The Provision of Services in Global Value Chains

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Motivation
French Export of Business Services through Commercial Presence (Mode 3)

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

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

![Graph showing the probability of service offshoring against export experience.](image)

*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.