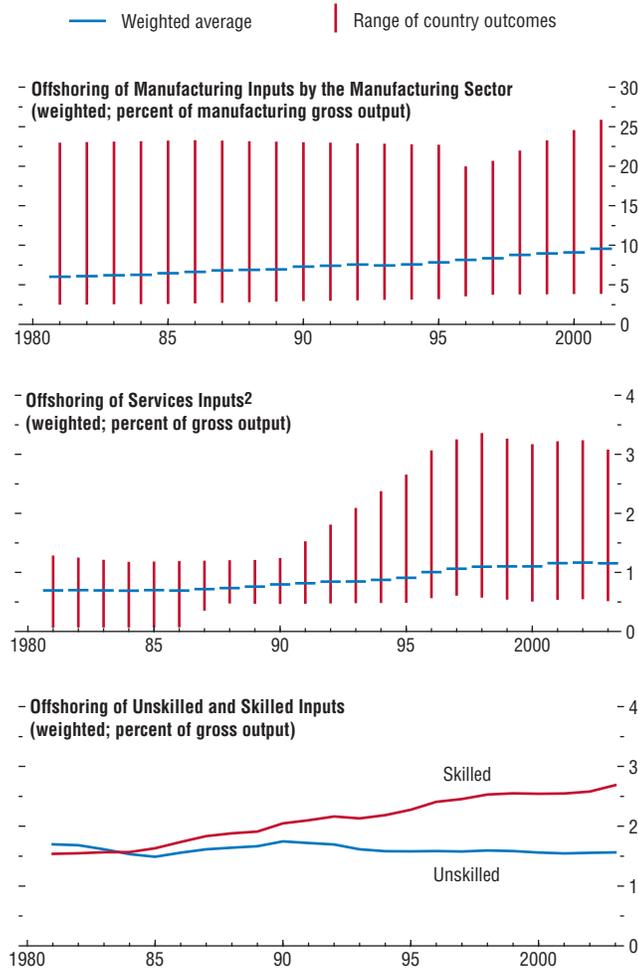


Figure 5.6. Advanced Economies: Offshoring by Category of Inputs¹

The manufacturing sector has been more affected by offshoring because it is more tradable, although there are considerable differences across countries (the vertical line shows the range of country outcomes). Skilled inputs have also played a more significant role in the growth of offshoring in advanced economies than unskilled inputs.



Sources: OECD, Input-Output Tables (1995, 2002, and 2006), International Trade in Services Database, and STAN Industrial Database; Groningen Growth and Development Centre, 60-Industry Database (September 2006); and IMF staff calculations.

¹Offshoring measures calculated using Input-Output Tables from OECD; resulting series extended from 2001 to 2003 by estimating extent of offshoring using a combination of data from the OECD's STAN Industrial Database and the Groningen 60-Industry Database; only offshoring of nonenergy manufacturing and services inputs considered. Advanced OECD economies used in calculations for long time series include Australia, Canada, France, Germany, Japan, the Netherlands, the United Kingdom, and the United States; weighted using series on GDP at current U.S. dollars from the World Economic Outlook database.

²Excludes the United States since import data are reported as inclusive of "cost, insurance, and freight"; thus, values that normally accrue to business services are included in associated goods sectors.