

Measuring Trade in Value-Added

A joint OECD-WTO initiative

The Organisation for Economic Co-operation and Development (OECD) and the World Trade Organisation (WTO) are working together to develop a new approach to trade statistics. This approach will allow us to measure trade in value-added, rather than just trade in goods and services. This is a major step forward in understanding the global economy.

Economies and businesses around the world are increasingly interconnected by production networks. Many products are no longer manufactured in a sole country but are the result of parts, components and services sourced globally and produced through international supply chains. The statistical bias created by attributing the full commercial value to the last country of origin may distort economic analysis and affect the political debates, leading to unfounded perceptions and misguided decisions.

Correcting this bias requires a new approach to trade statistics, one that identifies where and how value is added at each stage of the production process as goods and services cross borders. Key to this are the new global input-