The implications of re-shoring and increasing US-based production in corporate carbon accounts

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The global economic structure is on the verge of a major transformation. Since Chinaâ€™s accession to the WTO in 2001, globalization and offshoring have been persistent global trends. For example, global merchandise trade has grown nearly fourfold, with exports increasing from around $6.2 trillion in 2001 to over $25.3 trillion in 2022. Among other trends, developing economies have increased their share of global trade from 33% in 2000 to over 45% by 2022.
The growing participation of developing economies in global value chains has led to the offshoring of GHG emissions to these regions, where technologies and regulations for GHG mitigation are generally less stringent. This phenomenon, often referred to as the â€œemissions cost of sourcing,â€• contributed approximately 18% of total global CO2 emissions growth between 1995 and 2007 due to the increased share of foreign production.
However, recent policies, such as higher trade tariffs and the reshoring of major manufacturing bases back to U.S. soilâ€”as seen during the second term of the Trump administrationâ€”may significantly alter the structure of global GHG emissions within value chains.
In this panel discussion, we will explore the implications of recent reshoring trends on global greenhouse gas emissions and corporate carbon accounting results. These rapidly changing patterns in international trade may necessitate a reevaluation of how input-output tables, international trade statistics, and GHG accounting data are compiled to ensure they remain up to date. Techniques such as nowcasting, scenario analysis, and model-based data development and compilation may become increasingly important under these circumstances.
During the session, we will hear from experts on the subject and encourage participants to share their thoughts and perspectives. This dialogue will help shed light on the evolving challenges and opportunities in corporate carbon accounting within the context of a shifting global trade landscape.