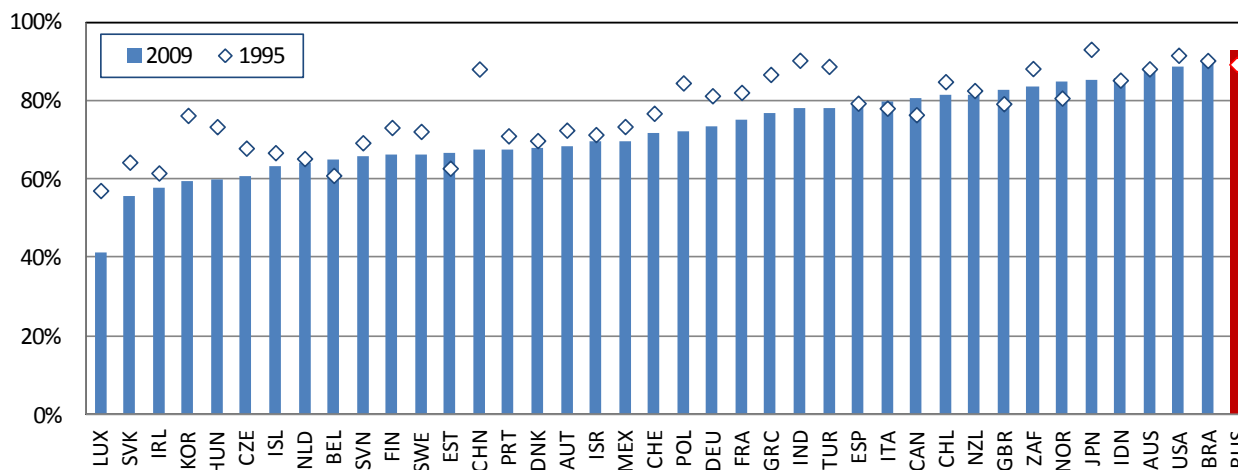


OECD/WTO TRADE IN VALUE ADDED (TIVA) INDICATORS

RUSSIAN FEDERATION

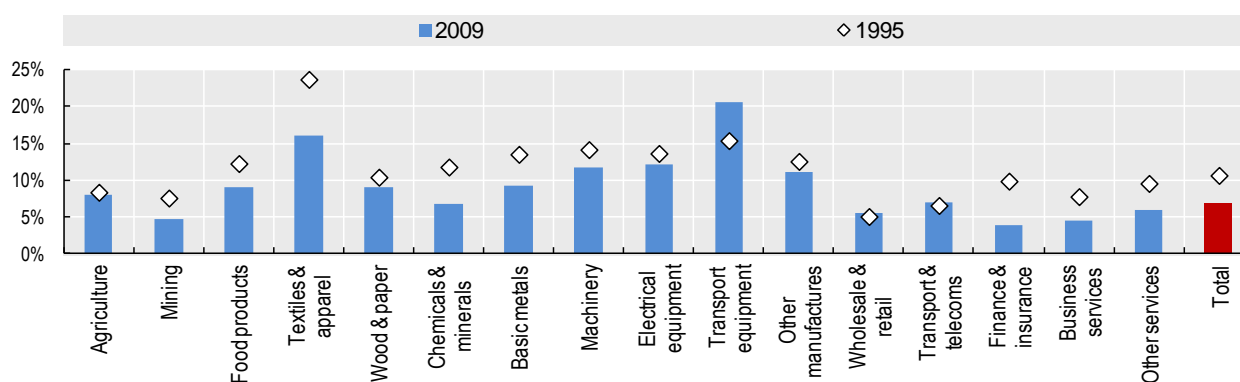
Russia's domestic value added content of its exports was 93% in 2009 well above the OECD average and the highest in the G20 (Fig. 1). The share was 4 percentage points (pp) higher than in 1995 but the trend has been upwards since 2000 (87%), driven in large part by a high reliance on mining exports which contributed over 40% of value added exports in 2009 compared to one-quarter in 1995.

Figure 1: Domestic value added content of gross exports, % (EXGRDVA_EX)



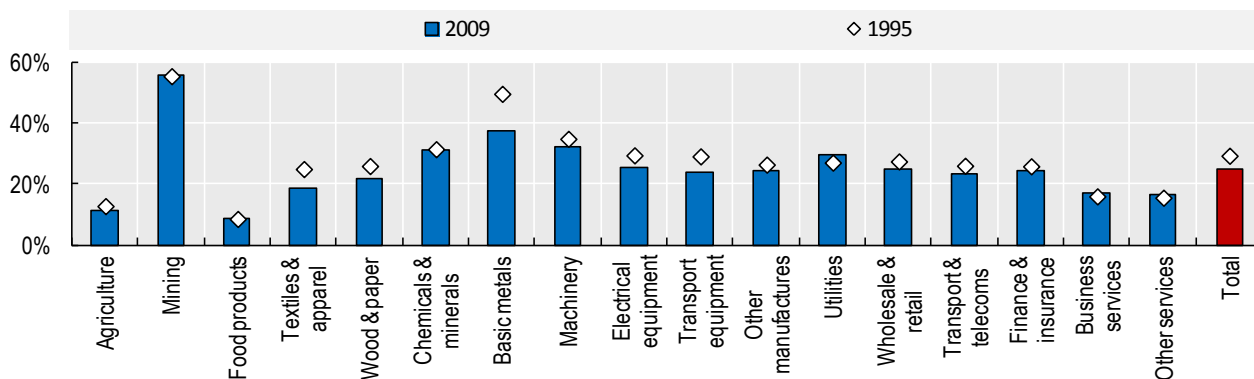
The foreign content of Russia's exports was highest in the *Transport equipment* industry (20%) in 2009, much lower than the OECD average (Fig. 2). Indeed this was the case for all industries. Interestingly, the import content of nearly all sectors fell in 2009 compared to 1995.

Figure 2: Foreign value added content of gross exports, by industry, % (EXGR_FVASH)



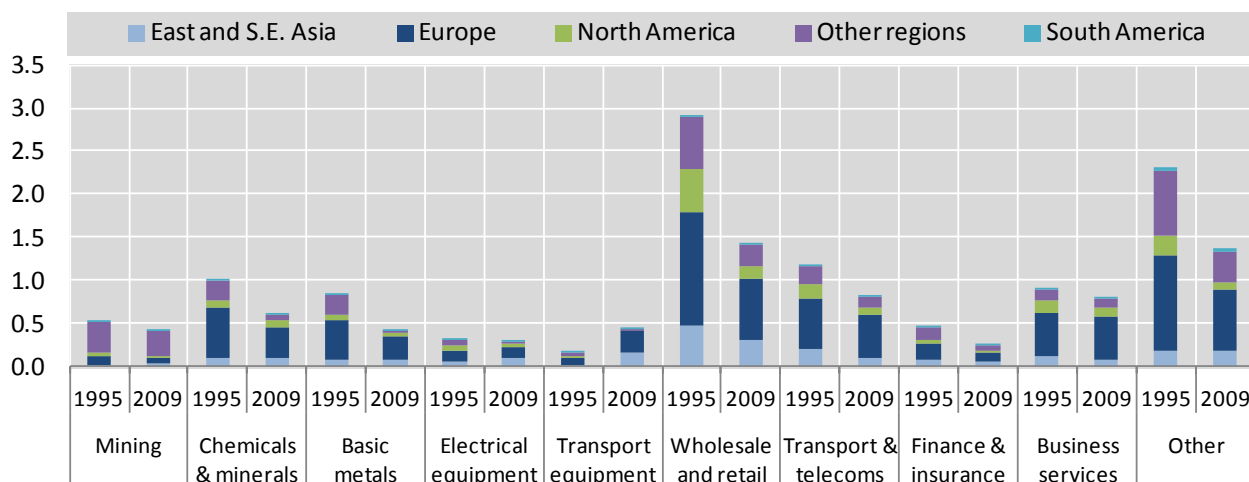
Similar patterns emerge when looking at the share of imported intermediate products subsequently embodied in exports, where there was little sign of increased import penetration between 1995 and 2009 (Fig. 3).

Figure 3: Share of imported intermediate inputs that are exported, by import category, % (REI)



The declining importance of imports to Russia's exports, between 1995 and 2009, driven by its specialisation in mining industry output, impacts on all upstream foreign suppliers of intermediates, whose shares of Russian exports declined significantly (Fig. 4). A significant part of the foreign content of Russia's exports originates in the *Wholesale and retail* sector, with the contribution from upstream distributors falling by half (from 3% to 1.5%). The contribution from *Business services* also fell but held up reasonably well compared to the declines seen in other contributing sectors, especially the contribution from European business service providers, where the overall share rose marginally.

Figure 4: Foreign value added in Total economy, by originating region and industry, %



[Figure 4 illustrates how the TiVA infrastructure can be used to focus on the origins of foreign value added in the output of a particular sector in a particular country].

In value added terms United States moved ahead of China and Germany to become Russia's main export market in 2009, reflecting high Russian value added (typically from mining products) embodied in the exports of other countries to the United States (Fig. 5). Germany and China remain the most important sources of imports in value added terms, but the share from the United States is significantly higher than when measured in gross terms. This partly reflects Russian value added embodied in German and Chinese exports to Russia but also the relatively high share of domestic value added content in US exports compared to Germany and China.

Figure 5a: Exports, partner shares, in gross and value added terms (as a % of total), 2009

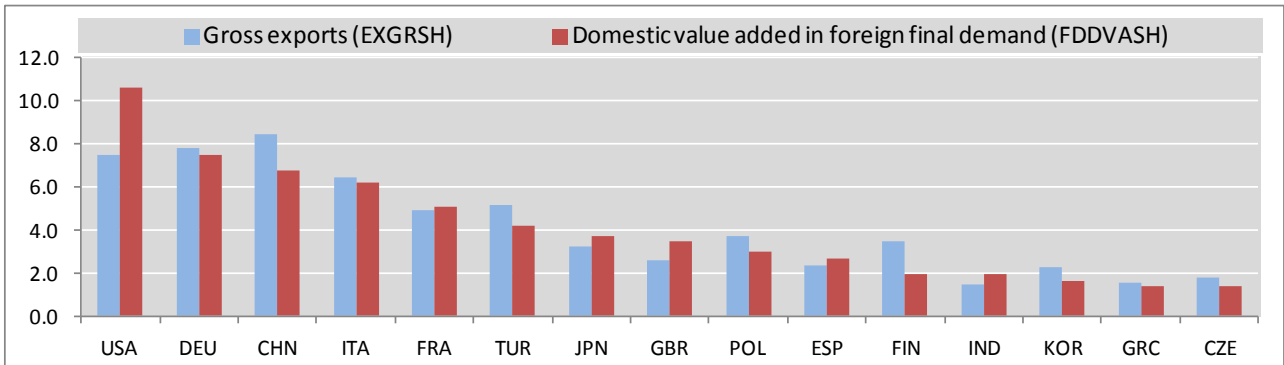
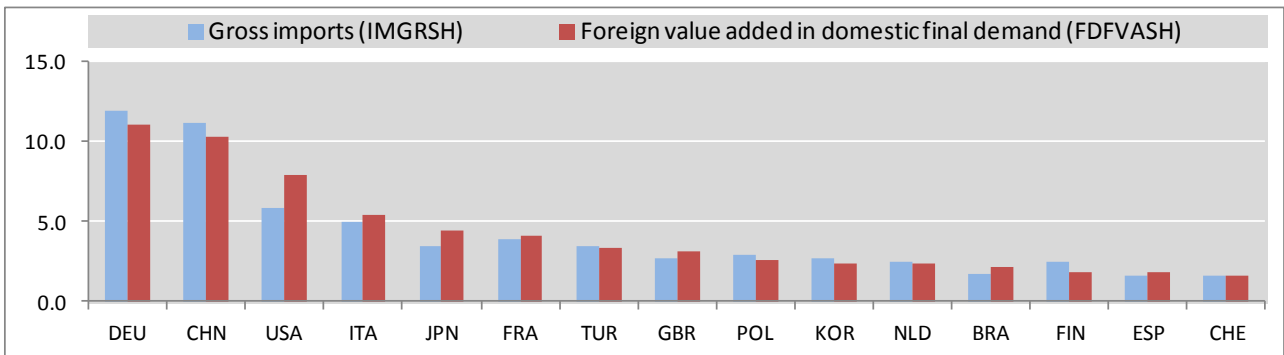
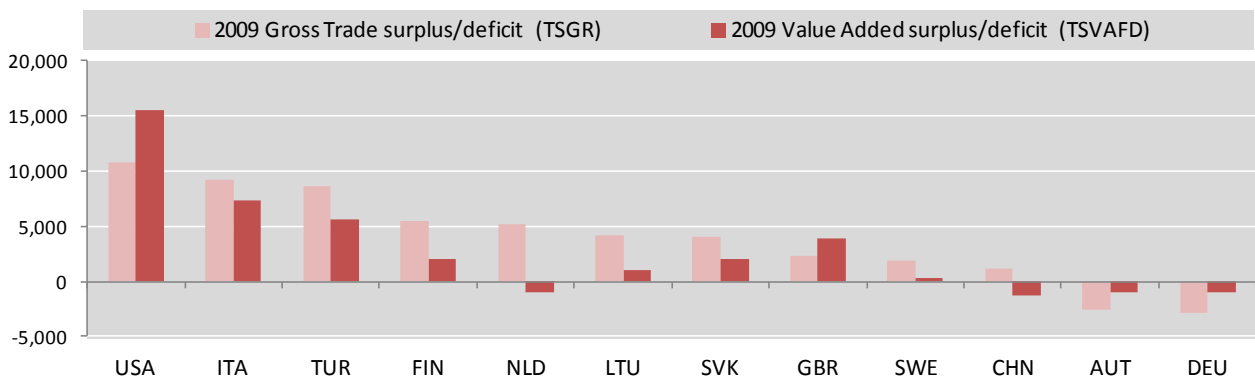


Figure 5b: Imports, partner shares, in gross and value added terms (as a % of total), 2009



Domestic value added embodied in exports, and intermediate imports embodied in exports, combine to reveal notable differences in Russia's trade balance positions with some of its major trading partners (as recorded in the OECD-WTO TiVA database), notably the United States, as described above. Reduced surpluses with European neighbours are a consequence of Russian exports (of mineral products) to these countries being embodied in subsequent exports to third countries (e.g. US) (Fig. 6).

Figure 6: Bilateral trade balances, USD million, 2009



In value added terms, one-third of Russia's exports reflect services (Fig. 7). This is significantly less than the OECD average (48%) but significantly higher than the share of services in conventional trade statistics (about 12%). This partly reflects a high degree of specialisation in activities with typically low services content, such as mining. The domestic service content of Russian exports was around 30% in all manufacturing sectors (Fig. 8).

Figure 7: Services content of gross exports, 2009 (EXGR*_SV; SERV_VAGR)

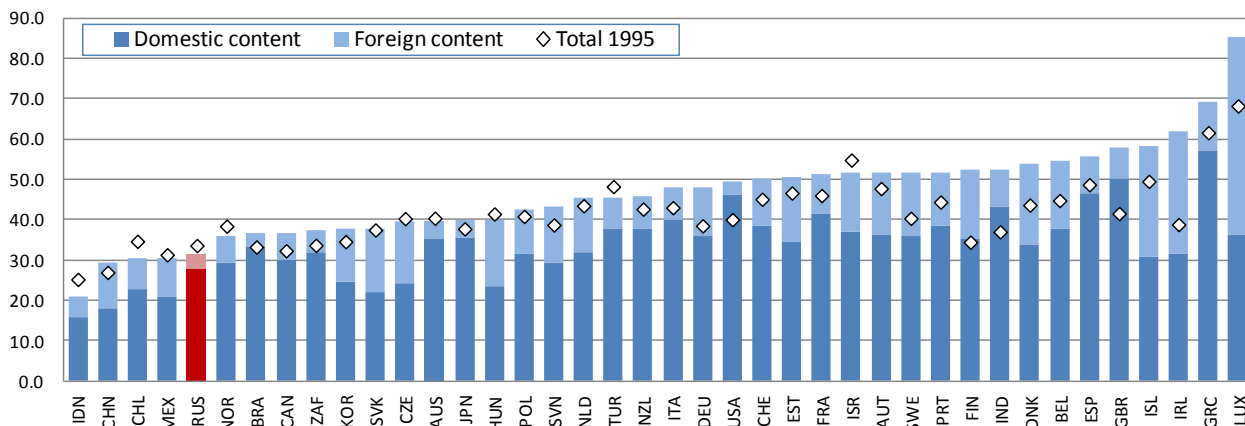
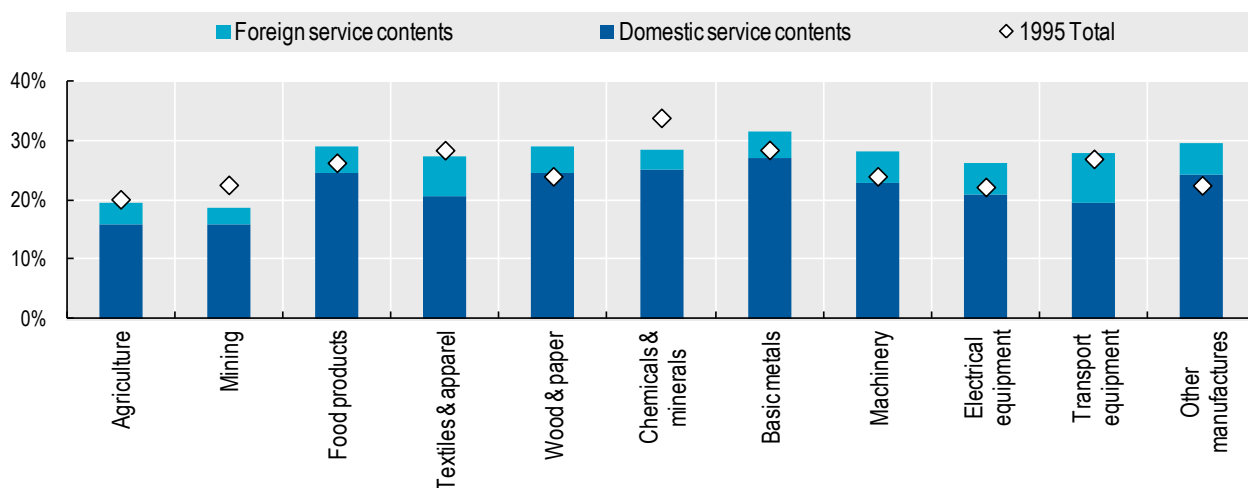


Figure 8: Services content of gross exports, by industry, 2009 (EXGR*_SV; SERV_VAGR)



The information included in this note is based on the May 2013 release of the Trade in Value added (TiVA) database. The data can be accessed from www.oecd.org/trade/valueadded. For further information, please contact us (tiva.contact@oecd.org).