

# Europe's Trade with Emerging Markets - Is it Climbing the Value-added Chain?

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When emerging market economies grow,  
do they expand their imports from  
developed countries in the direction  
of high value-added goods?

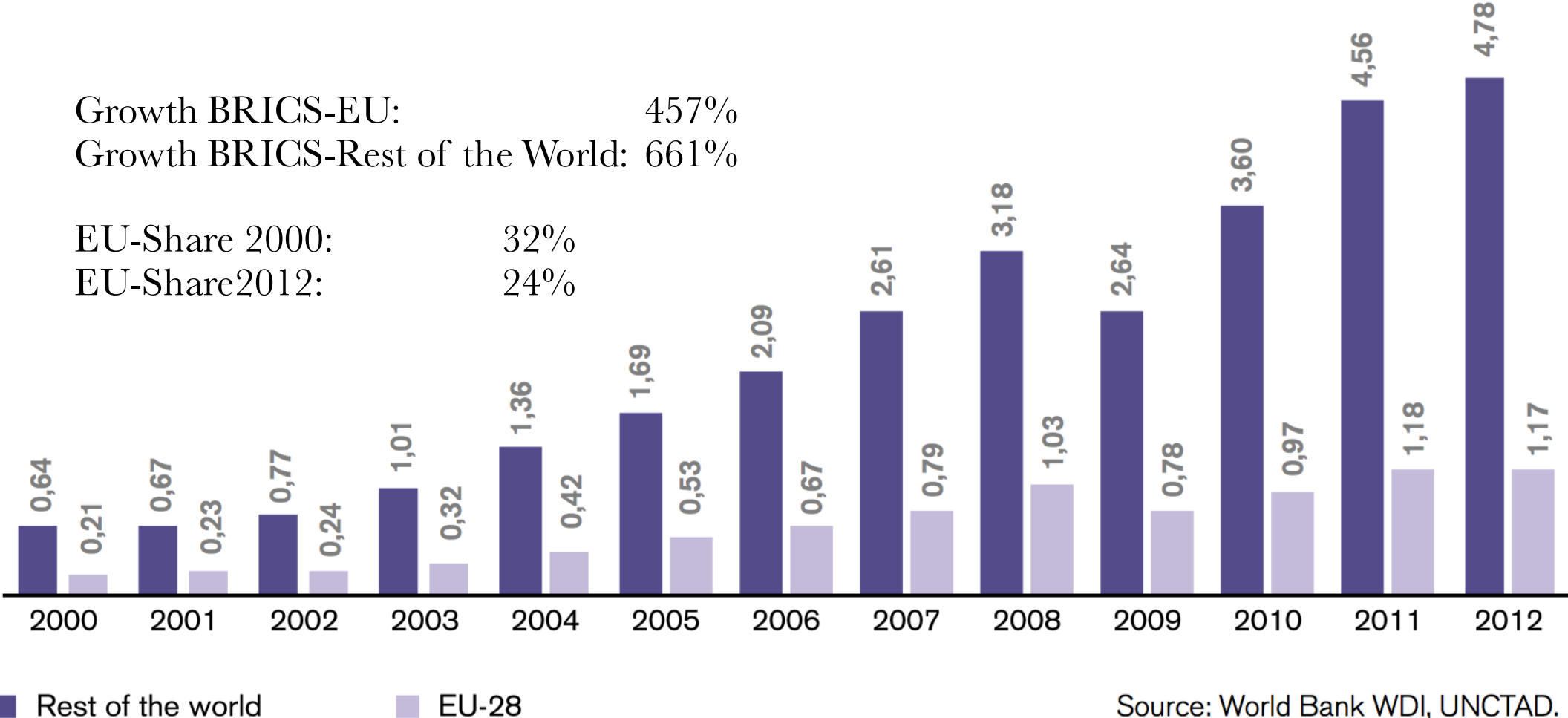
Focus: EU

- 1) The EU has seen strong growth in the export of patent-intensive sector exports.
- 2) Trade in the EU's major patent-intensive goods sectors – chemicals, pharmaceuticals, and motor vehicles – has generally evolved in a positive fashion.
- 3) Recent years have witnessed a deterioration of EU exports in these sectors.

# BRICS-Trade with the EU and RoW in tn USD

Growth BRICS-EU: 457%  
 Growth BRICS-Rest of the World: 661%

EU-Share 2000: 32%  
 EU-Share 2012: 24%



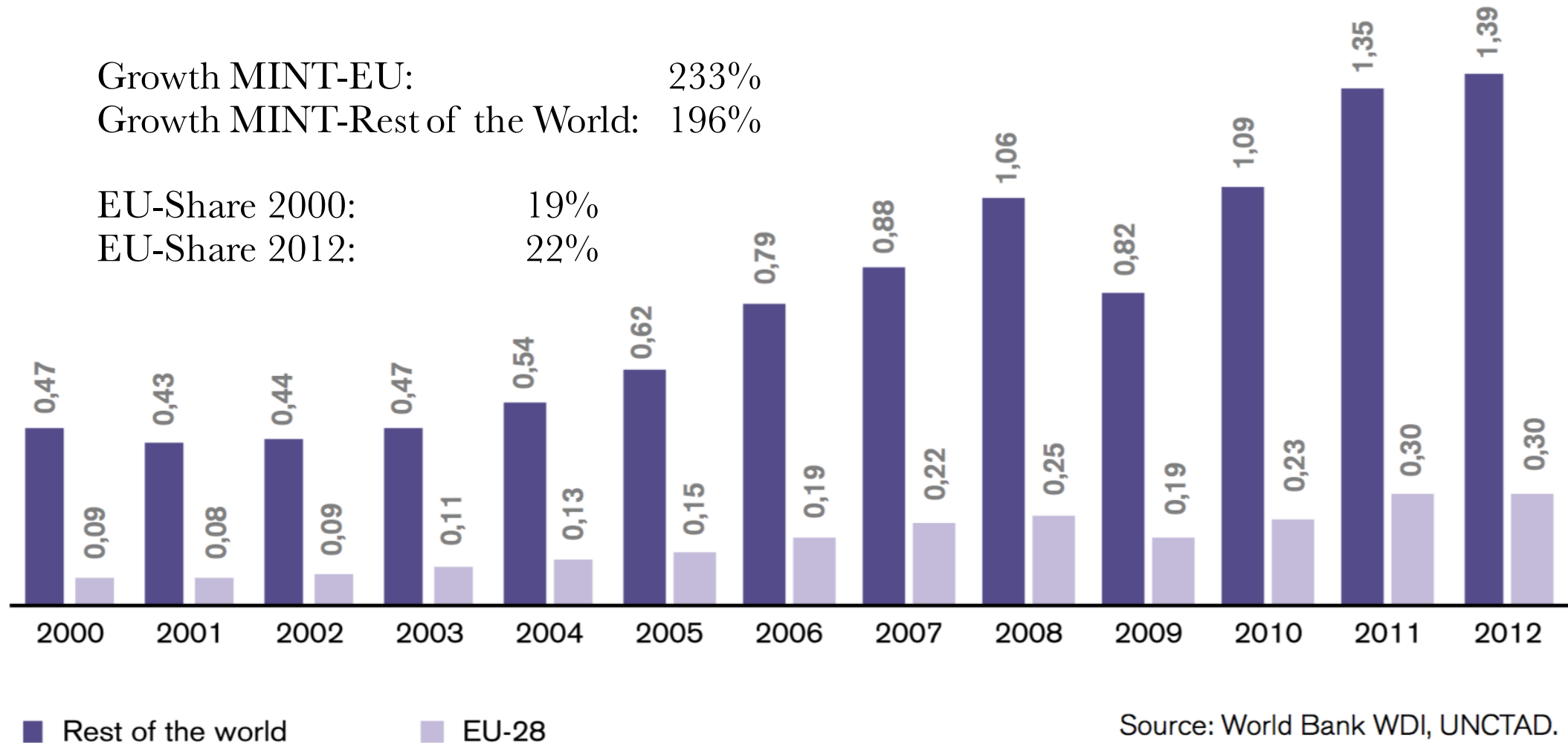
Source: World Bank WDI, UNCTAD.



# MINT-Trade with the EU and RoW, in tn USD

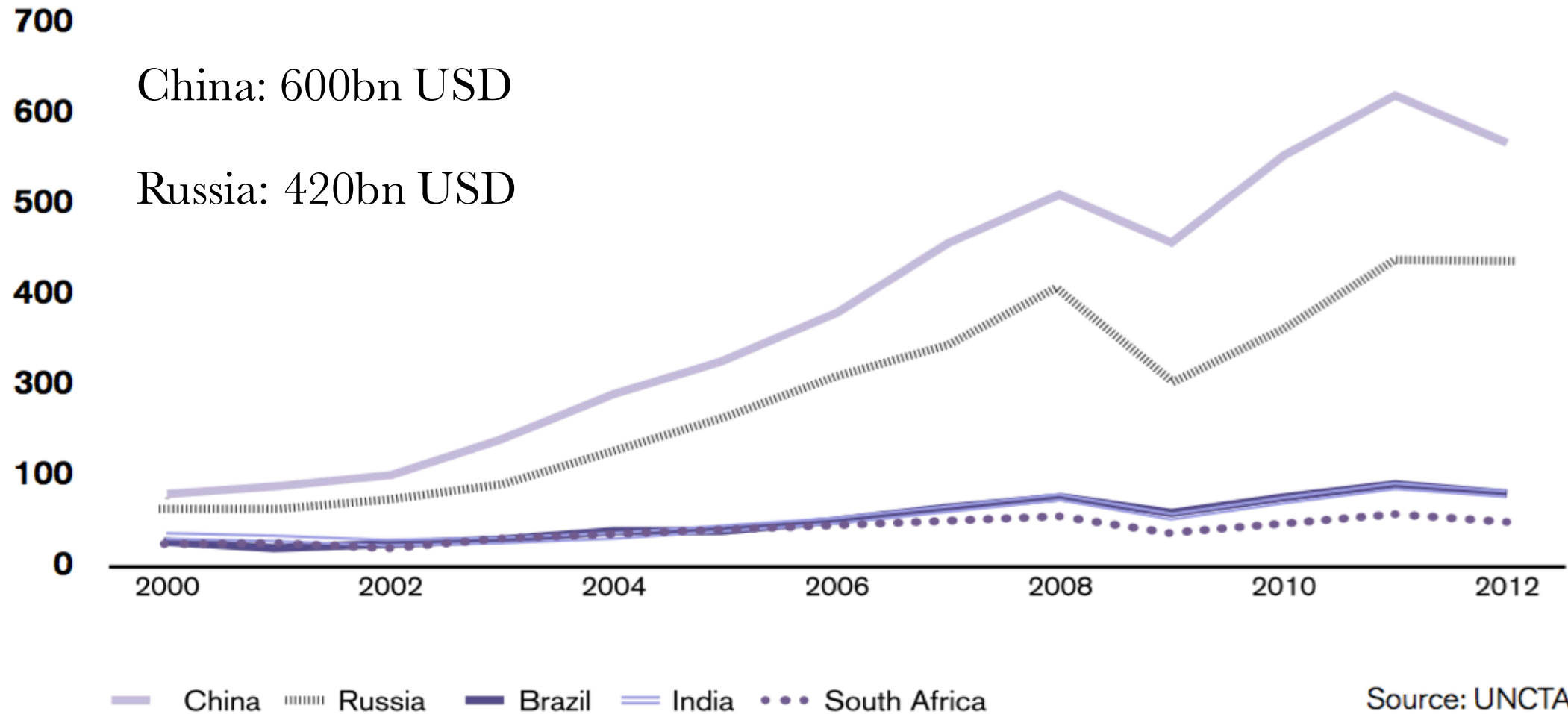
Growth MINT-EU: 233%  
Growth MINT-Rest of the World: 196%

EU-Share 2000: 19%  
EU-Share 2012: 22%



Source: World Bank WDI, UNCTAD.

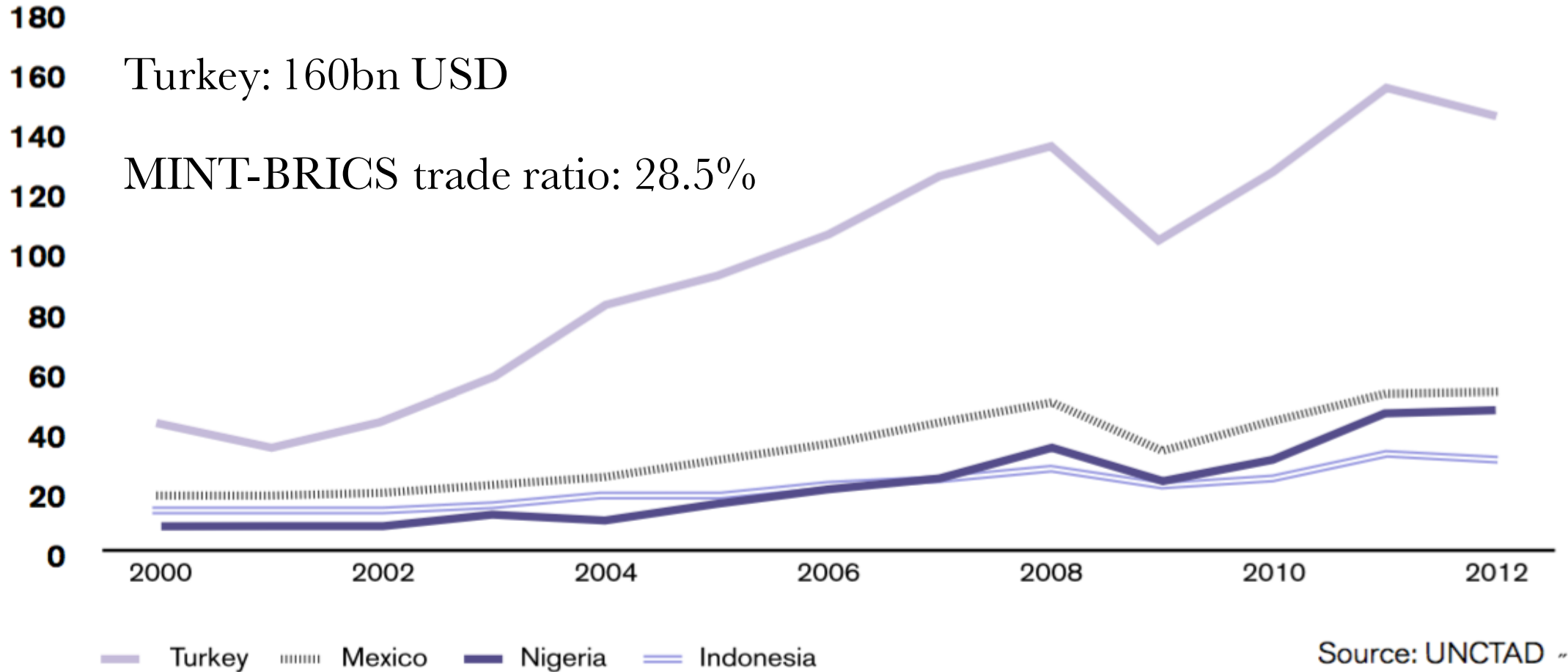
# BRICS-Trade with the EU, in bn USD



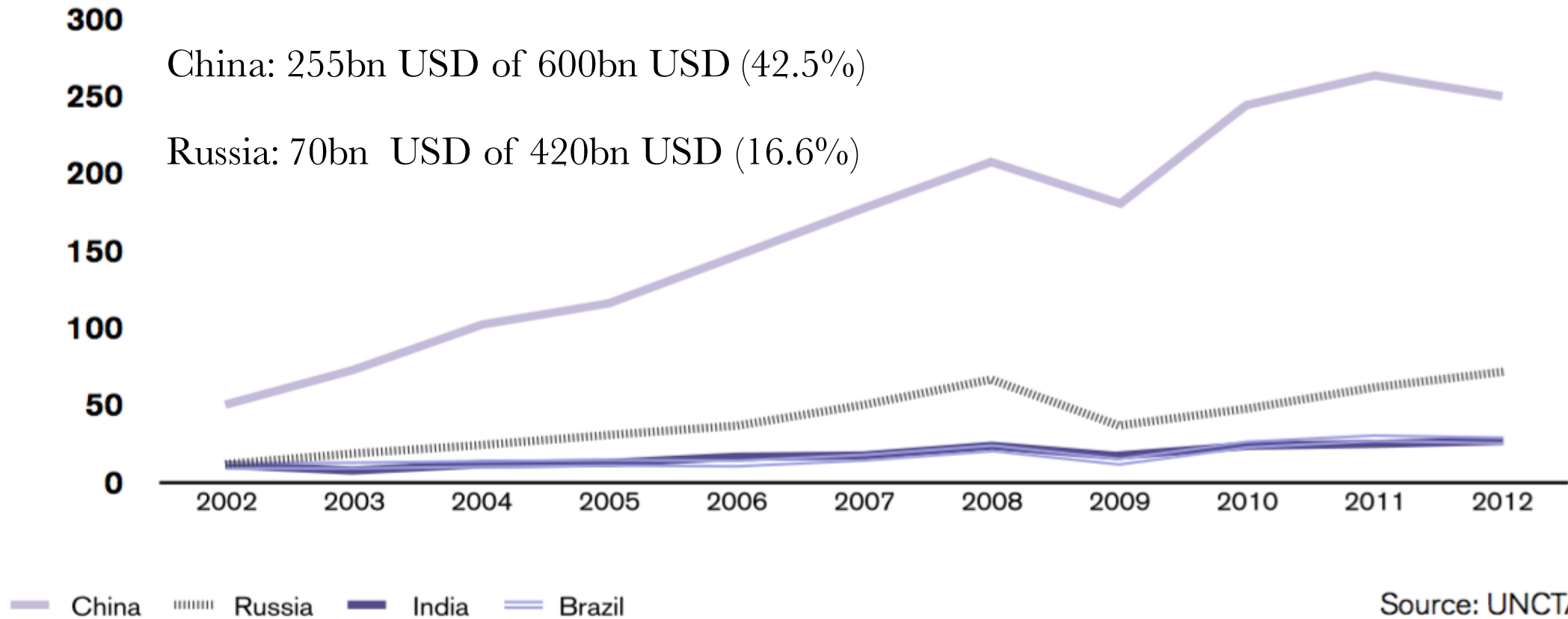
Source: UNCTAD.



# MINT-Trade with the EU, in bn USD



# BRICS-Trade in Capital Goods with the EU, in bn USD



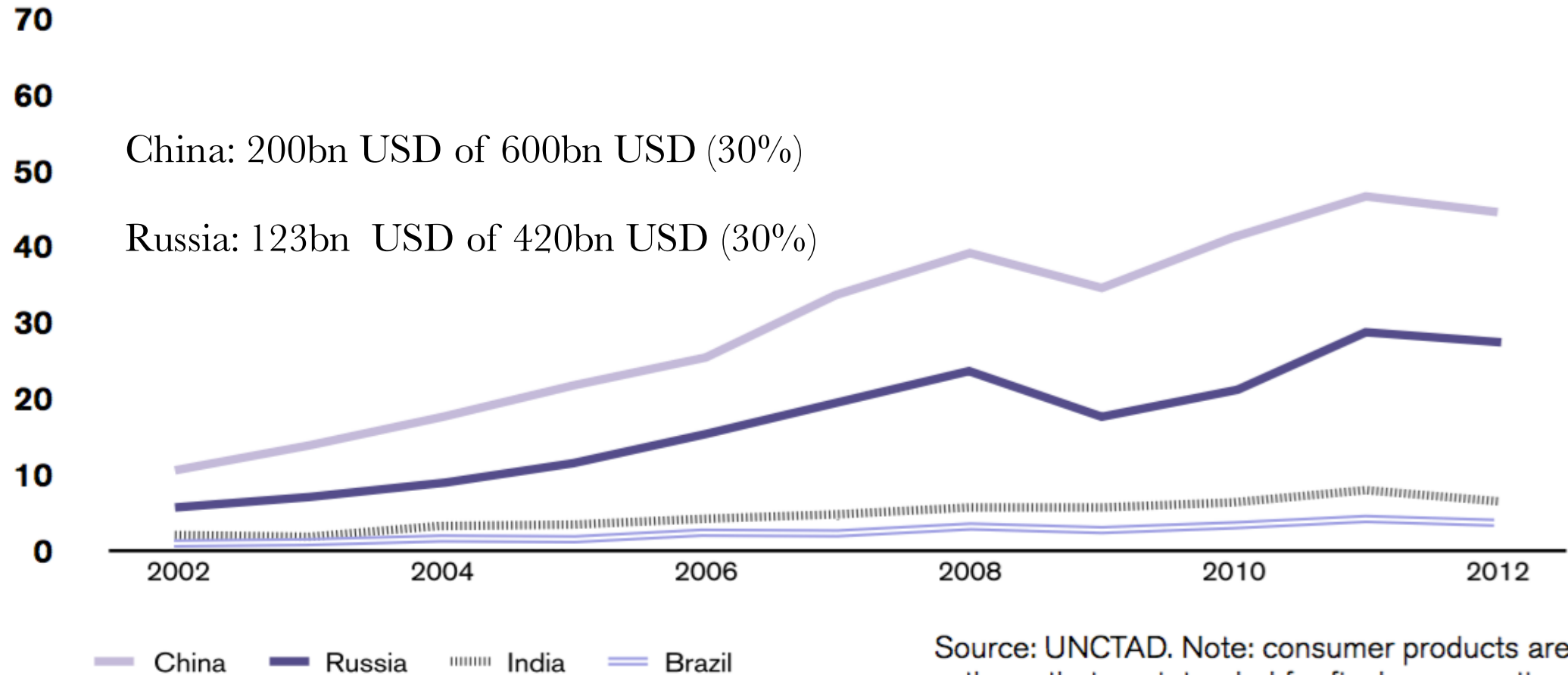
Source: UNCTAD.

Note: capital goods are manufacturing goods such as machinery that are intended to be used in the production of other goods.





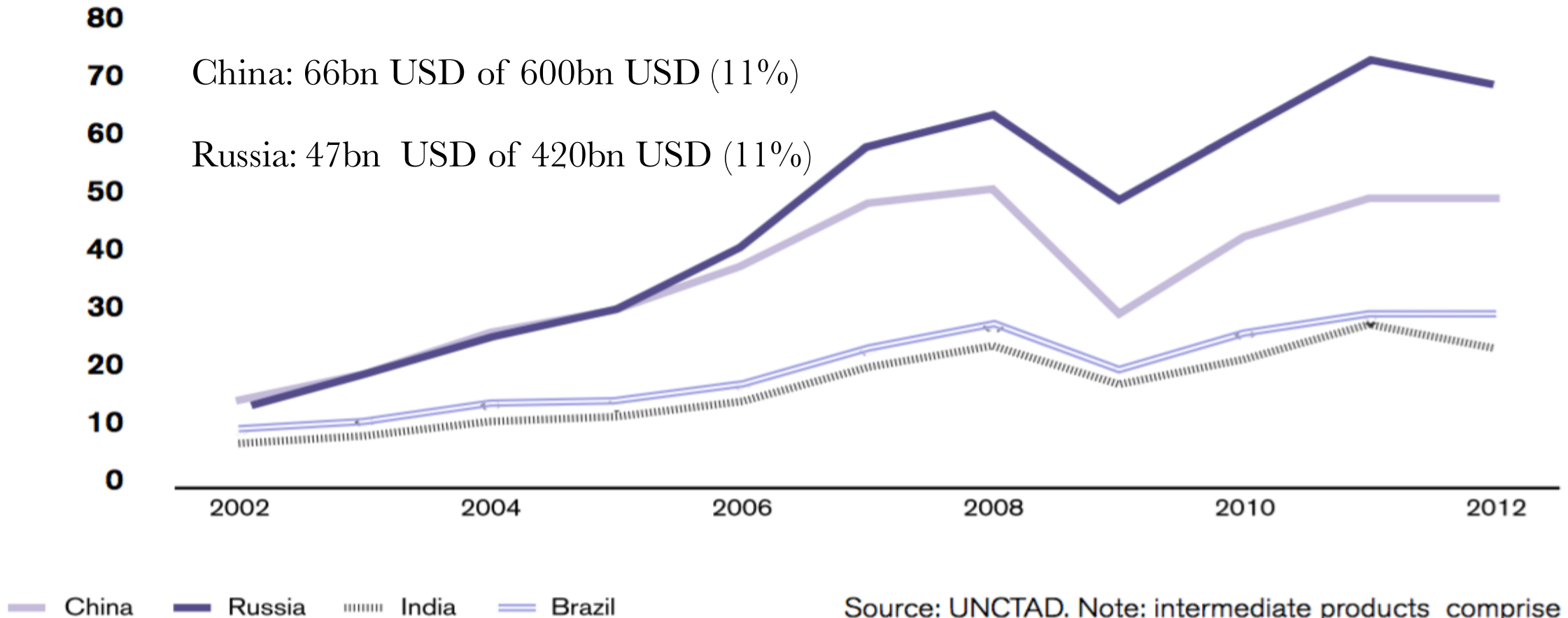
# BRICS-Trade in Consumer Goods with the EU, in bn USD



Source: UNCTAD. Note: consumer products are those that are intended for final consumption.



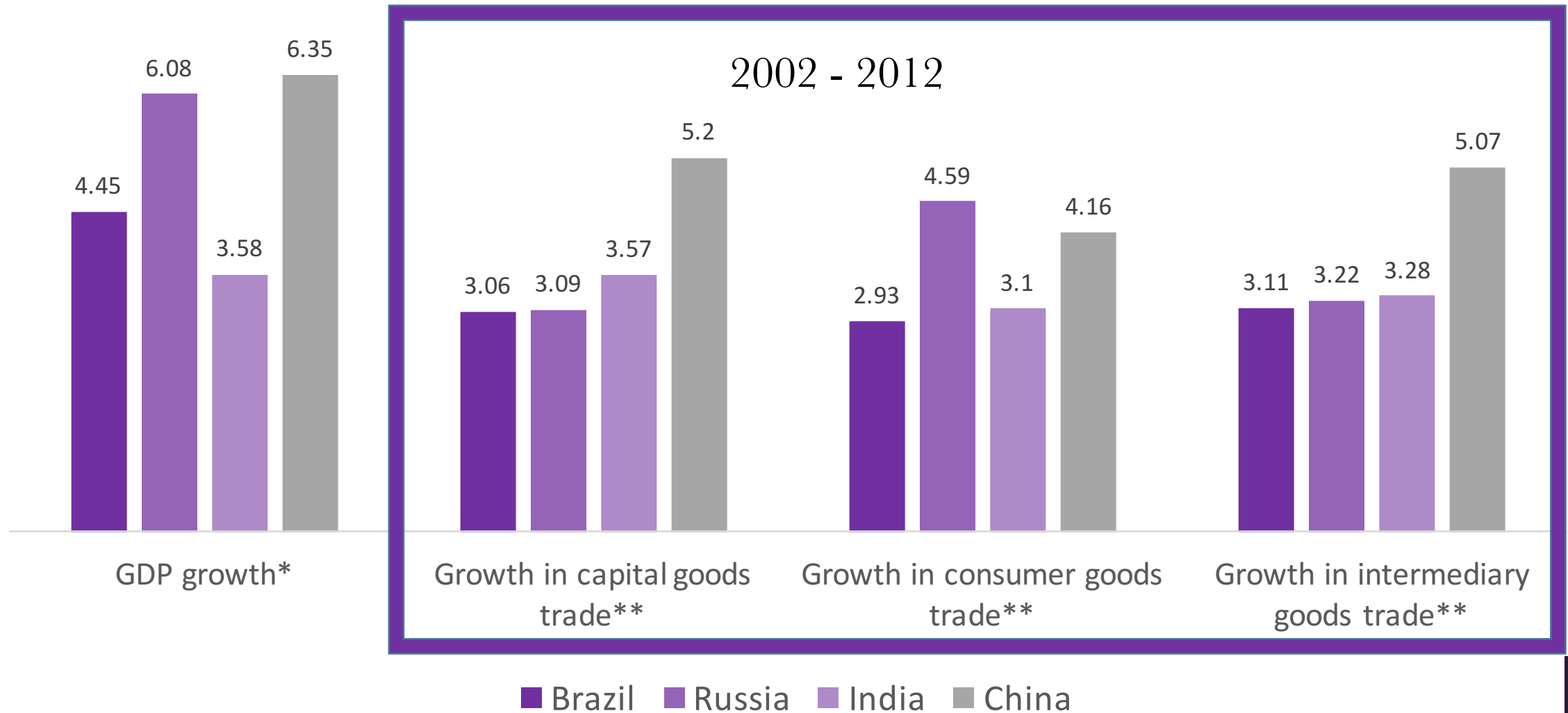
# BRICS-Trade in Intermediate Goods with the EU, in bn USD



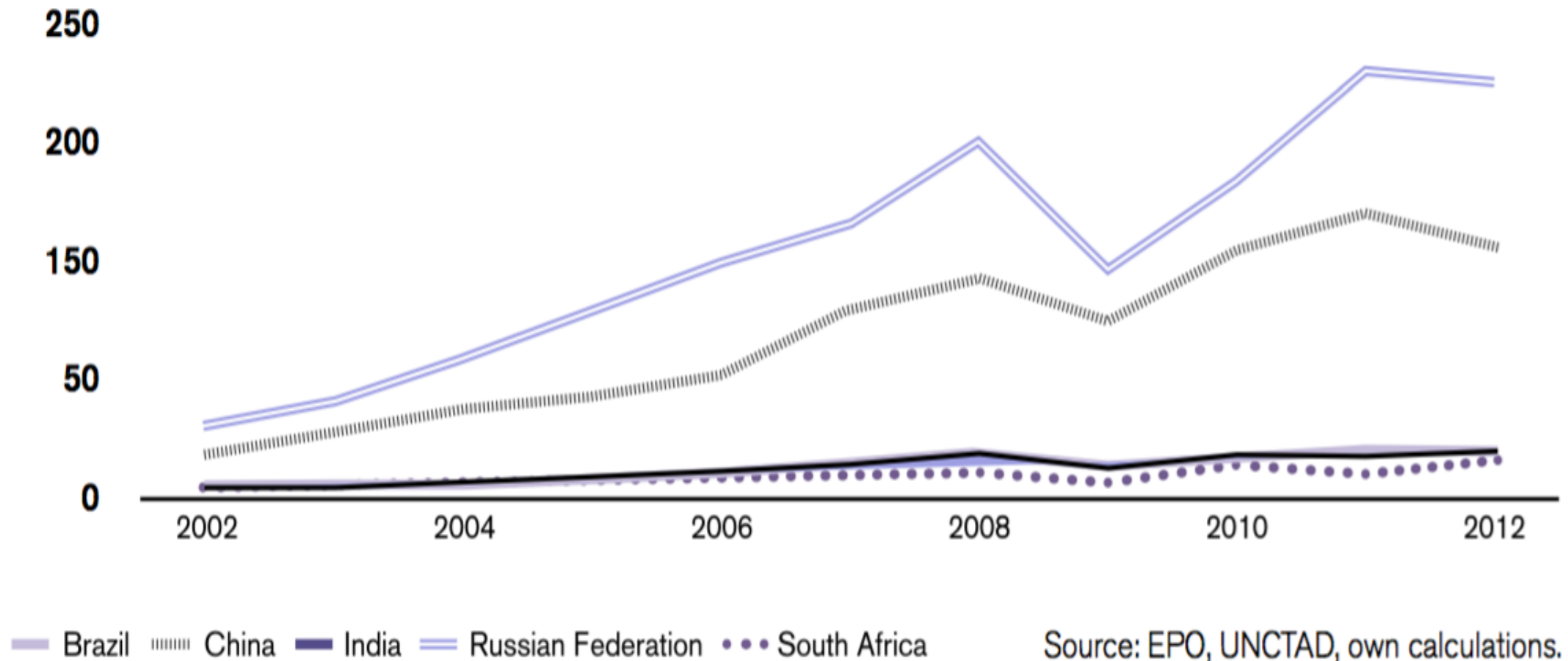
Source: UNCTAD. Note: intermediate products comprise semi-finished goods that are used in the production of other products.



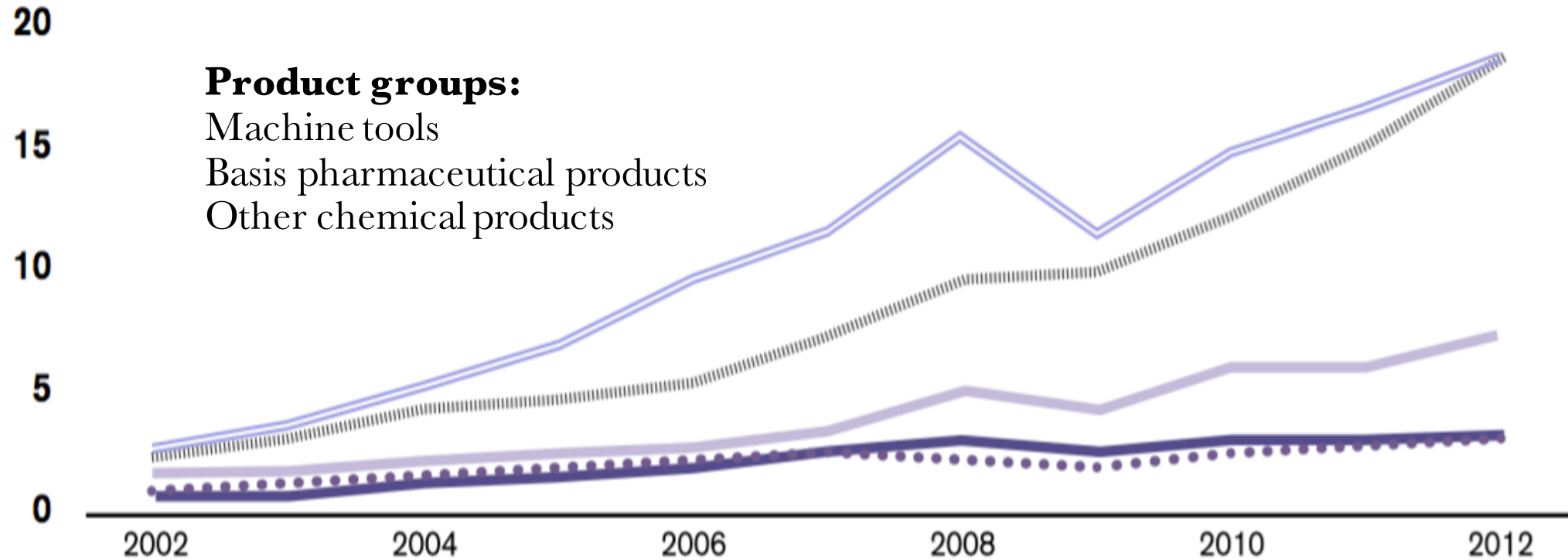
# Growth Rates, by category, broad classification



# EU Exports to BRICS in Top-20 Patent-intensive Sectors



# EU Exports to BRICS in Top-3 Patent-intensive Sectors

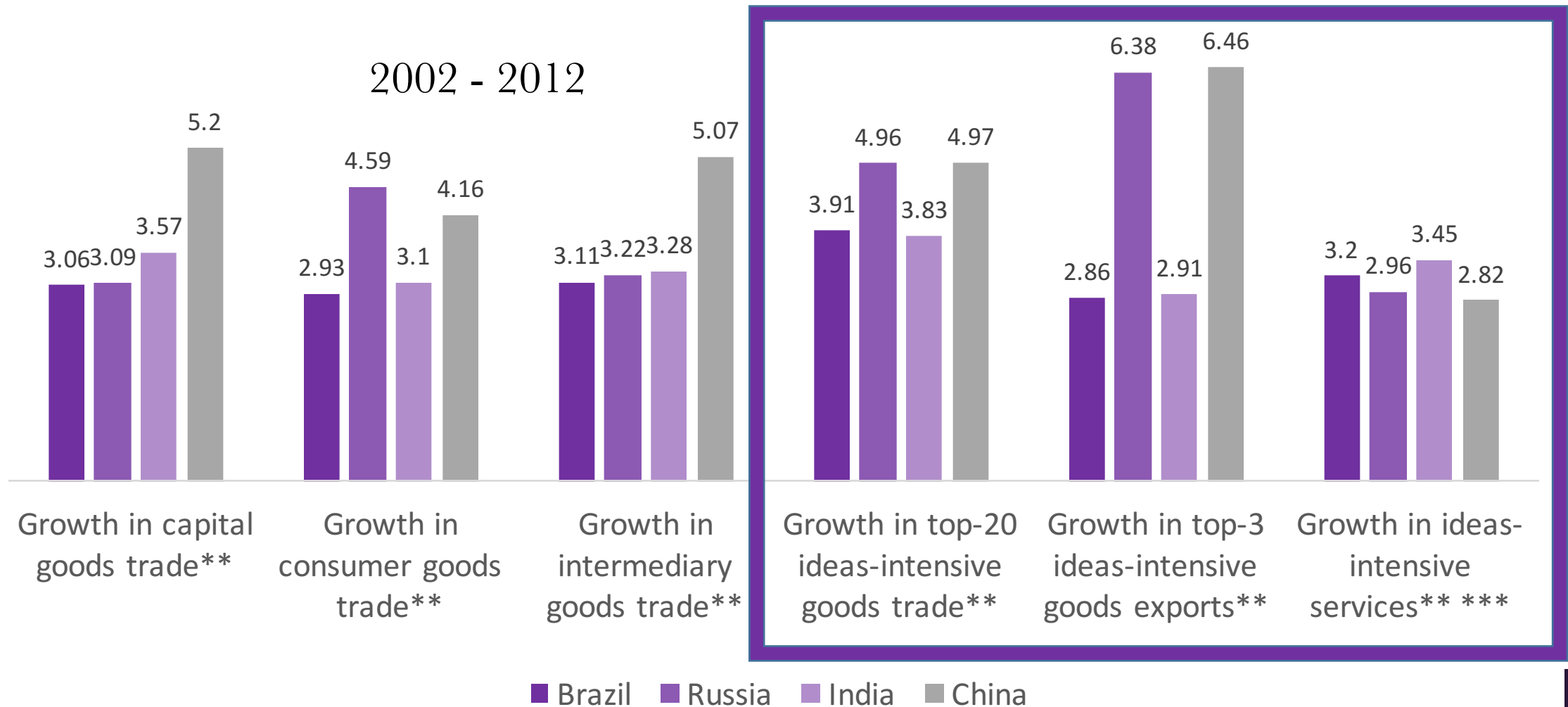


— Brazil    - - - - - China    — India    — Russian Federation    ••• South Africa

Source: EPO, UNCTAD, own calculations.



# Growth Rates, by category, narrow classification



# What about EU Exports in Patent-intensive and Less Patent-intensive Sectors?

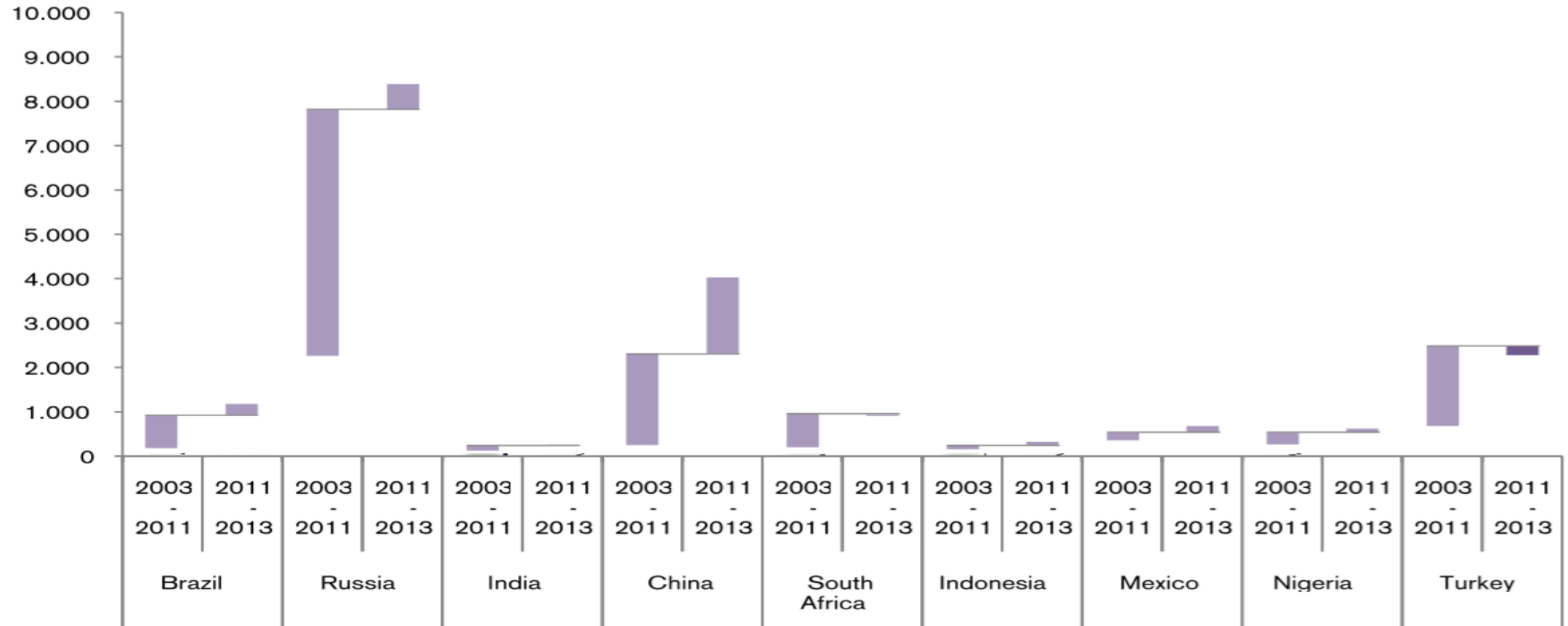
## **Patent-intensive Sectors:**

*Basic chemicals; Pharmaceuticals; Other chemical products; Machinery for production; Other general purpose machinery; Office machinery and computers; Electric motors, generators; Electricity distribution; Electrical equipment n. e. c., TV; and radio transmitters, apparatus; TV, radio and recording apparatus; Motor vehicles; Bodies for motor vehicles, trailers*

## **Less Patent-intensive Sectors:**

*Growing of crops; market gardening; Farming of animals; Fruits and vegetables; Vegetable and animal oils and fats; Other food products; Made-up textile articles*

# EU Exports to BRICS-MINT in Less Patent-intensive Sectors, in mn USD

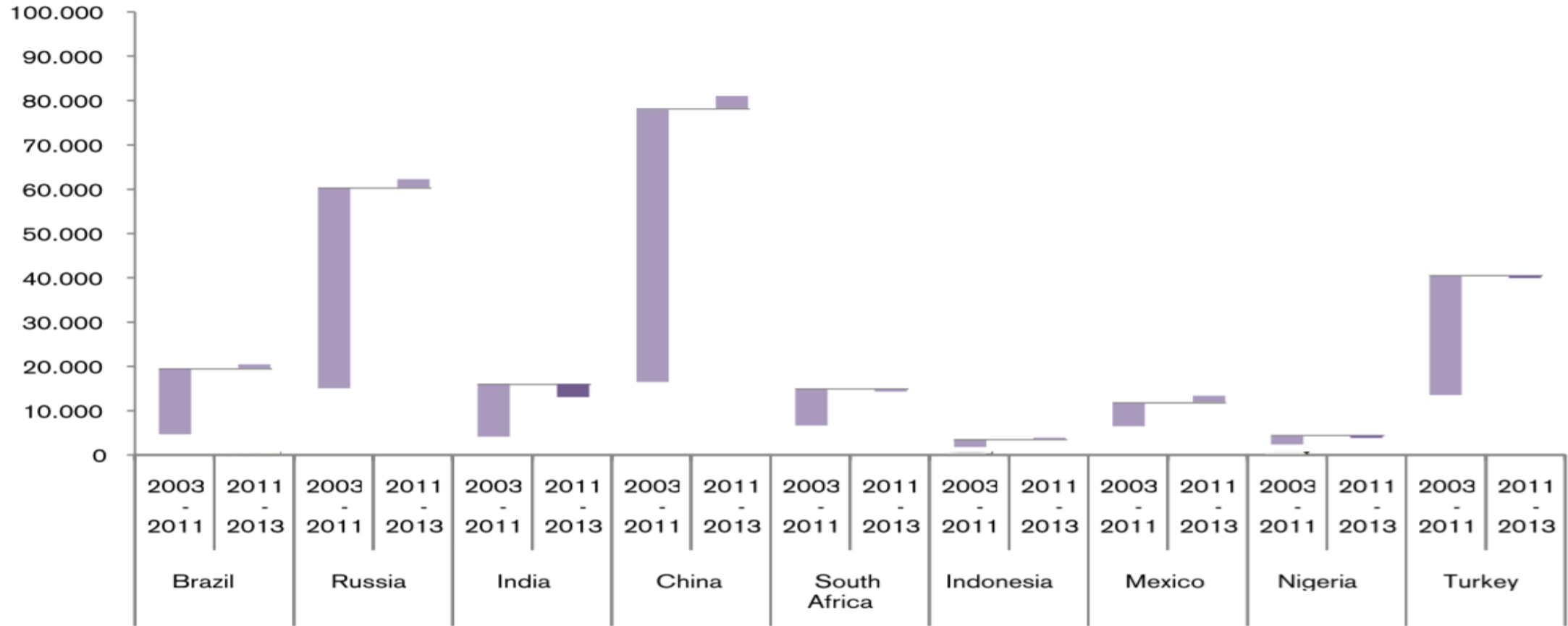


Source: WITS, own calculations.





# EU Exports to BRICS-MINT in Patent-intensive Sectors, in mn USD



Source: WITS, own calculations.

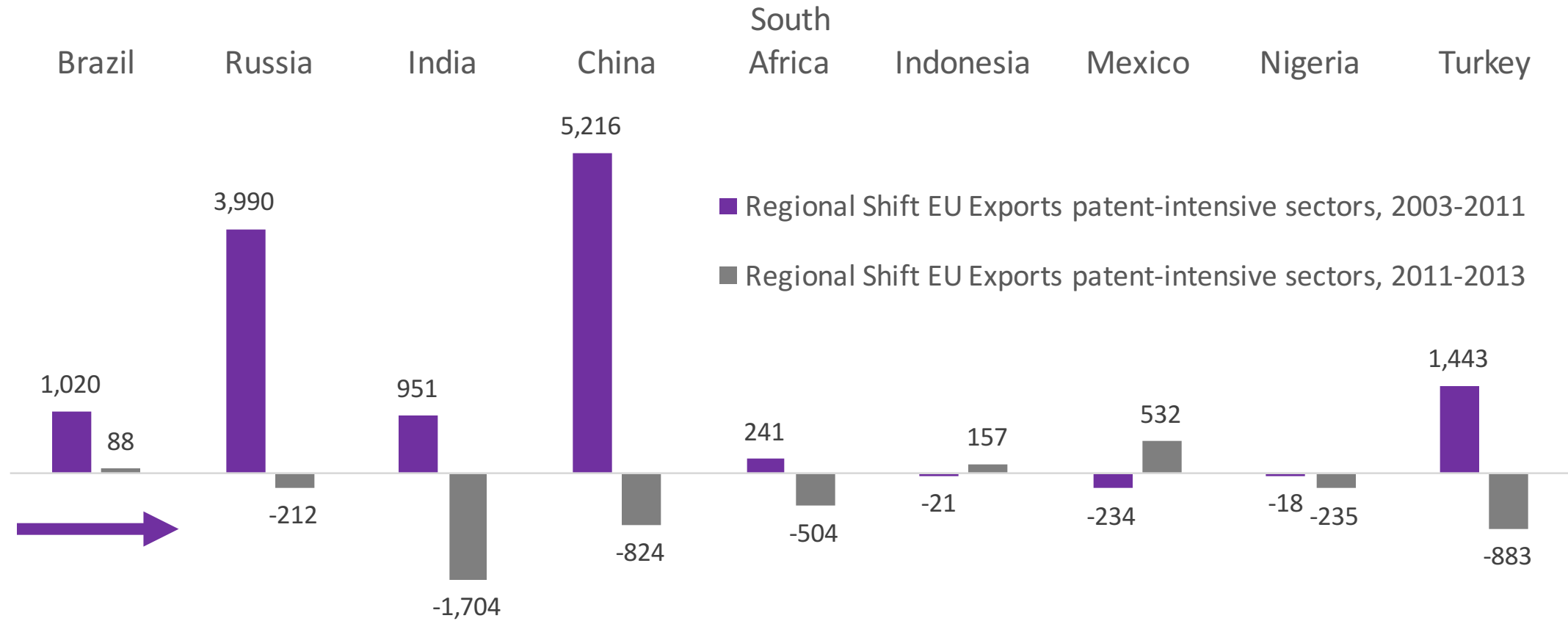


EU Export Over- and Underperformance in  
Patent- and Less Patent-intensive Sectors  
2003 - 2013

<b>EU Exports to</b>	<b>Brazil</b>	<b>Russia</b>	<b>India</b>	<b>China</b>	<b>South Africa</b>	<b>Indonesia</b>	<b>Mexico</b>	<b>Nigeria</b>	<b>Turkey</b>
Growing of crops; market gardening	36	1,196	-164	-111	-43	51	50	39	-85
Farming of animals	-14	90	-19	1,120	-8	-9	-20	-2	31
Fruits and vegetables	166	-30	15	100	25	17	-11	-77	27
Vegetable and animal oils and fats	190	-191	25	606	236	7	-12	-35	-53
Other food products	165	948	53	1,395	164	-163	-216	-13	359
Made-up textile articles	6	95	11	46	12	1	-6	2	39
Basic chemicals	1,722	2,907	1,710	5,510	417	-102	-225	-28	2,526
Pharmaceuticals	1,901	7,183	113	5,551	-69	-168	133	-22	-624
Other chemical products	328	1,088	293	1,664	35	28	83	112	68
Machinery for production	1,085	3,285	696	5,139	-18	212	316	-306	648
Other general purpose machinery	1,537	3,592	868	1,436	-15	315	-309	-46	1,151
Office machinery and computers	117	1,397	180	354	-70	-44	-23	85	923
Electric motors, generators	399	1,397	310	-272	482	10	32	-56	684
Electricity distribution and control	358	1,093	288	1,571	-88	3	19	-35	491
Electrical equipment n. e. c.	143	756	165	1,260	-137	3	28	-11	345
TV, and radio transmitters, apparatus	-57	12	-251	167	-29	-133	-305	-152	316
TV, radio and recording apparatus	-115	1,672	-248	-363	-55	-58	-111	-109	843
Motor vehicles	1,350	7,021	340	21,947	393	183	-407	-112	2,583
Bodies for motor vehicles, trailers	40	1,794	43	-343	-39	21	-2	-8	-82
<b>Less patent-intensive sectors</b>	<b>548</b>	<b>2,108</b>	<b>-79</b>	<b>3,156</b>	<b>386</b>	<b>-96</b>	<b>-214</b>	<b>-86</b>	<b>317</b>
<b>Patent-intensive sectors</b>	<b>8,808</b>	<b>33,198</b>	<b>4,508</b>	<b>43,621</b>	<b>805</b>	<b>271</b>	<b>-773</b>	<b>-688</b>	<b>9,873</b>

The Regional Shift (Competitive) Component for  
EU exports in Patent-intensive Sectors  
2003-2011 and 2011-2013

# Regional Shift (Competitive) Component Patent-intensive EU Exports, in mn USD



# Concluding Remarks

- 1) The EU has seen strong growth in the export of patent-intensive sector exports – it was climbing the value chain vis-à-vis less patent-intensive sector exports.
- 2) Trade in the EU's major patent-intensive sectors has generally evolved in a positive fashion, but country-specific differences apply.
- 3) Recent years have witnessed a deterioration of EU exports in patent-intensive sectors to most BRICS-MINT countries.