



# TiVA-GVCs: preliminary analysis of food & agriculture value chains

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## What is Trade in Value-Added (TiVA)?

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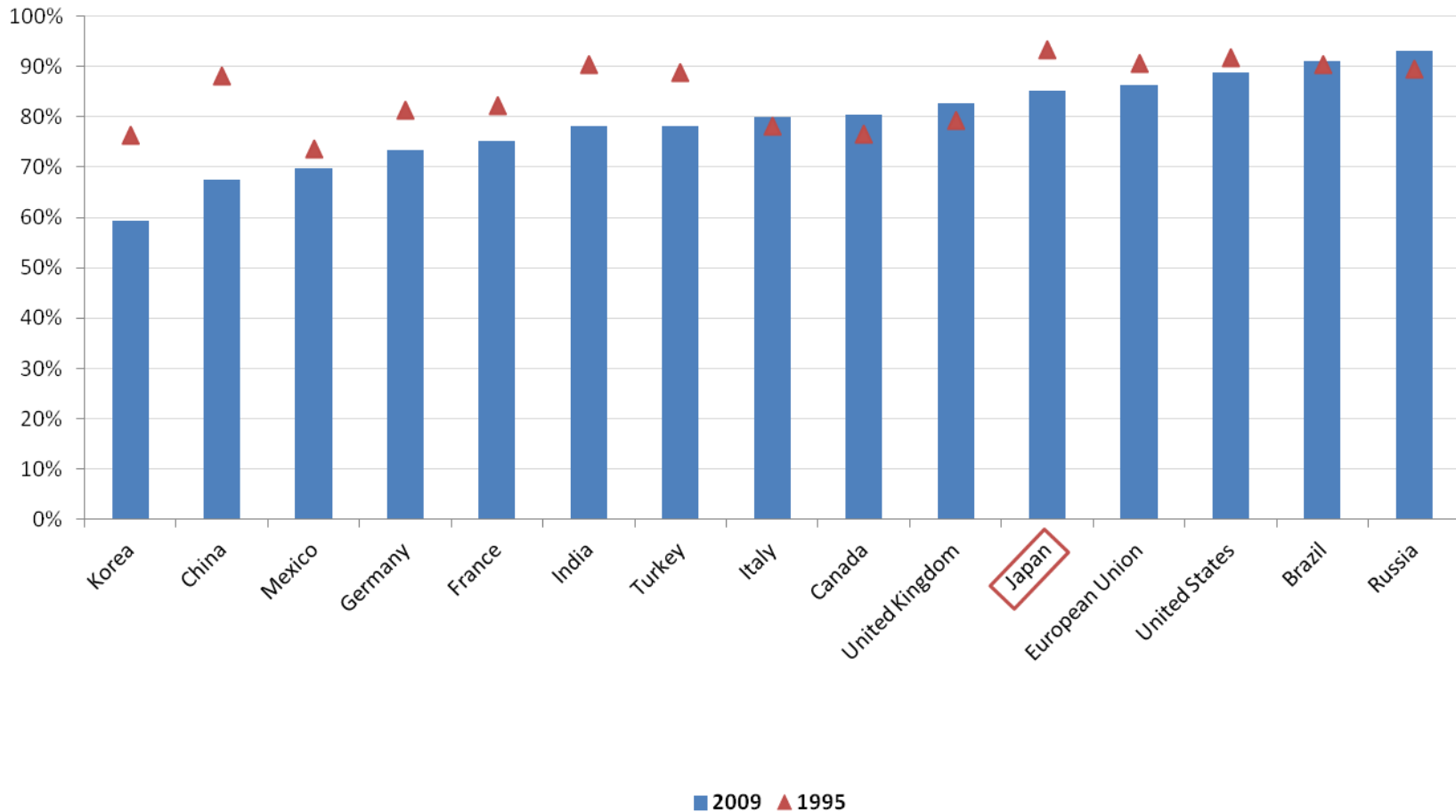
- A database containing **estimates** of the **value** that is **added**, by country and by industry, in producing goods and services
- Reveals the source of income generated and the economic significance of both exports and imports
- Based on national I-O or supply use tables, linked to bilateral trade flow data
- Currently covers 57 countries, 18 industries, for 1995, 2000, 2005, 2008 and 2009

*References: Interconnected Economies: Benefiting from GVCs (OECD, 2013)*

*Implications of GVCs for Trade, Investment, Development and Jobs (OECD, WTO, UNCTAD, 2013)*



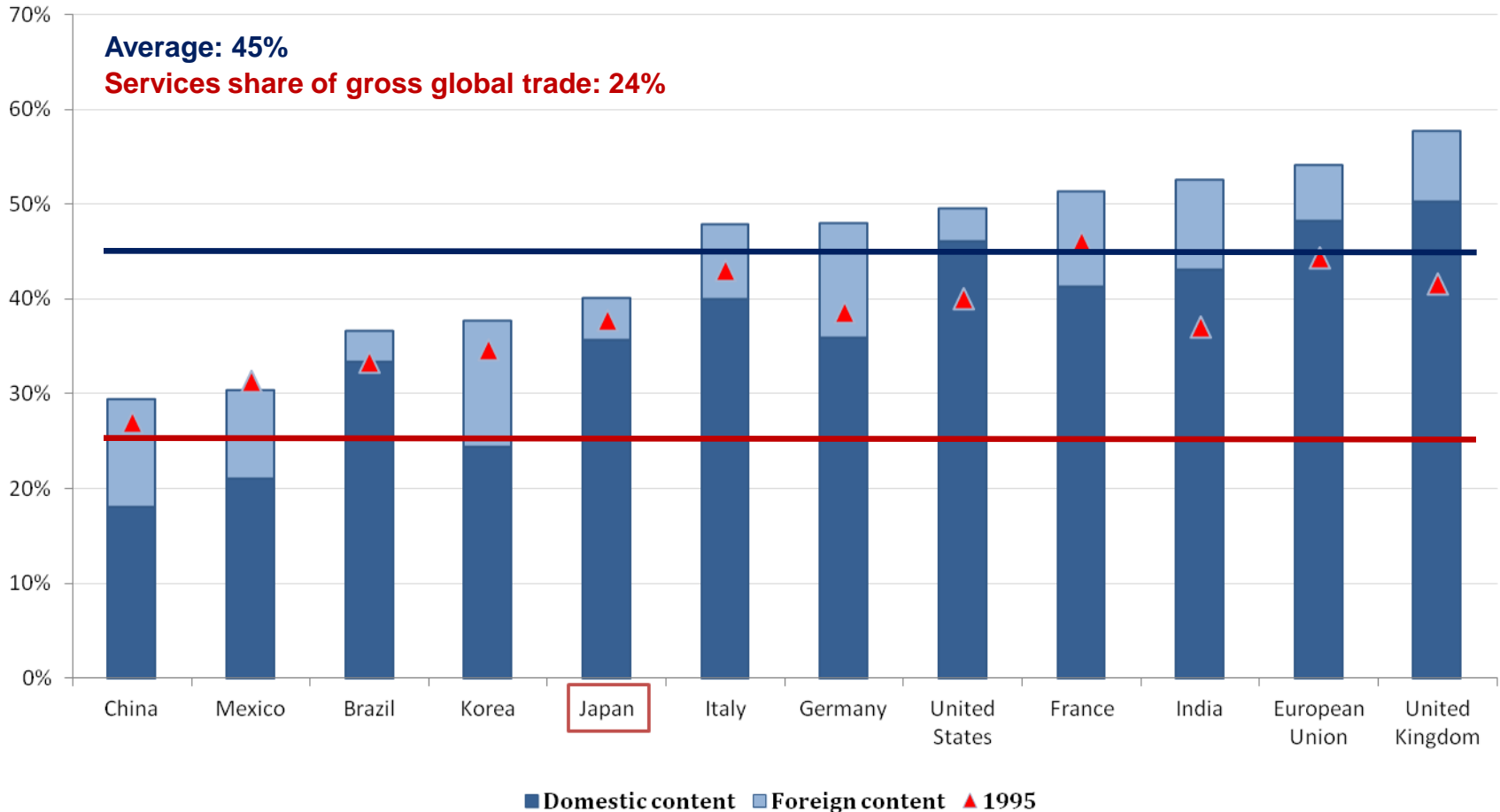
# Domestic value-added content of gross exports





# Role of services in global trade

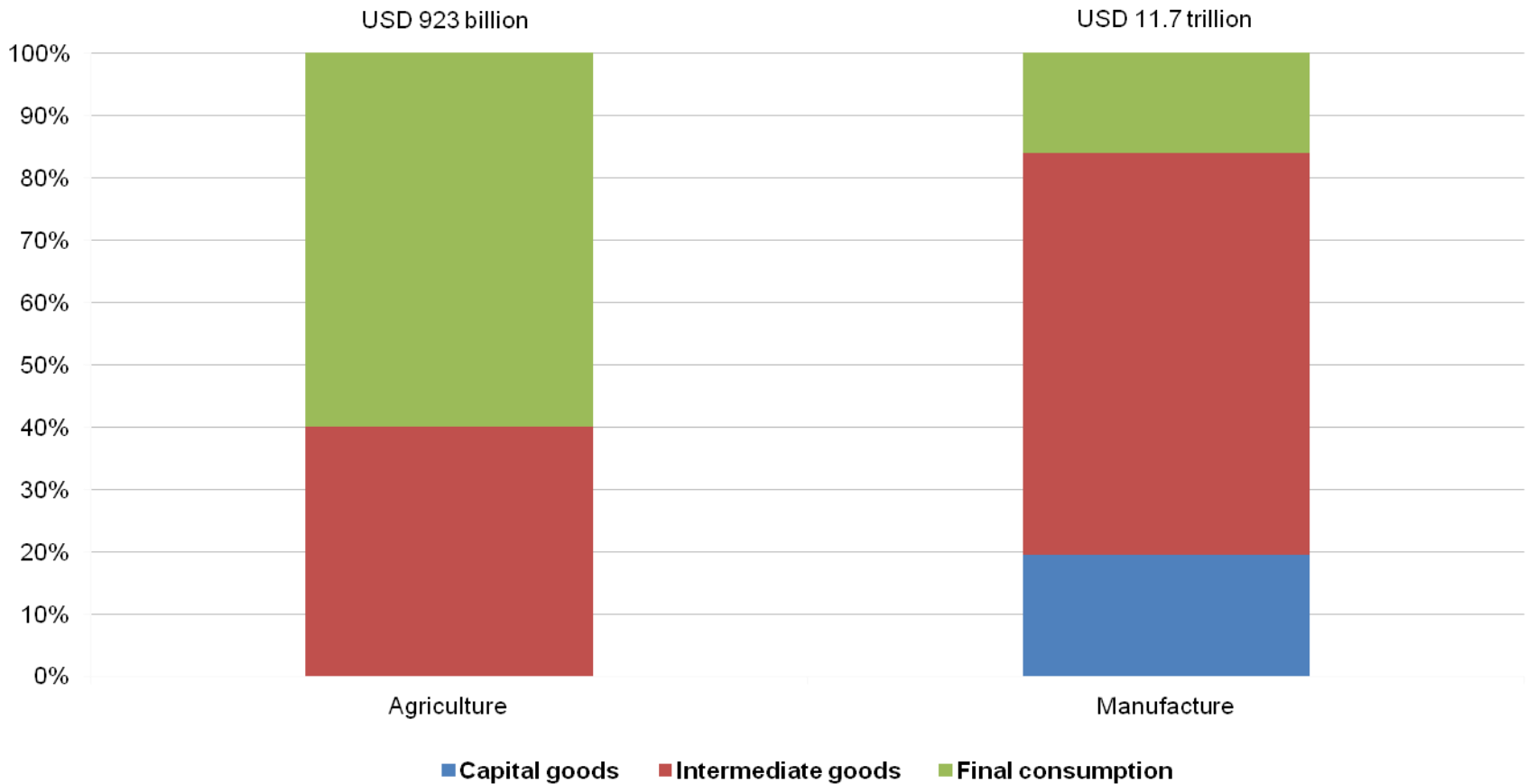
Services value-added embodied in gross exports, 2009





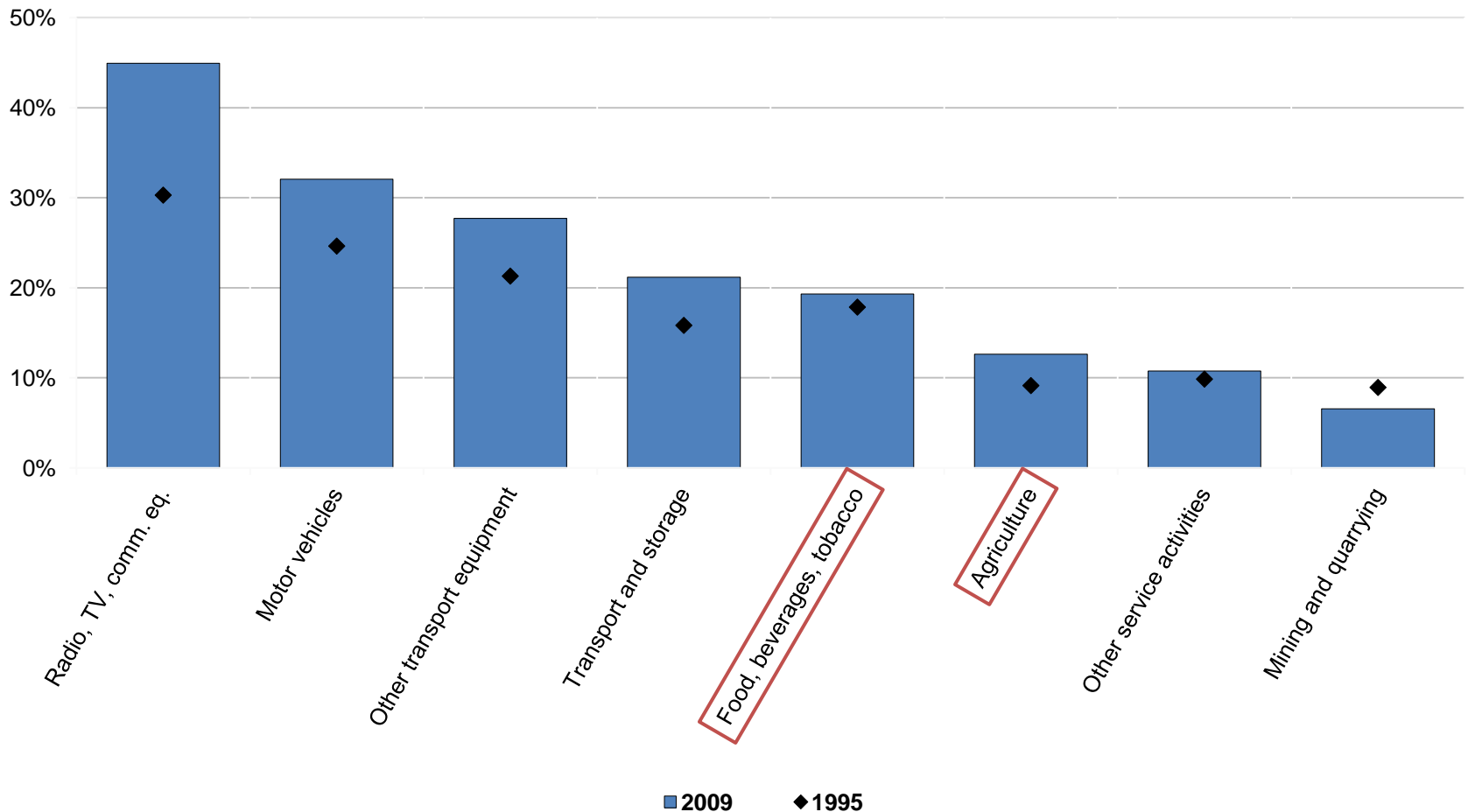
# Most agriculture trade is in final products

Exports by Major End-Use Categories, 2007





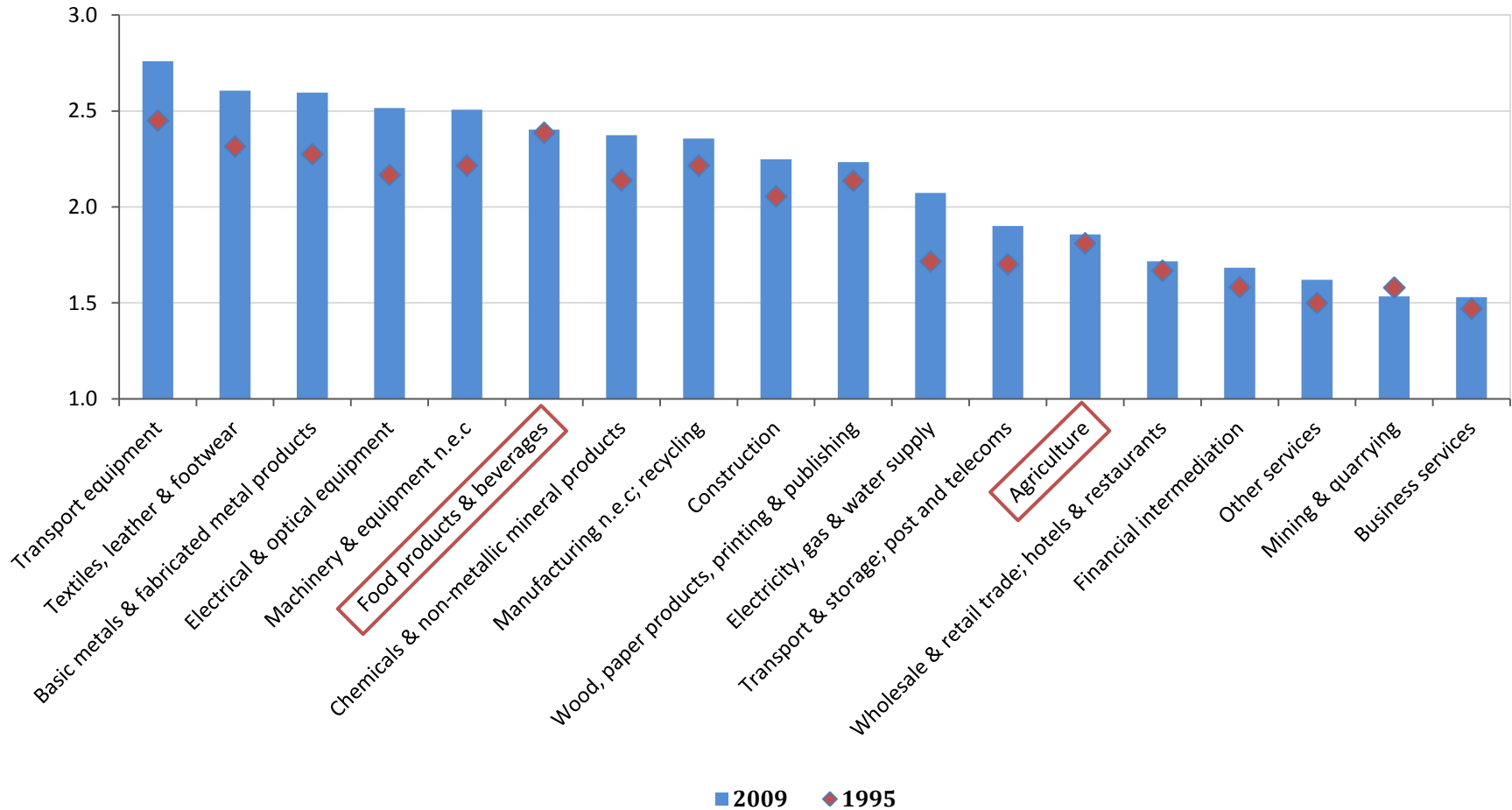
# Agri-food products have a low foreign value added content in exports





# Agriculture value chains are relatively short

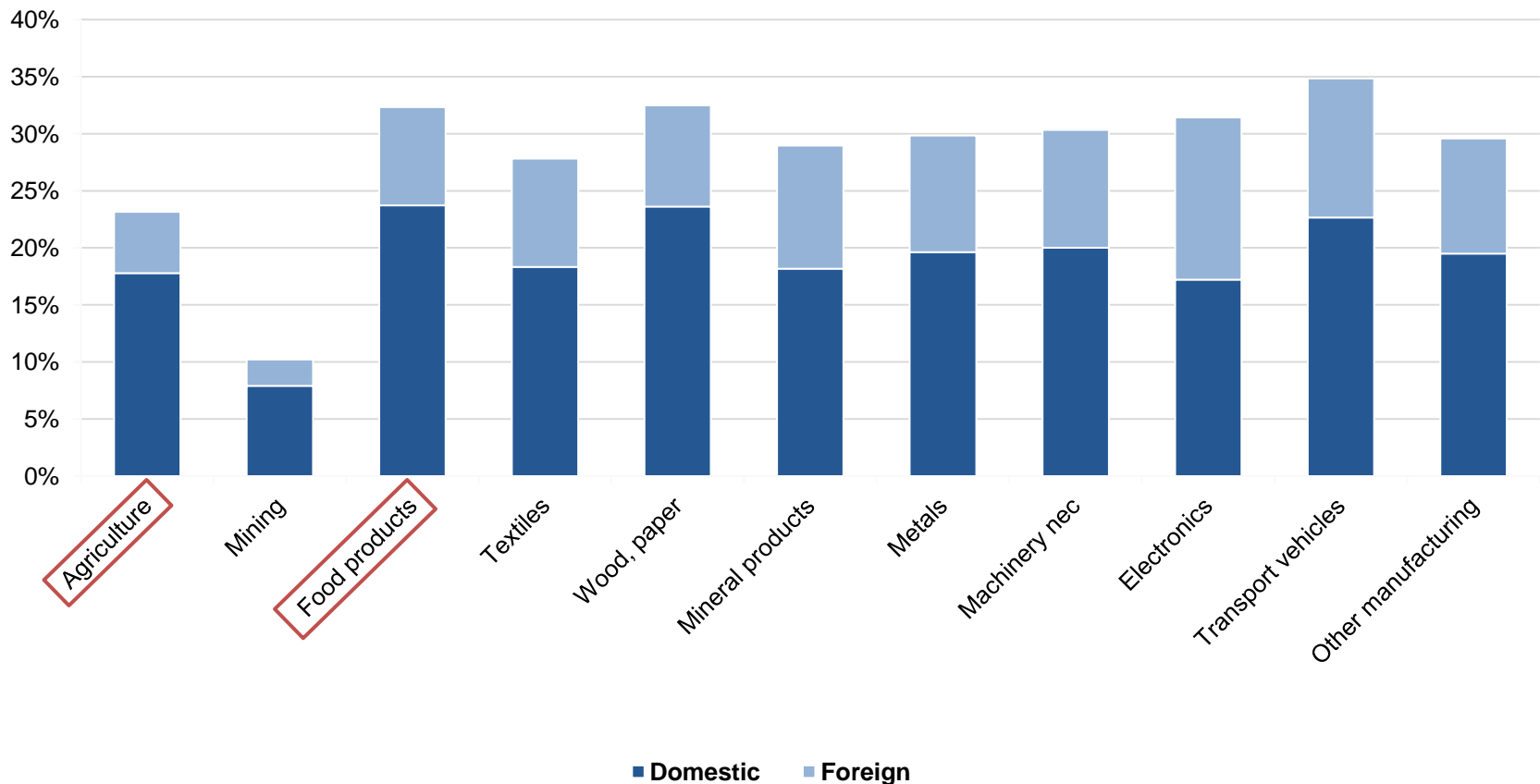
Index of the number of production stages





# Services are also key in agriculture and food trade

Services value added, % of total exports of goods, 2009 (TiVA)

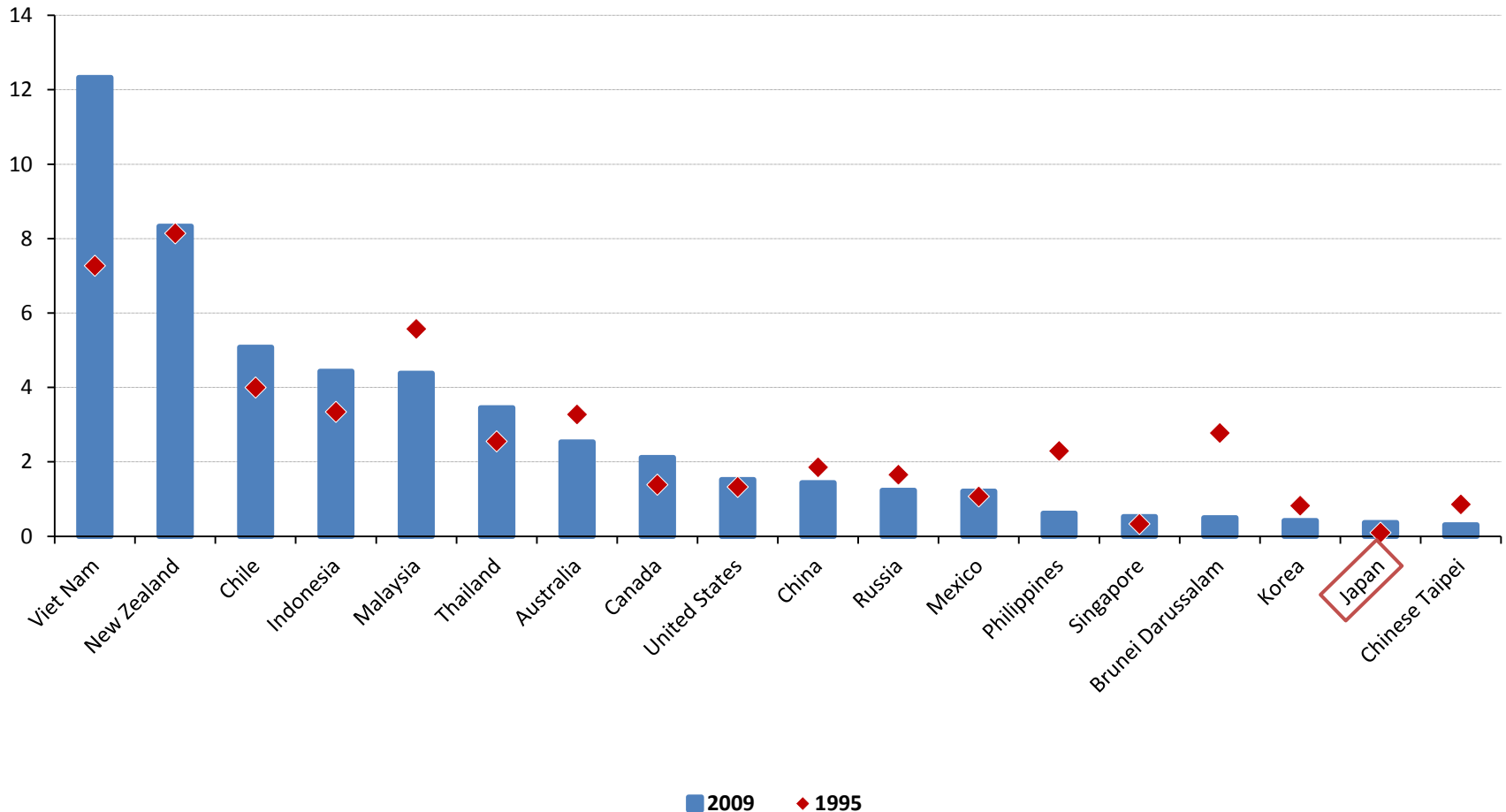






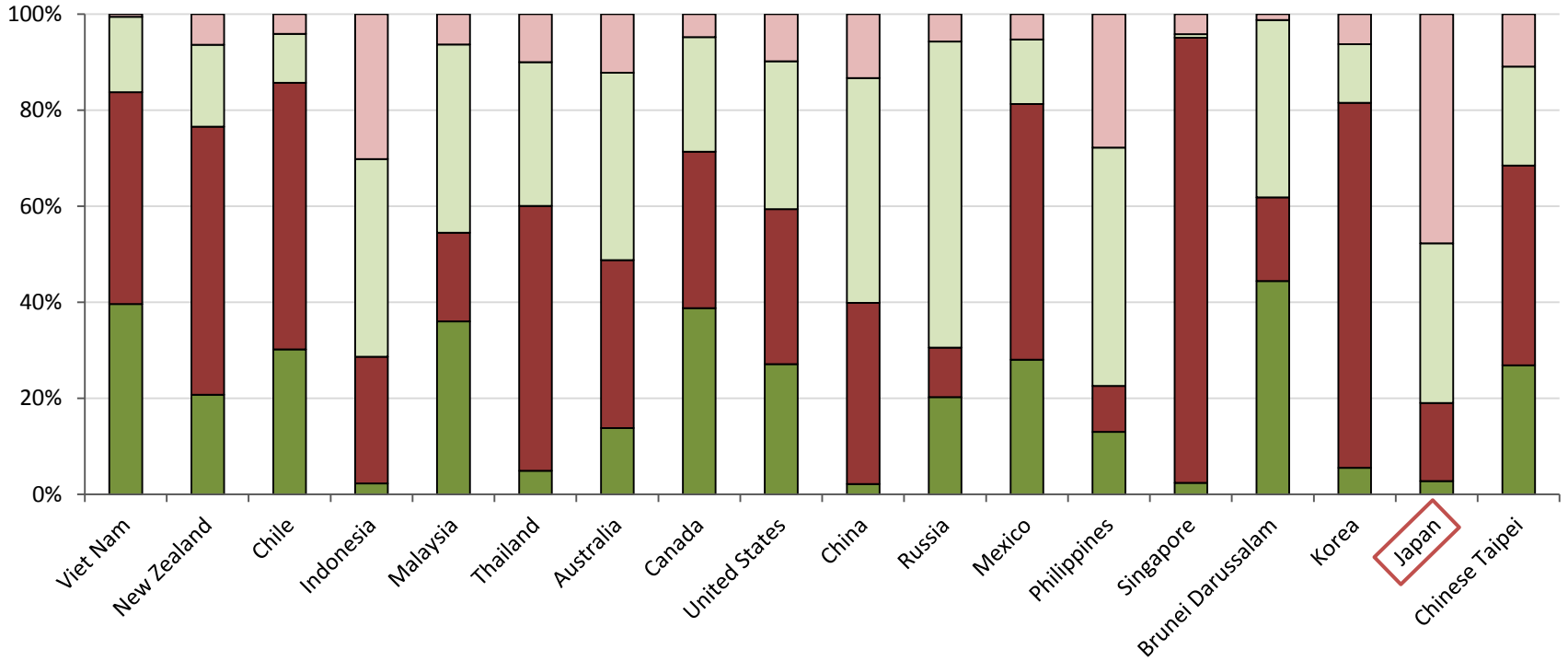
# Varying levels of participation in agri-food GVCs (APEC)

Participation index in agriculture and food as a % of total gross exports





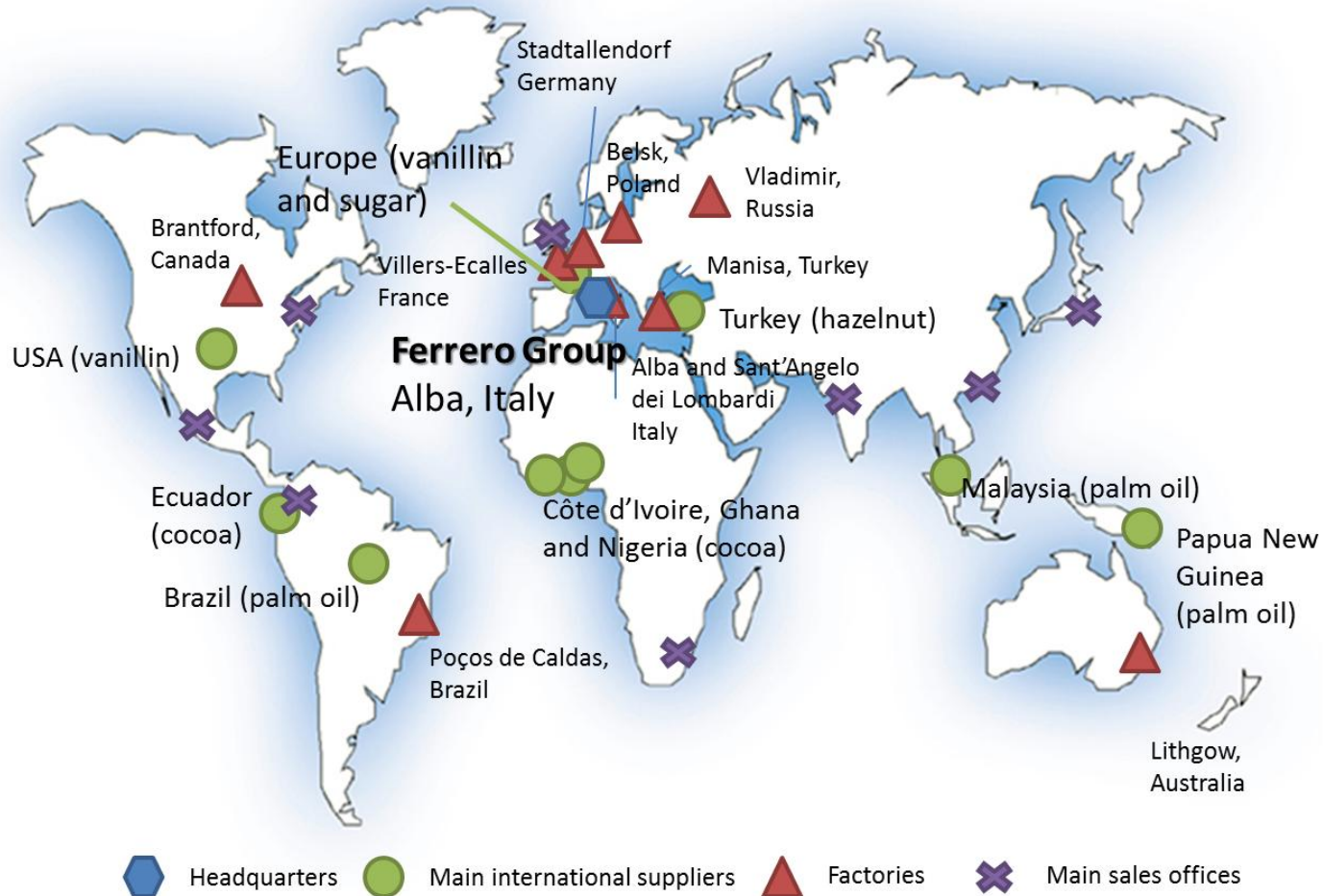
# Nature of participation in agri-food GVCs (APEC)



■ Backward participation - Agriculture    ■ Backward participation - Food  
■ Forward participation - Agriculture    ■ Forward participation - Food



# An illustration: the Nutella<sup>®</sup> global value chain





# Implications for trade and related policies

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- » In a GVC world, trade costs can be magnified via
  - › various forms of import and export restrictions
  - › inefficient and unnecessary border procedures
  - › “behind the border” non-tariff measures
  - › under-investment in supply-side capacity, in particular human capital and physical infrastructure (“getting to and from the border”)
  
- » Complementary policies need to accompany trade opening
  - › framework conditions
  - › education and skills training
  - › physical infrastructure
  - › active labour markets
  - › social protection



## Agriculture, food and related trade policy issues

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- » Traditional trade barriers remain higher
- » Costs of inefficient border procedures are higher
- » Growing role of quality as well as safety standards
- » Governance of agri-food GVCs
- » Specific infrastructure requirements,
- » ... and significant investment needs in developing countries
- » Role of efficient services increasingly important
- » Rapidly changing market conditions,
- » ...and policy changes not always keeping pace



## What next: on-going OECD work on GVCs

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- » TiVA-GVC database, complemented by disaggregated data and analysis (e.g. including 20 agriculture and food products)
- » Aims are to understand better what enables GVC participation in countries at different stages of development and firms of different sized and structures,
- » ...and, to identify policies that would enable firms to participate effectively in, and benefit more from, GVCs
- » Looking beyond the current 40 countries to other less developed economies in Asia, South America, and Africa/Middle East
- » ...and expanding opportunities for inclusive dialogue



For more information

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