



VALUE ADDED

TRADE THROUGH A NEW LENS

RE-TOOLING STATISTICAL ANALYSIS



WHY TRADE IN "VALUE ADDED"?

OVER THE PAST DECADE,

1

FDI, OUTSOURCING GOING UP!

OFFSHORE-OUTSOURCING AND FOREIGN DIRECT INVESTMENT (FDI) — LED TO AN INCREASE IN:

- TRADE IN **"INTERMEDIATE GOODS"** (I.E. PARTS, COMPONENTS AND ACCESSORIES) WHICH ENCOURAGED THE SPECIALIZATION OF DIFFERENT ECONOMIES.
- AS A RESULT, ECONOMIES HAVE BEEN **"TRADING TASKS"** (AS OPPOSED TO **"FINAL GOODS"**) WHICH **"ADD VALUE"** ALONG THE PRODUCTION LINE.

3

WEAKNESSES IN CURRENT METHODS!

- CROSS-BORDER TRADE IN INTERMEDIATE GOODS IS **RECORDED MULTIPLE TIMES**, DISTORTING BILATERAL TRADE BALANCES
- **WHICH COUNTRY DOES WHAT**, AND **HOW MUCH?** ARE CURRENT **RULES OF ORIGIN** ADEQUATELY REFLECTING BUSINESS PRACTICES?
- **WHAT DOES THIS MEAN FOR AN ECONOMY** AND ITS ABILITY TO CREATE JOBS AND ADAPT ITS TRADE POLICIES?

2

TARIFFS GOING DOWN!

ASIAN ECONOMIES, IN PARTICULAR, HAVE RELATIVELY LOW APPLIED TARIFFS ON IMPORTS (ESPECIALLY **ON SEMI-PROCESSED GOODS**).

4

WHAT NOW?

MAKING FURTHER PROGRESS REQUIRES:

- **ANALYZING TRADE IN VALUE ADDED TERMS.** "INPUT—OUTPUT" ANALYSIS IS CURRENTLY BEING USED TO ACHIEVE THIS.
- **INFORMATION CAMPAIGNS** TO RAISE AWARENESS. INTERNATIONAL AND NATIONAL CO-OPERATION NEEDED TO EXCHANGE VIEWS AND BEST PRACTICES, AND ORGANIZE METHODOLOGICAL WORKSHOPS (**MiW**).
- **INTEGRATING STATISTICAL DATA "SILOS"** (I.E. BUSINESS, TRADE, FINANCE AND EMPLOYMENT) TO EQUIP DECISION-MAKERS TO MAKE INFORMED DECISIONS ON TRADE POLICY. (**ITS VISION**).



>50

PERCENT

OF 2009 NON-FUEL WORLD MERCHANDISE TRADE REPRESENT TRADE OF INTERMEDIATE GOODS.

20

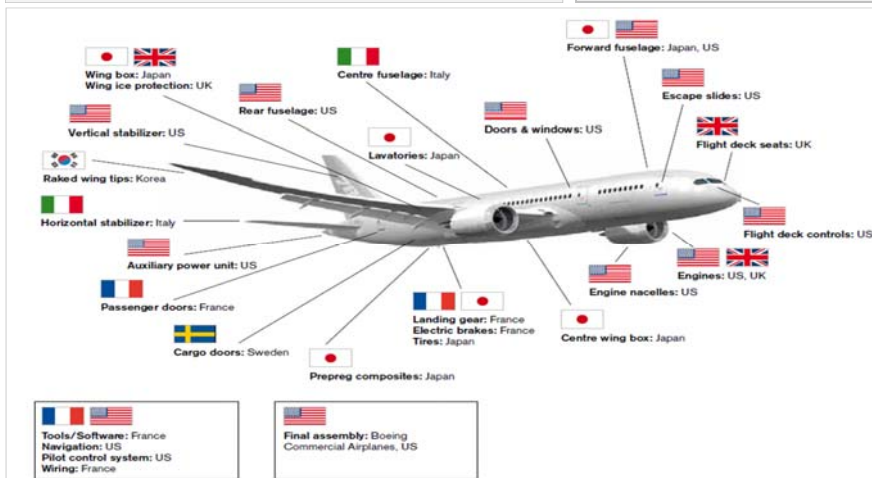
PERCENT

OF 2009 TOTAL MERCHANDISE EXPORTS OF DEVELOPING ECONOMIES COME FROM EXPORT PROCESSING ZONES.

4

PERCENT

OF US 2009 TRADE BALANCE IN IPHONES IS ATTRIBUTED TO CHINA WHEN USING THE VALUE ADDED METHOD. USING THE TRADITIONAL WAY, 100% OF THE BALANCE WOULD HAVE BEEN COMPLETELY ATTRIBUTED TO CHINA.



A "GLOBALIZED" PRODUCTION CHAIN

POST A COMMENT ON THIS ISSUE:



STATISTICAL RESOURCES 2011

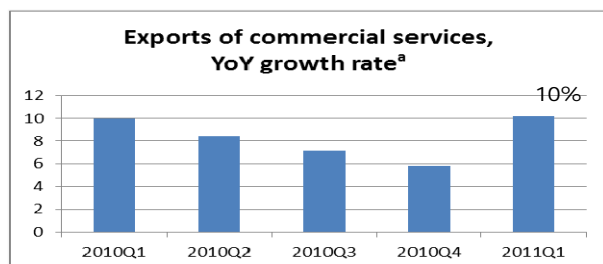
TRADE IN COMMERCIAL SERVICES
SHORT-TERM INDICATORS
NOW AVAILABLE



PUBLICATIONS

10% INCREASE IN EXPORTS ESTIMATED IN 1ST QUARTER OF 2011

A NEW PROJECT ON SHORT-TERM TRADE IN SERVICES STATISTICS IS CURRENTLY BEING DEVELOPED. QUARTERLY ESTIMATES WILL BE RELEASED AFTER THE SUMMER BREAK, INCLUDING DATA BY COUNTRY. LATEST FIGURES FROM 53 REPORTING COUNTRIES ACCOUNTING FOR ABOUT 78 PER CENT OF WORLD TRADE SHOW 1ST QUARTER 2011 EXPORTS TO HAVE A 10% GROWTH AS COMPARED TO THE SAME QUARTER IN 2010.



RECENTLY LAUNCHED!

MADE IN WORLD INITIATIVE (MiWi):

A COMMON SPACE TO PROMOTE THE EXCHANGE OF PROJECTS, EXPERIENCES AND PRACTICAL APPROACHES IN MEASURING AND ANALYSING TRADE IN VALUE ADDED.



TRADE PATTERNS AND GLOBAL VALUE CHAINS IN EAST ASIA:

DOWNLOAD THE PUBLICATION [HERE](#).

COMING UP IN OCTOBER!

INTERNATIONAL TRADE STATISTICS (ITS) 2011

TRADE PROFILES 2011, TARIFF PROFILES 2011

SERVICES PROFILES

WORLD AND REGIONAL EXPORTS PROFILES

WORLD COMMODITY PROFILES

TRADE POLICY COURSES AND TECHNICAL ASSISTANCE, JANUARY - JUNE 2011

10-13 JANUARY 2011 HANOI, VIETNAM	SEMINAR ON INTERNATIONAL MERCHANDISE TRADE STATISTICS AND THE WTO TARIFF DATABASES
11-13 JANUARY 2011 MUSCAT, SULTANATE OF OMAN	REGIONAL WORKSHOP ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES
14-16 FEB. 2011 BOGOTA, COLOMBIA	REGIONAL TRADE POLICY COURSE, NAMA SESSION
24-28 January Port-Louis, Mauritius	Workshop on Statistics on International Trade in Services
18 FEBRUARY 2011 GENEVA, SWITZERLAND	MERCHANDISE TRADE STATISTICAL DATABASES 2ND WTO ADVANCED TRADE POLICY COURSE
18 FEBRUARY 2011 GENEVA, SWITZERLAND	MARKET ACCESS DATABASES 2ND WTO ADVANCED TRADE POLICY COURSE
22-25 FEBRUARY NAIROBI, KENYA	REGIONAL SEMINAR ON NAMA NEGOTIATIONS FOR ENGLISH-SPEAKING AFRICAN COUNTRIES
28-30 MARCH GABORONE, BOTSWANA	NATIONAL WORKSHOP ON NAMA
28-30 March 2011 Bangkok, Thailand	ASEAN- ANZAFTA Capacity Building Workshop on International Trade in Services Collection and Management
18-21 APRIL 2011 GENEVA, SWITZERLAND	REFERENCE CENTRES SYMPOSIUM (FOR LEAST DEVELOPED COUNTRIES WITH ACTIVE REFERENCE CENTRES AND LDCS WITHOUT PERMANENT MISSIONS IN GENEVA)
3-5 MAY MANILA, PHILIPPINES	SELECTED OUTSTANDING ISSUES IN SERVICES, TRADE AND DEVELOPMENT, ADBI INSTITUTE, ARTNET AND UNESCAP
10-13 MAY KINGSTON, JAMAICA	WTO/INTAL REGIONAL SEMINAR ON NAMA NEGOTIATIONS FOR CARIBBEAN COUNTRIES
23-25 MAY 2011 MANZINI, SWAZILAND	REGIONAL TRADE POLICY COURSE, NAMA SESSION
26-27 MAY 2011 BEIRUT, LEBANON	SYMPOSIUM ON REINFORCING LEBANESE PRODUCTIVE SECTORS AND TRADE OPENING
2-3 JUNE 2011 HONG KONG, CHINA	SERVICES TRADE: NEW APPROACHES FOR THE 21 ST CENTURY, PECC, ADBI AND HK INSTITUTE OF ASIA-PACIFIC STUDIES
9-10 JUNE 2011 WASHINGTON, D.C., USA	WORKSHOP ON THE FRAGMENTATION OF PRODUCTION AND TRADE IN VALUE-ADDED, WORLD BANK

A SAFE AND RESTFUL SUMMER BREAK TO ALL!



THE **STATISTICS GROUP** SUPPORTS WTO MEMBERS AND THE SECRETARIAT WITH QUANTITATIVE INFORMATION IN RELATION TO ECONOMIC AND TRADE POLICY ISSUES. THE GROUP IS THE PRINCIPAL SUPPLIER OF WTO TRADE STATISTICS AND INFORMATION ON TARIFFS.

SEND COMMENTS ON

THIS ISSUE TO:

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WE ARE ON THE WEB!

**INTERNATIONAL TRADE
AND TARIFF DATA**

WTO TARIFF NEWS AND DATABASES? [CLICK HERE](#)