



Aleksandra Kordalska

Politechnika Gdańska
Wydział Zarządzania i Ekonomii

Aleksandra.Kordalska@zie.pg.gda.pl

Do linkages between service and manufacturing sectors support manufacturing productivity? Evidence from selected CEE countries

The shift towards providing manufacturing products together with supporting services, instead of focusing on selling products only, is observed in modern economies. The importance of adding value to manufacturing production / exports through adding complementary services referred to as servitization of manufacturing grows over time.

The main objective of this article is to assess the influence of the intersectoral linkages on manufacturing productivity. The analysis comprises 18 manufacturing sectors according to NACE 2, observed in seven selected CEE countries and covers the period 2000-2014. In our approach both domestic and foreign services as a content of manufacturing are taken into account. In the analysis only those services which appear to be tradable are taken into consideration, i.e. mainly transport services, financial intermediation and business services.

In the empirical part of the article we use extended production function which includes the intersectoral linkages as augmentation. Linkages are reflected in the service sector value added embodied in manufacturing output and are calculated according to OECD TiVA methodology. As a source of data, World Input-Output Database (Timmer et al., 2015) and Eurostat Database are used.