"Sweden’s economy – growing more knowledge intensive by global value chains"

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Time to use GVC-measures of exports and market shares

- Some results from WIOD-research on Sweden:
  - Increasing fragmentation benefiting high-skilled workers and capital.
  - Increased importance of services activities, blurring the sector-concept.
Need of data on Global Value Chains

• Traditional measures of competitiveness - outdated and misleading.
• Growing import contents.
• Measure market shares with the help of input-output-data.
• GVC income.
Sweden’s exports, share of GDP

Source: OECD-WTO, Trade in Value Added database
Sweden’s export market share, measured in value added

Source: OECD-WTO, Trade in Value Added database
Growing share of services in exports

Source: OECD-WTO, Trade in Value Added database
Sweden’s exports of services

Source: OECD-WTO, Trade in Value Added database
The service contents in Sweden’s exports

- Inputs from service producers abroad: 16%
- Inputs from service producers in Sweden: 19%
- Exports of final services to end users: 17%

Source: OECD-WTO, Trade in Value Added database
Trends for Sweden’s economy

• Increasing use of knowledge-intensive service inputs.
• Increasing demand for high-skilled labor.
• Increasing dependence on imports.
• Large dependence on foreign demand.
• A growing share of services in exports.
• Service industries meet growing competition from abroad.
• Service production is also getting more fragmented.
Data reflecting MNE:s production

- R&D, design, software etc. remain while the production of the final product is abroad.
- Growing income from “merchanting”.
- Effecting GDP- and productivity growth.
- Disguised for users of National Accounts.
- Leading to wrong conclusions and policy decisions.
- Need help from NA to present and explain effects on VA from merchanting.
Main conclusion:

Crucial for policy makers to gain increased knowledge about the importance and impact of the ongoing development of global value chains.

Therefore we need World I/O-data, and of good quality.