Export competition: price or quality
(agenda point 6b)

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A more detailed look

• Specialisation within instead of across products/industries:
  – quality, market segments
  – Competition across countries

• Impact of GVCs: intermediates?

• CEPII – BACI database: export values and volumes
• Unit value = price = quality?
• Aggregation problems
  – Across products
  – Across destination markets (transport costs)
• Impact of exchange rates
  – Underevaluation of currencies
The rise of China? (1)

Gains in market share, 1995-2007, China

- Low quality
- Medium quality
- High quality

Categories: All, HT, MHT, MLT, LT
Market shares, 2007, China

The rise of China? (2)
The rise of China? (3)

Export competition: price and quality, China, 2007

Median $U_{industry}$ (total exports), relative to World $U_{industry}$

RCA$_{industry}$ (total exports)
The quality of Germany

Export competition: price and quality, Germany, 2007

Median UV_{industry} (total exports), relative to World UV_{industry}

RCA_{industry} (total exports)
The impact of GVCs? (1)

Export specialisation of final goods – import specialisation of intermediates, China, 2007

The graph illustrates the export and import specialisation of various industries in China in 2007. The x-axis represents the RCA\textsubscript{industry} (import of intermediate goods) and the y-axis represents the RCA\textsubscript{industry} (total exports). Each industry is plotted based on its relative specialisation in exports and imports. Industries such as Computers, Textiles, clothing, Radio, TV, comm., Electrical machinery, and Electronic compo. are shown with higher RCA\textsubscript{industry} values, indicating a stronger export specialisation compared to import specialisation. This suggests that these industries are heavily involved in global value chains.
The impact of GVCs? (2)
Conclusion

• Specialisation within instead of across products/industries

• The performance of China, qualified to some extent

• The importance of GVCs