

1.3. Global Value Chains in East Asia

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1. While GVCs are important, parts and components have been increasingly procured locally from the viewpoint of Just-In-Time (Kanban).
2. East Asia is the champion of GVCs in the world. The GVCs have been created by locating labor using process in labor cheap countries. As East Asia started to use third country labor, such new GVC creation will become less urgent.
3. TPP has stronger impacts on consumption than on new GVC expansion.

Priority themes and research questions:

1. GVCs in more detailed products (not satisfied with OECD type approach, 39 sectors being too broad)
2. Exchange rate effects on location of GVCs, in particular hollowing in Japan.
3. Immediate research question: to explore the usage of third country labor in Japanese MNCs in Thailand