What This Means on the Ground

The Conference Board developed the Interactive Global Value Chain (GVC) Dataset for business decision makers to explore how GVC dynamics will affect their industries in specific countries and gauge the impact of trade policy changes—such as Brexit and NAFTA.

Consider these real-world examples:

Information and Communication Technology Goods Industry in China

Domestic suppliers’ share in production value has stabilized (or even improved marginally) in recent years after having dropped by about 10 percentage points in the decade before.

China used to be known for assembling technology goods like iPods with imported components but now increasingly catches more value added with domestic parts.

Domestic and foreign shares in production value

Foreign content in global manufacturing production... has started to reverse a decade-long increasing trend... as companies now appear to favor domestically made intermediate goods.

This is related to...

- Firms in mature economies are reshoring assisted by technology advantages.
- Less trade in intermediate goods across borders.
- Increasingly competitive domestic suppliers in emerging markets.
- Structurally lower growth rates of global trade compared to the previous two decades.

and results in...

Sourcing Close to Home

Businesses worldwide are shortening their supply chains... as companies now appear to favor domestically made intermediate goods.

Members of The Conference Board can access the Interactive Global Value Chain Dataset for free. Gain insight to the trends in more than 19 industries in 43 countries that impact your business.