

The Global Production Line Position of Chinese Firms

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A key trend in international trade over the last two decades has been the rising fragmentation of production across countries. We use firm-level customs data, matched manufacturing census data, and Input-Output tables from China, to better understand where and how Chinese firms operate along the global value chain. We characterize each firm's global production line position by computing the upstreamness of each firm's export and import mix, using a measure of upstreamness that reflects the number of production stages between the product mix in question and final uses. We document the evolution of Chinese firms' global production line position over the 1992-2011 period. We also show how it correlates with firm performance (total exports, sales) and with various underlying firm characteristics (ownership, productivity, capital and skill intensity).