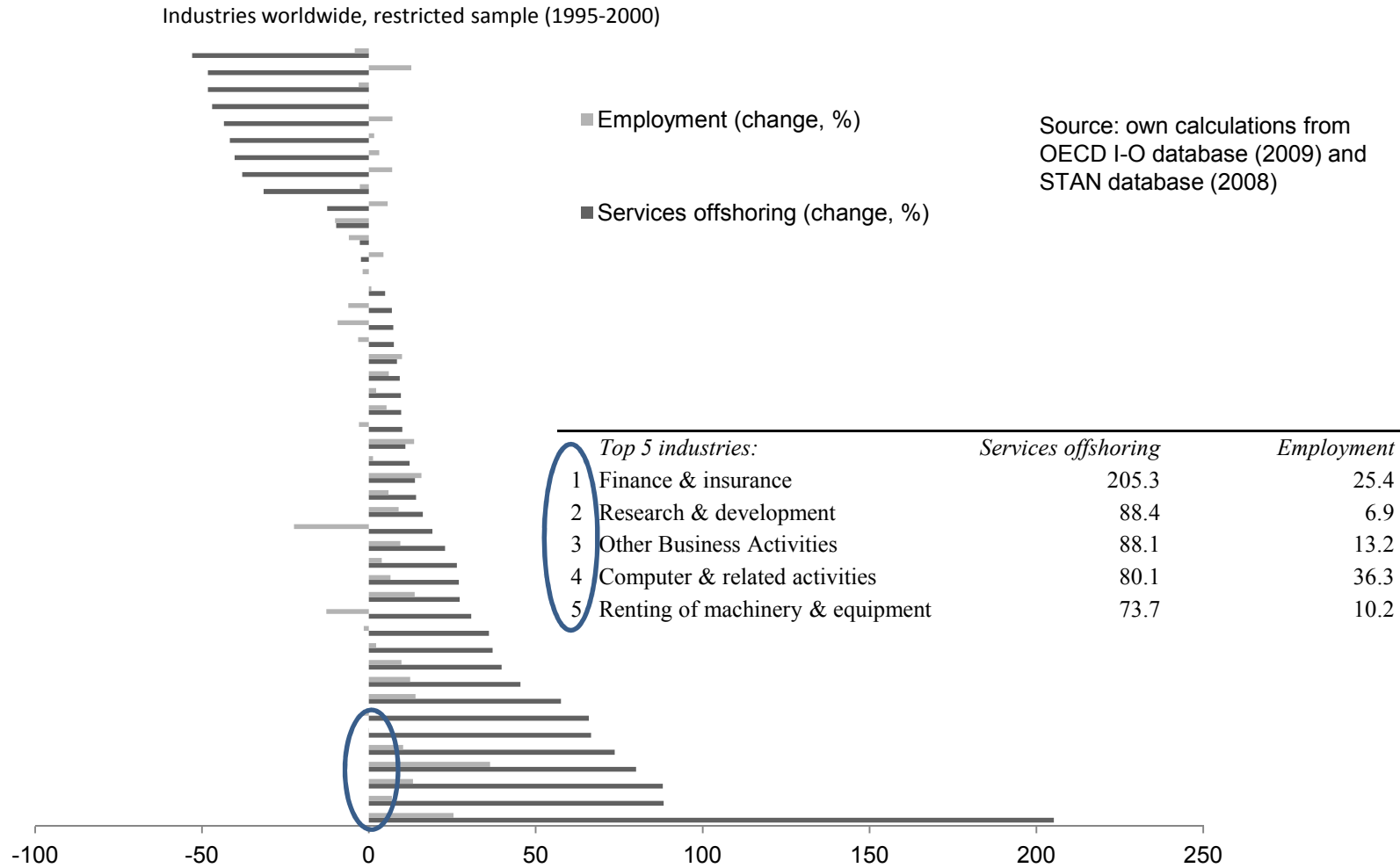
| | 1995 | 2000 | 2005 |
|-----------------------|------|------|------|
| <i>w. mean (m.s.)</i> | 17.0 | 20.3 | 22.2 |
| <i>change (%)</i> | | 19.5 | 9.7 |
| <i>w. mean (s.s.)</i> | 7.1 | 7.6 | 9.0 |
| <i>change (%)</i> | | 8.2 | 18.1 |

Materials and services offshoring (%)



| | 1995 | 2000 | 2005 |
|-----------------------|------|------|-------|
| <i>w. mean (m.o.)</i> | 7.7 | 8.7 | 8.7 |
| <i>change (%)</i> | | 13.6 | -0.01 |
| <i>w. mean (s.o.)</i> | 1.7 | 2.2 | 2.5 |
| <i>change (%)</i> | | 30.4 | 12.3 |

Services offshoring: A revolution?



Summary so far

- Offshoring → indirect measures (intermediate trade)
- Smaller countries 'higher offshoring' (more open)
- But, growth has been larger in larger economies
- Manufacturing sector more prominent
- Materials offshoring still more important
- Services offshoring and positive employment growth