

## The Role of China's Regional Area in Global Value Chains

Topic: Exports and Value Chains

Author: Hongfu NI

Co-Authors: Jiechang Xia

Products and services are now made in global value chains and cross the borders of countries more and more. To a large extent, the same Phenomenon applies at regional level in a country. Domestic regions directly connect with the global value chains by exporting goods and services to the world market, but also may indirectly participate in global value chains by providing parts, components, and intermediate services to other domestic regions that export goods and services. As for China, there are large variations in economic development and resource endowment, the role and evolutionary process of China's regional area in domestic and global value chains are different. Therefore, it is important to analyze the role of domestic regions in domestic and global value chains and the evolution process of domestic and global value chains in China regional area, in order to understand the nature of China's position and degree of participation in global value chains.

This paper constructs a new framework to analyze the role and evolutionary process of China's eight big regional areas in the global value chains. there are several contributions in this paper. First, the paper development a new method to combine a world input-output table( from WIOD) with an inter-regional input-output table covering 8 China's regional areas for each year of 1997, 2002 and 2007. Second, Using different approaches of GVC measures( TIVA, Trade in value added; Domestic value added in Koopman et al.(2013.2014) ) , This paper estimates how value added is created and distributed in China's regional areas in the year of 1997,2002,2007, and compares results from different approaches. Third, this paper does a structural decomposition analysis, to find the factors of change of role of China's regional areas.