How global or regional are value chains in East Asia?

Evidence from an input-output analysis in total industries, textile, electronics, and automobile sectors

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Victoria University of Wellington
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Outline

1. Research problem
2. Research design: examining the value chains for production
3. Findings
4. Summary and implication
Research problem (1/2)

How global or regional are value chains in East Asia?
Total industry, textile, automobile and electronics
1995 – 2015

- “Decoupling” debate
  (Athukorala and Kohpaiboon 2009, Athukorala 2011,
  Kim, Lee et al. 2011, Park 2011, Pula and Peltonen 2011)

- Input-output data: mapping the backward industrial
  linkages to explore intra and extra-regional connections

- Implications for regional institutions
Research problem (2/2)

Why focus on East Asia?

- weak regionalism VS strong production linkages
Research design (1/4)
T-shirt as an example to represent an internationally fragmented value chain

Research design (2/4)

- How international are value chains for each East Asian economy?

- Where do foreign value added of each economy come from, mostly within the region (ASEAN/NEA), or more global (NAFTA/EU-28/ROW)?
Research design: data source (3/4)

- OECD-ICIO database
Research design (4/4) data transformation

Production of final goods and services by economy/sector

DVA

FVA

Regional
- NEA
- ASEAN

Global
- NAFTA
- EU-28
- ROW
Findings (1/4) How international?

Features found from DVA and FVA ratios by sector/economy
Findings (2/4) How regional?

Intra-regional: ASEAN + NEA = ASEAN+3

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Notes: +/- (< 5%); ++/-- (5% - 15%); +++/-- (15% - 30%); ++++/-- (> 30%)
Findings (3/4) How global?

Extra-regional/global: NAFTA, EU-28, rest of world

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Findings (4/4)

Sectoral features:

• Textile: globally dispersed

• Electronics: concentrated in ASEAN+3

• Automobile: increasing DVA; ASEAN members tend to source more within the sub-region
Summary

How global or regional are value chains in East Asia?
Evidence from an input-output analysis in total industries, textile, electronics, and automobile sectors

• The extent of internationalization: FVA

• Complexities in global, regional and domestic connectedness
  ☝️: Northeast Asia; ASEAN+3
  +++: ASEAN; Rest of the world
  ---: EU-28; NAFTA

• Complexities in sectoral difference
  → the scope of the regional institution
Thank you!
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