

Research on the Intermediate Consumption of Manufacturing Industry during Inserting into the Global Value Chain in Yangtze River Delta Area of China

Topic: 811X IO Analysis for Policy-making (2)

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As an important carrier of China's regional economy, the manufacturing industry of Yangtze River Delta region has highly concentrated development effect than other regions. The gross industrial output value of Jiangsu, Zhejiang and Shanghai in 2014 reached 5.84 trillion yuan, which was higher than the Pearl River Delta and the Bohai Rim. Among them, Jiangsu's gross industrial output value was as high as 3.11 trillion yuan, accounting for more than half of the Yangtze River Delta region, and got the second place of the country. At the same time, with the advance of globalization, the ratio of import and export trade of goods to GDP of Yangtze River Delta region continued to rise, and the number attached to 66% in 2014. Intermediate inputs occupy an increasingly large share in the import and export trade, and this foreign-oriented economy mode promotes the development of Yangtze River Delta region.

However, in background of the current economic new normal, Yangtze River Delta region is also facing many serious challenges. Although the "Belt and Road" and the "Yangtze River Economic Belt" has brought new opportunities for development to Yangtze River Delta Region, however, more manufacturing enterprises are international OEM makers and are locked in the low-end path with low added value in a long time, since it is mainly depended on its abundance of low technical level labor and natural resources, to participate in international intra product specialization of the high technology industry in the early stages of inserting into global value chain, and therefore it is hard to overcome as a result of being locked in the low-end links such as assembly process. So under the current economic new normal environment, manufacturing enterprises in Yangtze River Delta Region need to get rid of the low-end locking in developed countries in the global value chain, and improve the added value, which means they must reduce the intermediate consumption in the productive process to increase economic efficiency. Intermediate input is also a kind of capital, with an important role in the production process, which can't be ignored. The level of it reflects the quality and efficiency of economic growth in fact.

So taking input-output tables in 1997, 2002, 2005, 2007 and 2010 of Jiangsu, Zhejiang and Shanghai as the basic data source, and based on the measurement of the degree of inserting into the global value chain of manufacturing industry in Yangtze River Delta region, this paper has a further study on Jiangsu manufacturing industry as an example, analyzes the dynamic evolution characteristics of the intermediate consumption of different manufacturing industries during inserting into the global value chain, and then seek explanations from the perspective of technological progress and structural changes. The research shows that: Firstly, with respect to Zhejiang and Shanghai, the degree of inserting into the global value chain of Jiangsu manufacturing industry is higher. The industries with the higher proportion of the total output value of manufacturing industry, such as communications equipment, computers and other electronic equipment manufacturing industry, chemical industry, metal smelting and rolling processing industry and textile industry, have higher degree of inserting into the global value chain; Secondly, the industries with higher degree of inserting into the global value chain also have higher intermediate consumption; Thirdly, although the technological progress reduces the intermediate consumption of the industries with the higher degree of inserting into the global value chain, the industrial structure upgrading enhances the nature of the intermediate products of these sectors.