

Changing Patterns of GVC Participation in Asian Manufacturing Industries

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Abstract

This paper examines changing patterns of global value chain (GVC) participation in Asian manufacturing, focusing on eight ASEAN economies over 1990-2022. Using value-added trade indicators from the UNCTAD-Eora GVC database, the analysis distinguishes forward participation, measured by domestic value added embodied in foreign exports, from backward participation, measured by foreign value added embodied in domestic exports. Descriptive evidence reveals substantial cross-country heterogeneity. In several economies, forward participation declines or changes little after 2016 while backward participation rises, whereas the Philippines shows the opposite pattern and Myanmar records an exceptionally large increase in forward participation. Fixed-effects estimates show that forward participation is highly persistent. Once this persistence is introduced, the estimated associations of FDI, trade openness, and labor productivity are substantially attenuated, although openness remains negative and productivity positive in the baseline dynamic model. The interaction between backward participation and the 2016-onward period is significantly negative in the full sample and remains negative under nearby alternative cutoffs and Driscoll–Kraay inference. However, excluding Myanmar reverses the interaction coefficient, indicating strong country heterogeneity. The findings therefore point to persistent but non-uniform reconfiguration of GVC participation rather than a common regional upgrading path.