

Backward linkages and the export performance of business services. Evidence from a sample of Italian firms

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Abstract

We provide evidence on backward linkages between downstream manufacturing sectors and the export performance of Italian service firms. Combining input-output coefficients from the National Accounts with region-level information on market thickness and international involvement of manufacturing sectors, we build some measures of local downstream spillovers and we test them as determinants of the business service firms' export status. Our results show that the export activity of downstream manufacturing sectors is positively related to the services firms' probability of exporting to the same foreign market. Also downstream market thickness bears the same positive effect, even if the latter turns to be non-significant for KIBS sectors. Finally, our evidence confirms that the scope of the spillovers is essentially local.

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