

Table 2: Share of Imported to Total Intermediate Inputs

Various Industries (Percent)

Chemicals	1974	1984	1993
Canada	9.0	8.8	15.1
Japan	5.2	4.8	2.6
U.K.	13.1	20.6	22.5
U.S.	3.0	4.5	6.3
Industrial Machinery			
Canada	17.7	21.9	26.6
Japan	2.1	1.9	1.8
U.K.	16.1	24.9	31.3
U.S.	4.1	7.2	11.0
Electrical Equipment			
Canada	13.2	17.1	30.9
Japan	3.1	3.4	2.9
U.K.	14.9	23.6	34.6
U.S.	4.5	6.7	11.6
Transportation Equipment			
Canada	29.1	37.0	49.7
Japan	1.8	2.4	2.8
U.K.	14.3	25.0	32.2
U.S.	6.4	10.7	15.7

Source: Feenstra (1998)

In a more recent contribution, Feenstra and Jensen (2009) discuss measurement and technical problems with previous estimates of materials offshoring, i.e., imported intermediate inputs. In particular, previous studies make the assumption that an industry's imports of each input, relative to total demand for that input is identical to economy-wide imports relative to total demand for that input. To address the potential shortcoming arising from this assumption, Feenstra and Jensen link production and import data to construct firm-level input-output tables and then aggregate these data to the industry level in order to derive imported input intensities by industry for the United States. They compare estimates using the original Feenstra-Hanson calculations to their revised calculations for selected years from 1980-2006. In fact, for most manufacturing industries, the results are similar regardless of how materials offshoring is measured. Across their sample of manufacturing industries, imported intermediate inputs as a share of total intermediate inputs increased by a factor of 200 percent to 300 percent when comparing 1980 to 2006.