

WP 2 International trade data

Work package number	WP 2			Start date or starting events:	Month 1		
Work package title	International trade data						
Activity Type	RTD						
Beneficiary number	1	3					
Person-months per beneficiary	10	27					

Objectives

To provide a harmonized and consistent dataset of bilateral trade flows of goods and services between all countries in the WIOD-database for the period 1995-2006.

Description of work

Task 2.1 (This task will mainly be done by partners 1 and 3)

The following steps will be taken for trade in goods:

1. Acquiring the existing set of bilateral trade data by commodity through 2006 from OECD. The bilateral flows need to be adjusted for various balancing issues, incl. re-exports en imports, in particular exports from Hong Kong and China, and imports into many other countries, trade in second-hand goods and scrap, balancing with national accounts and balancing across exporters and importers etc. (see Dong Guo, Norihiko Yamano and Colin Webb 2008). The adjusted bilateral trade data will be purchased from the OECD.
2. Benchmark trade data to exports and imports from National Accounts.
3. Allocate imports of 6-digit product to use for final demand or intermediate use, based on product description and additional information.
4. Aggregate imports to WIOD product-level, distinguishing between products destined for final demand or intermediate use. This will be used in WP3 to break down the import use matrix and derive inter-country IO tables.

Task 2.2 (This task will mainly be the responsibility of partner 3)

The following steps will be taken for trade in services:

5. An update will be made of the *Database on International Trade and FDI in Services*, developed by WIW (partner 3). This database is based on Balance of Payments (BOP) data on services trade by BOP-sector and covers 11 services sectors for the period 1995-2003, covering all major countries in the world. The update will be based on Balance of Payments statistics from IMF and World Bank and bilateral services trade-statistics from the OECD and Eurostat.
6. The coverage of the database will be extended to include besides available Mode 1 and 2 trade also Mode 3 trade. Mode 1 trade relates to trading services from the selling country's territory to the buying country's territory. The label Mode 2 refers to services sold to consumers with the seller's nationality, who stay abroad. In Modes 1 and 2, the selling firm is not present in the country where the service is bought, as a consequence of which BOP statistics suffice to obtain the required data. Mode 3 trade, however, entails the sale of a service by a firm that is physically present in the country where the buyer is located, for instance through foreign direct investment. Such trade is not captured by BOP statistics. Mode 3 services trade among OECD countries will be captured by taking data from the OECD's FATS (Foreign Affiliates' Trade in Services) database.
7. The update must be matched to the WIOD classifications and benchmarked on National Accounts statistics on services imports to attain consistency with the SUTs from WP1. In some cases the required level of disaggregation may not be feasible. Wherever possible, estimates based on available data at a higher level of aggregation will be used to fill in missing industry detail.

Deliverables

D2.1 (month of delivery: 3): Paper outlining detailed strategy for trade data collection and processing

D2.2 (month of delivery: 9): Preliminary harmonized and consistent data set of bilateral trade flows of goods and services

D2.3 (month of delivery: 36): Final harmonized and consistent data set of bilateral trade flows of goods and services