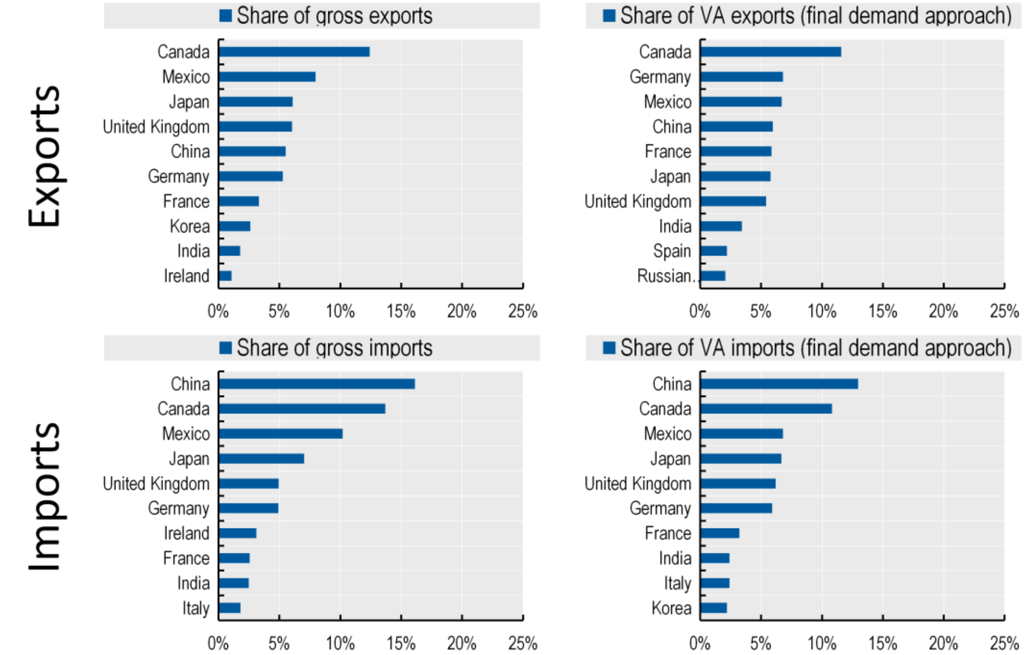
OECD/WTO Trade in Value-Added (TiVA) database: USA

USA: Main findings from the TiVA database

- Canada and Mexico account for a lower share of US trade flows when seen on a value-added basis, reflecting highly developed regional value chains and intermediate input trade within NAFTA.
- The trade deficit with China is 25% lower in value-added terms than in gross terms, and is redistributed to Japan, Korea, Germany and other intermediate input suppliers to China.
- US exports embody a high share of domestic content in all sectors.
- Services represent a significant share of value-added in manufacturing and 56% of the value-added in gross exports.

Figure 1. Exports and imports in gross and value-added terms, by partner country (as a % of total), 2009



The US is involved in dynamic regional value chains with NAFTA partners. Canada is the main destination of US exports (12% of total) and its second source of imports (14% of total), although these shares are lower in value-added flows (12% of exports and 11% of imports) as a result of intermediate input trade within NAFTA (Fig. 1). Mexico's share in exports falls below that of Germany in value-added terms, and its share of imports declines from over 10% to less than 7%. Part of US gross exports to Mexico are intermediate goods and services that are processed and re-exported by Mexico, including back to the US itself. China is the first source of US imports (319 billion USD), but the trade deficit is reduced by 25% in value-added terms (Fig. 2; from an estimated 176 billion USD to an estimated 131 billion USD in 2009). The US bilateral trade deficit becomes larger on a value added basis with Japan, Korea and other Asian countries, which provide intermediate inputs to Chinese exporters.

Figure 2. Differences in bilateral trade balances, million USD, 2009

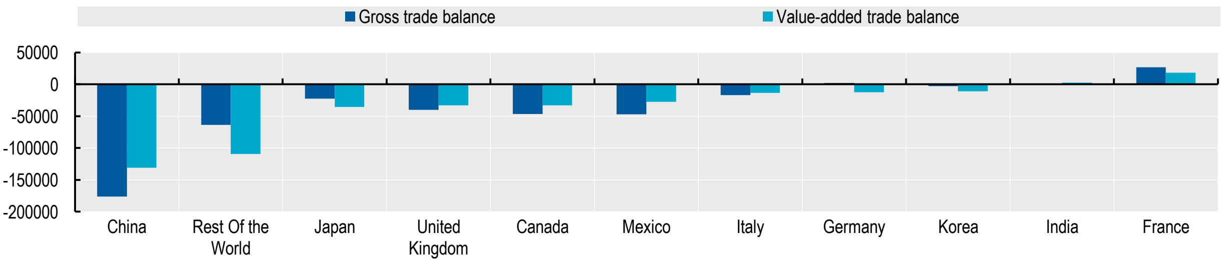
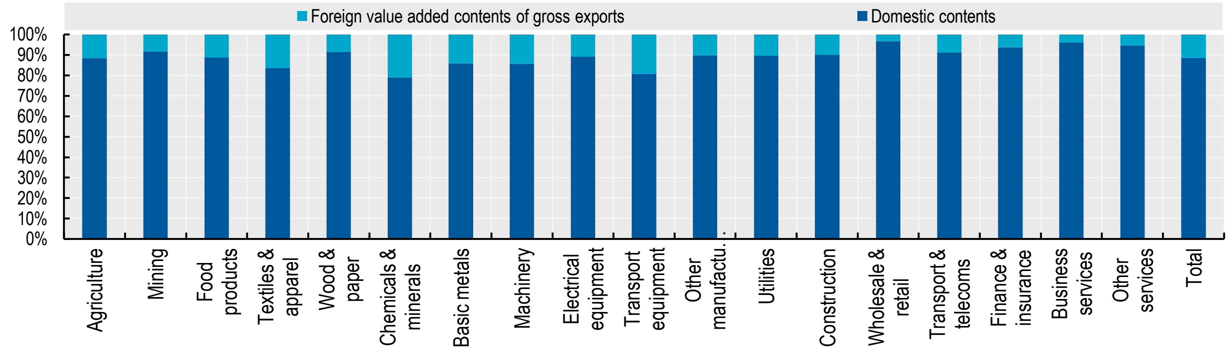
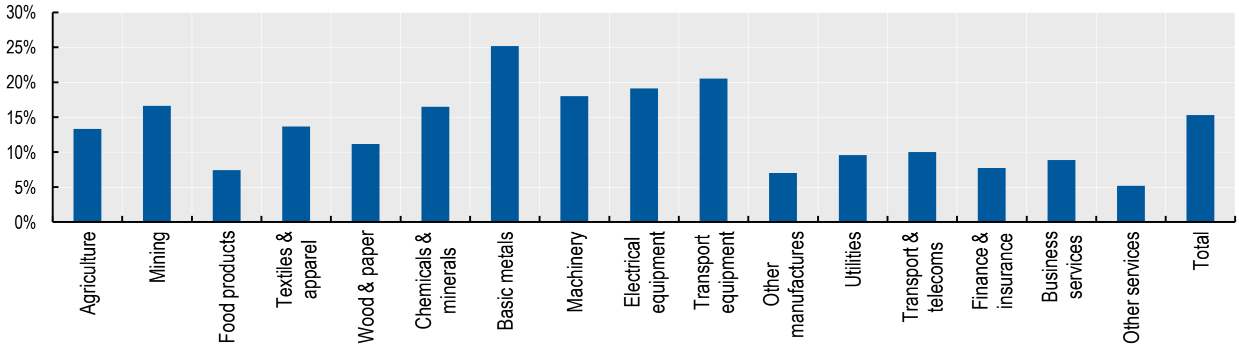


Figure 3. Value-added content of gross exports, by industry, 2009



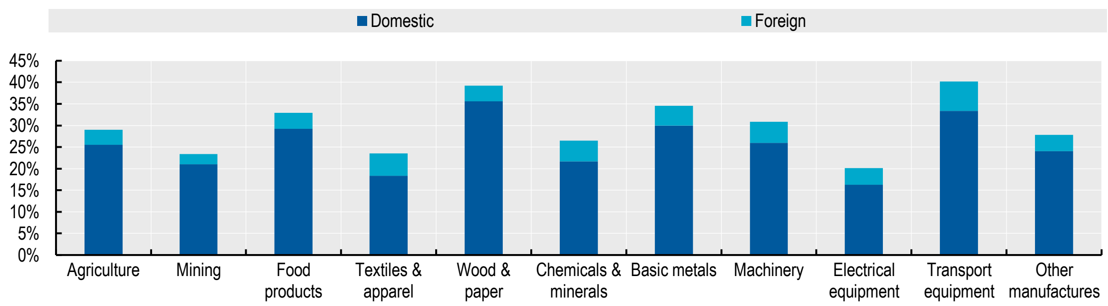
On average, the foreign value-added content in US gross exports and the export share of its imported inputs are among the lowest of OECD countries, reflecting the country's size and the predominance of domestic value chains with a diversified domestic supplier base. The foreign content of gross exports is highest in mineral products and transport vehicles, where it represents 20% of value-added (Fig. 3), while the highest share of imported intermediate inputs used for exports is found in metal products (Fig. 4).

Figure 4. Share of imported intermediate inputs that are exported, by import category, 2009



As in other OECD economies, services represent a significant share of the value of exports in manufacturing industries (Fig. 5), highlighting the role of services in export competitiveness and the fact that services are more traded than usually thought when taking into account the value-added content of trade flows. The services content in particularly high in motor vehicles and in the wood and paper industries, where it reaches 40% of total value-added. In value-added terms, 56% of US total exports are services exports, in large part embodied in gross manufacturing exports. The domestic services content contributes 93% of the total services value-added in gross exports, which is the highest share among countries in the database.

Figure 5. Services content of gross exports, by industry, 2009



The information included in this note is based on a preliminary version of the Trade in Value-Added database released on 16 January 2013. The data can be accessed on stats.oecd.org. For further information, please contact us (tiva.contact@oecd.org) or visit our website (www.oecd.org/trade/valueadded).