

THEME 1

The future prospect for GVCs analysis: its policy applicability, limitations, and issues to be tackled

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1) Pros and Cons of GVCs

- > In analogy with corporate accounting, the relationship between traditional trade statistics and TiVA data is similar to the one between “sales” and “profits.”
- > TiVA database and traditional trade statistics complement each other.

2) Using TiVA database in economic analysis

- > TiVA's use has great potential (e.g. when TiVA database is incorporated into GTAP and CGE model.)
- > We could come up with a new trade narrative which could change trade policy objectives.

3) Further development of TiVA database

- > In the context of industrial policy, “where value is created and consumed and where profits are transferred” should be an interesting topic.
 - > The future direction of TiVA development lies in, for example,
 - a) expanding countries and industry of TiVA database
 - b) addressing the income flow in GVCs (trade in income)
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THEME 2

GVCs analysis and trade policies:
What are the main policy implications?
Where should they be headed to?

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1) Implications of GVCs to trade policies

- > The contribution from GVCs and TiVA to global trade policy will be;
 - a. The mercantilist notion of “import is evil, export is good” is being questioned (e.g. WTO Information Technology Agreement (ITA))
 - B. Addressing the importance of services in global production networks more visibly

2) GVC analysis on the roles of Mega FTAs and WTO

- > We need to address behind-the-border issues, including investment, intellectual property and non-tariff measures. (e.g. TPP, T-TIP, etc.)
- > Japan has a huge role in contributing to the 21st Century’s international trade discipline.
- > We should consider how to make sure that Mega FTAs will further contribute to strengthening the multilateral trade system.
- > It is imperative to revitalize multilateral negotiations. The Bali Ministerial in December is crucial for the credibility of the WTO.

3) The relationship between GVCs and development

- > Foreign direct investment will be a good starting point for developing countries to participate in GVCs
 - > Improving business environment — not only ports/ roads but also customs procedures, predictability of domestic regulations is crucial. (e.g. East Asia)
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