

Research on the status and role of Chinese manufacturing industry in global value chain division of labor

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Abstract

With the reform and opening up of Our country, Made in China has gone out to the world, the shadow of Made in China is everywhere in the world. Thus it can be seen that the worker has in-depth global manufacturing countries, according to the world trade organization for the past 20 years, China's manufacturing industry in our country the impact on the national and global value chain for statistical data, can find the status of China's manufacturing industry in the global value chain "V" glyph, though the trend of China's manufacturing industry in the world to show rising trend, But it is still in the middle and lower reaches of the world. According to the survey data provided by the WORLD Trade Organization, the higher the technical level involved in the product, the lower the division of labor in the global value chain; Conversely, the higher it is. This paper analyzes the position and role of China's manufacturing industry in the global value chain division of labor.

Keywords

China manufacturing industry; Global value chain; Status.

1. Positioning of Chinese enterprises in the global value chain division of labor

With the continuous development and progress of the international economy, the import and export trade industry is also developing and improving, and the global trade market is gradually developing and improving, which gradually transforms the traditional global market trade into integrated trade, so as to improve the value chain in the trade industry. [1.2]With the rapid development of the global economy, China's manufacturing industry mainly develops from product research and development, design, manufacturing, storage, sales, transportation and other links. At present, China's manufacturing industry enjoys the advantage of abundant and cheap labor in the international manufacturing market. Developed countries choose to settle their manufacturing factories in China, so as to produce Products made in China and sell them all over the world. According to incomplete statistics, there are more than 100 products made in China, ranking first in the world. These products, ranging from household appliances to daily necessities, are sold to all countries and regions in the world, including clothing, spare parts, food and drinks. China's manufacturing industry mainly imports raw materials, processes and assembles them, and finally sells them in the form of finished products. This export mode has the following characteristics[3]:

(1) Lack of pricing. As the raw materials for manufacturing products need to be imported and purchased from other countries, the price of raw materials will change with the fluctuations of world market prices. If the price of raw materials increases and the selling price does not fluctuate significantly, the profit of products will be low and the distribution of benefits cannot be symmetrical.

(2) It has limitations. At present, China's manufacturing industry is mainly divided into two ways of trade and production, while there are many foreign-invested enterprises. The development of local enterprises in China is still relatively slow and lack of market competitiveness. However, The Chinese manufacturing industry mainly sells low and middle grade products in the global products, and the selling price has certain limitations.

By attracting investment and increasing investment costs, the Chinese government can effectively improve the development level of China's manufacturing industry and improve the efficiency and quality of product manufacturing.

2. Industry classification, measurement indicators and data sources

2.1. Classify the manufacturing industry

Since 2015, China's relevant government departments have divided the manufacturing industry into low-technology, medium-technology, medium-high-tech and high-technology industries in order to facilitate the management of the manufacturing industry. In this paper, the manufactured products are classified according to the manufacturing process and the technical content required during manufacturing, as shown in Table 1[4.5]:

Table 1 Classification of manufacturing industry

classified	industry
Low-tech manufacturing	Food, beverages and tobacco
	Textiles, leather and footwear
	Wood, paper, paper products, printing and publishing
	Other paper products and recycling
Low and medium technology manufacturing	Chemicals and non-metallic minerals
	Base metals and metal products
Medium and high technology manufacturing	Machinery and equipment
	Transportation equipment
High-tech manufacturing	Electrical and optical equipment

2.2. Manufacturing measurement index

The relevant departments of the Chinese government measure China's manufacturing products by adopting scale and status indicators. After a long time of research and study by professionals, it can be found that the export volume can be the only standard to measure the amount of export volume. In order to ensure the accuracy and professionalism of the survey data, the author referred to the global manufacturing export data released by the World Trade Organization (WTO).

2.3. Data Sources

In order to better compare the position of China's manufacturing industry with that of other countries in the world, the data of the top five developed and developing countries in manufacturing exports in 2021 are compared, as shown in Table 2 below:

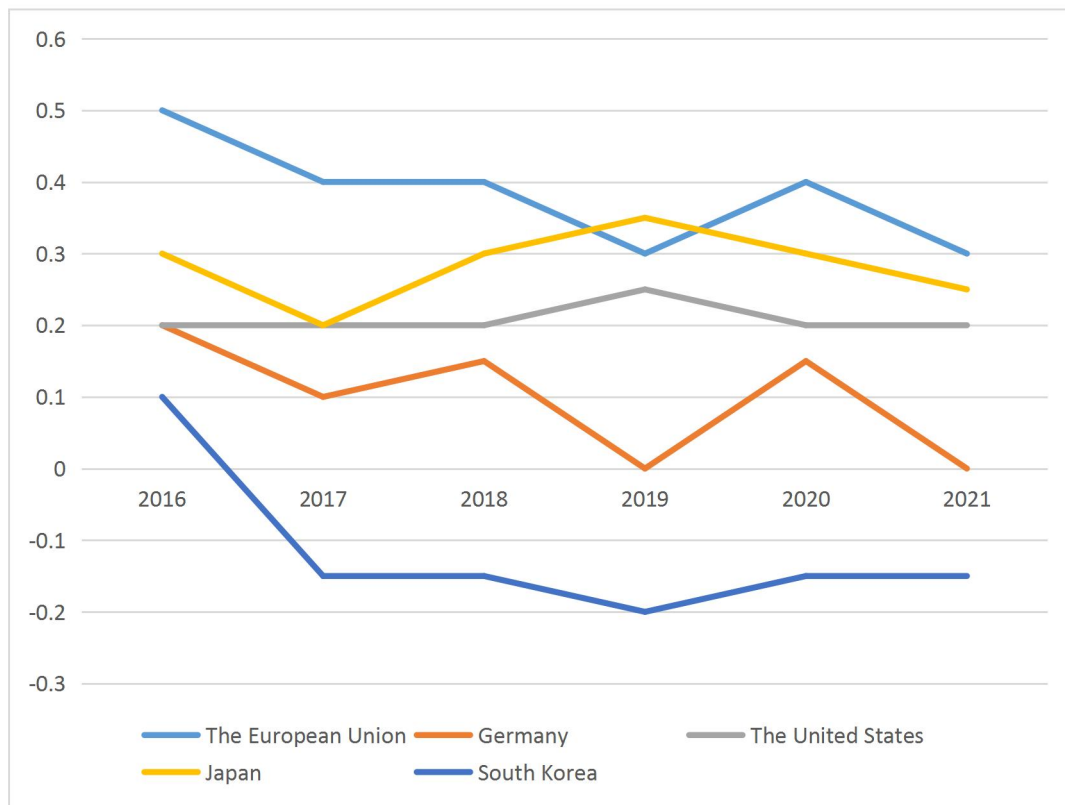
Table 2 The top five manufacturing exports of developed and developing countries in 2021

The developed countries	Manufacturing Exports (millions)	Developing country	Manufacturing Exports (millions)
The European Union	47	China	22
Germany	12	Mexico	3
The United States	11	India	2
Japan	6	Thailand	1.7
South Korea	5	Vietnam	1.1

3. International comparison of manufacturing global value chain division position

China is a developing country. Compared with other developed countries, China has certain differences in product processing and assembly. Developed countries employ workers from developing countries to reduce manufacturing costs, so as to achieve the so-called high-end locking and improve their export economy. However, it can be seen from Table 2 that, except for the EU, other developed countries have a relatively low position in the GLOBAL value chain compared with developing countries, which is related to factors such as excess production capacity consumption in developed countries and international transfer of production capacity. According to the relevant report released by the Global Economic and Trade Organization, in the past year, the trade level of South Korea's manufacturing export economy has declined significantly, and even once was in a negative state of global value chain. The division of labor in global value chain among countries is shown in Figure 1 below:

Figure 1 Division of labor in GVCS among countries from 2016 to 2021



As can be seen from the chart above, the manufacturing industry in developed countries has seen a decline in exports due to the impact of COVID-19. South Korea, in particular, is in negative territory. However, the European Union, the United States and Japan are still in the top three, while Korea has always ranked fifth.

4. Conclusion

To sum up, China's manufacturing industry has been developing and making progress in recent years. From the perspective of global value chain division and development, China's manufacturing industry has obvious development prospects. Is the main textiles, footwear on manufacturing in our country, because this kind of product manufacturing cost is low, have high profit space, have a certain competitive advantage in the international market, with a rise in global value chain position, the value of our government by adopting hire high-quality talents, realize the science and technology, efficient management of export products. In addition, the Chinese government to vigorously promote and publicize products made in China, issued by the relevant laws and regulations, such as: propaganda "neighbourhood" policy, so as to effectively improve China's manufacturing industry innovation ability, improve the quality of the products made in China, improve the efficiency of production, rising in China in the international status.

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