Trade concentration

Key facts

- The top 100 exporting companies account for a significant share of exports in all countries, ranging from about one-quarter in Italy to over 80% in Luxembourg.
- In a majority of OECD economies 50% or more of exporting enterprises trade with only one country. These one-country exporters, however, typically account for a small share of the total value of a country's export. Typically firms that export to more than 10 countries dominate trade, reflecting around 90% or more of total exports in Finland, France, Germany and the United Kingdom.

Definitions

Exports of goods and services consist of sales, barter or gifts or grants, of goods and services (included in the production boundary of GDP) from residents to non-residents. Imports reflect the same transactions from non-residents to residents. Not all goods need to physically enter a country's border to be recorded as an export or import. Transportation equipment, goods produced by residents in international waters sold directly to non-residents, and food consumed in ships or planes are but a few examples of transactions which may be recorded as exports or imports without physically crossing borders. Equally not all goods that enter a country's borders are necessarily imports or exports. Transportation equipment, goods sent abroad for minor processing (or which enter and leave a country in their original state and ownership) are examples of goods that cross bonders but are not recorded as imports or exports (*OECD Factbook*, 2014).

The *concentration of exports by exporting enterprises* is calculated as the ratio of the value of exports by each rank (top 10, top 11 to 50, and top 51 to 100 exporting enterprises) divided by the total value of exports.

The *percentage of exporters and of export value to x partner countries* is respectively calculated as the ratio of the number of exporters who export to x countries to the total number of exporting enterprises; and as the ratio of the value of exports by enterprises who have x partner countries to the total value of exports.

For the definition of "Total economy", see Reader's guide.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Relevance

International fragmentation of production has fuelled the growth in Global Value Chains in recent decades, characterised by increasing trade in intermediates, but differences across countries remain in the scale of integration, particularly in SMEs, and the scale of market(s) penetration. Diversity in markets can often indicate comparative advantages and resilience to supply and demand shocks.

Comparability

Data presented refer to the total economy. For the United States, data on concentration of exports refer to 2011, and data by number of partner countries refer to 2010. Some care is needed in interpreting the data which reflect direct export channels only, and so may understate the true underlying scale of integration within global value chains (particularly by size class), for example by upstream SME producers of intermediates supplying goods and services to larger exporting firms. Similarly many, particularly small, firms may export via intermediary wholesalers.

Data shown in Figures 5.2 and 5.3 result from the combination of two data sources, namely OECD SDBS and TEC databases. However, coverage of two databases may in some instances differ, due partly to different thresholds for inclusion of the smaller units.

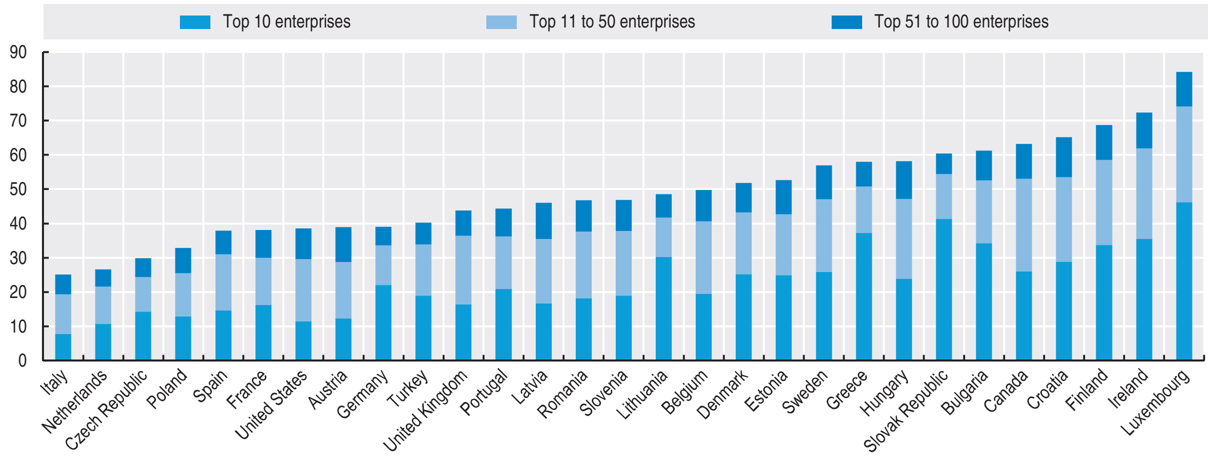
Source

OECD Structural and Demographic Business Statistics (SDBS) (database), *http://dx.doi.org/10.1787/sdbs-data-en*.

OECD Trade by Enterprise Characteristics Database (TEC), http://stats.oecd.org/Index.aspx?DataSetCode=TEC1_REV4.

Figure 5.1. **Concentration of exports by exporting enterprises, total economy**

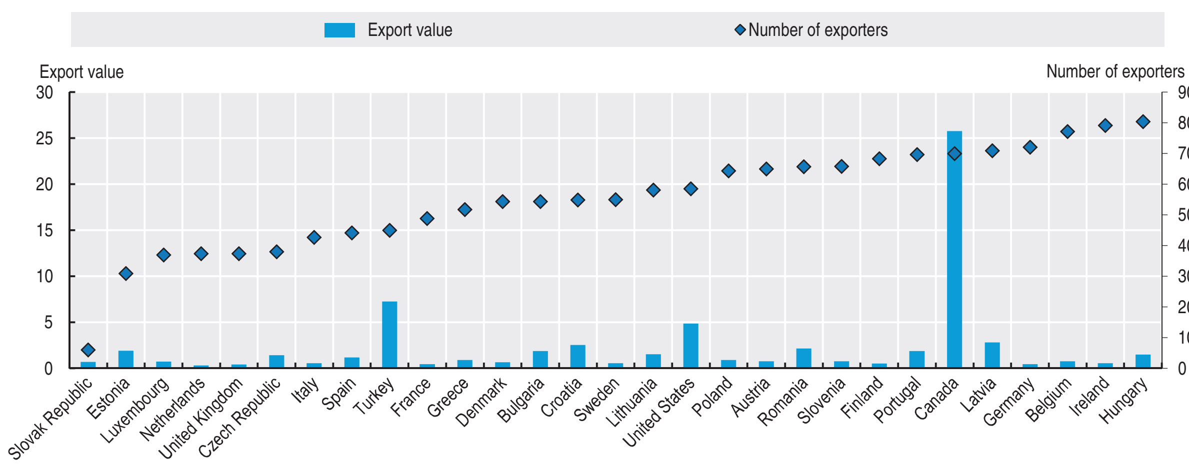
Percentage, 2012, or latest available year



StatLink http://dx.doi.org/10.1787/888933230914

Figure 5.2. **Exporters with, and export value to, only one partner, total economy**

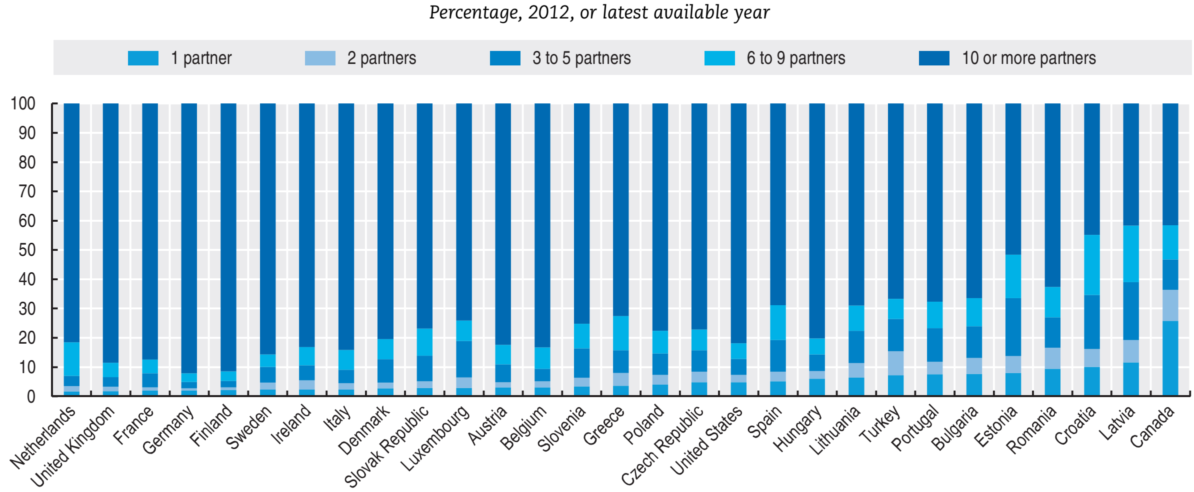
Percentage, 2012, or latest available year



StatLink http://dx.doi.org/10.1787/888933230923

Figure 5.3. **Concentration of the value of exports by number of partners, total economy**

Percentage, 2012, or latest available year



StatLink http://dx.doi.org/10.1787/888933230932

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