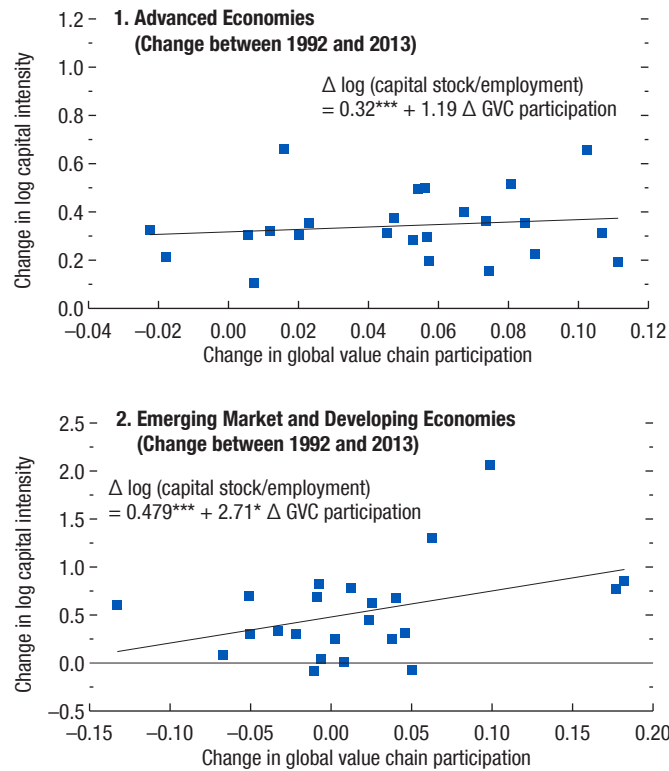


Figure 3.8. Changes in Global Value Chain Participation and Capital Intensity

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.