

THE PROVISION OF SERVICES IN GLOBAL VALUE CHAINS

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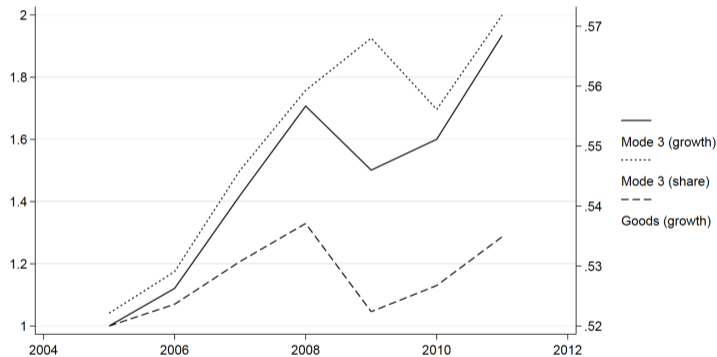
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MOTIVATION

FRENCH EXPORT OF BUSINESS SERVICES THROUGH COMMERCIAL PRESENCE (MODE 3)



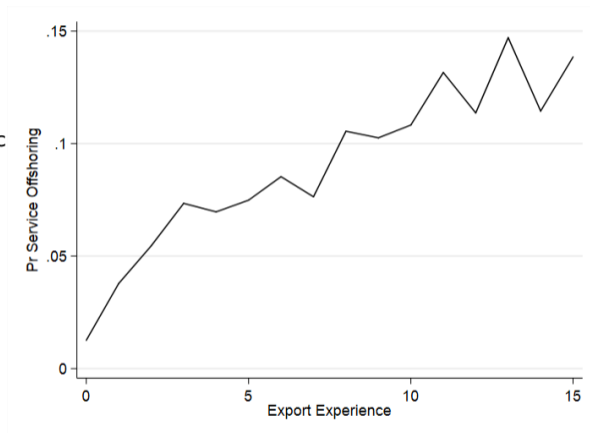
Source: WTO Trade in Services by mode of supply (TiSMoS)

- ▶ Further explore the link between **offshoring** of services and goods exports (GVC linkage)
- ▶ Use **novel survey** on global value chain participation (French **CAM**)

THE PAPER

PROBABILITY OF SERVICE OFFSHORING & EXPORT EXPERIENCE IN A FOREIGN DESTINATION

- ▶ **Key question:** does goods export experience matter for the choice of market (domestic vs foreign) of sourcing service inputs?
- ▶ **Key result:** +5 year export experience \implies +50% offshoring of service inputs.
- ▶ **Theoretical model** with uncertainty of success in foreign market, experience solving it.



Note: Average probability of offshoring any service input to a destination market against the years of export experience to that destination. Averages across all destinations and firms in the sample.