

Singapore's Trade in Value Added: Importance and Implication of Information from the OECD-WTO TiVA Database

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The OECD-WTO Trade in Value-Added (TiVA) database was made public recently and has been used in many policy-oriented studies. The key input in the OECD-WTO database is the sets of international input-output tables that enable standard input-output techniques to be applied to decompose and elucidate the value-added content of gross export of a country. An important contribution is its ability to enable a better understanding of how a country participate in the global value chains (GVCs), the importance of trading in intermediate products, complementarity of imports and role of services in completing the international commerce transaction.

Singapore is an active participant in the GVCs and global production network (GPN). This paper made use of the published tables from the OECD-WTO database together with other local information to evaluate how the approach of considering trade in value-added may have on Singapore's development strategy which is predominantly based on trade openness and liberal inflow of foreign direct investments. There are also expected implication on issues such as rules of origin and service trade liberalization in the negotiation of free trade agreements (FTAs). Singapore has a relatively large network of regional and bilateral FTAs to support and facilitate its participation in the GVCs.