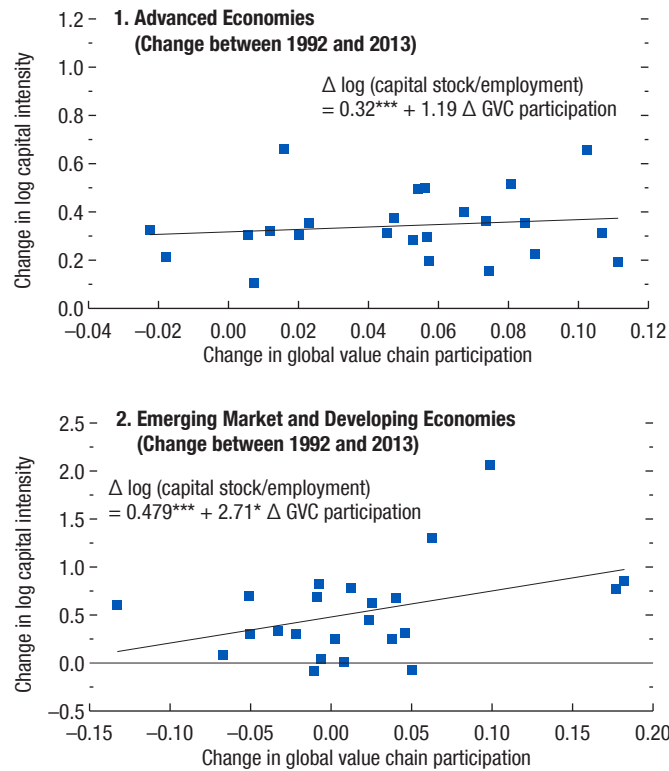


**Figure 3.8. Changes in Global Value Chain Participation and Capital Intensity**

Rising participation in global value chains is associated with increasing capital intensity in production, particularly in emerging market and developing economies.



Sources: Eora Multi-Region Input-Output database; Penn World Table 9.0 database; and IMF staff calculations.

Note: Change in capital intensity refers to the change in log (capital stock/employment); change in global value chain participation is measured using the backward linkage—that is, the share of foreign value added in gross exports. \*\*\* indicates 1 percent statistical significance; \* indicates 10 percent statistical significance. GVC = global value chain.