Value Addition and Structural transformation in LLDCs

Trade, Development and Global Value Chains

Hubert Escaith, WTO
In Global Value Chains, Imports Make Exports

Use of Foreign Inputs in Total Exports, % (Vertical Specialization)

Average VS:
- 1995: 21.6%
- 2011: 27.4%

Source: OECD-WTO TiVA
Trade Costs and Competitiveness in Global Value Chains

Trade costs vary according to counties and industries

Source: WTO, preliminary results
LDCs: Main obstacles to participation in GVCs

1. Limited infrastructure
2. Trade Finance
3. Standard Compliance
“Servicification” and upgrading in GVCs: comparing 2 economies

Domestic Services VA content in Gross Exports, 2011