

If you go to the TIVA website you'll be given a layout that looks like the below. The first thing to do is to change the indicator to the variable we want. We want to change it to "CONS_VASH". If you click the "(i)" next to the variable name, which I put a red box around, the website will give you a description of the variable and how it is calculated.

Trade in Value Added (TiVA) – October 2015 ?

Customise Export Draw chart My Queries					
Indicator	CONS_VASH: Value added share of total consumption, by source country and industry (i)				
Industry	CTOTAL: TOTAL				
Partner	WOR: World				
Unit	Percentage				
Time	1995	2000	2005	2008	2009
Country					
AUS: Australia	100	100	100	100	
AUT: Austria	100	100	100	100	
BEL: Belgium	100	100	100	100	

CONS_VASH is, as described, the value added share of total consumption. Industry tells us for which industry and partner tells us where the value added is coming from.

The above graphic tells us that in every year, 100 percent of Value Added for Total Consumption in Australia (across all industries) comes from the World, and likewise for every other country.

For a more informative example. We can change the Industry to Motor Vehicles and the Partner to Germany. I also click the “Customise” button to select the countries and time periods I’m interested in.

Trade in Value Added (TiVA) – October 2015 i

Customise Export Draw chart My Queries			
Indicator	CONS_VASH: Value added share of total consumption, by source country and industry i		
Industry	C34: Motor vehicles, trailers and semi-trailers v		
Partner	DEU: Germany v		
Unit	Percentage		
Time	1995	2011	
	▲ ▼	▲ ▼	
Country			
WOR: World	14.96		18.1
DEU: Germany	75.35		75.15
JPN: Japan	1.74		2.11
USA: United States	3.02		8.23

This tells us that in the World, 18.1 percent of value added in the consumption of Motor Vehicles was created in Germany. We can also observe home bias, in the fact that 75.15 percent of the value added for Motor Vehicles consumed in Germany (i.e. purchased for final use) was produced in Germany. This could be due to trade costs or preferences and it’s impossible to tell which from this graph.

Conversely, only 2.11 percent of the value added for Motor Vehicles consumed in Japan and 8.23 percent of the value added for Motor Vehicles consumed in the United States was produced in Germany.

Note that this does not mean that only 8 percent of cars in the United States are from German brands. For example, there is a BMW plant in Spartanburg, South Carolina as well as a Toyota plant in San Antonio, Texas. All labor used in these plants to produce the cars would count as originating in the United States.