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# Background and context

First meeting of the UN Expert Group on international trade and economic globalization statistics, 26-28 January 2016, New York

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# The journey so far...

- Global Forum on Trade Statistics, 2011
- Side-event at Statistical Commission, 2012
- Report to Statistical Commission, 2013
  - ✓ Creation of FOC group
- Report to Statistical Commission, 2014
  - ✓ Request for 1-year extension
- Report to Statistical Commission, 2015
  - ✓ Adoption of mandate for Handbook
  - ✓ Creation of UN Expert Group

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# Summary – Report 2013

The present report draws on the work undertaken by various task forces in the global statistical system **on topics such as integrated economic statistics, linking trade and business statistics, trade and global production, trade in value added, statistics of multinational enterprises and foreign direct investment.**

The report describes the **emerging policy needs for new statistics on international trade**, outlines the current state of official trade statistics, indicates **new initiatives in the measurement of global value chains and trade in value added**, and expresses concern at the lack of coordination among the many task teams operating in this field. The report proposes the development of **an overarching framework for international trade and economic globalization to ensure consistency in methodology, data compilation and data dissemination** and the development of an appropriate mechanism for coordinating this process.

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# Summary – Report 2015

The report provides an overview and assessment of the conceptual, compilation and analytical issues that have emerged in respect of **the prominence and governance of global value chains in international production and trade**. Those global production networks cause economic, environmental and social interdependencies and have an impact on sustainable development in both developed and developing countries. **The group concludes that a system of extended international and global accounts is needed to address the measurement issues in a coherent way.**

# Decision 46/107

- Agreed with the proposal of the FOC group to draft a handbook on a system of extended international and global accounts as the measurement framework for international trade and economic globalization
- Endorsed the establishment of an expert group tasked with the development of the handbook on a system of extended international and global accounts
- Agreed with the proposed programme of work
  - Enterprise Group register
  - Firm heterogeneity
  - Asymmetries in trade and investment
  - Global Input-Output tables
- Agreed to establish an inter-secretariat working group for international trade and economic globalization statistics

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# Report to the upcoming 2016 UNSC

Taking into account the work highlighted directly above, a GVC approach seems appropriate for the handbook on a system of extended international and global accounts, since GVCs cut across geographical borders and bring together those global economic activities, goods and services that belong together in the chain.

**Measurement of economic interdependencies (involving investment, job creation, income and intellectual property) within and across countries — between upstream design and downstream assembly — requires measurement of GVCs.**

[..] given that the new concepts associated with globalization are increasingly difficult to deal with within existing national accounts, that **they may be best tested in satellite accounts**

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## Context: Events and documents in period 2011-2015

- 2011 - Made in the World Initiative – WTO
- 2011 – Trade patterns and GVCs in East Asia – WTO/IDE-Jetro
- 2012 – WOID launched – European Commission
- 2012 - Trade in Value Added – OECD/WTO
- 2013 – GVCs and Economic Globalization – Eurostat (Sturgeon)
- 2013 – WTO’s Aid for Trade “connecting to value chains”
- 2013 – Implications of GVCs for trade, investment, development and jobs - OECD, WTO, UNCTAD – G20 report
- 2014 – GVCs: Challenges, Opportunities, and Implications for Policy – OECD, WTO, World Bank – G20 report
- 2015 – Inclusive GVCs (for SMEs and low-income developing countries) – OECD and World Bank – G20 report
- 2015 – GVCs and the Exchange Rate Elasticity of Exports - IMF

## Context: Influential Academic documents

- 2005 – Governance of GVCs – Gereffi, Humphreys, Sturgeon
- 2008 – Trading Tasks: A Simple Theory of Offshoring – Grossman and Rossi-Hansberg
- 2008 – Value chains, networks and clusters: reframing the global automotive industry – Sturgeon, van Biesebroeck and Gereffi
- 2008 - From commodity chains to value chains: Interdisciplinary theory building in an age of globalization - Sturgeon
- 2010 - Give credit where credit is due: tracing value added in global production chains – Koopman et al
- 2010 – GVCs in a Post Crisis World – Gereffi et al (Eds)
- 2011 – GVCs analysis: a Primer – Gereffi and Fernandez-Stark
- 2011 – Capturing Value in Global Networks: Apple's iPad and iPhone - Kraemer et al
- 2013 – Slicing up the GVCs – Timmer et al
- 2014 – Making Global Value Chains Work for Development – Taglioni and Winkler

<http://unstats.un.org/unsd/trade/globalforum/default.asp>