

Discussion of “An Anatomy of U.S. Establishments’ Trade Linkages in Global Value Chains”

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Disclaimer: The views expressed herein are those of the authors and not necessarily those of the Federal Reserve Bank of Boston or any other person affiliated with the Federal Reserve System.

This paper: what and why

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1. Q: Do global input-output (IO) tables measure true global value chains?
2. Why is this paper important?
 - Good measurement is key to assess rise/fall of global value chains.
 - Calibrate international trade and macro models.
 - Conduct counterfactuals
 - welfare gains from trade, macro consequences of country-sector shocks.

This paper: how and findings

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 - LFTTD: universe of goods export and import flows.
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4. Findings

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- Symmetric import and export fixed costs can match the findings.

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 3. Contribution and my initial view.
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 5. What can I make of this paper moving forward as a user?

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 - Table A.6 in appendix shows some chains that involve China/Ireland.
 - How quantitatively relevant are these?

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 - Table A.6 in appendix shows some chains that involve China/Ireland.
 - How quantitatively relevant are these?
 - Suggestion
 - Redo Table 4-5 in the paper without Mexico-US-Canada links.

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- ▶ Suggestion:
 - use the PML procedure in Santos-Silva and Tenreyro (2006).

The contribution and my initial view from other literature

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3. After reading this paper

- confirms point 2 with US data.
- reassure data perhaps more of an issue than theory.
- As an international macroeconomist: what can I make out of this?

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 - This is a positive point: your work has broader implications!

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► Another middle ground alternative:

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- Making the adjustments publicly available would be very valuable!

(+ citations)

Final thoughts

- ▶ Great, well written and cleanly executed paper. I learned a great deal!
- ▶ Other comments to the authors.
- ▶ Looking forward to where the agenda goes from now on!

Thank you!

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