



## GLOBAL VALUE CHAINS

### A TASKFORCE ON GLOBAL PRODUCTION ARRANGEMENTS

**T**HE CHANGES OF FIRMS IN DOING BUSINESS ARE AN EXPLANATORY FACTOR FOR THE RISE OF GLOBAL VALUE CHAINS. OFFSHORING, TRADE IN TASKS, OR TRADE IN INTERMEDIATE INPUTS (GOODS OR SERVICES) ARE CONCEPTS THAT CHANGE THE LANDSCAPE OF TRADE PATTERNS. ATTRIBUTION OF OWNERSHIP AND THE ATTRIBUTION OF VALUE ADDED ARE MORE AND MORE COMPLEX IN A NATIONAL CONTEXT.

TO PROVIDE EVIDENCE FOR POLICY MAKERS, STATISTICIANS HAVE ADAPTED THEIR STATISTICAL FRAMEWORKS SUCH AS THE SYSTEM OF NATIONAL ACCOUNTS OR BALANCE OF PAYMENTS. HOWEVER, A NUMBER OF ASPECTS OF THESE CHANGED CONCEPTS EITHER REMAIN DIFFICULT TO IMPLEMENT IN DATA COLLECTION SYSTEMS OR TO ANALYSE IN A CONSTANTLY CHANGING ECONOMIC ENVIRONMENT.

THE TASK FORCE ON GLOBAL PRODUCTION ARRANGEMENTS, COMPOSED OF A NUMBER OF NATIONAL STATISTICAL DATA COMPILERS AND INTERNATIONAL ORGANIZATIONS, WORKING UNDER THE AUSPICES OF THE UN ECE CONFERENCE OF EUROPEAN STATISTICIANS, GATHERED TO PREPARE A GUIDE WHICH SHOULD ASSIST IN RECORDING THESE GLOBAL PRODUCTION ARRANGEMENTS IN NATIONAL ACCOUNTS AND BALANCE OF PAYMENTS. ITS WORK IS CENTRED ON THREE MAIN LINES OF RESEARCH: ECONOMIC OWNERSHIP, MEASUREMENT AND ORGANIZATIONAL ISSUES.

- THE DISCUSSIONS ON ECONOMIC OWNERSHIP WORK FOCUSED MOSTLY ON HOW TO CLASSIFY "FACTORY-LESS PRODUCERS". THESE PRODUCERS SUPPLY THE TECHNOLOGY AND KNOWHOW BUT NOT THE MATERIAL INPUTS. THE GROUP REALISED THAT CURRENT STATISTICAL CLASSIFICATIONS MAY NOT DO FULL JUSTICE TO THEIR OPERATION. IDENTIFYING THESE AS TRADERS MAY NOT ALWAYS BE SUFFICIENT AS THEY HAVE UNDER CERTAIN CIRCUMSTANCES ALSO THE CHARACTERISTICS OF PRODUCERS. THE GROUP THEREFORE PROPOSES TO CLUSTER THESE PRODUCERS SEPARATELY IN STATISTICAL CLASSIFICATIONS.
- BEYOND, THE GROUP'S DELIBERATIONS FOCUSED ON WHAT IS

TO BE CONSIDERED DOMESTIC PRODUCTION OR INTERNATIONAL TRADE AND ATTEMPTS TO MEASURE OUTPUT AND THE RESPECTIVE VALUE ADDED COMPONENTS IN THIS CONTEXT.

- THE OPERATION OF MULTI-NATIONAL TERRITORIES, DIFFERENT PRODUCTION ARRANGEMENTS ABROAD -- FOR EXAMPLE, GOODS UNDER PROCESSING -- ARE ALL ISSUES THAT HAVE BEEN DISCUSSED CONCEPTUALLY BUT POSE PARTICULAR DIFFICULTIES FOR IMPLEMENTING THE RESPECTIVE DATA COLLECTION THAT LEADS TO AN ACCEPTABLE DATA QUALITY. THE OECD/WTO JOINT WORK ON CREATING A TRADE IN VALUE ADDED DATABASE UNDERPINS SOME OF THESE CHALLENGES.
- HOWEVER, THERE ARE ALSO EMERGING MEASUREMENT ISSUES. FOR EXAMPLE, THE CONCEPT OF MERCHANTING OF SERVICES. MERCHANTING, WHERE AN INTERMEDIARY BUYS GOODS FROM A PRODUCER IN A FOREIGN COUNTRY A AND SELLS THEM TO A CONSUMER IN FOREIGN COUNTRY B WITHOUT THE GOODS ACTUALLY ENTERING THE INTERMEDIARY'S HOME COUNTRY, HAS BEEN CHANGED IN THE LAST REVISION OF STATISTICAL FRAMEWORKS. THE ACQUISITION IS RECORDED AS A NEGATIVE EXPORT AND THE SALE AS AN EXPORT. WHAT ENTERS THE ACCOUNTS IS THE DIFFERENCE OR NET EXPORTS. HOWEVER, IT HAS NEVER BEEN DISCUSSED TO WHAT EXTENT THIS CONCEPT MAY ALSO APPLY TO SERVICES. ARE SERVICES ARRANGERS RUNNING THE SAME BUSINESS MODELS AS MERCHANTS? IS THIS POSSIBLE TRADABILITY OF SERVICES? WHAT IS THE DIFFERENCE TO SUB-CONTRACTING? THESE ARE SOME OF THE QUESTIONS RAISED AND FURTHER DELIBERATED.

AS TO THE TIMING, IT IS PLANNED TO HAVE THAT GUIDE AVAILABLE FOR ENDORSEMENT BY THE CONFERENCE OF EUROPEAN STATISTICIANS IN APRIL 2014.

#### RELATED LINKS



## COMPILATION OF STATISTICS ON INTERNATIONAL TRADE IN MERCHANDISE AND SERVICES

# WTO AND UNCTAD ACHIEVE HISTORIC RESULTS IN INTER-AGENCY COOPERATION

**I**N THE LAST COUPLE OF YEARS, THE WTO AND UNCTAD HAVE ACHIEVED CONSIDERABLE RESULTS IN HARMONIZING THEIR RESPECTIVE STATISTICS ON INTERNATIONAL TRADE.

SINCE 2011, BOTH ORGANIZATIONS HAVE BEEN PRODUCING THEIR STATISTICS ON INTERNATIONAL TRADE IN SERVICES JOINTLY. POOLING THEIR EXPERTISE AND RESOURCES HAS NOT ONLY HELPED BOTH ORGANIZATIONS TO LAUNCH THE PRODUCTION OF SHORT-TERM DATA (SINCE 2012), IT HAS ALSO ENABLED THEM TO GUARANTEE USERS THAT THE SAME HIGH QUALITY MONTHLY, QUARTERLY AND ANNUAL TRADE IN SERVICES DATA BE FOUND IN THEIR PUBLICATIONS AND DATABASES.

WTO AND UNCTAD HAVE ALSO BEEN COOPERATING CLOSELY ON THE DEVELOPMENT OF QUARTERLY MERCHANDISE TRADE VOLUME STATISTICS. THE PROJECT WAS INITIATED JOINTLY IN 2011 WITH AGREEMENT ON THE SAME METHODOLOGICAL PRINCIPLES AND NATIONAL SOURCES. BASED ON THESE COMMON BUILDING BLOCKS, WTO DEVELOPED THE PRODUCTION OF TIMELY SUMMARIZED WORLD TRADE DATA WHILE UNCTAD FOCUSED ON THE PRODUCTION OF DETAILED COUNTRY DATA AND ESTIMATES USING MORE SOPHISTICATED TOOLS AND PRICE INFORMATION.

AT PRESENT, BOTH ORGANIZATIONS JOINTLY COMPILE THEIR BASIC INFORMATION ON QUARTERLY TRADE VOLUME DATA AND DISSEMINATE THE SAME SERIES FOR ABOUT 45 OF THE WORLD'S LARGEST TRADING ECONOMIES REPORTING SHORT-TERM VOLUME STATISTICS. THEY DEVIATE SLIGHTLY IN THE PRICE ESTIMATE THEY PRODUCE TO DEFLATE MERCHANDISE TRADE VALUES OF COUNTRIES THAT DO NOT REPORT VOLUME INDICES. MORE SPECIFICALLY,

UNCTAD COMPILES DETAILED PRICE INFORMATION AND DEFLATES SERIES OF INDIVIDUAL COUNTRIES WHEREAS WTO FOCUSES ON THE TIMELY PRODUCTION OF AGGREGATE DATA AND USES WORLD BANK AND IMF'S COMMODITY PRICES. THE RESULTS OF BOTH METHODS ARE CURRENTLY BEING ANALYSED IN VIEW OF IDENTIFYING THE BEST PROCESS THAT WILL ENABLE FULL JOINT DISSEMINATION OF INFORMATION THAT IS BOTH TIMELY, DETAILED AND OF THE HIGHEST QUALITY IN THE COURSE OF 2013.

UNCTAD AND WTO ARE ALSO WORKING ON THE FULL HARMONIZATION OF THEIR ANNUAL TOTAL MERCHANDISE EXPORT AND IMPORT VALUES SINCE 1948, BUILDING ON THE GOOD RESULTS ACHIEVED ON LDC DATA IN THE CONTEXT OF THE INTER-AGENCY COMMON DATA SET (CDS). THE CDS, WHICH INVOLVES FIVE INTERNATIONAL ORGANIZATIONS, ENABLED TO IDENTIFY AND EXPLAIN THE MAIN DIFFERENCES IN THEIR TIME SERIES. IN ITS CURRENT FORM, THE PROJECT HAS NOW REACHED ITS FULL POTENTIAL, AS THE WINDOW FOR FURTHER DATA HARMONIZATION IS LARGELY LIMITED BY SOME ORGANIZATIONS' MANDATE TO ONLY DISSEMINATE DATA SUPPLIED BY THEIR MEMBERS, EVEN IF THEY INCLUDE KNOWN METHODOLOGICAL DEVIATIONS.

THE CDS PROJECT IS THEREFORE EVOLVING THROUGH AN INTENSIFIED COOPERATION BETWEEN UNCTAD AND WTO. THE 2 BODIES ARE NOT BOUND TO USING STATISTICS TRANSMITTED BY THEIR MEMBERS BUT INSTEAD COMPILE THEIR OWN TRADE DATA IN LINE WITH INTERNATIONAL STANDARDS. INTER-AGENCY CO-OPERATION WILL THUS ADVANCE FURTHER THROUGH THE JOINT PRODUCTION OF THEIR DATA BENEFITTING FROM THE REVIEW OF OTHER PARTICIPATING ORGANIZATIONS.

### TRADE POLICY COURSES AND TECHNICAL ASSISTANCE JANUARY - JUNE 2013

29 JANUARY-1 FEBRUARY 2013 PRETORIA, SOUTH AFRICA	NATIONAL WORKSHOP ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES (WITH PARTICIPATION OF OTHER SACU COUNTRIES AND SECRETARIAT)
23 -26 APRIL 2013 QUITO, ECUADOR	WORKSHOP ON INFORMATION TOOLS IN INTERNATIONAL TRADE
16 MAY 2013 GENEVA, SWITZERLAND	ADVANCED TRADE POLICY COURSE ON MERCHANDISE TRADE STATISTICS
16-17 MAY 2013 GENEVA, SWITZERLAND	ADVANCED TRADE POLICY COURSE ON MARKET ACCESS DATABASES
30 MAY 2013 GENEVA, SWITZERLAND	ADVANCED TRADE POLICY COURSE ON MEASURING TRADE IN SERVICES
14 MAY 2013 GENEVA, SWITZERLAND	INTERNATIONAL STATISTICS REFERENCE CENTRES TRAINING PROGRAMME FOR NTP AND MIP TRAINEES
15 MAY 2013 GENEVA, SWITZERLAND	IDB/CTS DATABASES, AND ONLINE TOOLS REFERENCE CENTRES TRAINING PROGRAMME FOR NTP AND MIP TRAINEES
27-31 MAY 2013 ISTANBUL, TURKEY	NAMA NEGOTIATIONS, IDB/CTS DATABASES AND ONLINE TOOLS AND I-TIP MARKET ACCESS, NAMA AND CUSTOMS ISSUES REGIONAL TRADE POLICY COURSE FOR CENTRAL AND EASTERN EUROPE, CENTRAL ASIA AND THE CAUCASUS COUNTRIES (IN PARTNERSHIP WITH THE ISTANBUL BILGI UNIVERSITY AND THE GOVERNMENT OF TURKEY)

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.

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**We are on the Web!**

INTERNATIONAL TRADE AND MARKET ACCESS DATA

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

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