

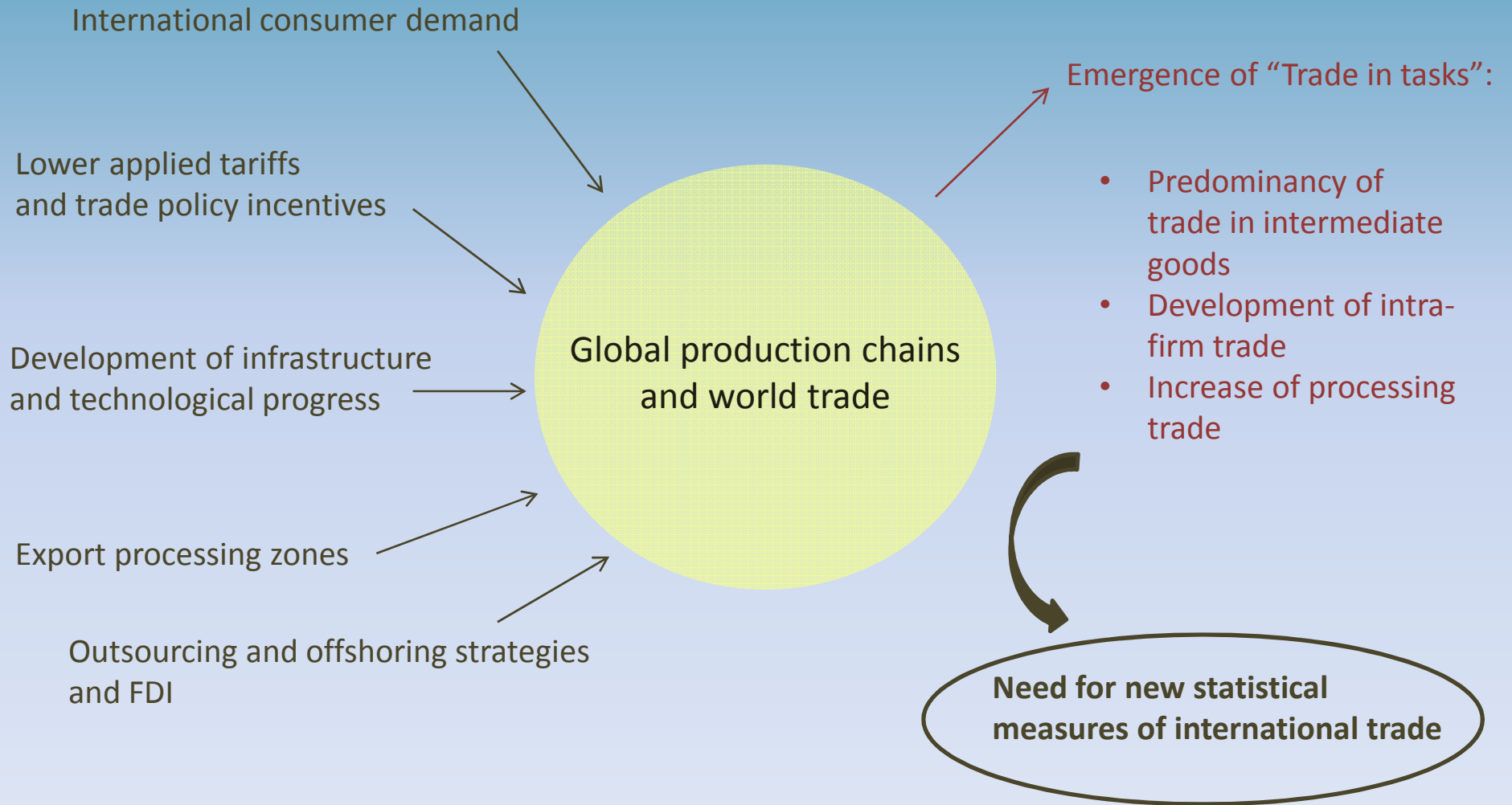


Trade patterns and global value chains in East Asia : From Trade in Goods to Trade in Tasks

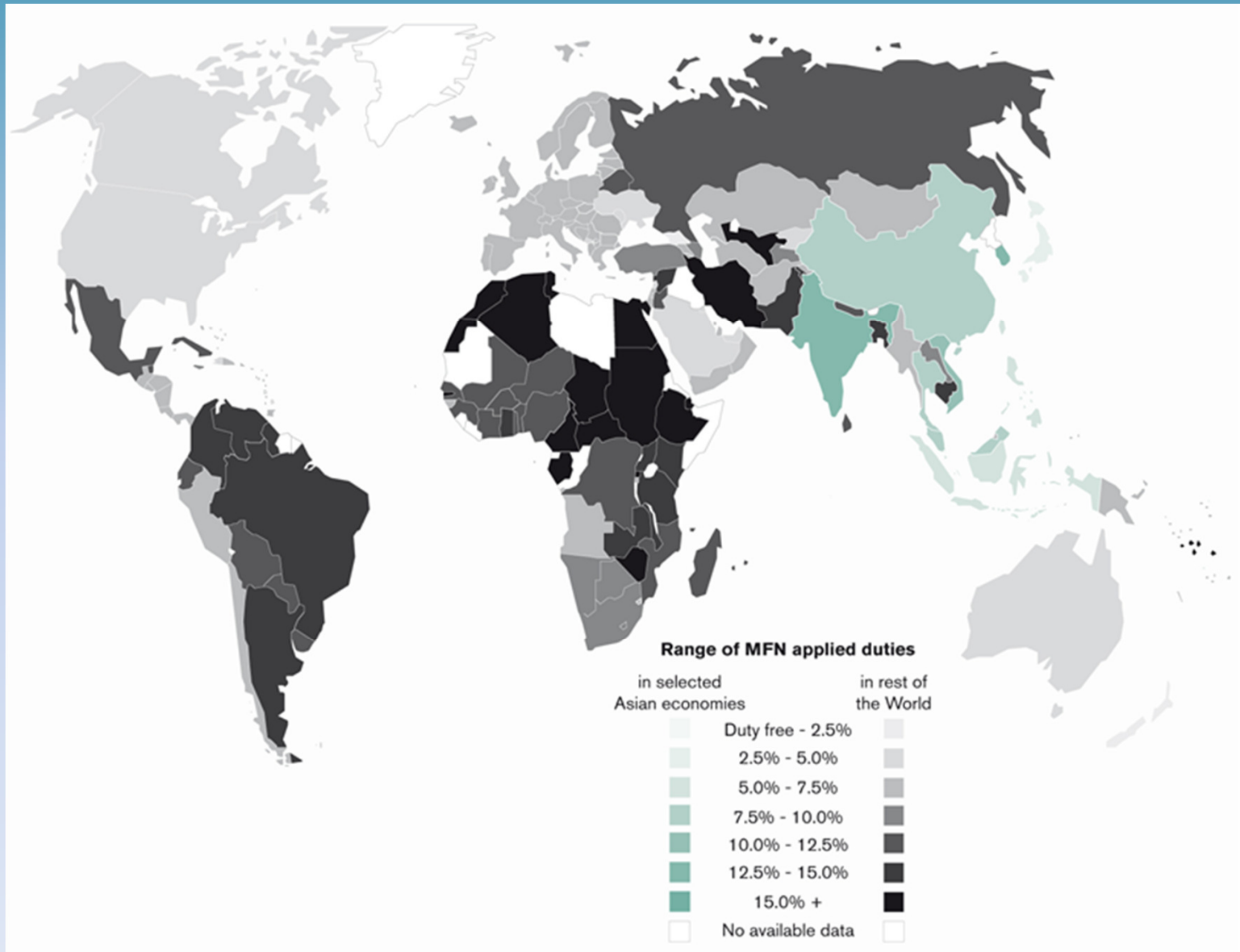
Christophe Degain, WTO



Global production chains – Ins and outs

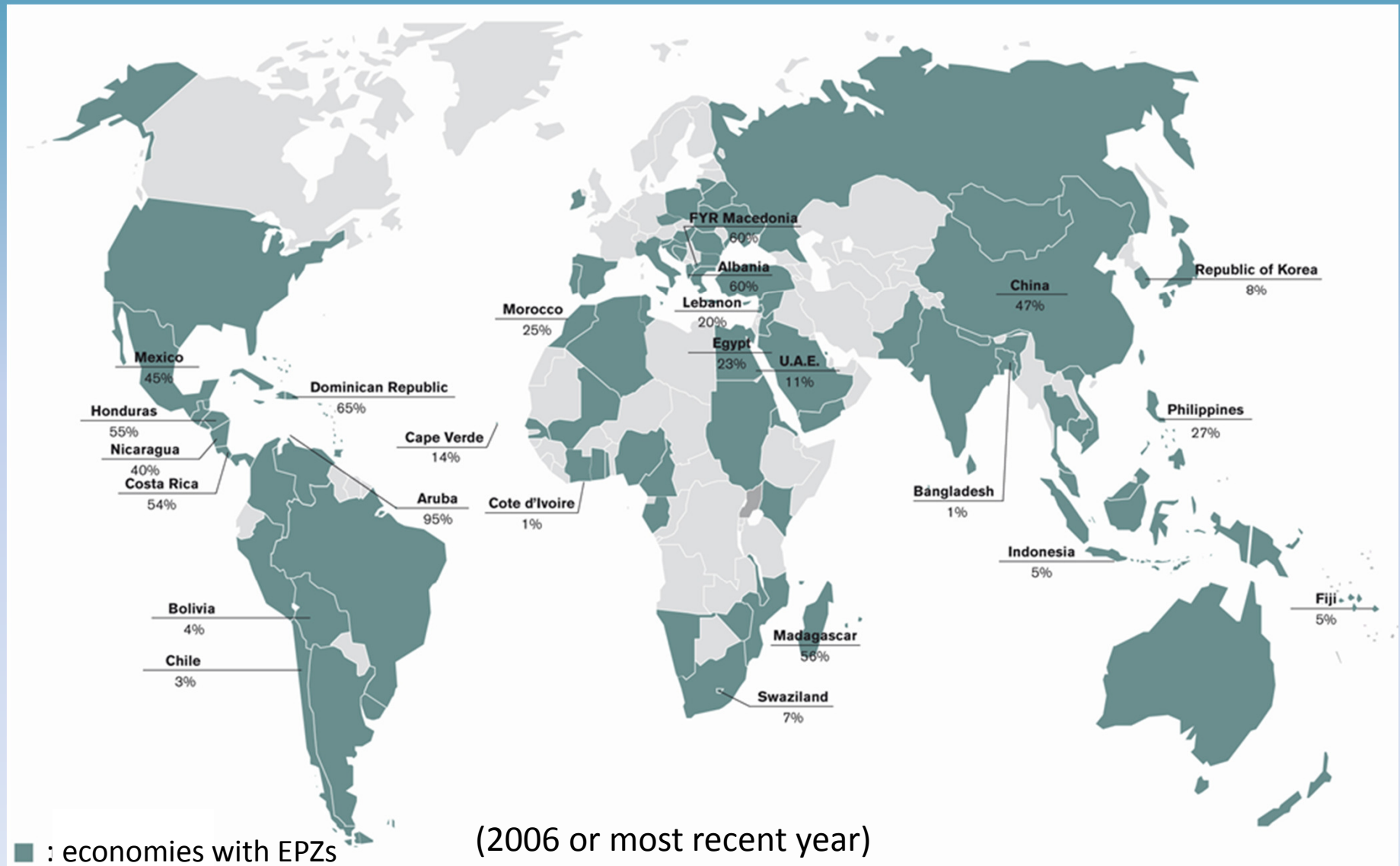


Asian economies have relatively low applied tariffs on imports (especially on semi-processed goods)



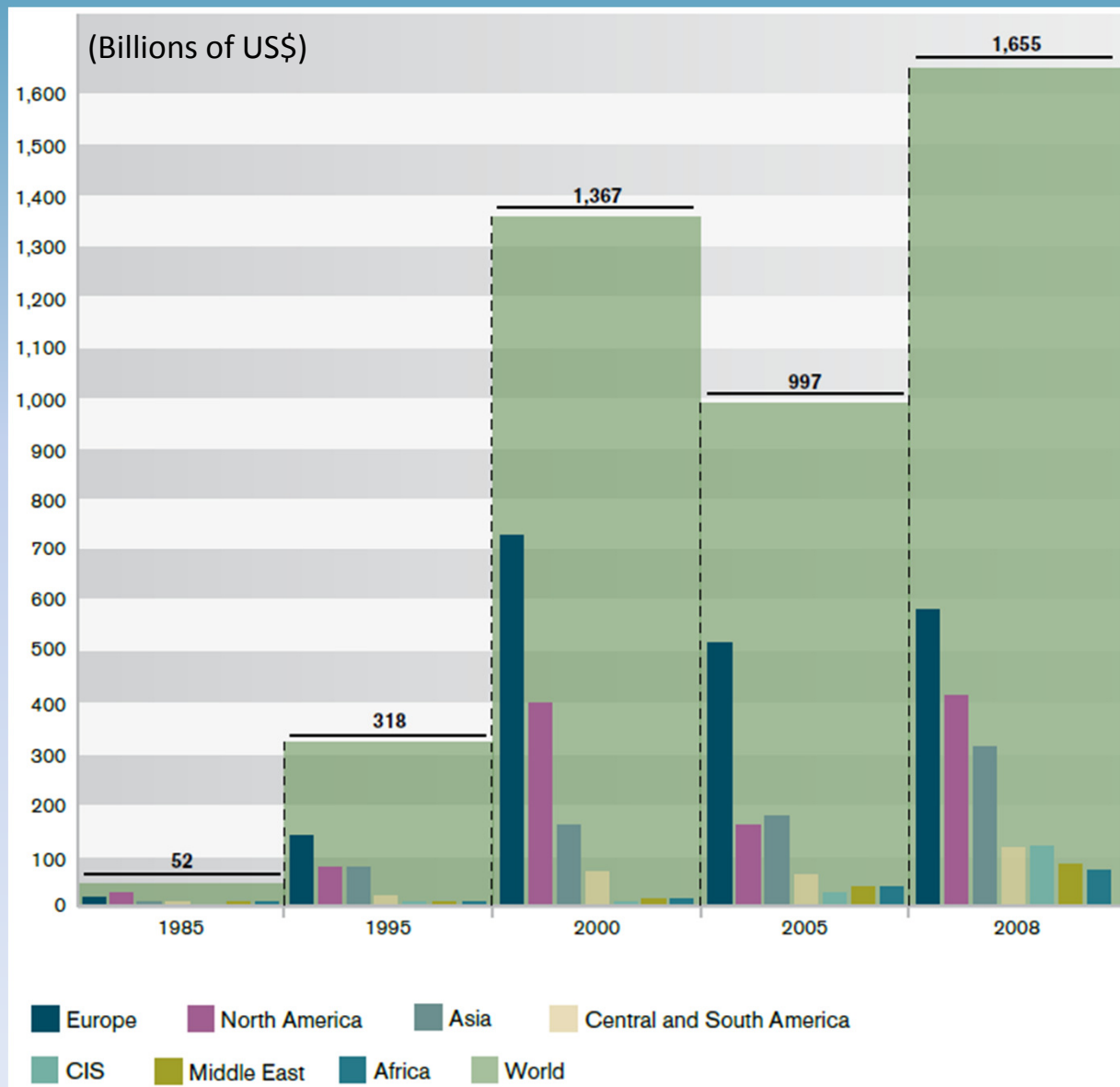
Source: WTO

Export processing zones account for about 20% of total merchandise exports of developing economies



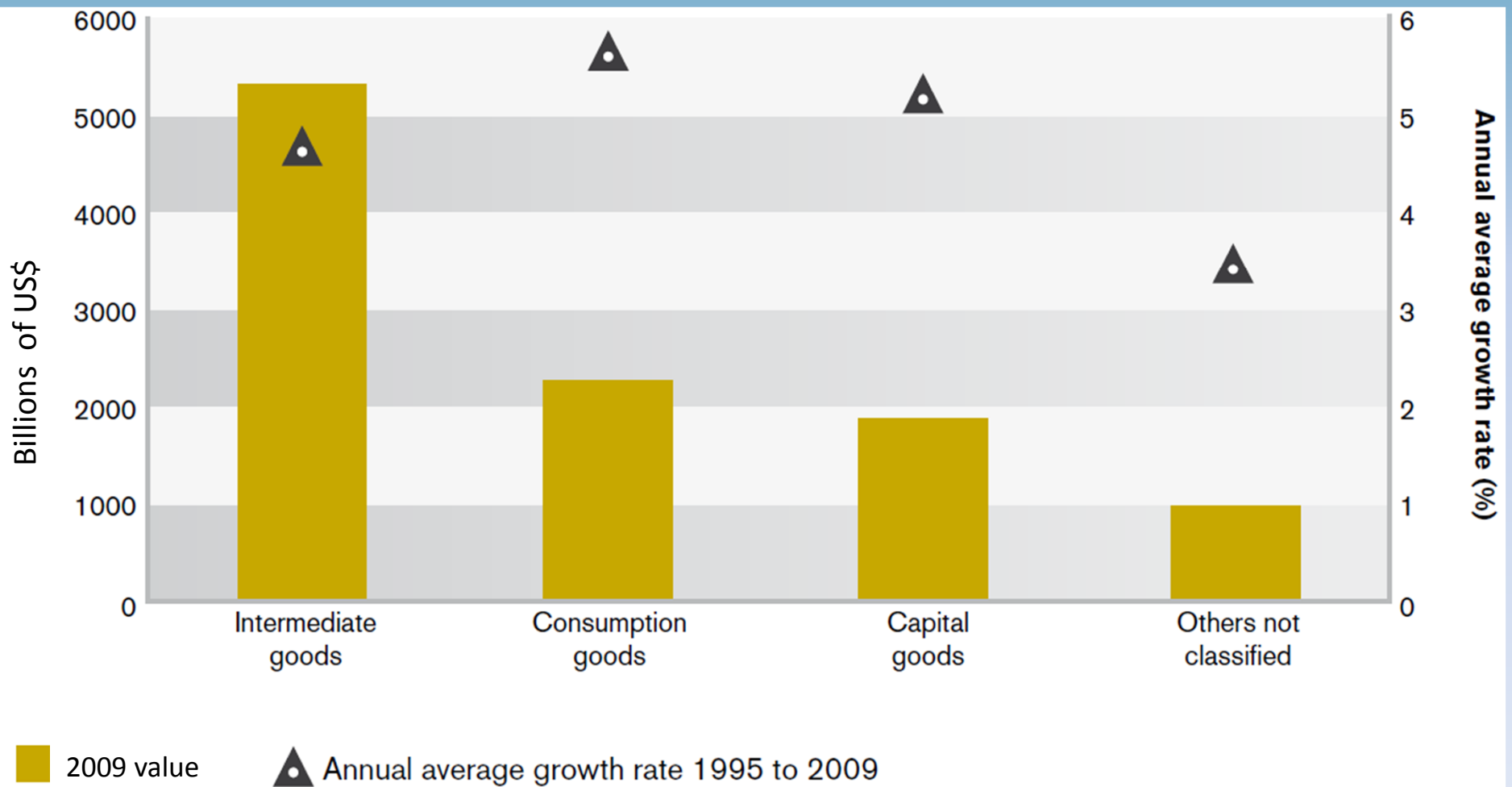
Sources: ILO & WTO

Asia is the most attractive FDI destination in the developing regions



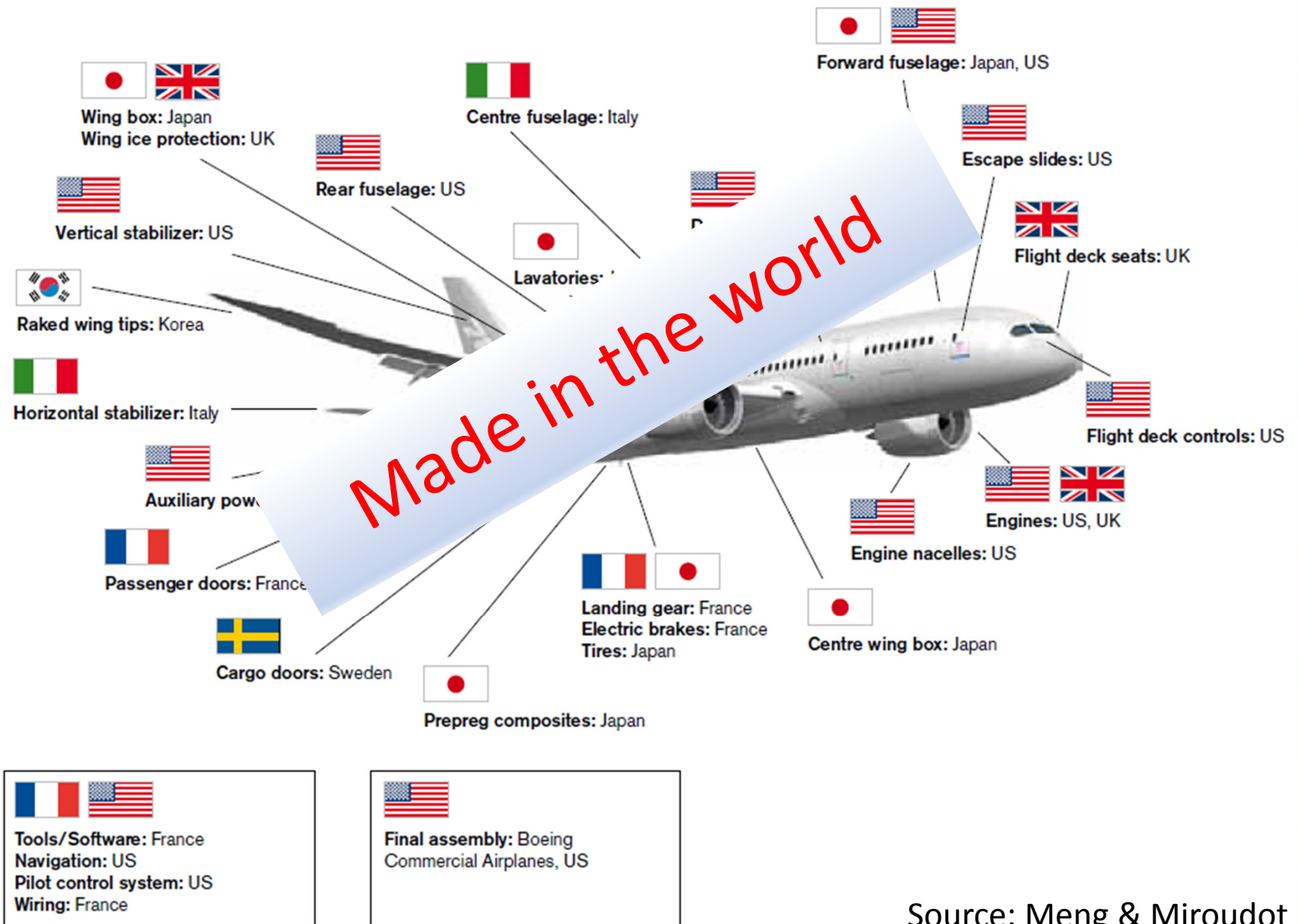
Source: UNCTAD

Intermediate goods dominate world non-fuel merchandise exports



Source: UNSD & WTO

Fragmentation of production: the example of the Boeing 787 Dreamliner



Source: Meng & Miroudot

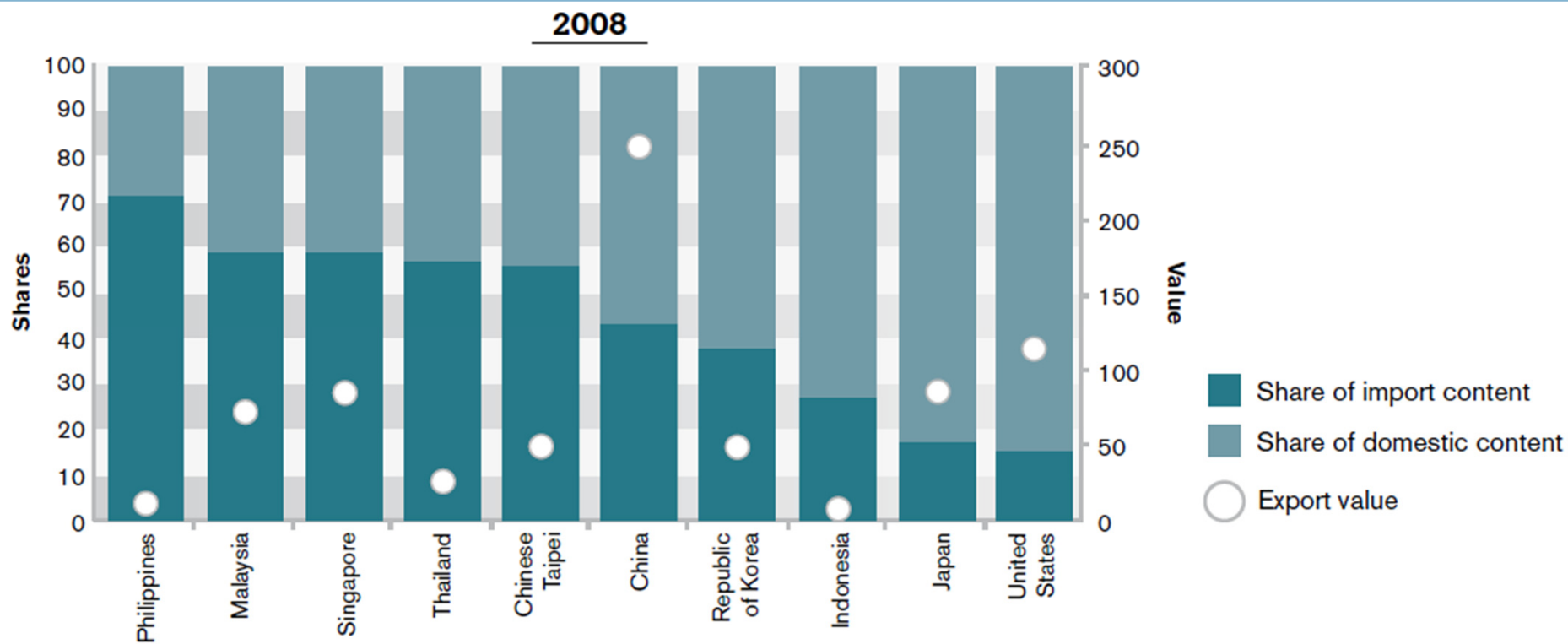
Towards a new measure of international trade

- **Traditional statistics** present some biases:
 - Multi-counting of trade flows in intermediate goods
 - Difficult attribution of the country of origin of an imported product
- **Measuring trade in value added** terms allows:
 - To circumvent the biases observed with traditional statistics
 - To take into account the specificity of trade occurring between the different actors of a production chain

Some benefits of trade in value added

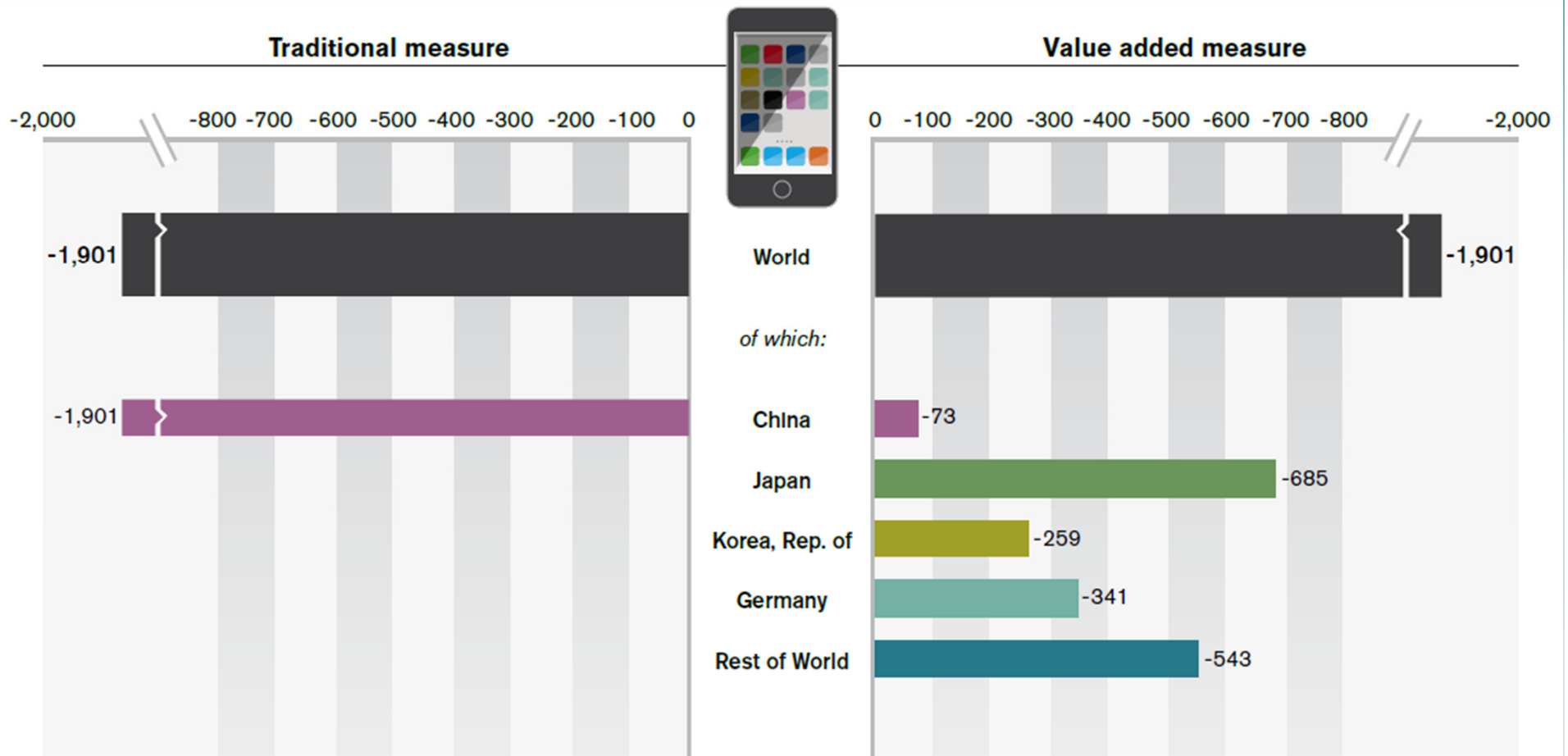
- **A better evaluation of the actual contribution of international trade to an economy**
(incl. development, employment, environment)
- To highlight the **interdependency of economies**, and the **counter-productive effects of protectionist measures** on economies and enterprises they are supposed to protect
- **Better evaluation of the contribution of the services sector on trade**
- To provide a **more realistic evaluation of bilateral trade balances and regional trade**

Computers and electronic equipment exports and their domestic and imported contents (in billions of \$ and percentage)



Source: WTO, based on IDE-JETRO Asian Input-Output tables

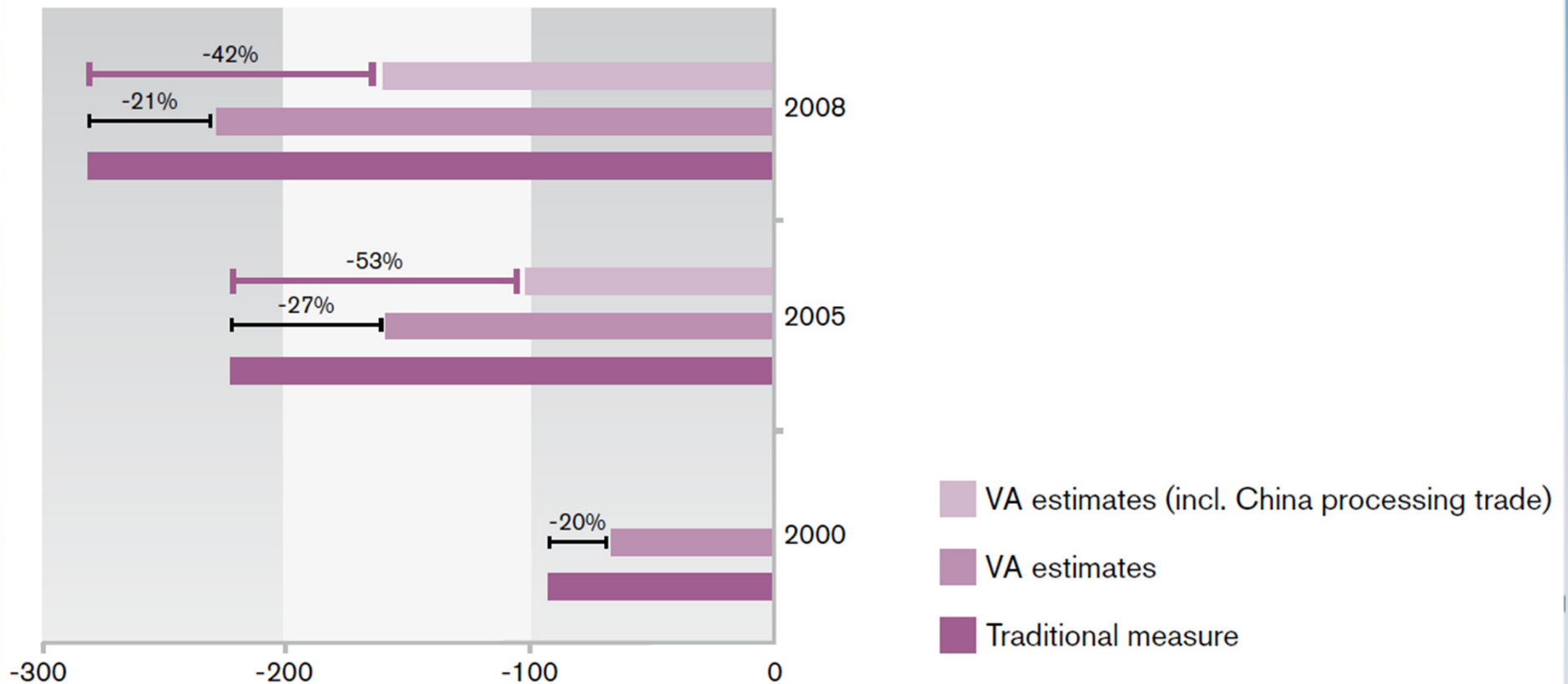
2009 US trade balance in iPhones (in millions of US\$)



Source: Meng and Miroudot, based on Xing and Detert (2010)

United States-China trade balance

Traditional vs VA measure (in billions of US\$)



Sources: UN Comtrade Database, IDE-JETRO AIO table and WTO estimates