

## MERCHANDISE TRADE: THE PACIFIC ALLIANCE MANUFACTURE EXPORTS IN GLOBAL VALUE CHAINS

In Latin American trade, exports of the Pacific Alliance (PA) take a significant part. The group comprised of Mexico, Colombia, Peru and Chile, exported 57% of Latin America's total exports in 2016, 37% of which were in manufactures. The group's top trader, Mexico, contributed 42% of the region's total exports, while Chile contributed 7%, Peru, 4.2% and finally Colombia, 3.5%.

Of the PA's total exports, 65% are manufactured products, 47% of them being in machinery and transport equipment. Moreover, almost 70% of total exports go to North America, 13% to Asia and 9% to both Europe and South and Central America.

### The RTA's participation in Global Value Chains

In 2011, an average of 47% of the group's gross exports were linked to GVCs. In particular, the top exporting industries were in mining, wholesale and retail trade and basic metals as well as in the transport and storage industry for Peru. Most exported domestic inputs going to third countries passed through the United States, China, Japan as well as through Canada and Korea.

For Mexico, 32% of its gross total exports in 2011 represented foreign value added content and 15% represented domestic value added sent to third countries. Less than 50% of its domestic inputs going to third countries passed through the United States and another 18% through both Canada and China. Most foreign value added input imported by Mexico from other countries for subsequent export

were used in the motor vehicle, computer and electronic and electrical machinery industries. Almost 60% of them came from the United States, China and Japan.

For the other 3 member countries, imported foreign inputs were in basic metals and mining industries as well as in chemical products, food and beverages and transport and storage. Their top foreign input providers were mostly the United States, China, as well as other Latin American countries namely Brazil, Colombia and Mexico.

Source: [WTO TIVA Profiles](#)

The group's performance of manufacture exports is an important point to note in terms of global value chains. Manufactured products which most often involve intermediate inputs crossing borders at multiple times are significant in Latin America's total exports contributed by the group. The group's exported manufactures represented 71% of total Latin American manufacture exports in 2016. And with the trade agreements with Asian-Pacific countries of APEC members Chile, Mexico and Peru this could lead to potential growth within global value chains in these countries.

### Merchandise exports of the Pacific Alliance countries by destination and broad product grouping, 2016

(Share in total exports, %)



Source: Secretariat estimates

## Trade in value added and commercial services

### TECHNICAL ASSISTANCE FOR AFRICA AND THE MIDDLE EAST

In 2017, the WTO organized several technical assistance activities targeting Africa and the Middle East.

The first ever WTO course on **Trade in Value Added and Global Value Chains, with emphasis on Africa** took place in Geneva on 26-29 September. The course addressed the concept of trade in value added (TiVA) and the statistical approach to measuring it. Participants were introduced to TiVA and Global Value Chains (GVCs) statistical indicators and familiarized themselves with the online OECD-WTO TiVA database. OECD and UNSD experts contributed to the success of this pioneering course.

Requests for national technical assistance on TiVA and GVCs are on the rise in particular in Africa. The WTO was involved in national workshops in South Africa and in Togo, while other countries in the region are in the pipeline for 2018.

Inter-agency technical assistance was strengthened in the highly demanded area of trade in services statistics.

A thematic course on **Trade in Services Statistics with emphasis on Africa** was also organized at WTO premises on 6-10 November. The activity benefited from the valuable contribution of experts from the central banks of Italy and France, OECD, UNCTAD, ITC, and PARIS21 (Partnership for Statistics in Development in the 21st Century).

A follow-up **Regional Workshop on Trade in Services Statistics for Arab countries** was jointly organized with the Arab Monetary Fund (AMF) in collaboration with UNESCWA, UNSD and UNCTAD and held from 20 to 23 November in the United Arab Emirates.

Prior to the workshop, selected participants in both activities were enrolled in a five-week **UNCTAD-WTO-UNSD e-learning course**

**on Trade in Services Statistics** focusing on concepts and definitions of the Manual on Statistics on International Trade in Services (MSITS 2010). The online course, maintained by UNCTAD Train-forTrade was moderated by WTO and UNCTAD.

Participants were also required to fill in a pre-course questionnaire to identify services sectors of trade interest and related data collection and compilation difficulties. The courses were then developed according to the feedback received from participants. This *à la carte* approach integrating online delivery and face-to-face, ensured pedagogical quality and targeted technical assistance.

A one-day **National Workshop in the United Arab Emirates** was also organized on 19 November. The event gathered experts from the WTO, UNESCWA, UNSD, and UNCTAD.

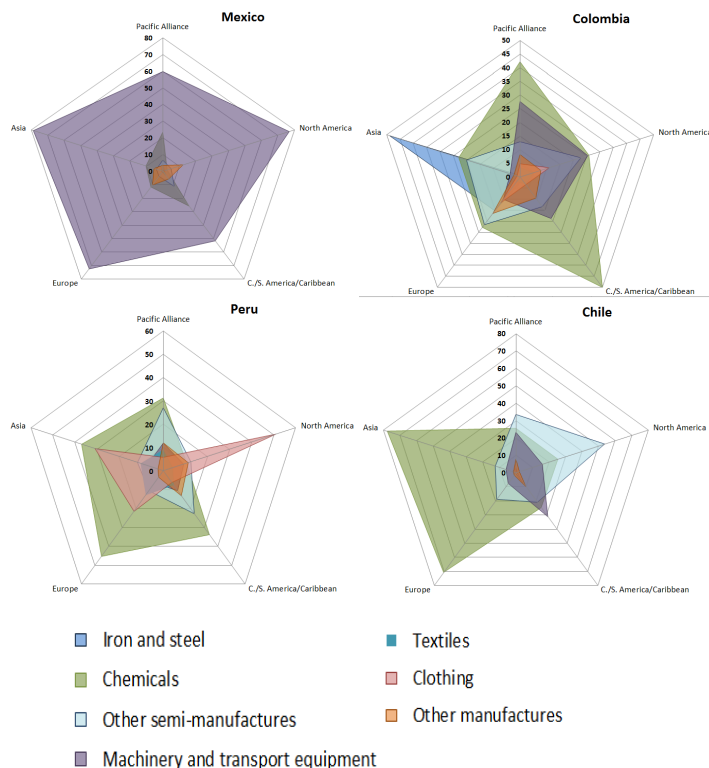
The recently-launched cooperation between the WTO, UNCTAD, ITC, OECD and PARIS21 in the context of countries' national strategies for statistical development will facilitate poorer countries' access to donor funds for the development of trade in services statistics. To raise awareness, the WTO, in February, participated in a **national activity organized by PARIS21 in Malawi**. Other similar activities are envisaged for the rest of the year.

In total, the above 2017 courses trained 95 government officials from central banks, national statistical offices and ministries, representing overall 56 countries, of which more than half are located in Africa.

The WTO will continue to partner with regional, international, and national institutions to build statistical capacity in developing economies, with LDCs as priority.

#### Merchandise Trade: The Pacific Alliance (continued)

Merchandise exports by region of the Pacific Alliance countries of manufactured products, 2016  
(Share in total exports, %)



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