

Global value chain participation, trade cost and benefits of timber industry

中文题：全球价值链参与、贸易成本与木材产业贸易利益

Xue Wu (邬雪)

1. College of Economics and Management, Zhejiang A&F University, xuewu2025@163.com,

Baodong Cheng (程宝栋)

School of Economics and Management, Beijing Forestry University, baodongcheng@163.com.

Lichun Xiong (熊立春)

Institute of Ecological Civilization, Zhejiang A&F University and Zhejiang Province Key Cultivating Think Tank Research Academy for Rural Revitalization of Zhejiang Province, Zhejiang A&F University and College of Economics and Management, Zhejiang A&F University, lichunxiong@zafu.edu.cn

Abstract

The purpose of this paper is to explore the effect of global value chain participation (GVCP) on the gains from trade and trade costs of the timber industry and reveal the underlying influence mechanism. The GVCP Index, Novy (2011) method, and WWZ Value Added Decomposition method have been used to measure the degree of global value chain participation, trade costs, and gains from trade of the timber industry, respectively. The results show that the export gains from trade of the timber industry featured inter-annual sustainability. Further, GVCP, has an insignificant impact, suggesting that the industry's degree of GVCP is limited. While the current trade cost and policy barriers to forest product trade harm it. And the cost of export trade has a strong lag effect on gains from trade. The increase of current trade costs reduces the short-term benefits; but in the long run, the trade costs and benefits show a synchronous growth trend. To maintain and enhance its competitiveness, therefore, the industry will have to change the GVCP degree and mode of the timber industry, reduce short-term trade costs, and improve the quality and legitimacy certification level of timber products.

Keywords - Global value chain, Forest products industry, participation, trade benefit and cost-competitiveness