Global Supply Chains

Acronyms and abbreviations

APIs- active pharmaceutical ingredients
CRRC- Chinese Railway Rolling Stock Corp
DIB- Defense Industrial Base
DJI- Da-Jiang Innovations
DOD- Department of Defense
FDA- U.S. Food and Drug Administration
GDP- Gross Domestic Product
GSC- Global Supply Chains
ICT- Information and Communication Technology
IP- Industrial Policy
MIC- Made in China
MNCs- Multinational Corporations
PPE- Personal Protective Equipment
REE- Rare Earth Elements

Glossary

Decouplment- the process of disengaging and separating from something. Refers to U.S. efforts to split its economy from China. The goal of Decouplment would be for the U.S. to gain control over many of its lost manufacturing jobs that were taken over by China.

Neo-mercantilism- an economic policy that encourages domestic government to protect domestic industries by controlling tariffs and setting restrictions on trade.

Outsourcing- the process where multinational corporations will hire third parties to perform functions that the corporations themselves used to handle. Most outsourcing occurred within the manufacturing and customer support industries.

Supply Chains- term that refers to the interconnected network between a company and its suppliers to develop, produce, and distribute a product to be bought and sold. Supply chains were developed by companies to cut costs and increase production speed.
THE SMILE CURVE
Value distribution along the global value chain

Value chain in the 1970s
Value chain in the 2000s

Pre-production intangible
Production tangible activities
Post-production intangible

A TYPICAL SUPPLY CHAIN

 Raw Materials

 Suppliers

 Manufacturer

 Retailers

 Distributors

 Consumers

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Glossary 3

**U.S. MANUFACTURING EMPLOYEES (in MILLIONS)**

- 2000: 18.5
- 2010: 12.5
- 2019: 10.5

**U.S. MANUFACTURING (as a percentage of GDP)**

- 2000: 13.5%
- 2010: 11.5%
- 2019: 10.5%

Source: Federal Reserve Bank of St. Louis. All Employees, Manufacturing, Thousands of Persons, Annual, Seasonally Adjusted. Sep 16, 2020

Source: Federal Reserve Bank of St. Louis. Value Added by Private Industries: Manufacturing as a % of GDP, Percent, Annual, Not Seasonally Adjusted. July 6, 2020
**U.S. AND CHINA MANUFACTURING OUTPUT, 2004 – 2016**  
(VALUE ADDED IN CURRENT U.S.D. TRILLIONS)

![Graph showing U.S. and China manufacturing output, 2004–2016](chart1)

**U.S. AND CHINA TRADE 1980 – 2019** (by % of GDP)

![Graph showing U.S. and China trade, 1980–2019](chart2)