

Measuring Colombia's value added exports

Topic: The Value of Trade

Author: Enrique GILLES

Global Value Chains (GVC) have become one of the main characteristics of the current stage of globalization. In this context, the role of Latin American countries in general, and Colombia in particular, has been low and there are relatively few studies that address this issue. Combining a national Input-Output table with international trade statistics, this article makes a characterization of Colombian exports according to the level of domestic value added they generate, by sectors. Gross and net exports are then used as an indicator of the participation of Colombian exports into GVC, results show that Colombia's participation in GVC is limited. Also, value added by exports can be interpreted from two perspectives: first, as the value added generated in a given sector as a result of total exports; and second, as the contribution of the exports of a given sector to the generation of value added in other sectors. Both perspectives contribute to assess the impacts of trade policies in the economy.