INTRODUCTION TO ITC MARKET ANALYSIS TOOLS
What is ITC?

**Mission**

- ITC's mission is to foster sustainable economic development and contribute to achieving the Millennium Development Goals in developing countries and countries with economies in transition through trade and international business development.

ITC works with local and regional institutions and businesspeople to build trade capacity.
ITC Activities

ITC Core Competencies
- Business in Trade Policy
- Export Strategy
- Trade Intelligence
- Trade Support Institution Strengthening
- Exporter Competitiveness

ITC Clients
- Policy Makers
- Trade Support Institutions
- Business Community

ITC Beneficiaries
- Micro, Small and Medium-Sized Exporters

ITC Development Outcomes
- Trade Impact for Good
  Generating sustainable incomes and livelihoods especially for poor households, by connecting enterprises to global markets
Trade Intelligence
Market Analysis And Research Services

i. **Information transparency (Global Public Goods)**
   a) Trade Map
   b) Market Access Map
   c) Investment Map
   d) Standards Map
   - Improve access to information about trade opportunities through the collection, processing & dissemination of trade related data and the provision of tools to support their analysis
   - Serve trade-related decisions & strategies of: Enterprises, Trade Support Institutions, Policy Makers, International Organisations, NGOs, Academia etc
   - Provide data, indicators and analysis to publications of international organisations

ii. **Country-level trade diagnostics & research on global trade trends**
   - Surveys & studies of trade patterns, national export performance and competitiveness, export potential, tariff and non-tariff market access conditions.
   - Serves as inputs to: national policy decisions about business environment; market access negotiations; national trade & investment strategies

iii. **Building Capacity in market analysis and research**
   - Building skills in assessing export potential, trade and investment analysis, market analysis, preparing for trade negotiations, econometric modelling
   - Serves: Enterprises, Trade Support Institutions, Policy Makers
As of the end of September 2014 there are MORE than 400K MAT users 82% are from developing countries
ITC Tools are available at: www.intracen.org/marketanalysis

MARKET ANALYSIS TOOLS
Enhancing the transparency of global trade and market access

ITC’s market analysis data becomes free for all users. Read the press release

The International Trade Centre has developed five web portals: Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map and Standards Map to enhance the transparency of global trade and market access and to help users in their market analyses.

Since the 1st January 2009, all users from least developed and developing countries and territories have been able to access the ITC’s market analysis tools (MAT) free of charge, thanks to support from the World Bank, the European Commission and donors to ITC’s Trust Fund. From the 1st October 2013, users in developed countries have also free access to most of the data in MAT.

Latest trends available in Trade Map
Most important evolutions for Paraguay’s imports between 2012 and 2013.

<table>
<thead>
<tr>
<th>Origin of products imported by Paraguay*</th>
<th>USD</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>115</td>
<td>+1293%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>8.6</td>
<td>+300%</td>
</tr>
<tr>
<td>Poland</td>
<td>2.3</td>
<td>-79%</td>
</tr>
<tr>
<td>Japan</td>
<td>80</td>
<td>-74%</td>
</tr>
</tbody>
</table>

Products imported by Paraguay*

<table>
<thead>
<tr>
<th>Products imported by Paraguay*</th>
<th>USD</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works of art, collectibles and antiques</td>
<td>3.1</td>
<td>+197%</td>
</tr>
<tr>
<td>Pearls, precious stones, metals, coins, etc.</td>
<td>3.2</td>
<td>-75%</td>
</tr>
<tr>
<td>Printed books, newspapers, pictures etc.</td>
<td>20</td>
<td>-35%</td>
</tr>
<tr>
<td>Other made textile articles, sets, worn clothing etc.</td>
<td>24</td>
<td>-18%</td>
</tr>
</tbody>
</table>

* Threshold value: USD 1 million

Tools access:
- Trade Map
- Market Access Map
- Investment Map
- Trade Competitiveness Map
- Standards Map

Follow us on Facebook, Twitter, LinkedIn, YouTube.
Free Access

Since the 1st January 2008, all users from least developed and developing countries and territories have been able to access the ITC's market analysis tools (MAT) free of charge, thanks to support from the world Bank, the European Commission and donors to ITC's Trust Fund.

Registration to the ITC Market Analysis Tools:
The International Trade Centre has developed four Market Analysis Tools: Trade Map, Market Access Map, Investment Map and Standards Map to enhance the transparency of global trade and market access and to help users in their market analyses.

- Users from developing countries have full access to the tools free of charge.
- Users from developed countries have restricted access to the tools free of charge.

Users wishing to access the full versions of the tools can consult the subscription option and fees.

Market Analysis Tools:
- **Trade Map**
  an online tool with monthly, quarterly and yearly international trade data combined with statistical indicators and information on trading companies which helps you prioritize export or import markets.

- **Investment Map**
  an online tool that provides the sector breakdown of foreign direct investment (FDI), trade, market access and foreign affiliates information to support strategies of investment attraction and targeting.

- **Market Access Map**
  an online tool for analyzing market access conditions worldwide, including applied and bound tariff rates, trade agreements (rules of origin and tariff preferences), export/import statistics and non-tariff measures.

- **Standards Map**
  an online tool to analyse and compare voluntary standards promoting sustainable development applied to the production and trade of goods and services.
TRADE MAP
Trade statistics for international business development
What’s going on in the **world** market?

- Who are the **main importers / exporters** in the world market?
- What is the trade **performance of my country** in the world market?
- Who are the **fastest growing markets** in the world market?
- Which markets are the **most attractive** for my products?
- What is the trade **performance of my country** in attractive markets?

Initial answers to these questions and many more are easily found in **Trade Map**
What’s going in your country’s exports?

- What are your country’s most important exported products?
- To which markets is your country exporting?
- Is the country diversified in terms of products and markets or concentrated in a few products for a few markets?
- How are your country’s exports performing? Market share, Unit Value, Dynamism…
- With which countries does your country compete with in its product / market segments?

Initial answers to these questions and many more are easily found in Trade Map
What is **www.TRADEMAP.org**?

- Online application to produce reports on international trade flows
- Every product (HS-6) to and from (almost) every country
- Based on probably the largest trade flow database in the world
- User-friendly interface, report-ready outputs
- Flexibility for customising reports, analysis
- Graphic presentation of outputs to facilitate analysis
Overview and advantages of Data

Source. Where data come from?
- **COMTRADE** produced by the United Nations Statistics Division database
- National Authorities (e.g. US Census Bureau, Eurostat, Government of Bermuda, Department of Statistics)

Geographical Coverage
- Information on over 240 countries and territories using data reported by ~160 countries and territories
- **Mirror statistics** used for non-reporting countries

Product Coverage
- For the Harmonized System
  - over 5,300 products at the HS-6 digit level
- For the National Tariff Line
  - up to 30,000 products for 150 countries (~95% of world trade)
Trade Map Updates

All year round
- Annual data at 6 digit level of the HS
- Annual data at the tariff line level
- Monthly and Quarterly data (i.e. Trade Map already published trade data of July 2014 for 21 countries)

Twice a year (May / October)
- Indicators: approximately May and October (Trends)
- Trade in services

Three times a year
- Tariffs (AVEs)
HS code of your product?

Knowing your HS product code will help you:

- Obtain trade statistics on potential markets for similar product (Trade Map)
- Determine tariff rates applied on your product (Market Access Map)
- Complete paperwork (certificate of origin…) (Market Access Map)
- Determine if your product qualifies for a preferential access (Market Access Map)
- Determine the non-tariff measures faced by several countries exporting your product (Market Access Map)
- Identify voluntary norms and retailers’ codes of conduct applicable to your product (Standards Map)
Data classification
Harmonized System (HS)

• Numerical classification system of products used as a basis for international trade statistics and collection of Customs duties by almost all countries (~98% of world trade)

• Developed by the World Customs Organization – WCO and implemented in the late 1980s.

• Basis for all trade conversations internationally (e.g., the World Trade Organization schedules of tariff concessions)


• The Harmonized System is based on a fundamental principle that goods are classified by what they are and not according to their stage of fabrication.
Data classification

- **The Harmonized System (HS)**
  - Is a numerical classification system of products used as a basis for international trade statistics by almost all countries.
  - Is harmonized up to six digits (**HS-6**) - You can compare HS data between countries.
  - Is broken down into 3 clusters:
    - **HS-2**: the chapter of the good (sector)
      - E.g. 09 = Coffee, Tea, Mate and Spices
    - **HS-4**: groupings within the chapter (sub-sector)
      - E.g. 0902 = Tea, whether or not flavoured
    - **HS-6**: product(s) within the grouping (product level)
      - E.g. 090210 = Green tea (not fermented)
Data classification

National Tariff Lines (NTL) codes

• Classification of goods after the 6 digit level of the Harmonized System classification.
• National Tariff Lines go from 8 - 12 digits.
• More specific than the HS product level with more detailed description

• The HS classification is *standardised* internationally

• The NTL classification is *not standardised internationally*. Each country decides its own further classification after the Harmonized System. Hence, National Tariff Line codes can be different from one country to another.
<table>
<thead>
<tr>
<th>HS (International standard)</th>
<th>Edible fruit, nuts, peel of citrus fruit, melons</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>0804 - Dates, figs, pineapples, mangoes, avocados, guavas</td>
</tr>
<tr>
<td>08.04</td>
<td>0804.00 - Fresh or dried guavas, mangoes and mangosteen</td>
</tr>
<tr>
<td>08.04.50</td>
<td>0804.50.00 - Guavas, mangoes and mangosteen, fresh or dried</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NTL (NON standard)</th>
<th>Australia</th>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.04.50</td>
<td>08.04.50.00</td>
<td>Mangoes, fresh</td>
<td>Guavas, mangoes and mangosteen, fresh, if entered during the period from September 1 through May 31, inclusive</td>
</tr>
<tr>
<td>08.04.50.01.1</td>
<td>08.04.50.09.0</td>
<td>Guavas, mangoes and mangosteen, dried</td>
<td></td>
</tr>
<tr>
<td>08.04.50.40</td>
<td>08.04.50.60</td>
<td>Guavas, mangoes and mangosteen, fresh, if entered during the period from June 1 through August 31, inclusive</td>
<td></td>
</tr>
<tr>
<td>08.04.50.80</td>
<td></td>
<td>Guavas, mangoes and mangosteen, dried</td>
<td></td>
</tr>
</tbody>
</table>
NEW - Company data

Trade Map users can identify potential trading partners through **550,000 detailed company profiles in 64 countries** for nearly all products available in Trade Map.

Important information in this module includes:

- Company name
- City and country
- List of traded products
- Number of employees
- Annual turnover
- Contact persons
- Website address Phone numbers

Source: **KOMPASS** – company database
TRADE MAP DEMONSTRATION

- Working with Selection menu
- Global trade performance
Let’s Go Online

www.TRADEMAP.org
Trade balance

Trade balances are one indicator of the health of an economy and its relationship with the rest of the world. The most well-known indicator is the **nominal trade deficit or surplus**.

\[
\text{Trade Balance} = \text{Exports (X)} - \text{Imports (M)}
\]

Trade balance is usually broken down by **product and by country** (bilateral trade balances).
Concentration of supplying countries

The concentration is based on the **Herfindahl index**. It is calculated by squaring the share of each country in the selected market and by summing the resulting numbers:

\[
H = \sum_{i=1}^{N} s_i^2
\]

where \( s_i \) is the share of country \( i \) in the market, and \( N \) is the number of countries. The Herfindahl index \( H \) ranges between \( 1/N \) and 1.

Example: 3 countries (\( N = 3 \)), first country has 50% market share, second and third each 25% market share.

Range of values for the index: \([1/N, 1] = [0.33, 1]\)

Index = \((0.5)^2 + (0.25)^2 + (0.25)^2 = 0.375\).
Average distance of supplying countries (km)

Is the market mainly supplied by regional partners?

With this indicator, the user is enabled to know the average distance between the target market and the supplying or importing countries of the target market.

For a selected product, the average distance of supplying or importing countries corresponds to the average distance between the selected country and all its partner countries weighted by corresponding trade values.

The source of the data for the geographical distance between two countries is the CEPII ‘GeoDist’ database. Distance between countries is based on distances between major cities (Mayer & Zignago, CEPII Working Paper 2011–25).
Change in product composition – Herfindahl Index

• A tool to measure concentration. Can be used to measure product or market diversification
  = Sum of (share of each product in the total)^2

• The index ranges from 1 to 0
  1 = product exported and totally concentrated
  0 = many products, each with very small share and totally diversified

Example: A country exports 4 products: Garments; rubber; rice; coffee
Shares in total exports are: Garments (90%); rubber (8%); rice (2%)
Herfindahl = (0.9)^2 + (0.08)^2 + (0.02)^2 = 0.81 (highly concentrated)

- Herfindahl values:
  < 0.01 = highly diversified
  < 0.15 = not concentrated or diversified
  Between 0.15 and 0.25 = moderately concentrated
  Above 0.25 = highly concentrated
Based on Boston Consulting Matrix

Bubble size is proportional to sales of product

Market Growth

High

Low

Relative Market Share

Low

High

Babies

HS-71

Pearls, precious stones, metals, coins, etc.

HS-61

Articles of apparel, accessories, knit or crochet

HS-62

Articles of apparel, accessories, not knit or crochet

HS-64

Footwear, gaiters and the like, parts thereof

Cash cows

Dogs

Hats