



Regional Workshop  
on International Merchandise Trade Statistics  
Strengthening Data Compilation and Analytical Capacity  
*11-13 September 2017, Suzhou*



## **Data and empirical challenges when accounting for GVCs in trade analytical work**

**13 September 2017**

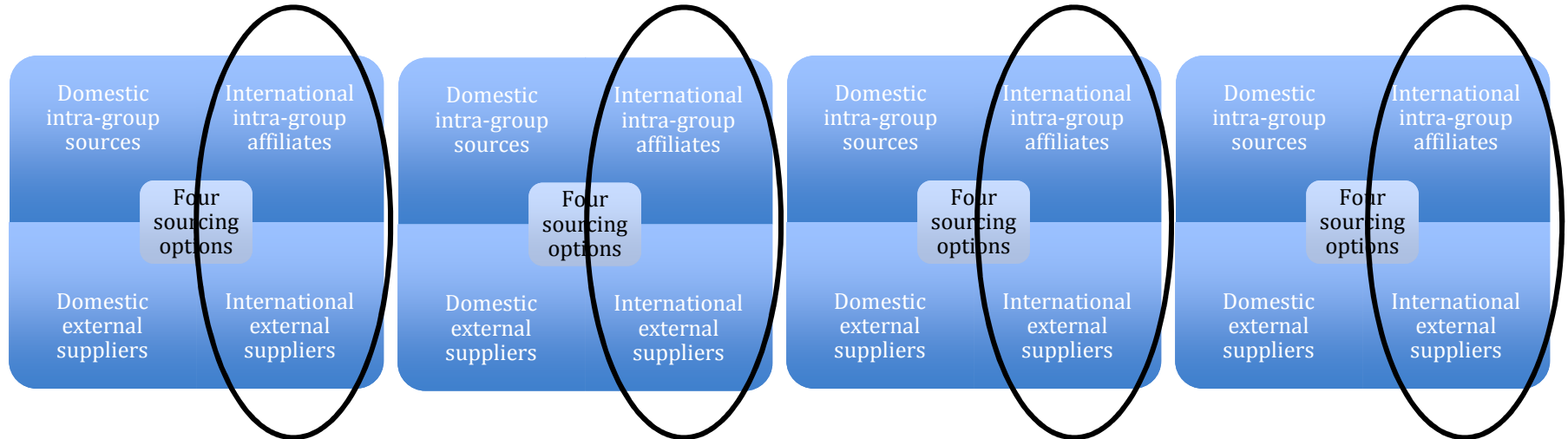
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# Objectives of ESCAP analytical work on trade and investment

- How to make the gains from globalization engagement more inclusive?
- How countries at different stages of development will need to adapt their policy-mix to better draw development benefits from GVC engagement?

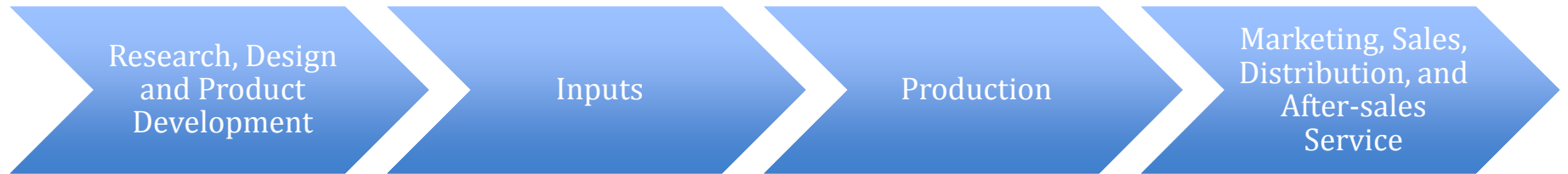
# A simple value chain with four sourcing options



...international sourcing (trade)

# Data gap and availability

- Bilateral trade statistics: goods **and services**
- **Raw materials, (differentiated) intermediates, final goods (for household consumption):** classifications drawn from the literature, UNCTAD-SOP, BEC
- Domestic and import content: by industry (**product**) from TiVA, EVA for (**selected**) countries

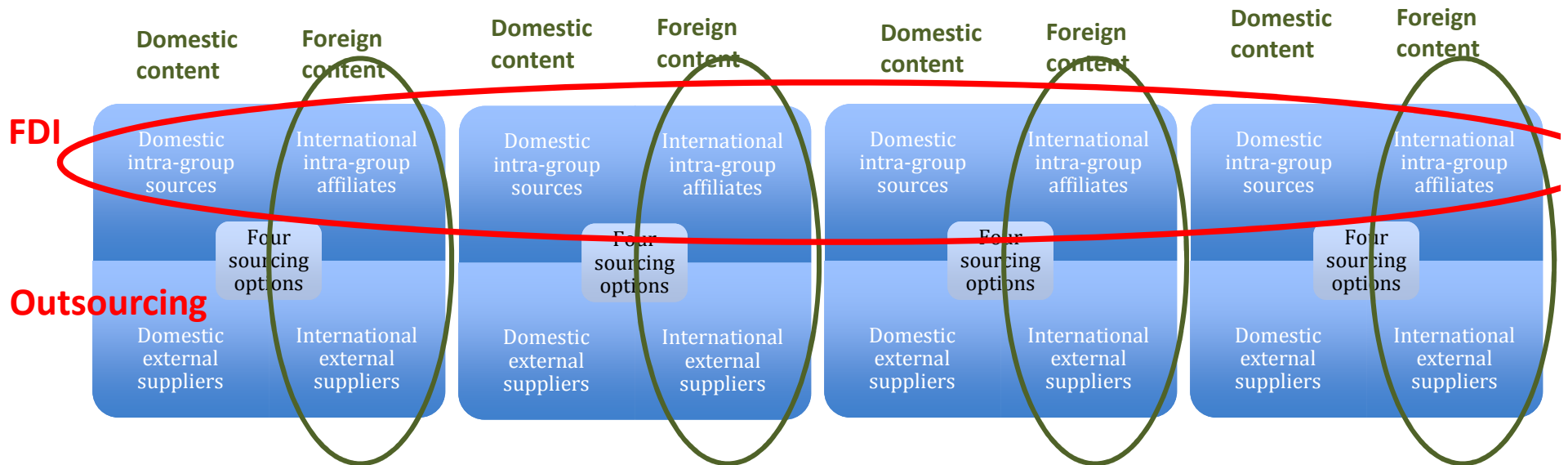


Services flows

Goods & services flows

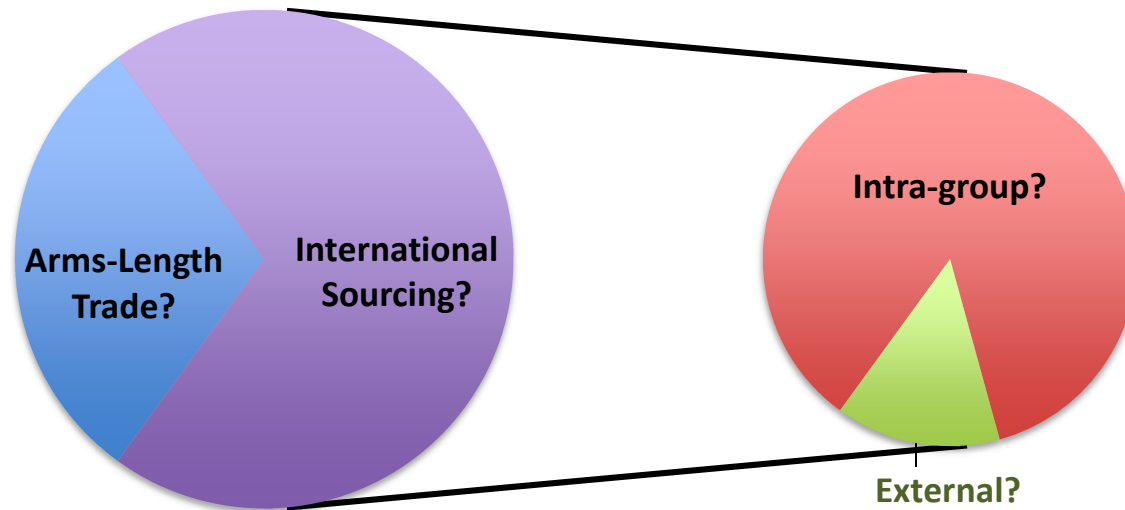
Goods flows

Services flows



# What we don't know

Some data we would like to see (the fractions are made up!)



Whether trade and GVCs really help host countries achieving SDGs? :

- technology spillovers?
- SME participation?
- Local productivity improvement?
- Trend differences?

These data matter for making the gains from the GVC participation more inclusive.

# Medium-term needs

- Improved statistics on international trade (goods and services) and FDI
  - Classification of intermediate and final products
  - Services mode 5
  - Foreign affiliates trade statistics
- Improved business surveys that collect data on domestic and international sourcing by business function

# Long-term needs

- Capitalizing microdata and links between trade and business registers.
- An International integrated microdata platform that contain unique enterprise identifiers to tie all of the data sources together
- Confronting the challenges of microdata use...
  - Disappearing data
  - Incompatible data
  - Time series data are difficult to construct
  - Confidentiality blocks usage across agencies and borders

## ...microdata on global production sharing...

- Enterprise data at the highest disaggregation possible
  - Is the enterprise domestic or foreign-owned?
  - Is the enterprise part of an MNE or non-equity business network?
  - What products and services does the enterprise make itself or and what does it source domestically or internationally?
  - What is the volume and character of intra-firm trade?
  - What is the volume and character of global sourcing?



## ...need to be linked to a full set of enterprise characteristics

- Firms births and deaths (business demographics)
- Employment (hiring and firing)
- Turnover
- Wages paid
- Occupational employment
  - Skills
  - Education and training requirements
- Performance
  - Growth
  - Profits
  - Market share (Not in any public dataset!)
- R&D and Innovation
  - R&D spending and employment
  - % of revenues from new products
  - Patents

These enterprise-level data are generally confidential and reside in administrative systems!

**Thank you!**

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