

Slicing up China's regional value chains-based on China interregional input-output model

Topic: MRIO Innovations

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This paper conducts a systematic and comprehensive investigation of the geographic distribution of the value chains of industrial sectors across the 30 provinces in China in the framework of China Interregional Input-Output model 2007. This analysis focuses on elaborating the spatial and sectorial discrepancies in gaining value added along the production chain through slicing up the regional value chains and tracing the sectors contributing to the value added. This decomposed provincial and sectorial analysis contributes to a deeper understanding on regional division of value chain in China and provides more pertinent enlightenment for relevant policy formulations.

The main findings include: 1) The value added of the industrial sectors in China is unevenly distributed in different sectors. The value added of the industrial sectors is predominantly attributed to processing and manufacturing industries. 2) The distribution of the value added of the industrial sectors is of significant regional discrepancy, which can be attributed to regional variation in value added rate and industrial structure. 3) The traditional industries are currently the major part in composition of the industrial sectors' value added in all the provinces. High-tech industries have initially shown their significance in composition of the industrial sectors' value added in the economy developed north coastal and east coastal provinces. However, service sectors have not fully participated in the value chains of the industrial sectors. This study also points out that it is important to enhance the capacity of gaining value added for the provinces located in the middle and western China through industry transfer to alleviate regional disparity.