



TRADE MICRODATA: OECD PERSPECTIVES

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Main messages

In order to map and understand trade flows in an era of globalisation (GVCs etc.) we need to capture the micro, business-level dimension of trade

= who trades with whom?

TEC: disaggregating trade flows according to the characteristics of trading companies

The TEC exercise has proved a very efficient and cost effective way of advancing in that direction: it needs to be pursued and broadened.

Plan of the presentation:

- Understanding the dynamics of international trade using microdata is key for policy making
- OECD experiences: Addressing Policy Issues with Trade Microdata
- OECD-Eurostat Trade by Enterprise Characteristics (TEC) Database
- Future Perspectives on TEC

Trade microdata are a unique tool to explore key policy questions:

- Global Imbalances: improve trade in value-added measures
- The impact of the economic downturn on the intensive and extensive margin of trade
- The determinants of the extensive margin
- Exports as a determinant of young firms' growth and job creation
- GVCs: are import duties really a tax on exports?

Linking Trade with Enterprise Characteristics

OECD countries experiences

- Austria (Central Bank):
 - **Determinants of Trade in Services**
- Australia (Bureau of Statistics):
 - **“Characteristics of Australian Exporters”**
- Canada (Export Development Canada) :
 - **Estimate future demand for trade facilitation services**
 - **Identify the characteristics of firms that stopped exporting and the growth profile of SME exporters**
- USA (USITC):
 - **“Small and Medium Sized Enterprises U.S. and EU Export Activities, and Barriers and Opportunities Experienced by U.S. Firms”**

THE OECD-EUROSTAT TRADE BY ENTERPRISE CHARACTERISTICS DATABASE (TEC)

Trade by Enterprise Characteristics (TEC) database

Context

TEC is a joint OECD-Eurostat exercise.

Datasets are compiled by linking micro data (data at trader level) with business registers.

Under guidance of the OECD Steering Group “Business Economic Statistics and Trade (BEST)”, a first OECD set of Linkage Tables was sent out to participating Non-EU-OECD member countries in June 2007.

Structure

5 datasets displaying imports/exports by ISIC industry (or group of industry) in terms of value (M\$) and numbers of enterprises :

- I. Trade by size class
- II. Trade by top enterprises
- III. Trade by partner zones and countries
- IV. Trade by number of partner countries
- V. Trade by commodities (Central Product Classification)

TEC database

Content

Up to now, OECD has received tables from Canada, the United States, Norway and Israel. In addition to that, Eurostat provided OECD with the respective (published) data tables of 19 EU member states:

- EU countries 2005,2006,2007
- Canada 2003, 2006,2007,2008 exports
- USA 2003, 2005 (exports)
- Israel 2006,2007,2008 (imports)
- Norway 2003,2005,2006,2007 (aggregated data)

Comparability

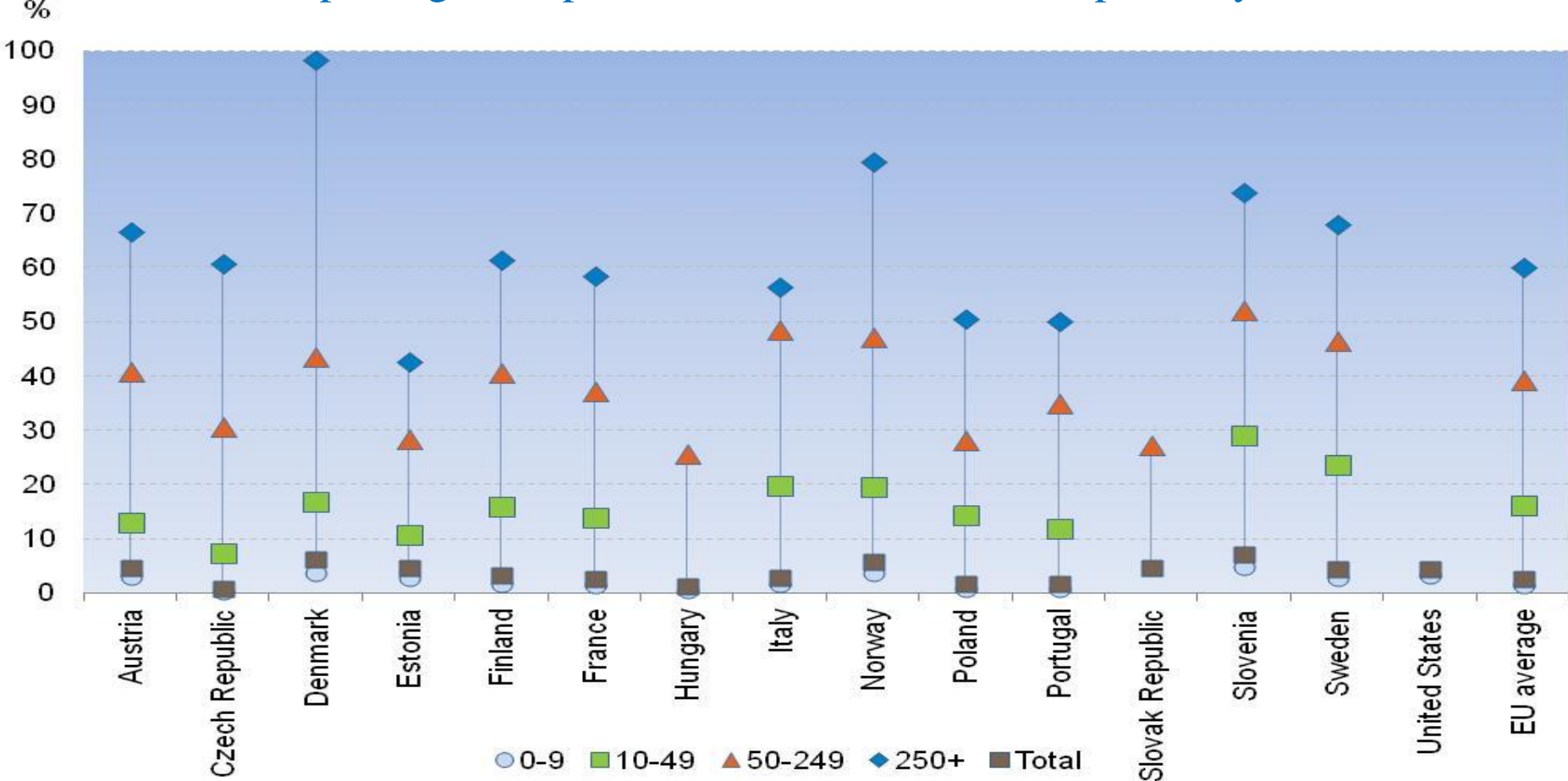
- EU countries trade data are reported either for Intra-EU or for extra-EU, no Total trade as the other countries, the perimeter of these zones evolves over time (EU25, EU27)
- EU countries total trade and the number of trading enterprises
- For the majority of the countries (except Canada), data are not longitudinal series



The TEC database reveals that:

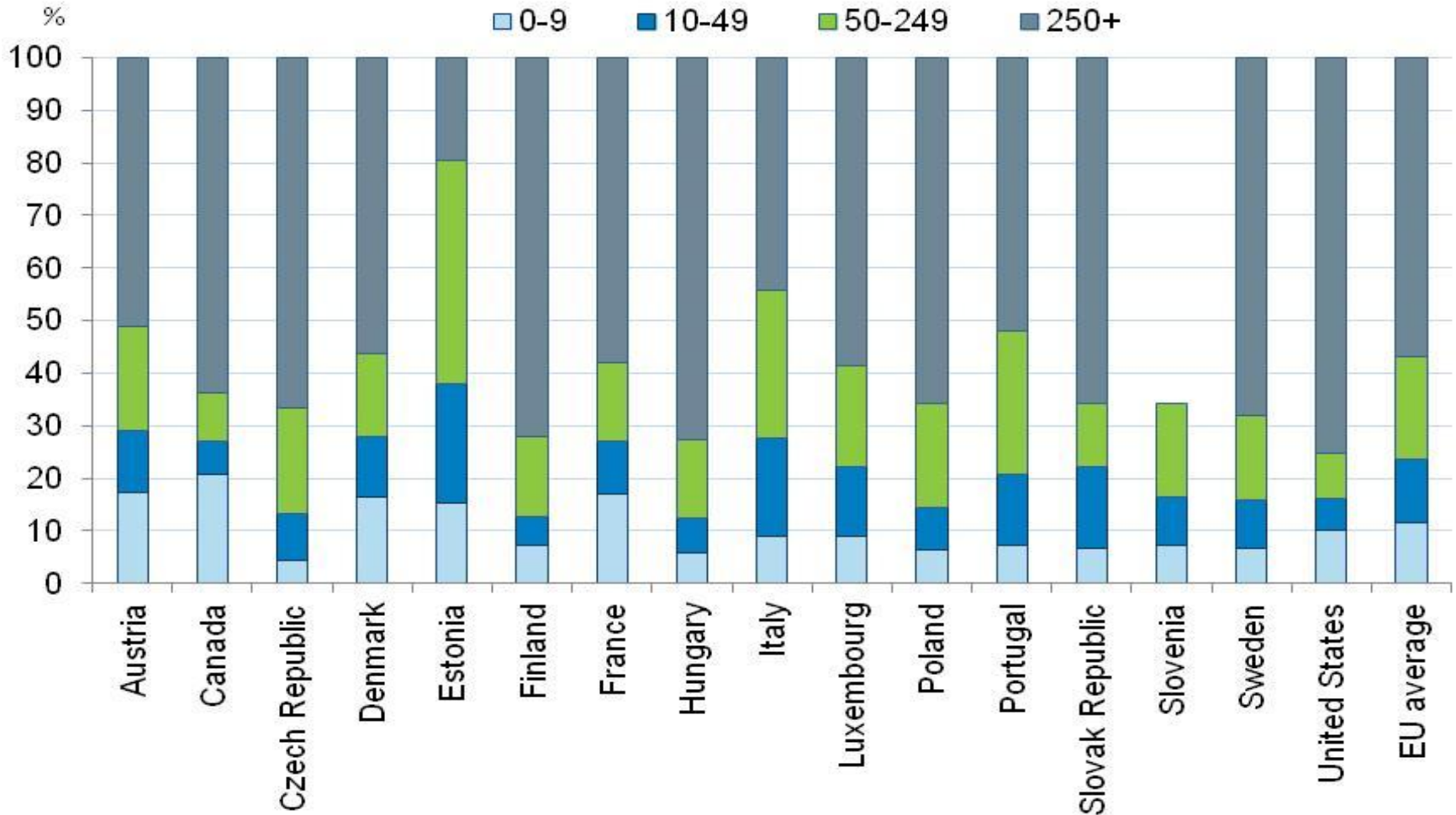
Export Propensity Increases with Firm Size

Number of exporting enterprises as a share of total enterprises by size class



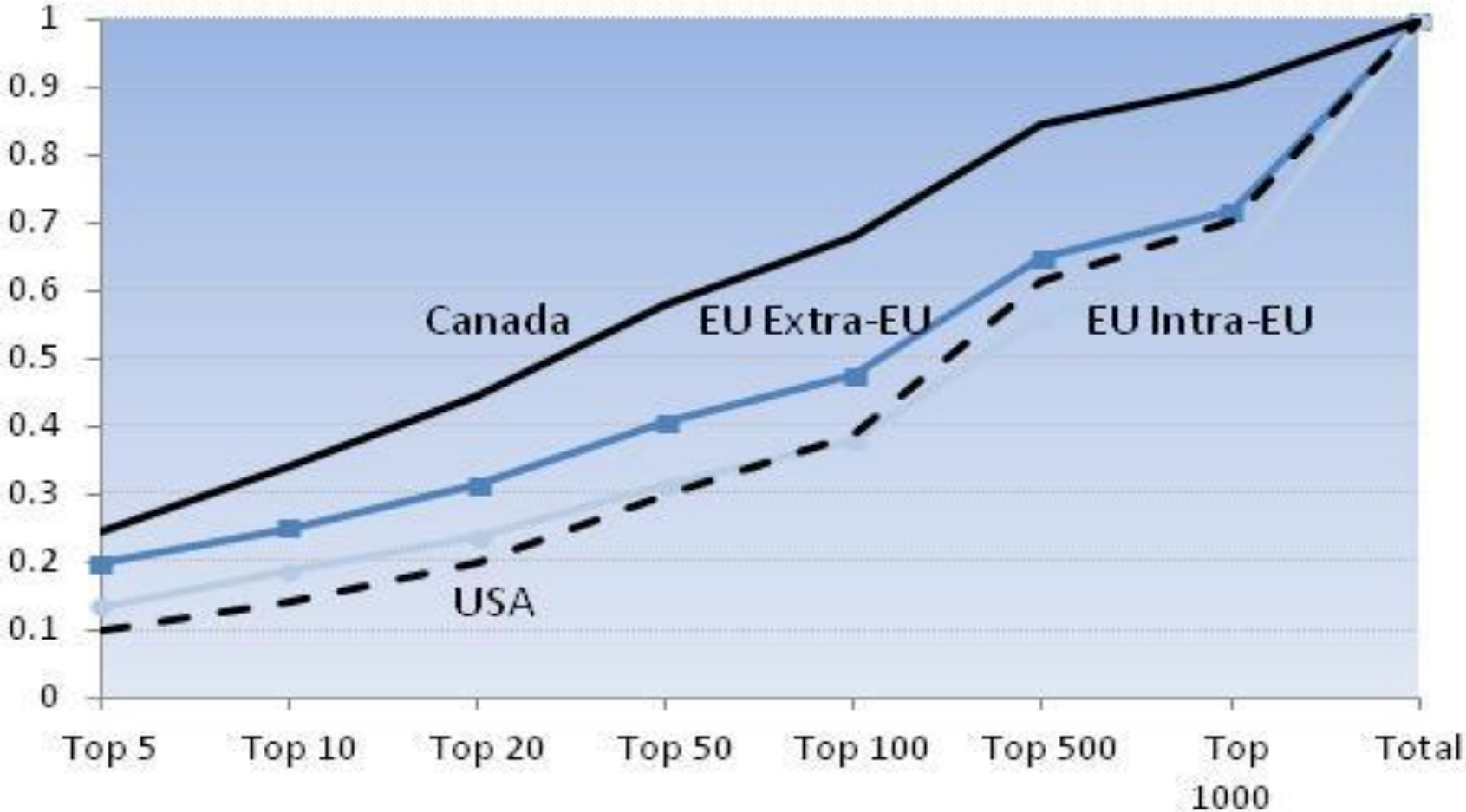
Exports are concentrated (1):

Export values by Enterprise Size Class, as a share of total exports



Exports are concentrated (2):

Top exporters share of exports



The majority of enterprises exports to only a few destination markets:

Table 1: Concentration of exporters and export values by partner country, 2007 or latest available year

Number of enterprises according to the number of partner countries	Canada	EU extra-EU	EU-Intra-EU
1 partner country	68%	54%	17%
2 partner countries	11%	15%	10%
3-5 partner countries	11%	16%	22%
6-9 partner countries	5%	7%	19%
10-14 partner countries	1%	4%	15%
14+	4%	5%	16%
Export values according to number of partner countries			
1 partner country	25%	3%	3%
2 partner countries	8%	3%	2%
3-5 partner countries	15%	6%	6%
6-9 partner countries	10%	8%	10%
10-14 partner countries	3%	8%	15%
14+	39%	72%	64%

Future perspectives on trade microdata:

- Continue this highly informative exercise:
 - bring in new countries
 - enrich the matched datasets with more enterprise characteristics (ownership, etc.)
- Improve international comparability
- Exploring ways to improve access to microdata for analytical purposes while conforming to confidentiality laws

With those datasets, one can...

Compile further indicators, e.g.:

- Trade in value added
- Trade by multinational enterprises
- Intra-firm trade
- Persistent exporters
- Exports by young firms

More on linking trade with enterprise characteristics:

- The OECD Statistics Brief No. 16 (February 2011):
http://www.oecd.org/document/48/0,3746,en_2649_33715_1844528_1_1_1_1,00.html
- The OECD-Eurostat Handbook on Trade Microdata (forthcoming)
- Eurostat website on International trade by Enterprise Characteristics:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/International_trade_by_enterprise_characteristics

Thank you!