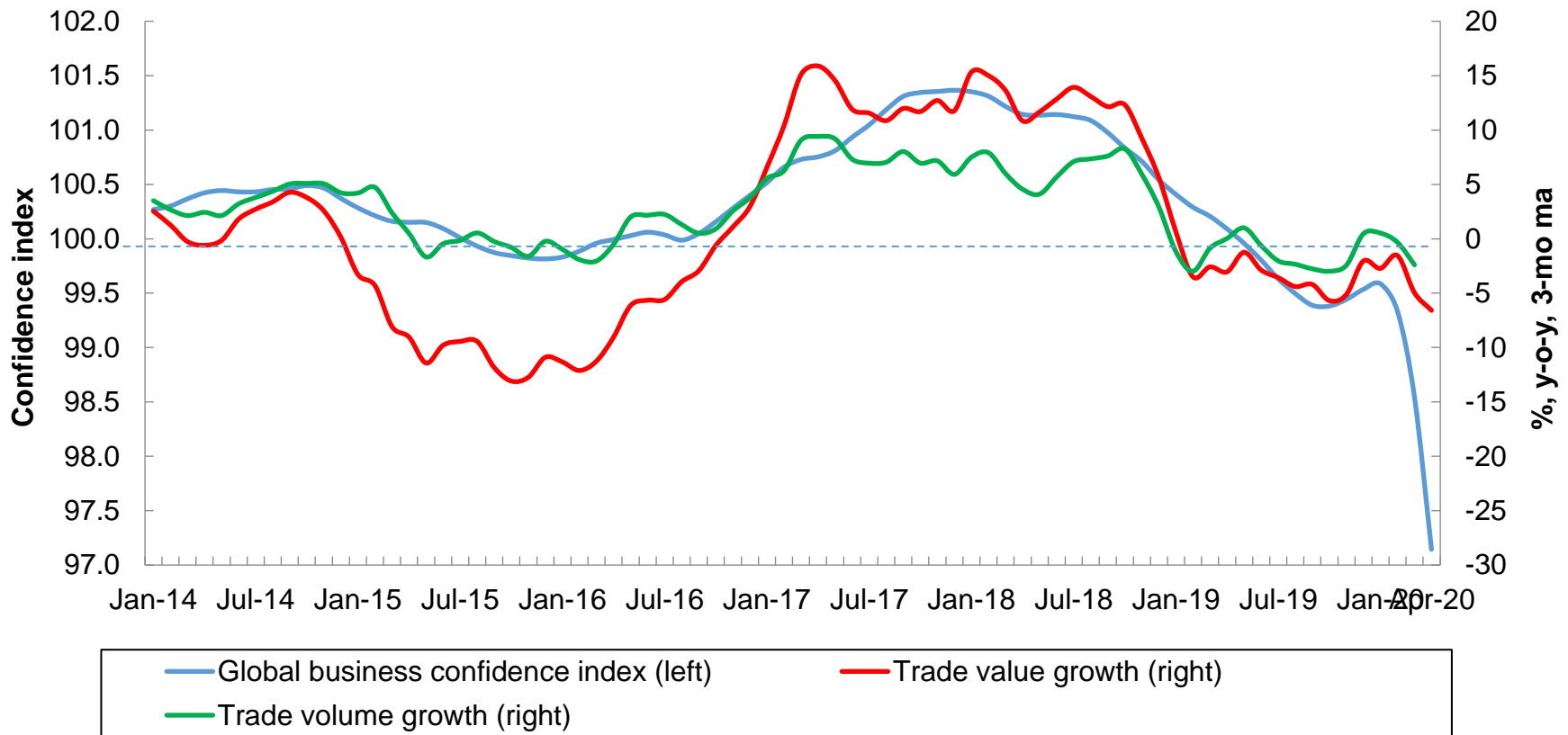


GVC and Trade

Global Business Confidence Index and Asia's Trade Growth



y-o-y = year-on-year, mo = month, ma = moving average

Notes: Trade volume growth (data available up to March 2020) was computed using volume indexes. For each period and trade flow type (i.e., imports and exports), available data include indexes for Japan and the People's Republic of China, and an aggregate index for selected Asian countries, which include Hong Kong, China; India; Indonesia; Malaysia; Pakistan; the Philippines; the Republic of Korea; Singapore; Taipei, China; Thailand; and Viet Nam. To come up with an index for Asia, trade values were used as weights for the computations. On the other hand, trade value levels and growth rates were computed by aggregating import and export values of the same Asian economies. Global business confidence index represents Organisation for Economic Co-operation and Development economies.

Sources: ADB calculations using data from CEIC; CPB Netherlands Bureau for Economic Policy Analysis. World Trade Monitor. <https://www.cpb.nl/en/data>; and Organization

$$\text{GDP} = \text{C} + \text{I} + \text{G} + (\text{X} - \text{M})$$

- Consumption
- Investment
- Government spending
- Net exports

$$\text{Country A: GDP} = C - C_M + I - I_M + G - G_M + (X - X_M)$$

Country B: $\text{GDP} = C - C_M + I - I_M + G - G_M + (X - X_M)$

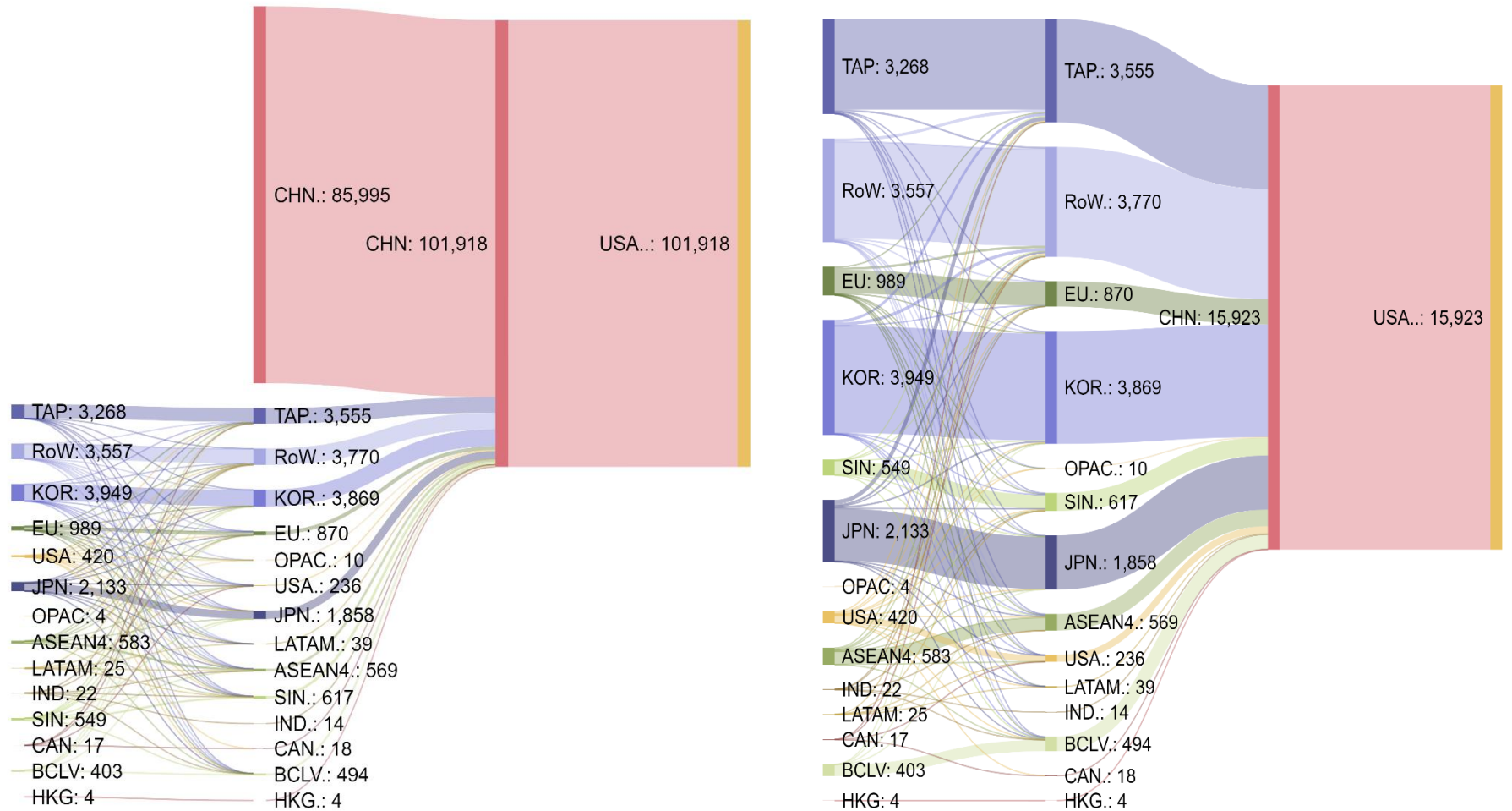
The diagram illustrates the relationship between the two equations. Blue arrows point from the terms in Country A's equation to the corresponding terms in Country B's equation: from C to C , from $-C_M$ to $-C_M$, from I to I , from $-I_M$ to $-I_M$, from G to G , from $-G_M$ to $-G_M$, and from $(X - X_M)$ to $(X - X_M)$. Orange arrows point from a single point below Country A's equation to each of its terms: C , $-C_M$, I , $-I_M$, G , $-G_M$, and $(X - X_M)$.

Decomposition of Gross Exports (Asia)

Year	DVA	FVA	RDV	PDC	GVC participation rate	Complex GVC participation rate
2000	76.3	16.7	0.8	6.2	66.9	40.7
2010	74.6	17.8	1.0	6.6	68.7	41.7
2011	73.0	18.5	1.1	7.3	69.7	43.6
2012	73.6	18.4	1.2	6.9	69.1	42.1
2013	73.7	18.2	1.2	6.9	69.3	42.1
2014	74.4	18.0	1.1	6.5	68.5	40.7
2015	75.8	17.1	1.2	6.0	67.6	39.3
2016	76.9	16.2	1.2	5.8	67.2	38.8
2017	75.7	16.8	1.2	6.3	67.9	40.5
2018	74.9	17.2	1.3	6.5	68.1	41.1

GVC linkages (PRC Export to US)

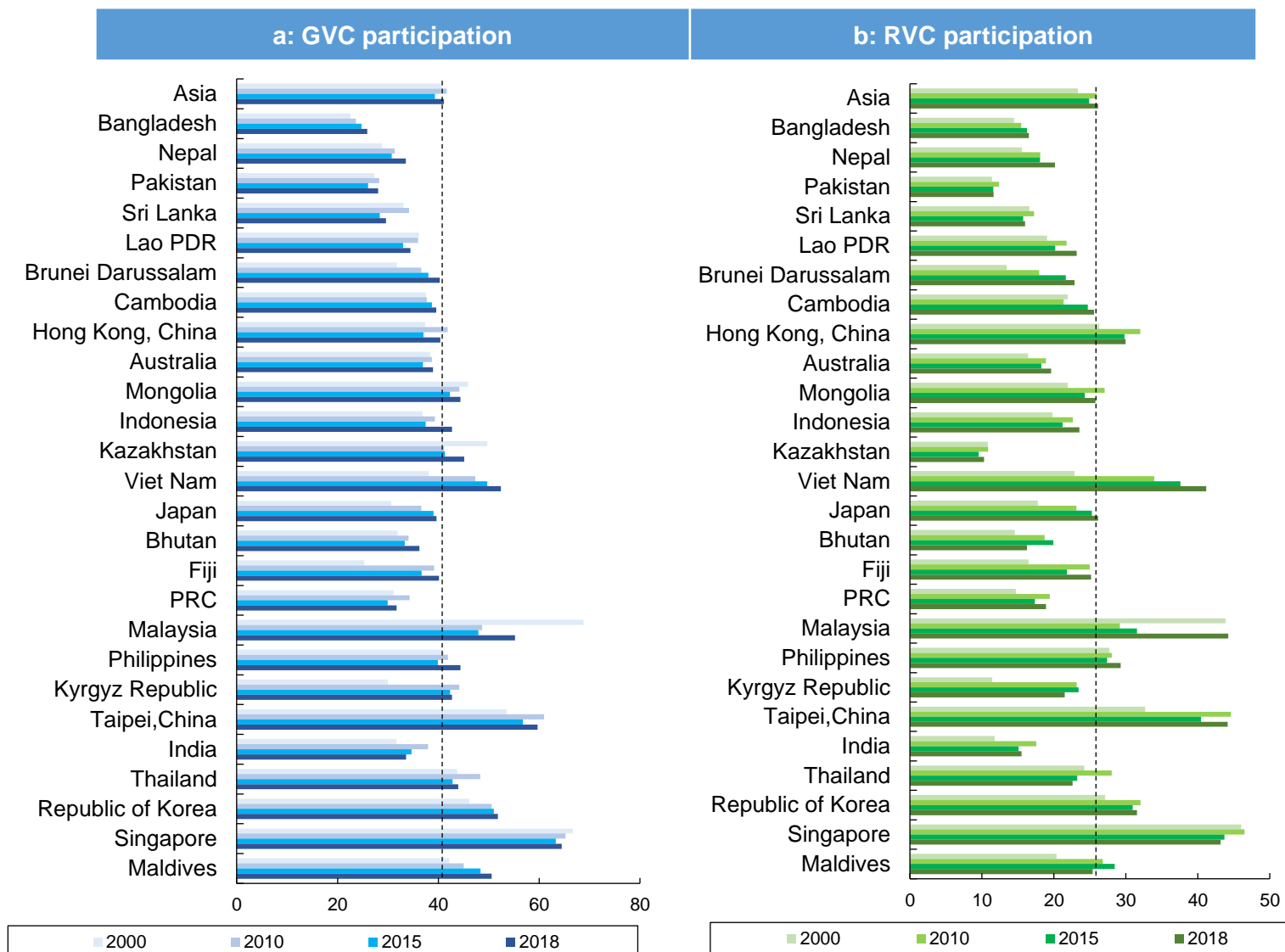
- Electrical and optical equipment (\$ million) -



ASEAN4 = Indonesia, Malaysia, the Philippines, and Thailand; BCLV = Brunei Darussalam, Cambodia, the Lao People's Democratic Republic, and Viet Nam; CAN = Canada; EU = European Union; HKG = Hong Kong, China; IND = India; JPN = Japan; KOR = Republic of Korea; LATAM = Latin America (Brazil and Mexico); OPAC = the Pacific and Oceania (Australia and Fiji); PRC or CHN = People's Republic of China; RoW = Rest of the world; SASIA = South Asia (Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka); SIN = Singapore; TAP = Taipei, China; US or USA = United States.

Source: ADB calculations using data from ADB. Multi-Regional Input-Output Tables; and methodology by Wang, Wei, and Zhu (2014).

Complex GVC and RVC Participation—Selected Asian Economies

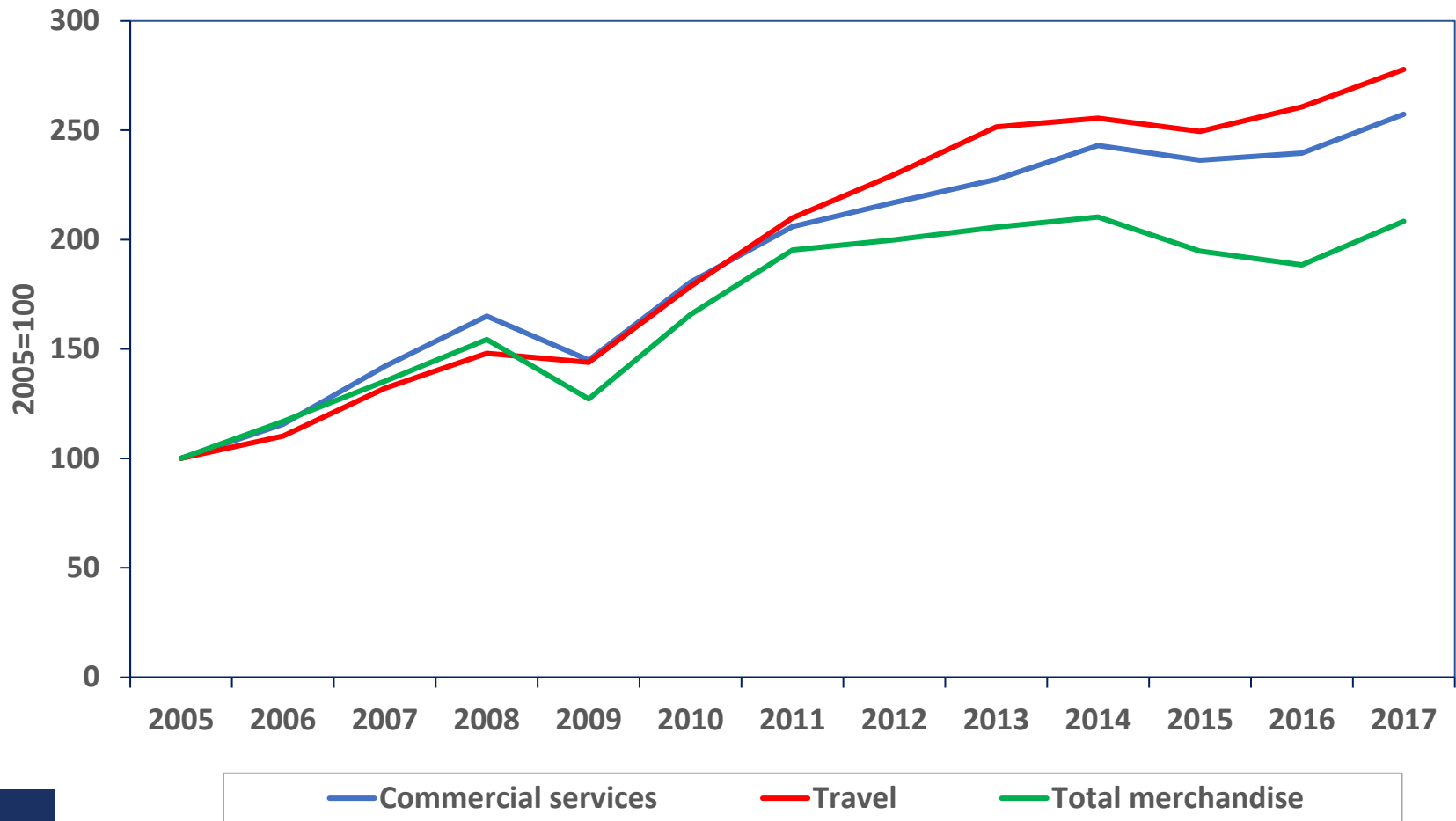


GVC = global value chain; RVC = regional value chain; PRC = People's Republic of China; Lao PDR = Lao People's Democratic Republic.
 Notes: RVC–GVC intensity is the ratio of RVC participation and GVC participation rates. The straight vertical lines indicate the value for Asia in 2018.
 Sources: ADB calculations using data from ADB Multi-Regional Input–Output Tables; and methodology by Wang, Wei, and Zhu

Spare Slides

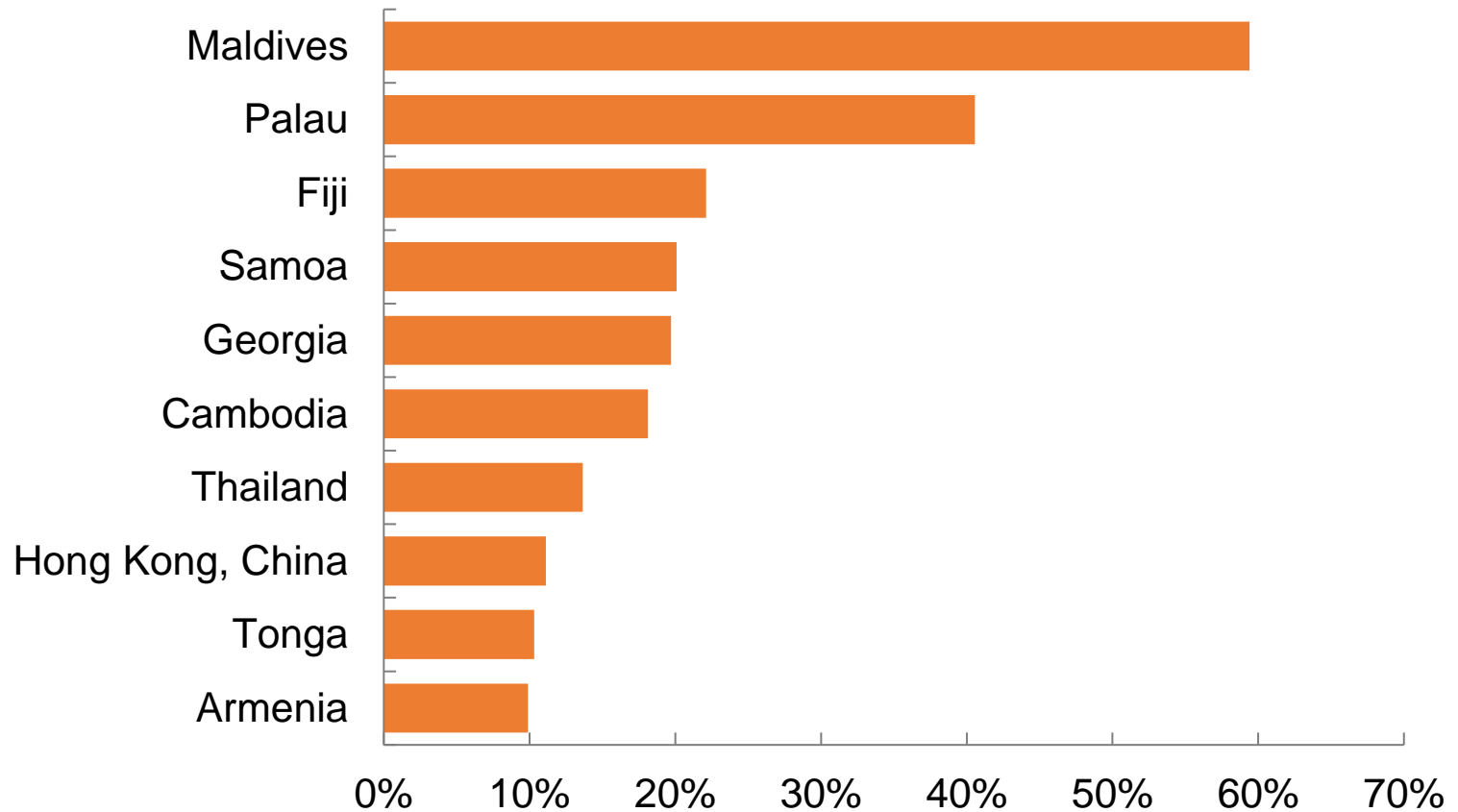
Growing services trade

Growth in Asia's Exports of Goods, Services, and Travel, 2005–2017



Tourism as an important sources of income

Top 10 Recipients of Tourism Receipts, 2017 (% of GDP)



Note: 2017 data were not available for some economies with substantial tourist receipts (as share of GDP and in per capita terms).
Sources: ADB calculations using data from International Monetary Fund. World Economic Outlook; United Nations World Tourism Organization. Tourism Satellite Accounts; and World Bank. World Development Indicators.