Appendix

Calculation of outsourcing measures (imported intermediate inputs) in Figures 2 - 4

This definition is based on Geishecker (2006).

International Outsourcing is measured as the value of an industry's imported intermediate inputs from industries abroad as a share of the domestic industries output. In order to allocate imports according to their use as inputs across industries we employ input-output tables for Germany. This enables us to observe the share of imports from an industry abroad that is used by the domestic industry in a given period (denoted *k* in the equation below).

Formally, outsourcing in domestic industry *j* in year *t* is defined as

$$OUT_{jt} = \sum (IMP_{jt} * k_{jt}) \; / \; Y_{jt}$$

where *IMP* are imports, *k* is the proportion of imports used by the domestic industry, and *Y* is industry output. By differentiating imports by the origin while assuming k to be constant across countries one can construct offshoring measures for different geographic regions.

Data come from Eurostat trade statistics, German Input output tables and the OECD STAN database.