Positioning in Global Value Chains: World Map and Indicators.
A new dataset available for GVC analyses

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A very useful contribution!

➢ <u>Aim</u>: Provide scholars with a new global dataset of upstreamness and downstreamness measures

o Most of the literature has focused mostly on TVA and GVC participation measures, backward-linkages indexes (the use of foreign intermediate to produce exports) and forward-linkages measures (DVA exported to third markets), but less has been done with positioning indexes.

o An informative statistic with useful indications at the sector level ⇒ The idea of having these indexes available and "ready-to-use" is indeed promising!

1. DEFINITION

➢ What do these indexes add *wrt* to more traditional GVC participation indicators, especially at the country level (e.g., upstreamness vs forward participation)?

➢ Downstreamness measures and the smiling curve: are downstream phases of production characterized by relatively lower/higher value added?

2. DATA:

- You provide measures of upstreamness and downstreamness, computed on the most used Inter-Country Input Output tables (EORA, ADB MRIO, WIOD, OECD TiVA)

- The construction of ICIO tables is complex and usually requires the application of specific compilation methods and assumptions to reconcile data from different sources and cope with data availability or reliability issues

- It would be interesting to complement the global datasets with detailed micro data, to directly inform and refine the construction of the proportionality weights (eventually feasible for individual countries).

3. APPLICATION:

- In the empirical test, you record a general robust negative association between downstreamness and value added performances.

- But downstreamness is by definition characterized by a lower VA content. As long as VA increase relative to for example the output, shouldn't the index decrease too?

4. EXTENSION:

o   Descriptive statistics is a useful picture of the world interactions, but without knowledge of what shapes the global intersectoral and inter-country linkages, we cannot say much about the determinants of GVC positioning nor about how changes in the economic environment (e.g., changes in trade costs; environment, etc...) are likely to affect the specialization of countries within GVCs.

o   A theoretical foundation within the realm of general equilibrium models of international trade could be an important step.