

Global Value Chain

- Linden (2009), Xing and Detert (2010) , Dedrick (2010), Linden (2011) have analyzed the value chain of producing iPod and iPhone :

| Country | Components | Manufacturers | Costs |
|----------------|--|--|------------------|
| Chinese Taipei | Touch screen, camera | Largan Precision, Wintek | \$ 20.75 |
| Germany | Baseband, power management, transceiver | Dialog, Infineon | \$ 16.08 |
| Korea | Applications processor, display, DRAM memory | LG, Samsung | \$ 80.05 |
| United States | Audio codec, connectivity, GPS, memory, touchscreen controller | Broadcom, Cirrus Logic, Intel, Skyworks, Texas Instruments, TriQuint | \$ 22.88 |
| Other | Other | Misc. | \$ 47.75 |
| | | Total | \$ 187.51 |

Source: Xing and Detert (2010)



Global Value Chain

Betting on Displays

Apple supplier Foxconn is in talks to make smartphone screens, the most expensive parts in iPhones.

Apple iPhone 6

COST OF SELECTED PARTS

| | |
|----------------|-------|
| Display | \$45 |
| Memory | 15 |
| Communications | 37.50 |
| Cameras | 11 |
| Processor | 20 |
| Mechanical | 30 |
| Other | 37.60 |

TOTAL PARTS \$196.10

Labor 4

TOTAL \$200.10

U.S. RETAIL PRICE \$649

Sources: IHS iSuppli (price), Apple (photo)
The Wall Street Journal



Apple iPhone 6 Plus

COST OF SELECTED PARTS

| | |
|----------------|---------|
| Display | \$52.50 |
| Memory | 15 |
| Communications | 37.50 |
| Cameras | 12.50 |
| Processor | 20 |
| Mechanical | 35 |
| Other | 38.60 |

TOTAL PARTS \$211.10

Labor 4.50

TOTAL \$215.60

U.S. RETAIL PRICE \$749

Note: Both price breakdowns are based on the 16 GB Sprint model without contract



World Input-Output Database

List of Countries / Regions

| European Union | | | North America | Latin America | Asia and Pacific |
|----------------|------------|-----------------|---------------|---------------|------------------|
| Austria | Germany | Netherlands | Canada | Brazil | China |
| Belgium | Greece | Poland | United States | Mexico | India |
| Bulgaria | Hungary | Portugal | | | Japan |
| Cyprus | Ireland | Romania | | | South Korea |
| Czech Republic | Italy | Slovak Republic | | | Australia |
| Denmark | Latvia | Slovenia | | | Taiwan |
| Estonia | Lithuania | Spain | | | Turkey |
| Finland | Luxembourg | Sweden | | | Indonesia |
| France | Malta | United Kingdom | | | Russia |

World Input-Output Database

List of Commodities

| | |
|----|---|
| 1 | Agriculture, Hunting, Forestry, and Fishing |
| 2 | Mining and Quarrying |
| 3 | Food, Beverages and Tobacco |
| 4 | Textiles and textile |
| 5 | Leather, leather and footwear |
| 6 | Wood and Products of Wood and Cork |
| 7 | Pulp, Paper, Paper, Printing and Publishing |
| 8 | Coke, refined petroleum and nuclear fuel |
| 9 | Chemicals and chemical |
| 10 | Rubber and plastics |
| 11 | Other Non-metallic Mineral |
| 12 | Basic Metals and Fabricated Metal |
| 13 | Machinery, NEC |
| 14 | Electrical and Optical Equipment |
| 15 | Transport Equipment |
| 16 | Manufacturing NEC; Recycling |
| 17 | Electricity, Gas and Water Supply |

| | |
|----|---|
| 18 | Construction |
| 19 | Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of fuel |
| 20 | Wholesale trade and commission trade, except of motor vehicles and motorcycles |
| 21 | Retail trade, except of motor vehicles and motorcycles; repair of household goods |
| 22 | Hotels and Restaurants |
| 23 | Other Inland transport |
| 24 | Other Water transport |
| 25 | Other Air transport |
| 26 | Other Supporting and auxiliary transport activities; activities of travel agencies |
| 27 | Post and Telecommunications |
| 28 | Financial Intermediation |
| 29 | Real estate activities |
| 30 | Renting of m&eq and other business activities |
| 31 | Public Admin. and Defence; Compulsory Social Security |
| 32 | Education |
| 33 | Health and Social Work |
| 34 | Other Community, Social and Personal Services |
| 35 | Private Households with Employed Persons |

World Input-Output Database

Single-Country Format

| | Industry | Final use | | Total |
|----------|------------------|-----------------------|---------|-----------------|
| Industry | Intermediate use | Domestic Final use | Exports | Total Output |
| | Imports | | | |
| | Value added | | | |
| | Total Output | | | |

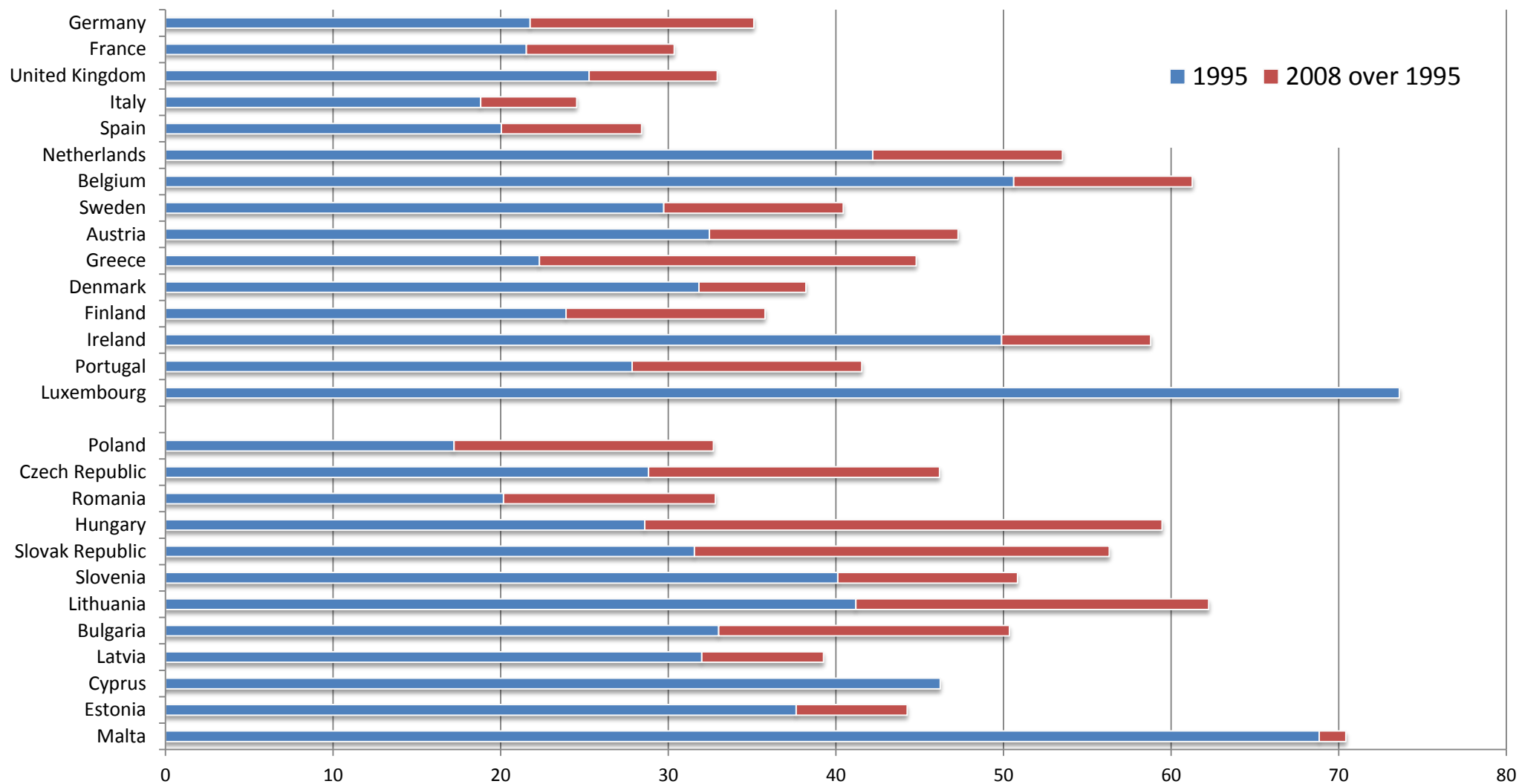


World Input-Output Database

Multi-Country Format

| | | Country A | Country B | Rest of World | Country A | Country B | Rest of World | |
|---------------------|----------|---|---|---|------------------------------------|------------------------------------|------------------------------------|---------------|
| | | Intermediate Industry | Intermediate Industry | Intermediate Industry | Final domestic | Final domestic | Final domestic | Total |
| Country A | Industry | Intermediate use of domestic output | Intermediate use by B of exports from A | Intermediate use by RoW of exports from A | Final use of domestic output | Final use by B of exports from A | Final use by RoW of exports from A | Output in A |
| Country B | Industry | Intermediate use by A of exports from B | Intermediate use of domestic output | Intermediate use by RoW of exports from B | Final use by A of exports from B | Final use of domestic output | Final use by RoW of exports from B | Output in B |
| Rest of World (RoW) | Industry | Intermediate use by A of exports from RoW | Intermediate use by B of exports from RoW | Intermediate use of domestic output | Final use by A of exports from RoW | Final use by B of exports from RoW | Final use of domestic output | Output in RoW |
| | | Value added | Value added | Value added | | | | |
| | | Output in A | Output in B | Output in RoW | | | | |

Proportion of Imported Intermediate Inputs

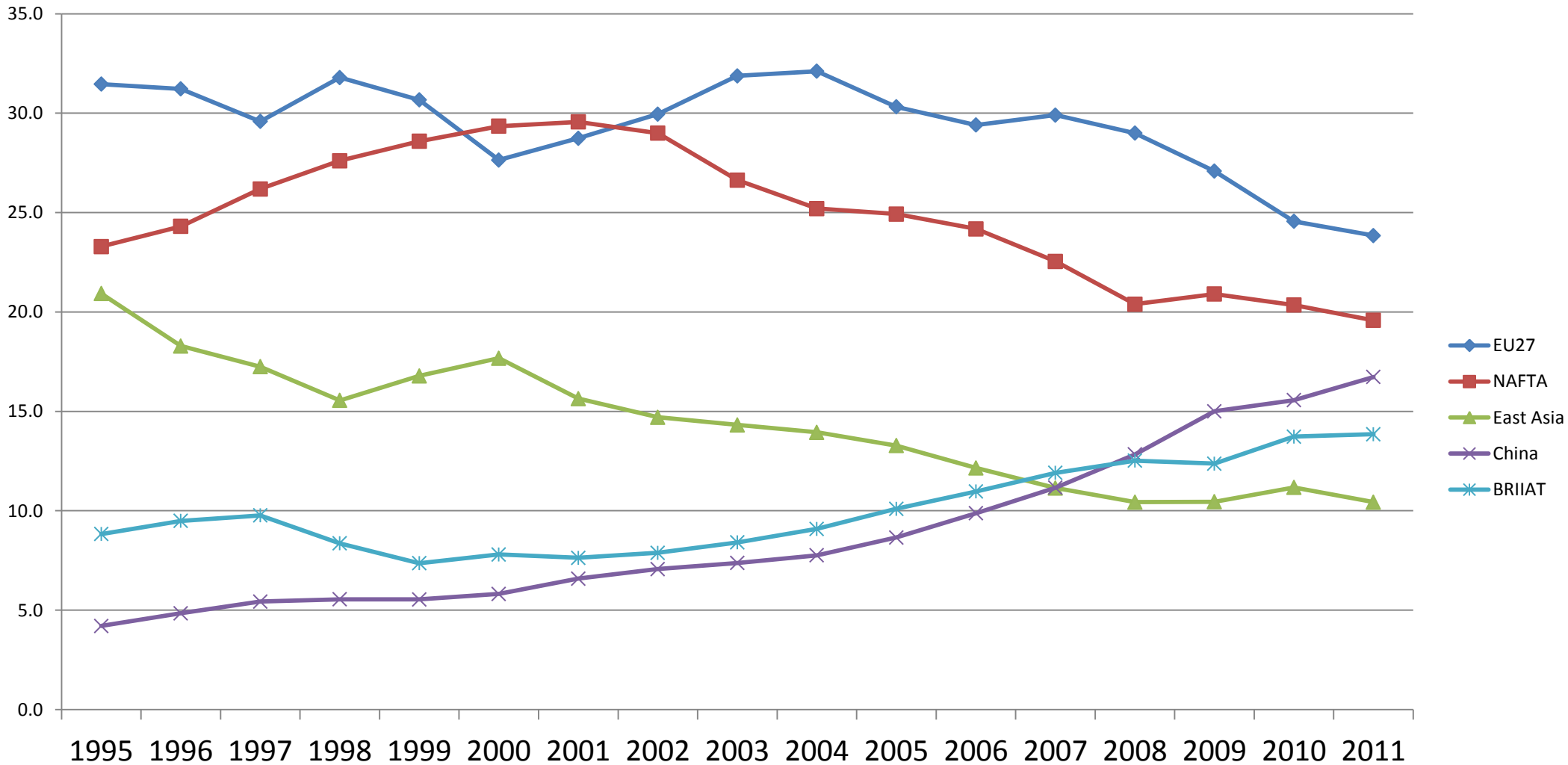


% as of total costs of production

Source : Timmer (2014)

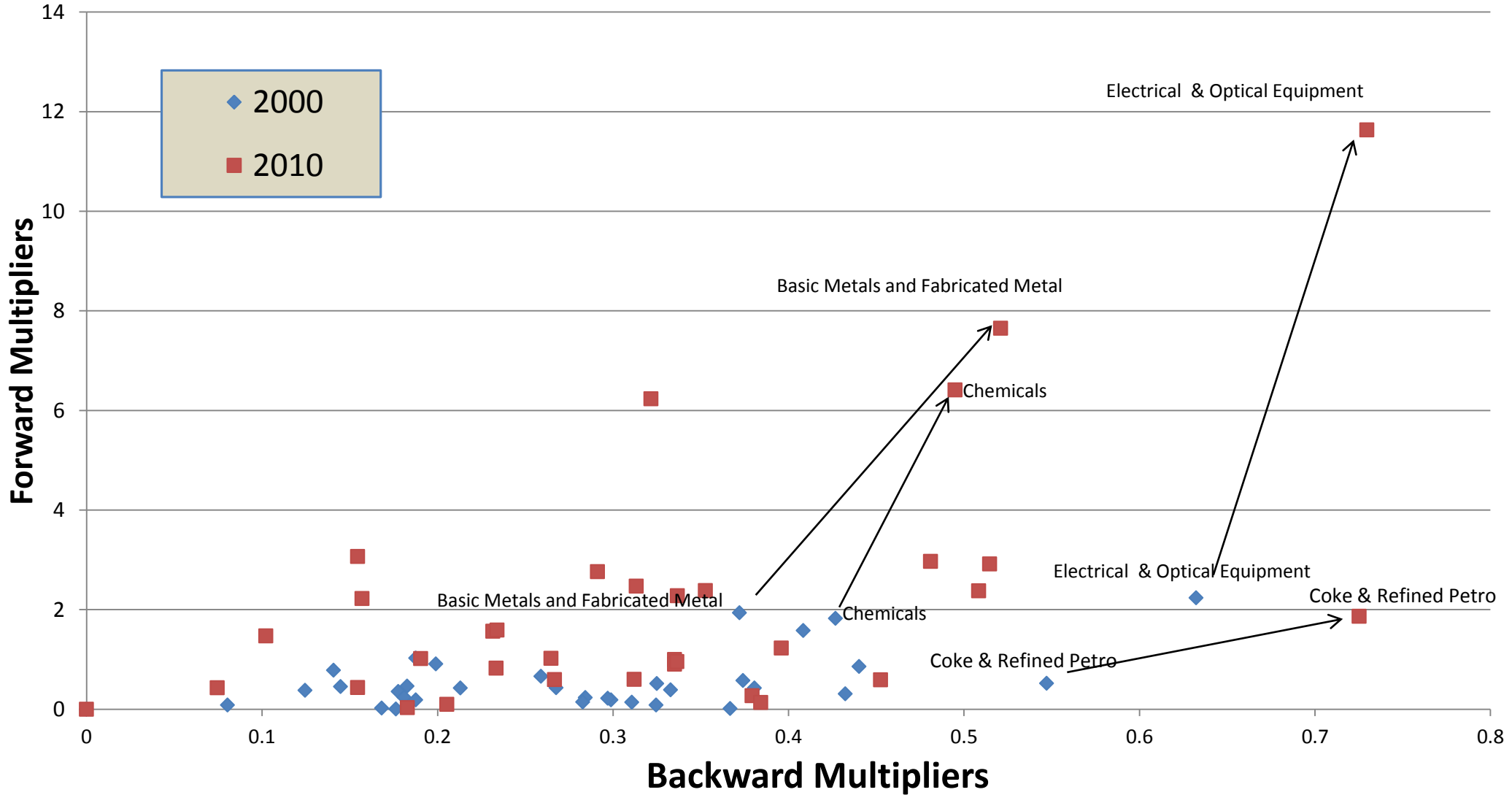
World Input-Output Database

% Share of Global Value Chain



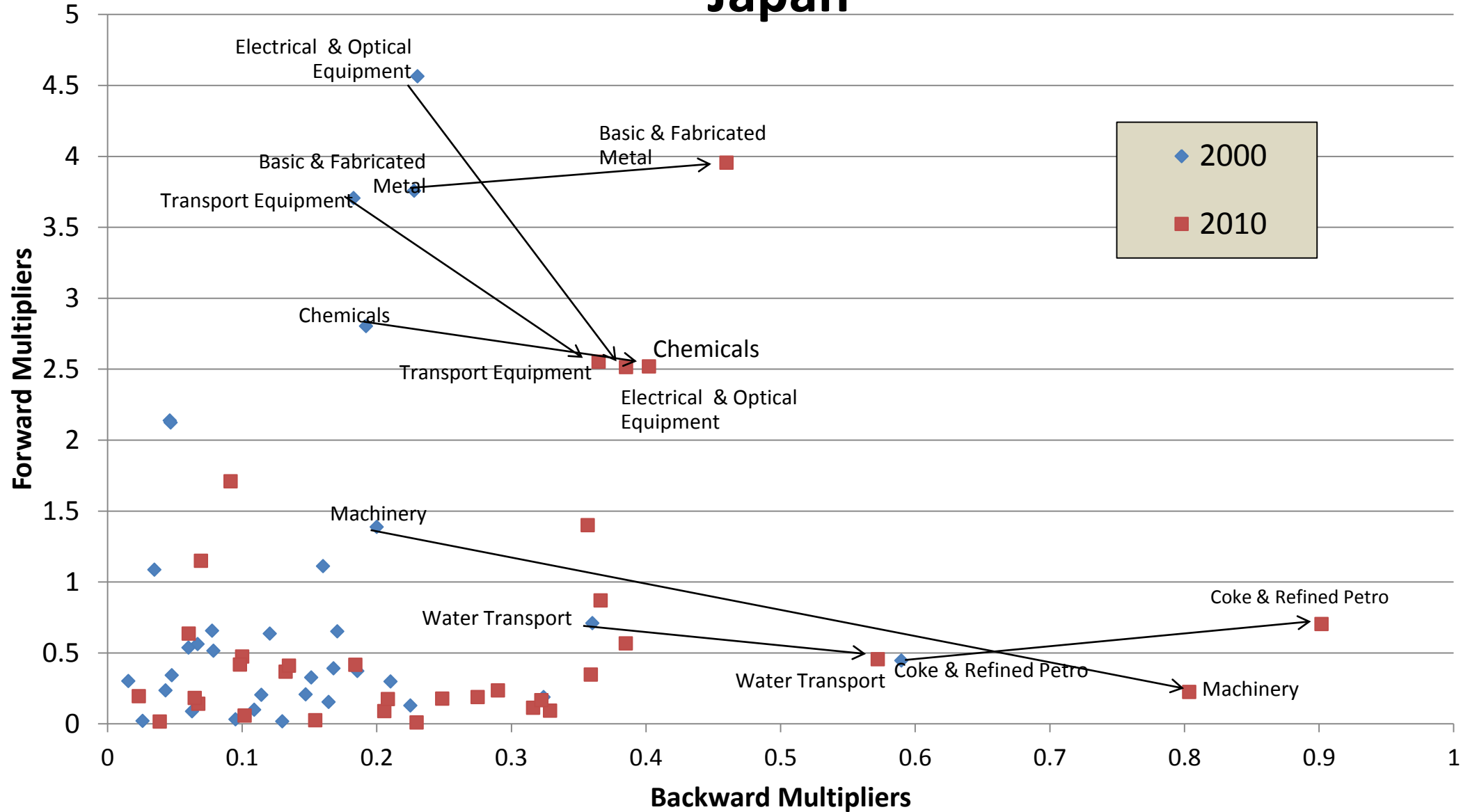
Global Multipliers : 2000 vs. 2010

China



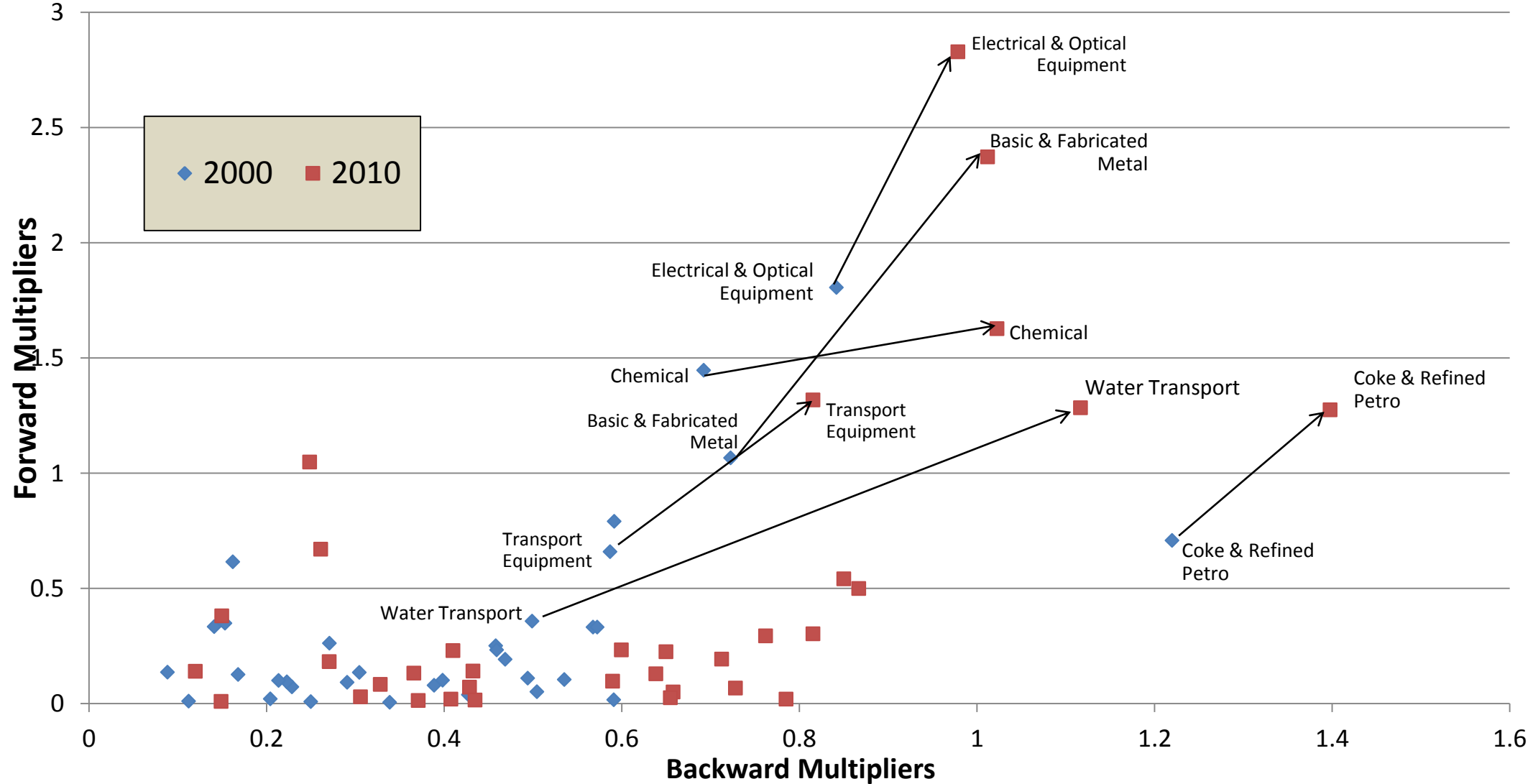
Global Multipliers : 2000 vs 2010

Japan



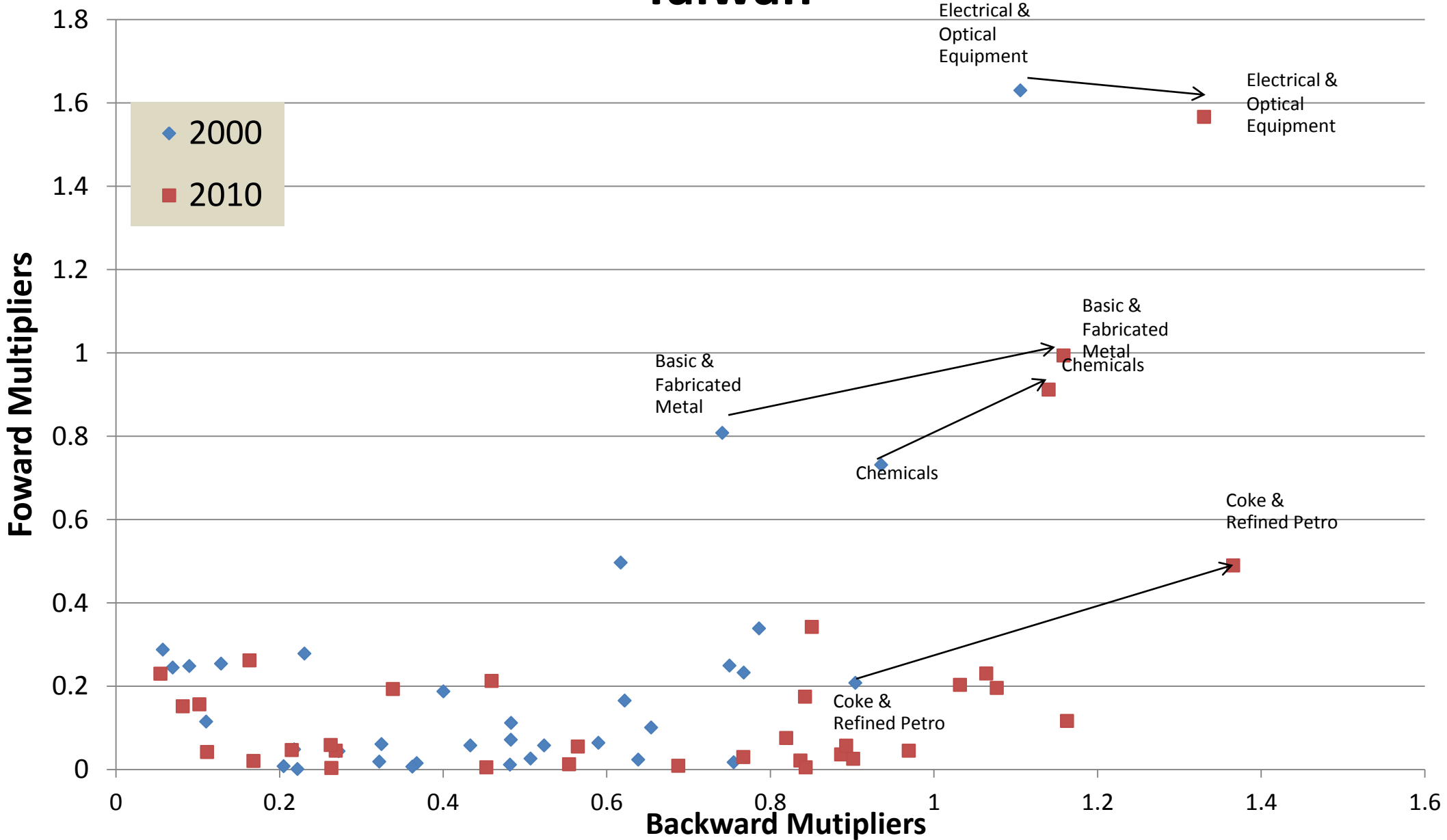
Global Multipliers : 2000 vs. 2010

South Korea



Global Multipliers : 2000 vs 2010

Taiwan



Global Multipliers : 2000 vs 2010

USA

