Measuring the Generalized Global Industry Relocation - Based on World Input-Output Model

Topic: Implications of GVCs
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SPECIAL SESSION on â€œImplications of Global Value Chain"
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Abstract:
The financial crisis in 2008 prompted the restructuring of the world economic and trade pattern. The global value chain began to restructure, and global industry relocation presented more diversified features. Therefore, the researches on the measurement and mechanism of industry relocation become increasingly important. This paper put forward a new approach to measuring the value of generalized industry relocation based on world input-output model. In the approach, we subdivided the generalized industry relocation into industry relocation driven by intermediate inputs, by final products, and indirect intermediate industry relocation driven by final products industry relocation. In the empirical part, this paper first used the new-released WIOD world input-output tables to measuring the value of generalized industry relocation during the periods 2000-2007 and 2007-2014. The results revealed the features about industry relocation in these two periods, some of which are consistent over time, such as the global industry relocation obey the Pareto Principle; the others present the heterogeneity between these two periods, for example the industry relocation of India and Germany. Furthermore, this paper focused on the global manufacture relocation. The results reveal that, in 2000-2007, the features of manufacture relocation of China and Brazil were similar; in 2007-2014, there were some similarities between China and India.