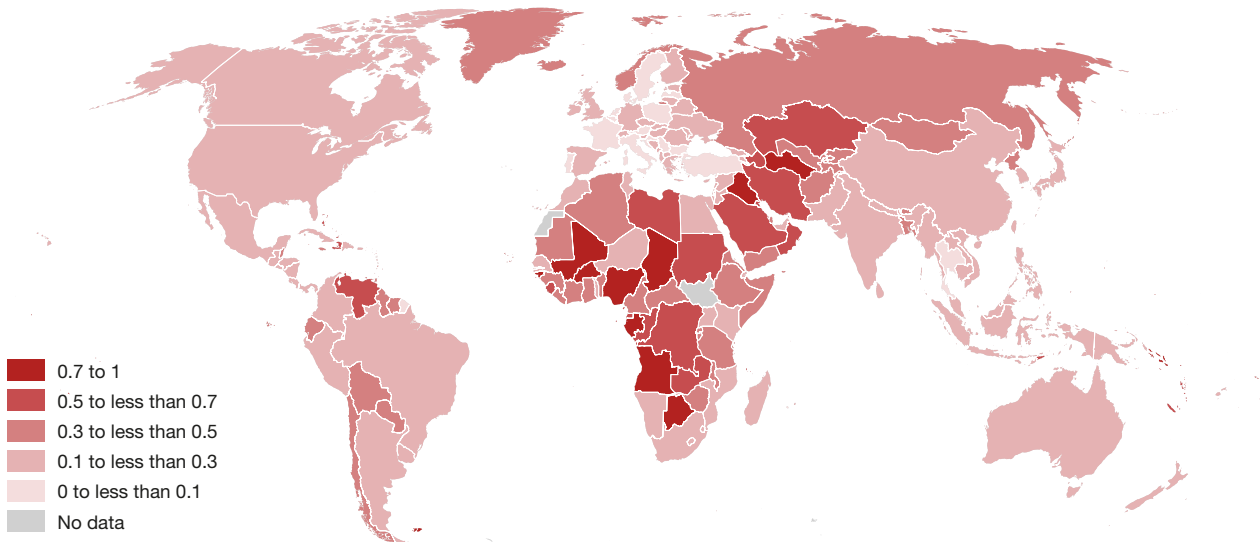




Fact sheet #4: Trade indicators

Map 1 | Product concentration index of exports, 2016



Note: This index measures the extent to which a large share of exports is accounted for by a small number of product groups. The index has a value of 1 when an economy exports only one group of products and a value of 0 if all product groups are equally represented.

Concepts and definitions

This section presents different indices that can be used to analyze trade flows and trade patterns, for example, from the perspective of relative competitiveness, the structure of global exports and imports markets, or the importance of trade for the economy, both for individual economies and for groups of economies, over time.

Information on how the indices in this section are calculated is provided in annex 6.3. The indices represent a subset of the trade indices contained in UNCTADstat (UNCTAD 2017a).

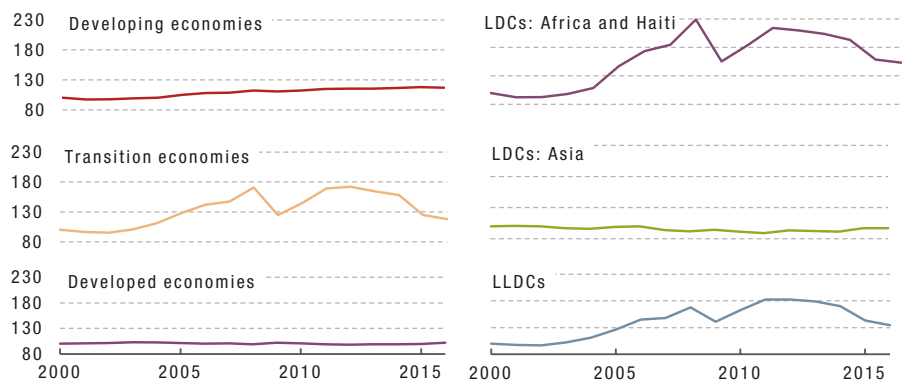
How concentrated was the structure of exports?

In 2016, in African developing economies and transition economies, merchandise exports were generally more concentrated on fewer product groups than elsewhere. The export structure of European economies was comparatively dispersed. All in all, the geographic distribution of the product concentration index appears correlated with the distribution of mainly fuel exporting economies (see UNCTAD Handbook of Statistics 2017, section 1.3).

How did the prices of exports and imports develop?

From 2000 to 2016, the terms of trade – the ratio between the prices of exports and imports – remained almost constant in developed economies and increased slightly and steadily (by 17 per cent) in developing ones. LDCs in Africa and Haiti and transition economies registered decreasing terms of trade over the last four years.

Figure 1 | Terms of trade index (2000=100)



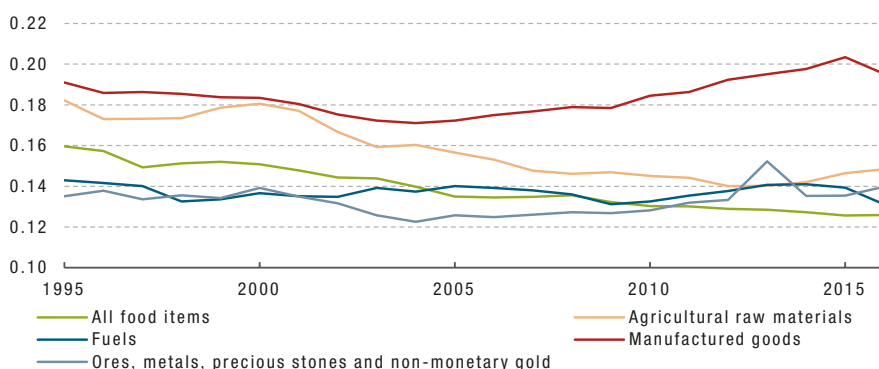
Note: This index indicates by how much the relative price between exports and imports has increased in relation to the base year.



How concentrated is global product supply?

The degree to which a large proportion of world exports originate from a small number of economies differs considerably across product groups. Exports of manufactured goods are more cumulated among few suppliers than other types of products, as indicated by a relatively high market concentration index, standing at 0.20 in 2016. This is due to an increase of the index from 2004 to 2015. In the same period the market concentration indices of food and agricultural raw materials fell.

Figure 2 | Market concentration index of exports

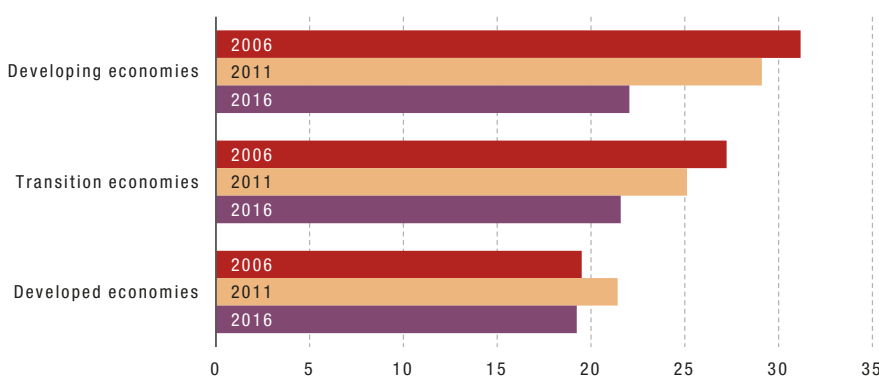


Note: This index measures the extent to which a high proportion of exports are delivered by a small number of economies. It has a value of 1 if all exports originate from a single economy.

How important is trade for economies?

Over the last ten years, the importance of trade in goods relative to domestic economic output has declined significantly in developing and transition economies. In developing economies, trade openness, measured as the ratio between the average of exports and imports of goods to GDP, fell from 31 per cent in 2006 to 22 per cent in 2016. In transition economies the rate decreased from 27 to 22 per cent. Trade openness of developed economies has been comparatively low. After a peak around the year 2011, in 2016 the rate amounted to 19 per cent, the same level as in 2006.

Figure 3 | Trade openness index (Percentage)



Note: This index measures the relative importance of international trade in goods relative to the domestic economic output of an economy. Exports are given equal weight to imports.

For references, see UNCTAD Handbook of Statistics 2017, annex 6.4.

Transition economies and African developing economies have narrowest range of export products



Terms of trade of developing economies have improved by 17% since 2000



The global supply of agricultural products has become less concentrated

over the last 15 years



Trade openness is declining in developing and transition economies

