

Policymakers and trade negotiators, in developed as well as developing countries, need to understand the cross-country benefits and risks by being able to “look through” the global value chains and see the specific contributions other countries are making to production networks involving their domestic firms. The new trade patterns that have emerged with trade in intermediates, foreign direct investment and governance structures in production networks are more complex than what traditional statistics tend to suggest, calling for a new generation of indicators. Improved statistics should promote further understanding of the role of the external sector in an economy, the openness of its domestic and foreign markets and the impact of openness on social, economic and environmental upgrading, including the level and quality of employment. International trade statistics have been developed over the past decades without systematic cross-checking of reported trade among trading partners, leading often to large asymmetries. The rise of global value chains has accelerated the need to address these issues. Moreover, an enhanced understanding of foreign affiliates at home and abroad is crucial to better informing policymakers, especially given the growing dominance of multinational enterprises in global value chains and the growing contribution of services. Information is also required about the characteristics of firms engaged in exports and imports, in particular information regarding their global business strategies, modes of production (“factoryless” processing) and outsourcing of business functions. In that regard, a broader set of statistics on multinational enterprises is also needed. These analytical and policy needs for measuring interdependencies and risk across countries has led to the development of a system of extended international and global accounts. Such a framework should provide a coherent picture of trade-and investment-related statistics, global supply and use tables, and international real and financial accounts.

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