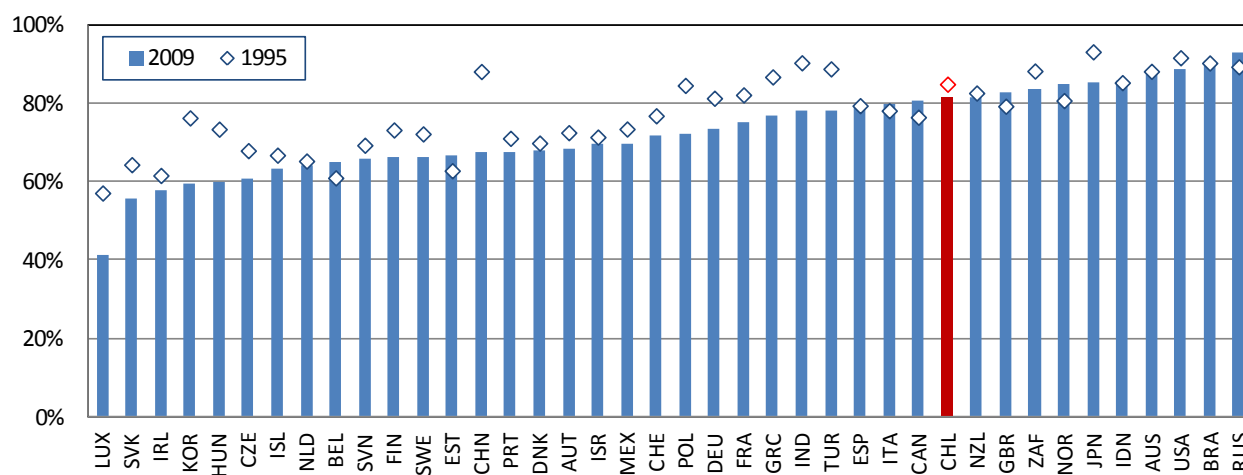


## OECD/WTO TRADE IN VALUE ADDED (TIVA) INDICATORS

### CHILE

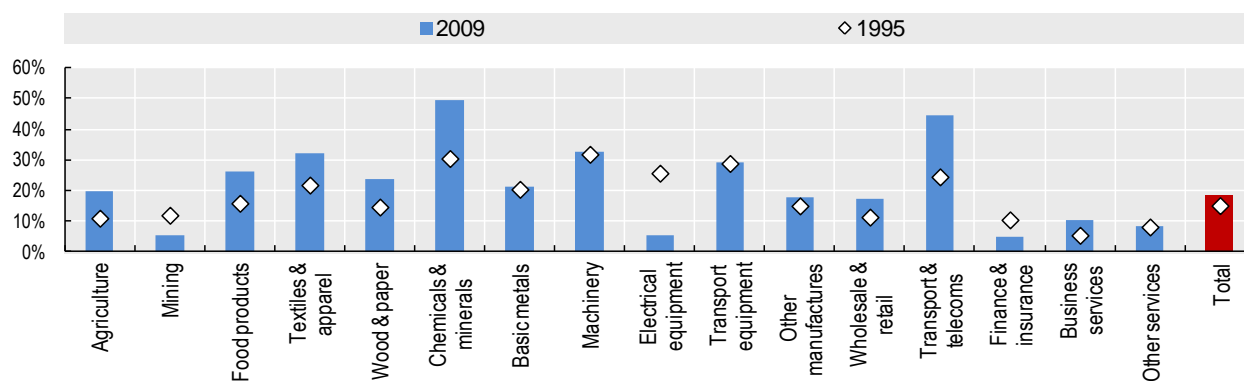
Chile's domestic value added content of its exports was 82% in 2009, well above the OECD average and slightly below its level in 1995 (Fig. 1). Like many other countries the domestic content of its exports rose slightly in 2009 compared to 2008 (79%) reflecting the impact of the crisis on global value chains. The relatively low foreign content in Chile's exports mainly reflects the high importance of the upstream mining industry in its export basket. Mining contributed 44% of the total value added exports in 1995 and over half in 2009, a growing share in part due to the environment of high commodity prices.

**Figure 1: Domestic value added content of gross exports, %** (EXGRDVA\_EX)



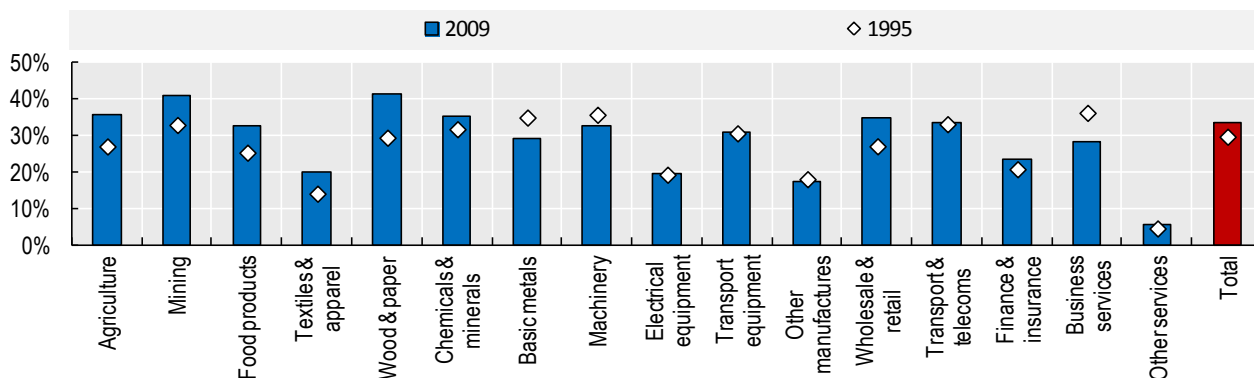
The foreign content of Chile's exports was highest in the *Chemicals and minerals* industry (49%) and in *Transport and telecommunication* services (44%) in 2009, and lowest in *Mining* (5%). The foreign content share rose sharply between 1995 and 2009 in *Chemicals and minerals* and *Transport and Telecommunications*, but fell by 20 percentage points (pp) in *Electrical equipment* and around 5 pp in *Finance and Insurance* and *Mining* over the same period (Fig. 2).

**Figure 2: Foreign value added content of gross exports, by industry, %** (EXGR\_FVASH)



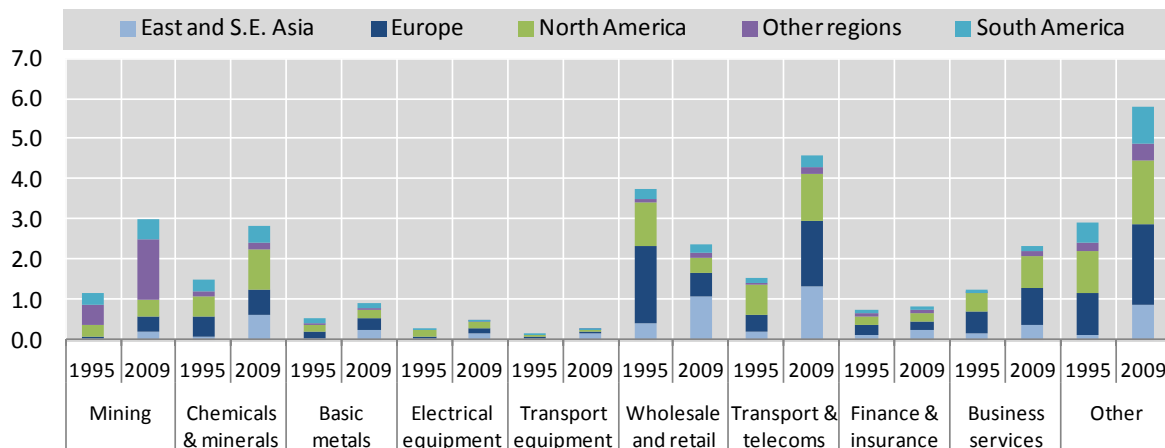
A different pattern emerges regarding the share of imported intermediate inputs that are used to produce exports (Fig. 3), which was one of the highest among goods in Mining (41%). This reflects the extent to which Chile is integrated in global value chains in the mining sector. High shares are also recorded in Wood and paper (42%) and Agriculture (36%).

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



In 2009, *Wood and paper* contributed 10% of Chile's total value added exports. Europe and North America were the main sources of foreign intermediate inputs, accounting for respectively 7% and 6% of value added in the sector (Fig. 4). The contributions from upstream European and North American suppliers increased slightly from 1995 to 2009, while the contribution from East and South East Asian value added rose significantly (from 1 to 5%), particularly in services sectors.

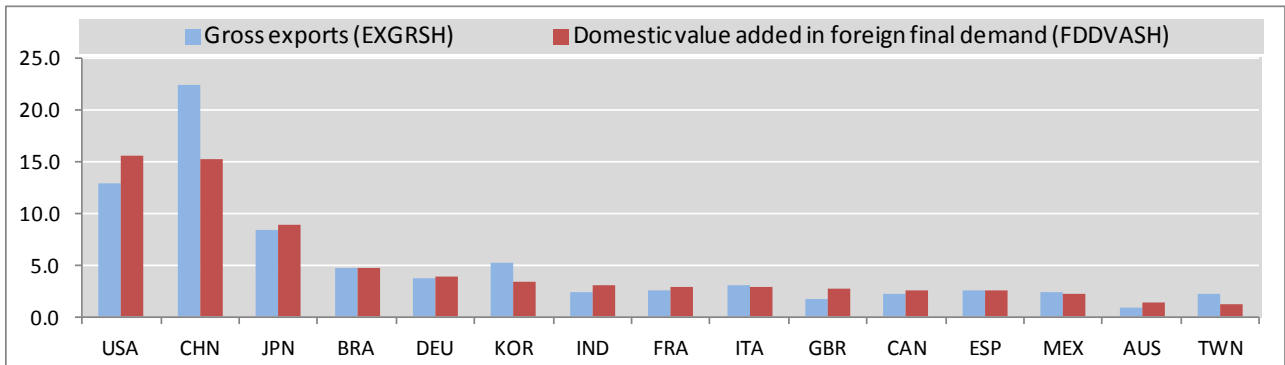
**Figure 4: Foreign value added in Wood and paper, by originating region and industry, %**



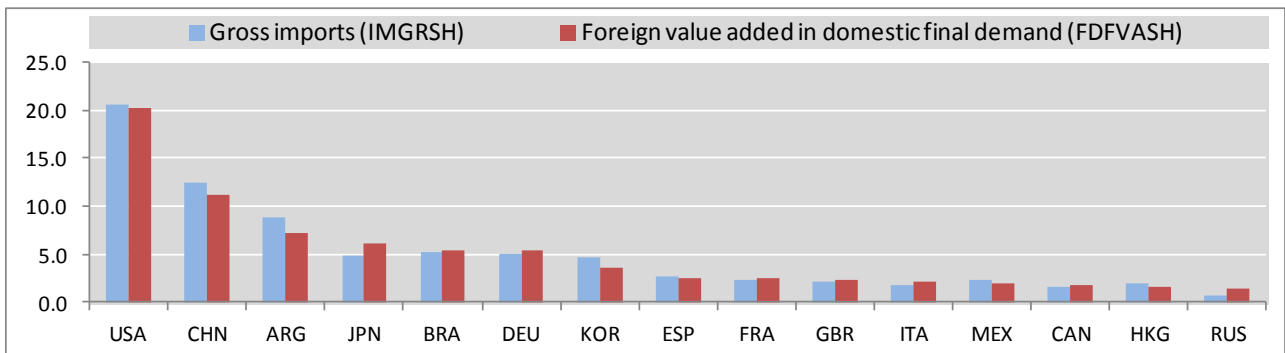
[Figure 4 illustrates how the TiVA infrastructure can be used to focus on the origins of foreign value added in the output of a particular sector in a particular country].

Looking at gross trade flows, China is by far the main destination for Chilean exports (22%) and the United States is in second position (13%). In value added terms, however, the United States becomes the main export market and receives 16% of Chilean exports (Fig. 5). The share of exports to China falls to 15%, as Chile exports primary commodities that are used in the production of Chinese goods that are subsequently exported to the United States. On the import side, the main trade partners remain the same, although Japan is a more important source of imports than Brazil when looking at value added imports.

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

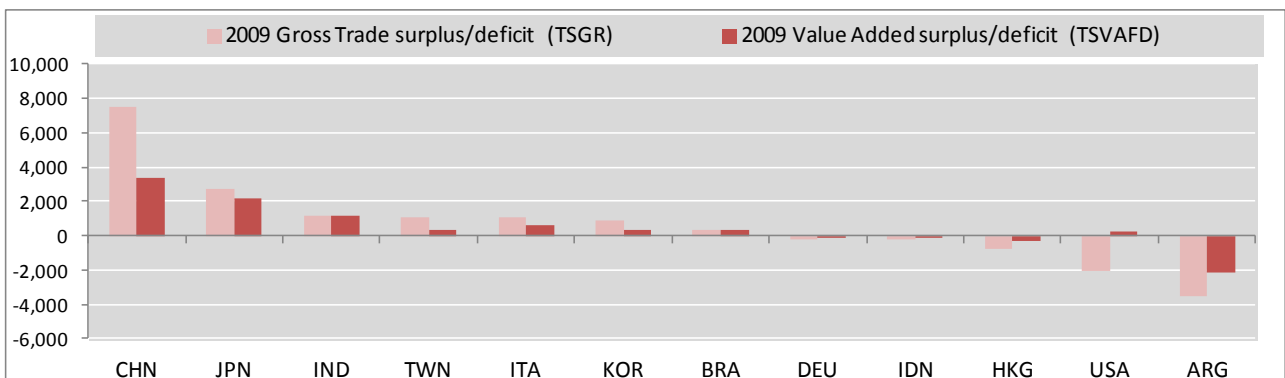


**Figure 5b: Imports, [partner shares](#), in gross and value added terms (as a % of total), 2009**



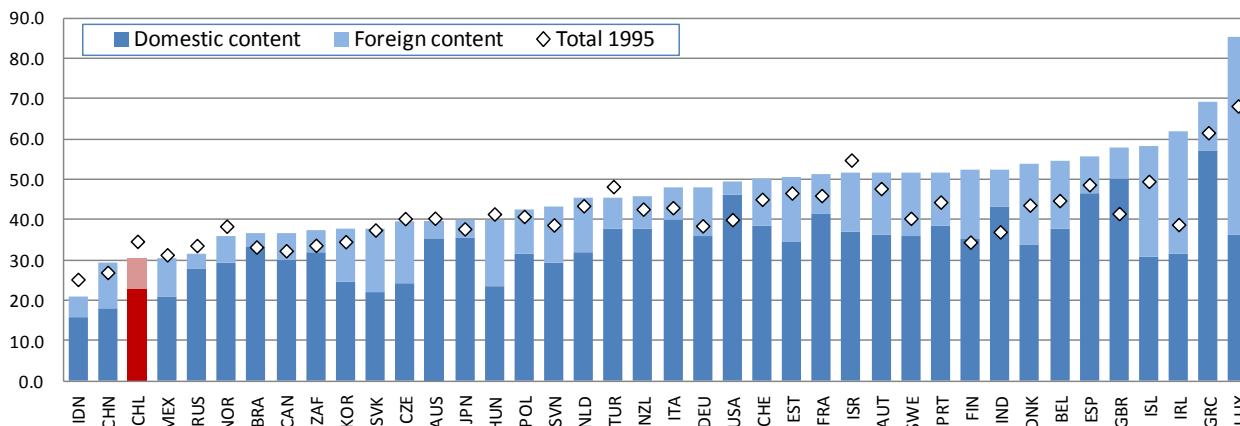
The domestic value added embodied in exports, and intermediate imports embodied in exports, combine to reveal notable differences in Chile's trade balance positions with some of its major trading partners (as recorded in the OECD-WTO TiVA database). The trade surplus with China was reduced by over half in value added terms in 2009, reflecting Chilean value added in China's exports to third countries (Fig. 6). The surpluses are also smaller with Japan and Korea. Conversely the gross trade deficit with the United States turns into a surplus in value added terms, and the magnitude of the deficit with Argentina is reduced.

**Figure 6: Bilateral trade balances, USD million, 2009**

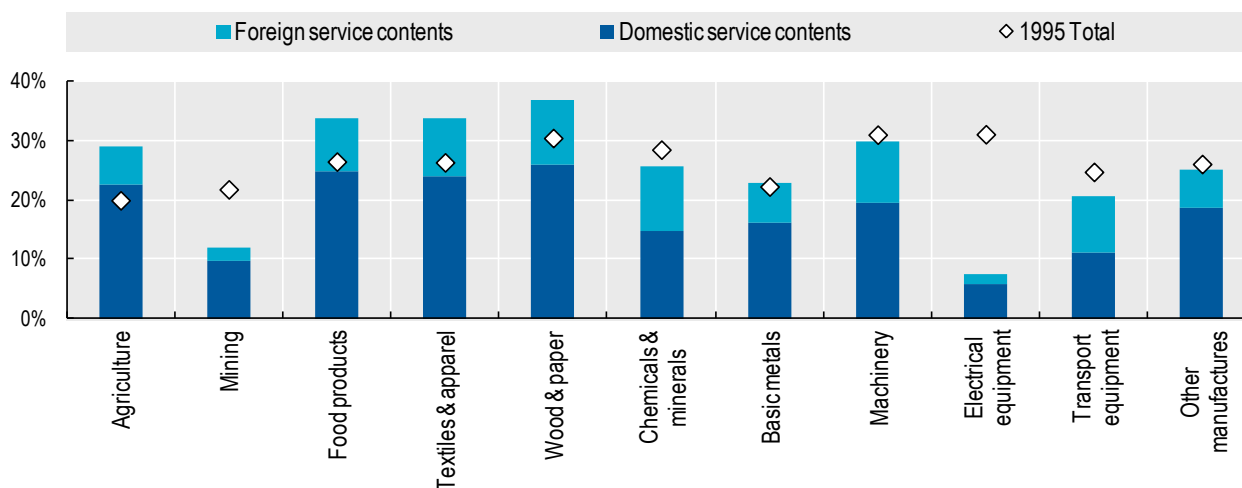


In value added terms, 30% of Chile's exports originated in services sectors in 2009, the lowest share of all OECD countries and 4% less than in 1995 (Fig. 7). This largely reflects Chile's specialisation in mining activities, which have a low and declining share of services contents (12% in 2009 and 22% in 1995). The services content of gross exports is highest in *Wood and paper*, *Food products* and *Textiles and apparel*, where services contribute over a third of value added (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](http://www.oecd.org/trade/valueadded). For further information, please contact us ([tiva.contact@oecd.org](mailto:tiva.contact@oecd.org)).