Regional-Global TiVA Initiatives Workshop 27-28 June 2019: Conclusions and next steps

Round-up on TiVA initiatives since the last workshop

The number of on-going or planned TiVA initiatives has expanded since the last workshop, reinforcing the importance of coordination and the role of the TiVA Steering Group:

- UN ECLAC next steps are to create LAC IOTs for 2011 to 2014; then collaborate with ADB and UN ESCAP, to produce matrix for 55 LAC and Asian economies (FEALAC);

- UN ESCWA are exploring the scope to develop a regional TiVA database;

- The WTO will be launching a project, partnering with ECA and the OECD, to improve statistical capacity for five countries in Africa (yet to be chosen), and eventually integrate them in OECD's ICIO/TiVA infrastructure.

With regards to existing initiatives:

- The OECD released a new set of ICIO tables and TIVA indicators December 2018, covering 64 countries and the period 2005 to 2015; Trade in Employment and Embodied CO_2 from 2005-2015 were released in Spring this year;

- APEC-TiVA will be released this year for 2005 and 2012. Discussions are on-going as to what forms the follow-up activities will take;

- NA-TiVA preliminary results will be released this year;

- FIGARO 2010 was released last year. It plans to extend the coverage to 2016, and projections for 2017 and 2018.

- At the same time, WIOD will not be updated imminently due to lack of project funding.

Comparability and Coherence of initiatives

Inevitably, an increasing number of initiatives with overlaps in countries covered increases the risk of mixed messages as data sources and methodologies used differ across all initiatives. **The group confirmed the commitments made in the 2017 and 2018 meetings to continue to work towards the development of mechanisms and methods that could improve coherence.**

Presentations on FIGARO and APEC-TiVA revealed significant differences (including basic data such as gross trade statistics), notably with respect to data for China in APEC-TIVA and OECD TIVA. Pending the sharing of underlying data from other initiatives it wasn't possible to determine the exact causes of the differences at the meeting but the

OECD TiVA offered to investigate the potential causes and difficulties on receipt of other initiatives' data.

Towards harmonised data and methods

The group agreed to work towards a harmonised set of input data and methods for compiling regional and global inter-country supply-use and input-output tables. Specifically the group reiterated (as many of the recommendations follow those that were made in earlier meetings) the importance of:

- **A common repository for input data** – this includes a first step to identify which inputs should be expected to be the same e.g. SNA main aggregate constraints.

- **Agreeing on a single source, or single method, for extrapolating/interpolating national supply-use tables** (with estimates provided and shared in the repository);

- **An agreed minimum breakdown of sectors and products** following international standard classifications (preferably ISIC/NACE and CPA). The group recognised that the level of industry and product detail actually published by various initiatives would vary but it was necessary to ensure some lowest common denominator;

- **A common view of bilateral trade statistics across all initiatives**, based on, ideally, OECD bilateral trade matrices (either as values – the preference – or often as shares – by partner) as inputs. Eurostat pointed out that new modules could be added to OECD balancing process to accommodate additional information generated in the production of various initiatives – for example concerning explicit reconciliation of asymmetries in NA-TiVA that may not be reflected in official trade data;

- **Using the same exchange rates** for conversion and accounting years i.e. calendar years (c.f. AUS, NZL, IND etc.)

- **Recognising that different approaches often used across initiatives**, typically reflecting data availability, (e.g. using a combination of national IO and SU tables, rather than just SUTs) **could generate differences**. Guidance to deal with these occurrences, and foster greater comparability, will be developed and circulated to the Steering Group for comment.

- **Clarity on the processes used to align trade data with national SUTs**, preferably via a set of country-specific conversion tables, that could be adopted by any other initiative;

Aligning on Concepts and Indicators

- Like last year there was a healthy discussion on the underlying accounting framework that should be adopted by various initiatives, recognising, in particular, the distortionary impact of 2008 SNA rules on GVC indicators – namely, goods sent abroad for processing but with no change of ownership. **There was strong support to adopt a quasi-2008 SNA approach that imputed gross flows for goods for ownership transaction** (although it was recognised that further guidelines would be needed and developed by the Steering Group in order to implement this – and the OECD agreed to investigate what could be done, building on efforts made by FIGARO.

- There remains some contention on the precise formulae that should be used to decompose gross-trade flows, and in particular with respect to domestic value-added embodied in imports. A workshop, jointly organised by the OECD TiVA team and FIGARO, will investigate these issues. Further information on this event will be made available closer to the date.

Dissemination

- There was a strong appreciation of the need for better metadata across the various initiatives, including future plans, to be shared in the repository.

- Eurostat will launch its Trade Scan project in December, providing a centralised platform for estimates across different initiatives including WIOD, OECD, and FIGARO. Details will be circulated to the group and flagged-up on the Regional TiVA share-space when they become available.

- OECD will soon release an analytical AMNE database that brings together ICIO, TEC and AMNE statistics.

- OECD has developed a data visualisation tool to facilitate discussions on trade asymmetries that shows the impact of each module (adjustments) on bilateral trade data. The tool will be made available on the share-space, and be able to accommodate data from other TiVA initiatives.

Call for stronger governance of the Steering Group

There was strong support for the idea that the Steering Group needed to be more active and operational during the course of the year to be fully effective, and the OECD Secretariat agreed to work towards this.

In the short-term this will involve greater visibility around the shared-space/platform as a source of data, metadata and progress across initiatives.

In the medium-term (but before the next meeting) the Secretariat will develop proposals that can foster greater comparability and generate potential efficiencies across the various initiatives – e.g. through the sharing of official and estimated national data that can serve as inputs across initiatives.

Useful links

- OECD TiVA and related databases: http://oe.cd/tiva, http://oe.cd/icio, http://oe.cd/io-emp , http://oe.cd/io-co2
- Analytical AMNE: http://oe.cd/gvc-mne
- Eurostat Trade Scan User manual: http://publications.jrc.ec.europa.eu/repository/bitstream/JRC116281/jrc116281_trade-scan_manual_final_pubsy_online.pdf
- APEC-TIVA website: www.apectivagvc.org (the dataset and the report will be published August 2019)
- APEC-TIVA promotion video: http://www.apectivagvc.org/archives/3514
- NA-TiVA: https://www.usitc.gov/publications/332/working_papers/02202018_an.htm
- Links to OECD Asymmetry explorer: https://cesarpro.shinyapps.io/comercio/

- European Union inter-country supply, use and input-output tables - Full international and global accounts for research in input-output analysis (FIGARO): https://ec.europa.eu/eurostat/web/products-statistical-working-papers/-/KS-FT-19-002