

DECODING CHINA'S EXPORT MIRACLE

A Global Value Chain Analysis

Yuqing Xing

(National Graduate Institute for Policy Studies, Japan)



"This book is a must-read for anyone trying to understand the Chinese export miracle — from a closed economy to the world's largest exporter and manufacture in just 30 years. The author considers traditional explanations but rejects them in lieu of a GVC-based story. By eliminating bottlenecks in 1) branding, 2) technology, and 3) marketing networks, GVC participation allowed Chinese producers to expand rapidly and diversify into technologically advanced products."

Richard Baldwin

Professor of International Economics, Graduate Institute, Geneva
Founder & Editor-in-Chief of VoxEU.org

"Decoding China's Export Miracle is essential reading for anyone trying to understand China's meteoric rise as an export powerhouse as well as the role of global value chains in modern trade. This fascinating book explains how GVCs enable developing countries to jump right into hi-tech manufacturing processes, starting with the simple tasks and developing more prowess with experience."

David Dollar

Senior Fellow, John L Thornton China Center, Brookings Institution

"Yuqing Xing provides a fascinating, accessible, and timely account of the crucial role of global value chains in powering China's transformation into the world's leading exporter. The book is a 'must have' for anybody seeking to understand micro dimensions of the contemporary and future global economy, including the forces pushing China towards an inward-looking strategy in high technology, and the risks thereof."

Etel Solingen

Distinguished Professor
Thomas T and Elizabeth C Tierney Chair in Peace and Conflict Studies
University of California Irvine

"The conclusion drawn from Dr XING Yuqing's analysis is that deep integration into the global value chain is the deciding factor for China to become one of the largest exporters in the world. This is very much in line with the reality, which could shed lights for other developing countries in pursuit of industrialization. His analysis will also facilitate the understanding on the role played by the cross-border services in the global value chain."

Xiangchen Zhang

Ambassador and Permanent Representative of China to the WTO

"China's rise to become the world's largest exporter is a fascinating topic for academic research. Professor Xing studies it from the perspective of the global value chains. The book reveals the secrets of China's fast upgrading in the global value chains. China's experience can offer useful lessons to other developing countries."

Yang Yao

Cheung-Kong Scholar and Liberal Arts Chair Professor
Dean, National School of Development, Peking University

"This insightful book by a leading economist of China's international trade and industrial development offers a fascinating analysis that challenges conventional trade theories and input-output models. Focusing on value-added trade and firm-level value chain activities, Xing's decoding of China's economic miracle in the interconnected worlds of global production networks is both compelling and crystal-clear. A must-read for anyone interested in China's recent development and the devastating impact of the Covid-19 pandemic."

Henry Wai-chung Yeung

Distinguished Professor and Co-Director,
Global Production Networks Centre
National University of Singapore

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to Your Librarian**



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In less than three decades, China has emerged as the world's largest exporting nation with more than 2 trillion exports annually. China's quick rise as a leading exporter in the world is an unprecedented miracle. There are many theories explaining this miracle. This book adopts the global value chain (GVC) approach to analyze the Chinese export miracle over the last four decades. It focuses on the tasks rather than the gross export value and emphasizes the organizations of modern trade rather than the national comparative advantage. The GVC approach systematically explains how, in less than four decades China has evolved from a closed economy to the world's No. 1 exporting nation; why China, a developing country, has exported more high-technology products than labor-intensive products to the US; and why almost half of the US trade deficit has originated from China.

The book identifies three spillover effects of GVCs that originated from brands, technology and product innovation, and distribution and retail networks of GVCs lead firms. It argues that China's deep integration with GVCs has been a decisive factor for China's emergence as the world's No.1 exporting nation and the champion of high-technology exports. In addition, this book uses iPhone trade and the operation of Apple, the largest factory-less American manufacturer, to explain how current trade statistics exaggerate China's exports to and its trade surplus with the US on the one hand, and underestimate US exports on the other hand.

By using the experience of the Chinese mobile phone industry, the book argues that the GVC strategy can be a short-cut for developing countries to achieve industrialization and enable firms of developing countries to enter high-technology sectors despite their intrinsic disadvantages. At this end, the book also discusses the future trajectory of China-centered GVCs under the shadow of the US-China trade war and the COVID-19 pandemic.

Table of Contents

- Introduction
- Overview: China's Export Miracle: 1980–2018
- GVCs: Catalyst of the Explosive Growth of China's Exports
- The China–US Trade Imbalance from the GVC Perspective
- Diminished Impact of the Yuan Exchange Rate on Trade Balances
- A Supportive Policy Environment: The Key to China's GVC Entry
- The Chinese Mobile Phone Industry and Its GVC Strategy
- Trade War and Pandemic: Dark Shadows over China-Centered GVCs

Readership

Academics, policymakers, professionals, undergraduate and graduate students interested in Chinese economy, global value chains, China–US trade war, China–US trade balance, international trade, and developmental economics.



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About the Author

Dr Yuqing Xing is a Professor of Economics of the National Graduate Institute for Policy Studies (GRIPS) in Tokyo. He served as the Director of the Capacity Building and Training Department of the Asian Development Bank Institute from 2011 to 2014. He also held positions at World Institute for Development Economics Research, the Bank of Finland, and the East Asian Institute of the National University of Singapore. He provided consulting services to Asian Development Bank, the International Monetary Fund and Japan International Cooperation Agency.

Dr Xing's research focuses on global value chains, international trade, foreign direct investment, exchange rates, and Chinese economy. He is a leading expert on global value chains. His research on the iPhone and the Sino–US trade balance has been discussed widely in the global mainstream media, challenging conventional views on bilateral trade statistics, and instigating a reform of trade statistics.

Dr Xing received his bachelor's and master's degrees from Peking University and his PhD in Economics from the University of Illinois at Urbana-Champaign.

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