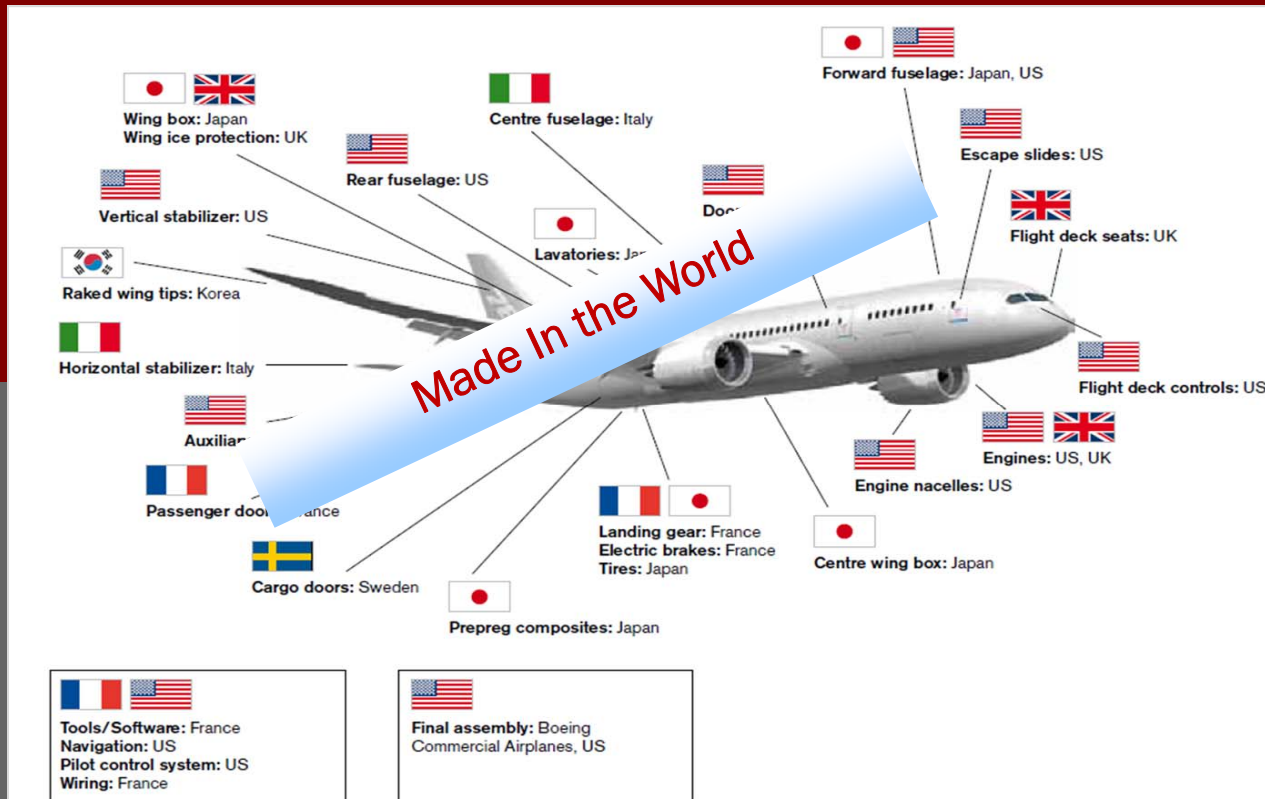


Made in the World Initiative (MiWi)

A Paradigm Shift to Analyzing Trade



SOURCE: MENG & MIROUDOT (2011)

LINES DELIVERED

“ With the international fragmentation of production, traditional boundaries and distances are collapsing. Reductions in transport costs, the information technology revolution, and more open economic policies have made it easier to “unbundle” production not only within countries, but across. ”

Pascal Lamy,
WTO Director General

MADE IN THE WORLD INITIATIVE (MIWI) AIMS TO SUPPORT THE EXCHANGE OF PROJECTS, EXPERIENCES AND PRACTICAL APPROACHES IN MEASURING AND ANALYSING TRADE IN VALUE ADDED.

Made in the World (MiWi)

Today, companies divide their operations across the world, from the design of the product and manufacturing of components to assembly and marketing, creating international production chains.

More and more products are “Made in the World” rather than “Made in the UK” or “Made in France”. The statistical bias created by attributing the full commercial value to the last country of origin can pervert the political debate on the origin of trade imbalances and lead to misguided, and hence counter-productive, decisions.

The challenge is to find the right statistical bridges between the different statistical frameworks and national accounting systems to ensure that international interactions resulting from globalization are properly reflected and to facilitate cross border dialogue between national decision makers.



Allocation of tasks of the NOKIA N95: Hardware and management tasks comprise 80% of total value added. More than half comes from the EU for management, hardware and software tasks while North America and Asia account for 17% and 18% of total value.

Jyrki Ali-Yrkkö, Petri Rouvinen,
Timo Seppälä & Pekka Ylä-Anttila (2011)

Why Trade in Value Added?

1 *Offshore and FDI go UP!*
Offshore-Outsourcing and Foreign Direct Investment (FDI) led to an increase in Trade in “Intermediate Goods” (i.e. parts, components and accessories) which encouraged the specialization of different economies. As a result, economies have been “Trading Tasks” (as opposed to “Final Goods”) which “add value” along the production line.

2 *Tariffs go DOWN*
Asian economies, in particular, have relatively low applied tariffs on imports (especially on semi-processed goods).

3 *WEAKNESSES in Current Methods*
Cross-border trade in Intermediate Goods is RECORDED MULTIPLE TIMES, distorting Bilateral Trade Balances. **WHICH COUNTRY DOES WHAT, AND HOW MUCH?** Are CURRENT RULES OF ORIGIN reflecting business practices? What does this mean for an economy and its ABILITY TO CREATE JOBS and ADAPT ITS TRADE POLICIES?

4 *The Way FORWARD*
MAKING FURTHER PROGRESS REQUIRES: ANALYZING TRADE IN VALUE ADDED TERMS. “INPUT—OUTPUT” ANALYSIS IS CURRENTLY BEING USED TO ACHIEVE THIS.

INFORMATION CAMPAIGNS TO RAISE AWARENESS. INTERNATIONAL AND NATIONAL CO-OPERATION NEEDED TO EXCHANGE VIEWS AND BEST PRACTICES, AND ORGANIZE METHODOLOGICAL WORKSHOPS ([MiWi](#)).

INTEGRATING STATISTICAL DATA “SILOS” (I.E. BUSINESS, TRADE, FINANCE AND EMPLOYMENT) TO EQUIP DECISION-MAKERS TO MAKE INFORMED DECISIONS ON TRADE POLICY ([TTS VISION](#)).

Resources



MADE IN WORLD INITIATIVE (MIWI):
A WTO INITIATED COMMON SPACE TO PROMOTE THE EXCHANGE OF PROJECTS, EXPERIENCES AND PRACTICAL APPROACHES IN MEASURING AND ANALYSING TRADE IN VALUE ADDED.

TRADE PATTERNS AND GLOBAL VALUE CHAINS IN EAST ASIA:

THIS BOOK IS THE RESULT OF COOPERATION BETWEEN IDE-JETRO AND THE WTO IN ANALYSING A FUNDAMENTAL CHANGE THAT HAS BEEN TAKING PLACE IN THE STRUCTURE OF INTERNATIONAL TRADE. THIS CHANGE IS REFERRED TO IN VARIOUS WAYS: VERTICAL SPECIALIZATION, PRODUCTION SHARING, TRADE IN TASKS, OR SUPPLY CHAIN TRADE, TO CITE JUST A FEW. WHAT THESE ALL INDICATE IS THAT MUCH OF TRADE THESE DAYS COMPRISES COMPONENTS OR INTERMEDIATE GOODS AND SERVICES THAT PASS FROM ECONOMY TO ECONOMY BEFORE BECOMING PART OF A FINAL TRADED PRODUCT. DOWNLOAD THE PUBLICATION [HERE](#).



MONDIALISATION DES CHAÎNES PRODUCTIVES INDUSTRIELLES ET

MESURE DU COMMERCE EN VALEUR AJOUTÉE (ACTE DE LA CONFERENCE)
PUBLICATION LAUNCHED DURING THE FRENCH SENATE MEETING IN PARIS, OCTOBER 2010. DOWNLOAD THE PUBLICATION [HERE](#).



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