Intra-Industry Trade

refers to the exchange of similar products belonging to the same industry. The term is usually applied to international trade, where the same types of goods or services are both imported and exported.

产业内贸易是指，对同一产业内相似的产品进行贸易。这个概念通常出现在国际贸易中，指一国同时进出口相似类型的制成品。

Team B

Why Intra-Industry Trade Happens?

为什么会出现产业内贸易？

Here's a brief example to help you understand: Consider there are four economies in the world — U.S, EU, China and Japan, they are all in motor vehicles industry and there are four types of products of it — SUV, bus, truck and car.
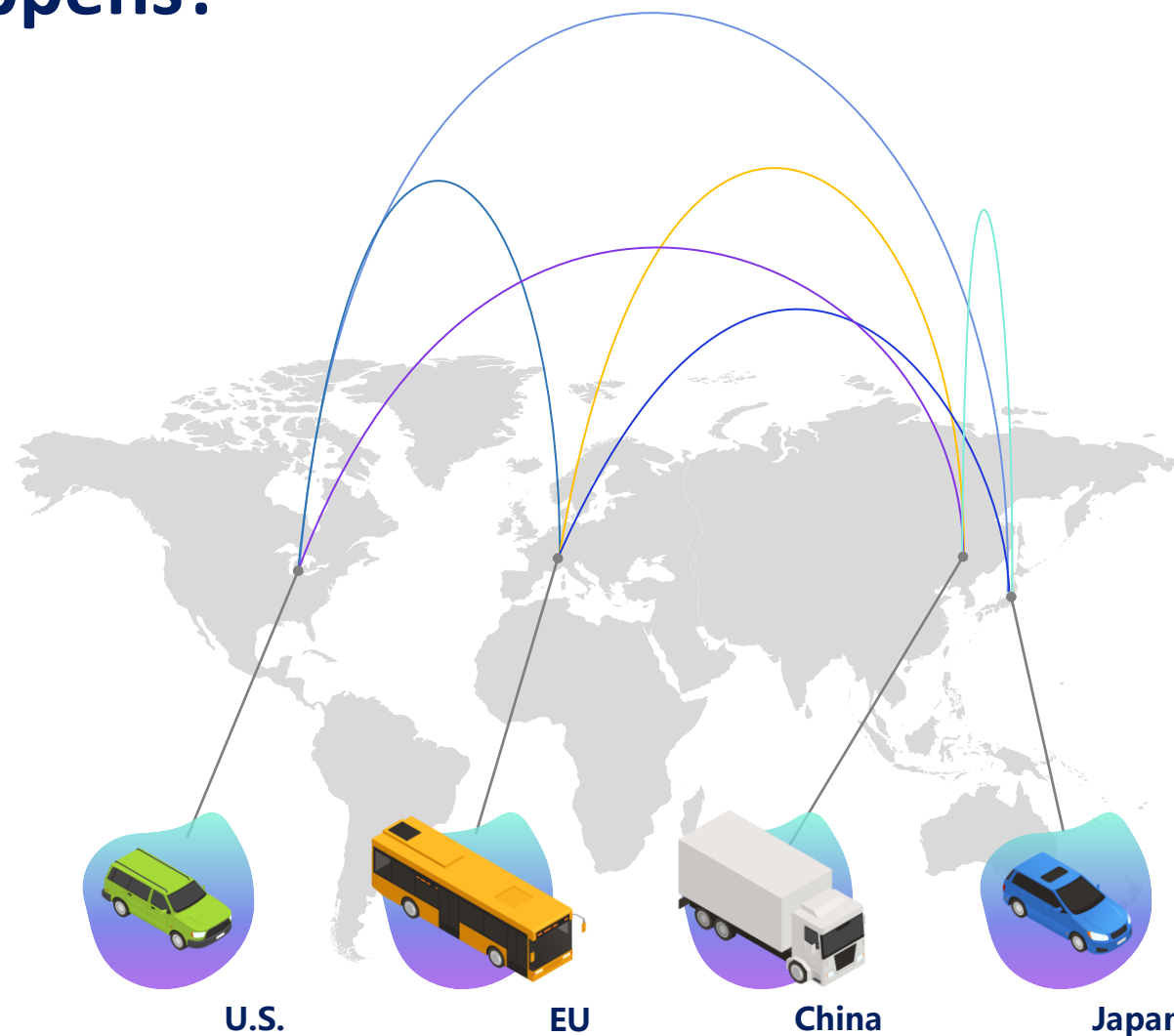
Though China and U.S all produce SUVs and trucks, Chinese families prefer American SUVs and American drivers prefer Chinese trucks. So what happened is that China exports trucks to U.S and imports SUVs from U.S. and vice versa. By the same token, Japan may be importing buses from EU and exporting cars to U.S.

In summary, the first reason why Intra-Industry Trade happens is: Consumer Preferences.

举一个简单的例子有助于理解：假设世界上有四个经济体：美国、欧盟、中国、日本。它们都有汽车产业，并且都制造SUV、公交车、卡车、轿车。

虽然中国和美国都制造SUV与卡车，但是中国家庭偏好美国产SUV，而美国司机更爱中国制卡车。所以中国向美国出口卡车，进口SUV；而美国向中国出口SUV，进口卡车。同样的道理，日本可能向欧盟进口公交车，出口轿车。

简而述之，产业内贸易的第一个原因是：消费者偏好。

U.S.   EU   China   Japan

Example of consumer preferences
消费者偏好的例子

Why Intra-Industry Trade Happens?

为什么会出现产业内贸易?
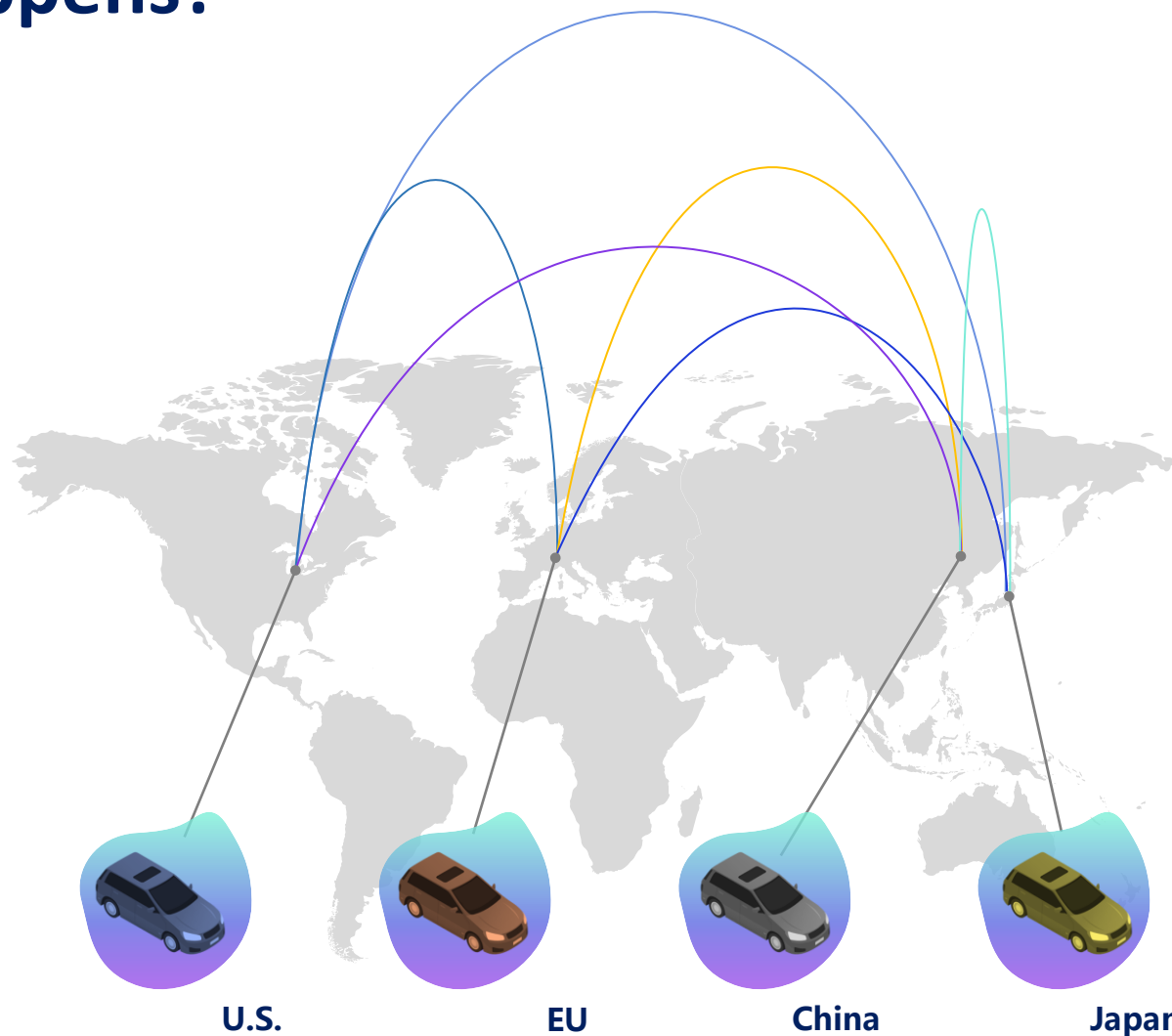
The second reason is the heterogeneous of products.

Consider that U.S., EU, China and Japan are all producing cars. But for the difference in design, material, safety and marketing, EU products is called Luxury cars, American products is called Semi-luxury cars, Japanese products is called General cars, Chinese products is called Cost-effective cars. For this reason, though four economies are all in same industry, they still import from and export to each other.

Except of that, homogeneous goods is also a type of intra-industry trade, but we are not going to put emphasis on it for it's not important.

第二个原因是产品异质性。

试想美国、欧盟、中国和日本都制造轿车。由于设计、材质、安全性、市场营销方面的不同，我们称欧盟产品为"豪华汽车"，美国产品为"半豪华汽车"，日本产品为"普通汽车"，中国产品为"高性价比汽车"。于此，虽然四个经济体都有自己的汽车工业，但它们仍会互相进出口轿车。

除此之外，同质产品也是产业内贸易的一种，但我们认为其并不重要，因此不再多费笔墨。

U.S.   EU   China   Japan

Example of heterogeneous of products
产品异质性的例子

Basic Conditions

产业内贸易产生的基本条件

1.Similar demands and development level
   相似的需求与发展水平

As you can see, in this condition, all four economies have high demands for motor vehicles. Also, their consumers can afford abroad products. High consumption levels lead to the creation of heterogeneous goods, which makes intra-industry trade happen.
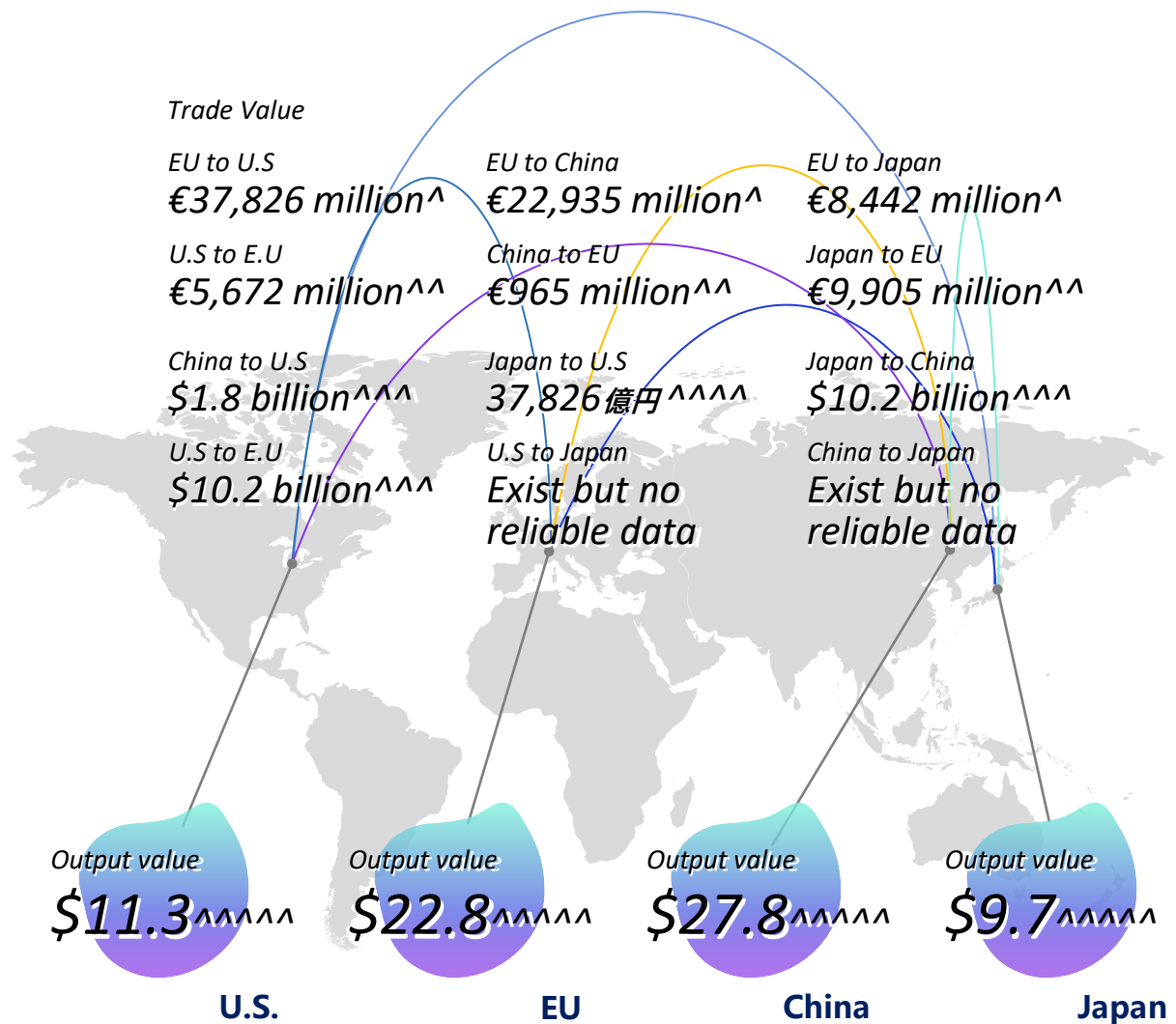
从图中可以看到，四个经济体都强烈需要汽车，而且它们的消费者都可以负担进口汽车。高消费水平使得异质商品得以出现，而异质商品又是产业内贸易产生的原因。

2.Economies of scale
   规模经济

We all know that the four economies in our example are manufacturing power in motor vehicles industry. So they can produce in a low-cost by producing a lot of vehicles. Once the cost down, the competition reduced, then the market expands which means it can contain more domestic and abroad products.

众所周知，例子中的四个经济体都是世界上名列前茅的汽车制造者。因此，它们能通过大规模制造压低成本。一旦成本下降，行业内的竞争程度就变小了，这样一来市场就会扩张，从而能容纳更过国内外产品。

Trade Value

EU to U.S	EU to China	EU to Japan
€37,826 million^	€22,935 million^	€8,442 million^
U.S to E.U	China to EU	Japan to EU
€5,672 million^^	€965 million^^	€9,905 million^^
China to U.S	Japan to U.S	Japan to China
$1.8 billion^^^	37,826億円 ^^^^	$10.2 billion^^^
U.S to E.U	U.S to Japan	China to Japan
$10.2 billion^^^	Exist but no reliable data	Exist but no reliable data

Output value
$11.3^^^^^
U.S.

Output value
$22.8^^^^^
EU

Output value
$27.8^^^^^
China

Output value
$9.7^^^^^
Japan

Trade and output value of motor vehicles of four economies
四个经济体汽车产业的产值及之间的贸易值

^ EUROSTAT. (2019). Destinations for EU motor vehicle exports, Retrieved from https://www.acea.be/statistics/tag/category/exports-of-motor-vehicles
^^ EUROSTAT. (2019). Countries of origin of EU motor vehicle imports, Retrieved from https://www.acea.be/statistics/tag/category/imports-of-motor-vehicles
^^^ Daniel Workman. (2019). Car Imports by Country, Retrieved from http://www.worldstopexports.com/cars-imports-by-country/
^^^^税関. (2019).日本の自動車輸出相手国上位10カ国の推移, Retrieved from https://www.customs.go.jp/toukei/suii/html/data/y8_1.pdf
^^^^^ OICA. (2019). 2018 PRODUCTION STATISTICS, Retrieved from http://www.oica.net/category/production-statistics/2018-statistics/