

Korea Institute for International Economic Policy

Cross-sectoral Research of Value Chains and Logistics Networks

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01 Introduction

The Structure of the Joint Research Project

- **Regional Value Chains: GTI Research Institutions Network**
- **Logistics Networks: GTI Transport Experts**

RIN Joint Research Project			
Regional Value Chains	KIEP (ROK)	Logistics Networks	FEFU (Russia)
	CAIT (China)		KMI (ROK)
	RFTA (Russia)		RIH (China)
	ISS (Mongolia)		MUST (Mongolia)
	-		ERINA (Japan)
Overall Research Management	KIEP (ROK)		

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1. Introduction**2. Economic Environment, Challenges, and Potential of the Greater Tumen Region (GTR)**

- GTI Research Institutions Network

3. GTR Value Chain Analysis**4. GTR/NEA Logistics Network Development**

- GTI Transport experts

5. Propositions for Future Regional Value Chains for Sustainable Development in the GTR

- GTI Research Institutions Network

6. Conclusions

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Overview (Continued)

Background	<ul style="list-style-type: none">- The centre of the production has been on the verge of being shifted to outside of China as the costs of production within China are rising.- Demand to reshape the existing global value chains is rising as it shows instability over the years- We suggest that GTR is the next best alternative place close to China for stable production of goods.
Purpose	To review the existing regional value chains and logistics networks among the GTI member and provide propositions to enhance and strengthen the regional value chains and logistics networks to enhance regional integration, competitiveness, and sustainability.
Expected Outcomes	<ul style="list-style-type: none">- Review existing value chains across GTI member states- Quantitative analysis to identify recent changes in factors of production within GTR- Qualitative analysis to develop ideas to redesign the regional value chains in GTR- Consolidate NEA countries' ideas to create an integrated transport and logistics network in GTR to support new and more effective regional value chains to boost trade- Propositions to reinforce value chains within GTR for sustainable development that would lead to further integration of the region

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Methodologies

Descriptive Statistics	<ul style="list-style-type: none">- Trade statistics by sector- Rearrange goods by BEC classification (Capital goods, Intermediate goods, Consumption goods)- Technological classification of goods (Primary, resource based, medium, high)- Basic statistics on trade volumes and counterparts (GTI vs. world)
Value Chain Analysis	<ul style="list-style-type: none">- Global Value Chains $\hat{=}$ International Fragmentation of Production- GVC Indicator: Gruebel-Lloyd Index (Intra-industry trade indices in intermediates $\hat{=}$ proxy for a country's insertion in GVCs)
Logistics Networks	<ul style="list-style-type: none">- Studying the development of logistics in the respective countries by using the theory and practice of development of spatial infrastructure- Integration of individual transport and logistics networks- Expand the idea of logistics to marine and railway transport

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Major Findings

Section	Exporter	Findings
Value Chains	China	<ul style="list-style-type: none"> - Inner Mongolia hardly any trade against Mongolia, ROK and Russia - Liaoning some degree with ROK and Russia, hardly any with Mongolia - Jilin waning in magnitude of trade with ROK and hardly any with Mongolia and Russia - Heilongjiang hardly any with Mongolia, modest with ROK, smallest with Russia
	Korea	<ul style="list-style-type: none"> - The biggest trade partner within GTR = China and its share is growing - Russia taking the second - Mongolia the least
	Mongolia	<ul style="list-style-type: none"> - ROK biggest destination for export but the GL index is close to 0 - Russia taking the second - China the least
	Russia	<ul style="list-style-type: none"> - ROK taking the lead but the figure shows a huge drop since 2018 - China taking the second and its position has risen up to the first in 2019 - Mongolia the least
Transport		<ul style="list-style-type: none"> - Ideas to establish integrated transport and logistics networks that are extended to sea-land multimodal and railroads network that would support trade

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Opportunities and Challenges: Cross-sectoral research

Opportunities	<ul style="list-style-type: none">- Rich policy implications for the member states- Synergetic effect can be generated across different boards in GTI framework- One step further to cooperation and enhancement of connectivity- A lot of room for new topics for future research
Things to consider	<ul style="list-style-type: none">- Fine-tuning when integrating different kinds of research into one is required- Blending well in with one another is crucial- Pitch ideas a lot and listen to what others say very carefully

Thank You