



Activity Title and Number: Seminar on estimation of trade in value added, A369-C4

Beneficiary: General Administration of Customs (GACC), Ministry of Commerce (MOFCOM), National Bureau of Statistics (NBS), China Academy of Science (CAS)

Location and Date: Beijing, 9-10 July 2014

Stakeholders: Eurostat, DG Trade

Brief Activity Report

Relevance and Impact

Final traded goods are increasingly composed of multiple tangible and intangible inputs of varying value, from across different domestic and international industries. However, the flows of goods and services within these global value chains (GVC), *and the value they add* to final traded goods, are not always reflected in conventional measures of international trade. As the production of goods becomes more globalised, policy makers need new tools to measure the value added across complex GVCs. Continuing research from the WTO, OECD and other international organisations demonstrates that much of the competitive pressure in global trade is in trade in “tasks” rather than trade in final products. Understanding these differences can help policy-makers and other stakeholders to identify their economic strengths and weaknesses, and formulate policies for growth and jobs amongst multiple other applications. Given China is embarking on a new wave of reforms to diversify its economy, better tools to estimate TiVA will provide crucial data on which to develop new trade and economic policies.

Activity Description

Researchers in the EU and China are working to enhance the technical methodologies, methods and tools for estimating TiVA. This work complements the joint initiative of the WTO and the OECD to develop TiVA indicators and statistics that reveal the value added by each country in the global production of goods and services. EUCTP held a seminar to bring leading experts together to discuss the latest developments at the international level, and to focus this expertise on the EU-China trade relationship. Approximately 40 Chinese experts from GACC, MOFCOM, NBS and CAS attended the seminar, many of whom are on a GVC research taskforce charged with establishing a comprehensive Chinese TiVA database. Chinese experts from CAS presented the latest research on TiVA in China, highlighting where Chinese policy-makers might focus their efforts to boost value add in the Chinese economy. An expert from the United States International Trade Commission (ITC) presented world-leading research on a new method to measure TiVA which may provide the most accurate picture yet of a country’s or sector’s participation in GVCs. Experts from the OECD and the Institute of Developing Economies (IDE-JETRO) highlighted their work in this area and discussed the implications for China’s trade with the EU and within ASEAN.

Results and Dissemination

- World leading experts presented the latest TiVA research, forming a basis for ongoing collaboration between international experts and the Chinese TiVA taskforce.
- Boosted the work of the China TiVA taskforce as it works to inform China’s ongoing economic reforms.
- GACC and ITC discussed further collaboration on TiVA research to better understand China-US participation in GVCs.