

## **Formerly Assembled, But Now Designed in China? Assessing the Domestic Value-Added of Activities in Gross Exports**

Topic: China's (Inter)provincial Input- Output Tables: Applications and Advances

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China has managed to increase the domestic value added content of its exports in recent years. But what is the nature of the global value chain activities that it performs? This paper measures the value added of China's activities embodied in its exports. We combine information on the activities of workers by industry and across China's 31 provinces from population censuses, with newly estimated inter-provincial input-output tables using value-added tax transactions data for 2002 and 2012. Our findings suggest the increase in China's domestic value-added in exports arises from an expansion of fabrication activities. This aggregate trend is driven by provinces like Guangdong, Jiangsu, and Zhejiang. Richer provinces such as Beijing, Tianjin, and Shanghai increasingly specialize in R&D and sales and marketing activities.