

## Table of contents

Summary.....	11
Introduction.....	13
The role of vertical specialization.....	16
Motivation and research objectives.....	17
<b>Chapter 1</b>	
<b>International trade and industrial upgrading to Global Value Chains .....</b>	21
1.1. The evolution of global value chain concept. Historical implications.....	21
1.2. Introduction to global value chain concept .....	27
1.3. A global value chain perspective.....	31
1.3.1. Defining Main Concepts related to Global Value Chains .....	35
1.3.2. The role of production networks in Global Value Chains .....	42
1.4. Policy approach .....	44
1.5. Vertical specialization's measurement: indicators and existent initiatives.....	47
1.6. GVCS' implications at a glance .....	53
<b>Chapter 2</b>	
<b>Methodological framework .....</b>	55
2.1. The manufacturing industry .....	56
2.1.1. The role of manufacturing industry in the EU.....	57
2.1.2. The role of manufacturing in Romania .....	61
2.2. The first methodological approach description – WIOD Database .....	64
2.2.1. Calculating the intermediate use by country .....	65
2.2.2. Description of indicators used.....	67
2.3. The second methodological approach description – Romanian Textile and Clothing Industry Position on the ‘Smile Curve’.....	68
<b>Chapter 3</b>	
<b>Research results: Romania’s position on the Global Value Chain.....</b>	71
3.1. Global value chain overview .....	72
3.2. Romanian trade flows in the 2011-2015 period .....	75
3.3. Romania’s forward linkages: analysis by sectors and by country.....	77
3.3.1. Romanian’s output sectors mostly used as intermediates in foreign industries .....	77
3.3.2. Foreign countries that mostly use Romanian’s exports as intermediates in domestic production.....	79
3.4. Romania’s backwards linkages: foreign content of Romanian production by industry.....	80
3.4.1. Agriculture, hunting, forestry and fishing industry.....	80
3.4.2. Mining and Quarrying Industry .....	82

3.4.3. Food, Beverages and Tobacco Industry .....	84
3.4.4. Textiles and Textile Products Industry .....	86
3.4.5. Leather, Leather and Footwear Industry .....	88
3.4.6. Wood and Products of Wood and Cork Industry.....	90
3.4.7. Pulp, Paper, Printing and Publishing Industry.....	92
3.4.8. Coke, Refined Petroleum and Nuclear Fuel Industry.....	94
3.4.9. Chemicals and Chemical Products Industry .....	96
3.4.10. Rubber and Plastics Industry .....	98
3.4.11. Other Non-Metallic Mineral Industry.....	100
3.4.12. Basic Metals and Fabricated Metals Industry .....	102
3.4.13. Machinery, Nec. Industry .....	104
3.4.14. Electrical and Optical Equipment Industry .....	106
3.4.15. Transport Equipment Industry .....	108
3.4.16. Manufacturing, Nec; Recycling Industry .....	110
3.5. Best practices examples in terms of trade flows .....	112
3.5.1. The United States of America.....	114
3.5.2. Germany .....	116
3.5.3. United Kingdom.....	117
3.6. Romania's textile and clothing industry position on the 'Smile Curve' .....	119
3.6.1. Global textile and clothing industry' overview .....	119
3.6.2. Romanian Textile and Clothing Industry's overview.....	121
3.6.3.1. Expert Panel's conclusions regarding Romania's textile and clothing industry position on the 'Smile Curve' .....	128
3.6.3.2. Review of articles and reports.....	131
3.6.3. Conclusions – Romania's Textile and Clothing Industry position on the 'Smile Curve' .....	133
3.7. Research limits.....	135
<b>Chapter 4</b>	
<b>Conclusions, recommendations and final remarks.....</b>	<b>137</b>
4.1. Conclusions – Romania's Position on the Global Value Chain.....	138
4.2. Recommendations and Final Remarks – Upgrading Romania's Position on the Global Value Chain.....	146
<b>Bibliography.....</b>	<b>155</b>
Glossary of International Trade.....	171
List of Abbreviations.....	177
List of Figures.....	179
List of Tables .....	181
List of Annexes.....	185
Annexes .....	187