

Value Added in Industry

Value added as a percent of gross industrial output provides information on how much of the value of the goods produced is local value added as opposed to the value of inputs and components from elsewhere. As the economies in places like Guangzhou and Shenzhen diversify into higher value-adding activities, the region's value added in industry as a percent of gross industrial output is increasing and, in 2004 was higher than that of the Yangtze River Delta. However, it remains below the average for China as a whole, which is not surprising given the continued predominance of export processing in the region.

Comments

The relatively low figures for value added as a percent of gross industrial output for all the regions and jurisdictions profiled indicates that both the Greater Pearl River Delta region and the Yangtze River Delta region rely on inputs from other places for most of the value of their production. In fact, the processing that does take place in all of the Chinese jurisdictions adds a relatively thin slice of value onto these inputs obtained from other locations