

# Globalization and Inequality

June 2017  
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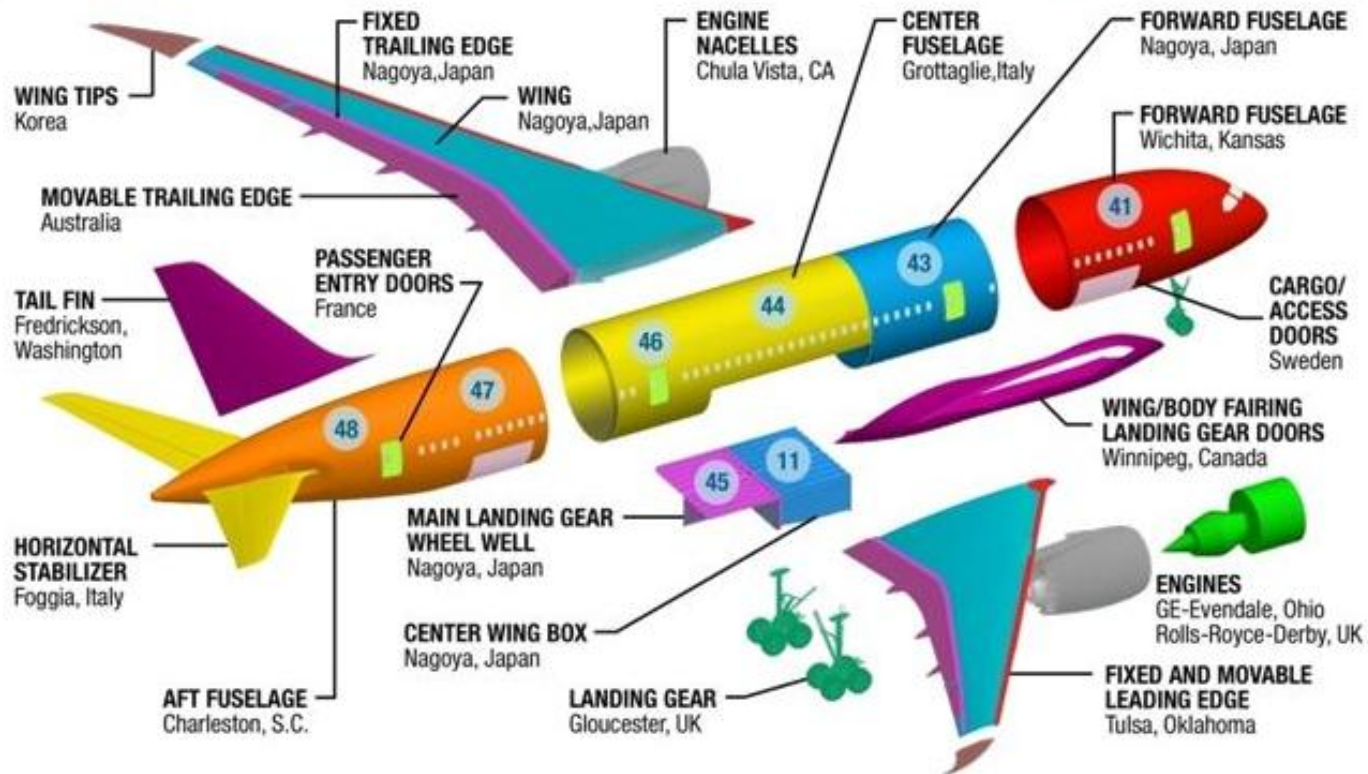
# Location and Number of iPhone 6 Suppliers per Country

| Number of suppliers | Country     | Number of suppliers | Country        | Number of suppliers | Country     |
|---------------------|-------------|---------------------|----------------|---------------------|-------------|
| 349                 | China       | 11                  | Vietnam        | 2                   | Brazil      |
| 139                 | Japan       | 7                   | Mexico         | 2                   | Costa Rica  |
| 60                  | USA         | 6                   | Indonesia      | 2                   | Austria     |
| 42                  | Taiwan      | 6                   | Israel         | 2                   | Netherlands |
| 32                  | South Korea | 5                   | France         | 1                   | Canada      |
| 21                  | Malaysia    | 5                   | Czech Republic | 1                   | Portugal    |
| 24                  | Philippines | 3                   | Belgium        | 1                   | Spain       |
| 21                  | Thailand    | 3                   | Italy          | 1                   | Morocco     |
| 17                  | Singapore   | 3                   | Ireland        | 1                   | Puerto Rico |
| 13                  | Germany     | 3                   | UK             | 1                   | Malta       |
|                     |             |                     |                | 1                   | Hungary     |

# Boeing 787 Suppliers per Country

## THE COMPANIES

| U.S.     | CANADA        | AUSTRALIA | JAPAN      | KOREA   | EUROPE        |
|----------|---------------|-----------|------------|---------|---------------|
| Boeing   | Boeing        | Boeing    | Kawasaki   | KAL-ASD | Messier-Dowty |
| Spirit   | Messier-Dowty |           | Mitsubishi |         | Rolls-Royce   |
| Vought   |               |           | Fuji       |         | Latecoere     |
| GE       |               |           |            |         | Alenia        |
| Goodrich |               |           |            |         | Saab          |



Source: Boeing

# Boeing 787 Suppliers per Country

| Part name                      | Country                                                                                                                                                                            |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Forward Fuselage               | USA                                                                                             |
| Forward Fuselage               | Japan                                                                                           |
| Center Fuselage                | Italy                                                                                           |
| Aft Fuselage                   | USA                                                                                             |
| Wings                          | Japan                                                                                           |
| Leading Edge of Wings          | USA                                                                                             |
| Fixed Trailing Edge of Wings   | Japan                                                                                           |
| Movable Trailing Edge of Wings | Australia                                                                                       |
| Wing Tips                      | Korea                                                                                           |
| Vertical Tail Fin              | USA                                                                                             |
| Rudder                         | China                                                                                           |
| Horizontal Stabilizer          | Italy                                                                                          |
| Fairing Landing Gear Doors     | Canada                                                                                        |
| Cargo/Access Doors             | Sweden                                                                                        |
| Passenger Entry Doors          | France                                                                                        |
| Landing Gear                   | UK                                                                                            |
| Engines                        | USA/UK   |
| Engine Nacells                 | USA                                                                                           |

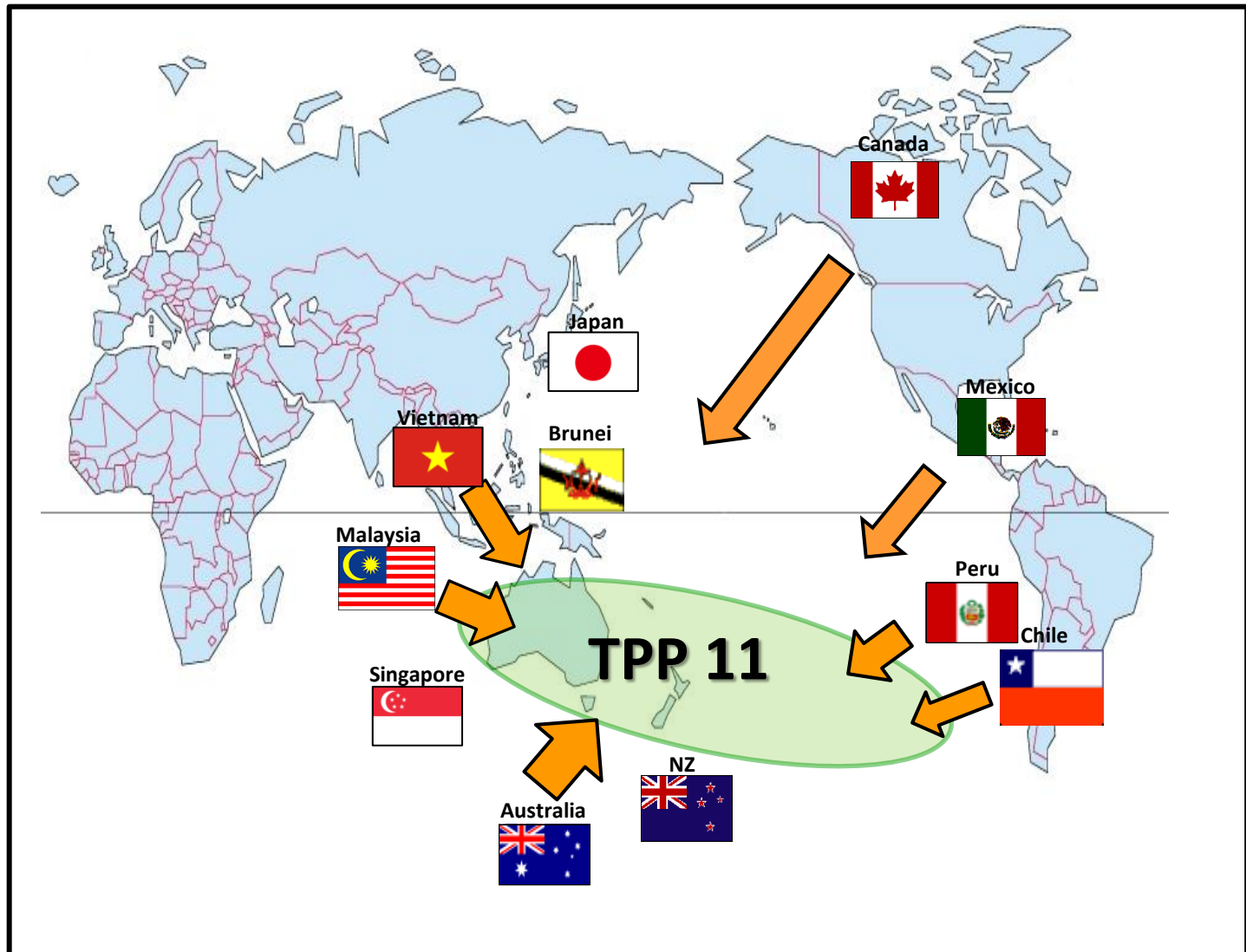
Source: Boeing

# Number of FTAs in the World (As of December 2016)

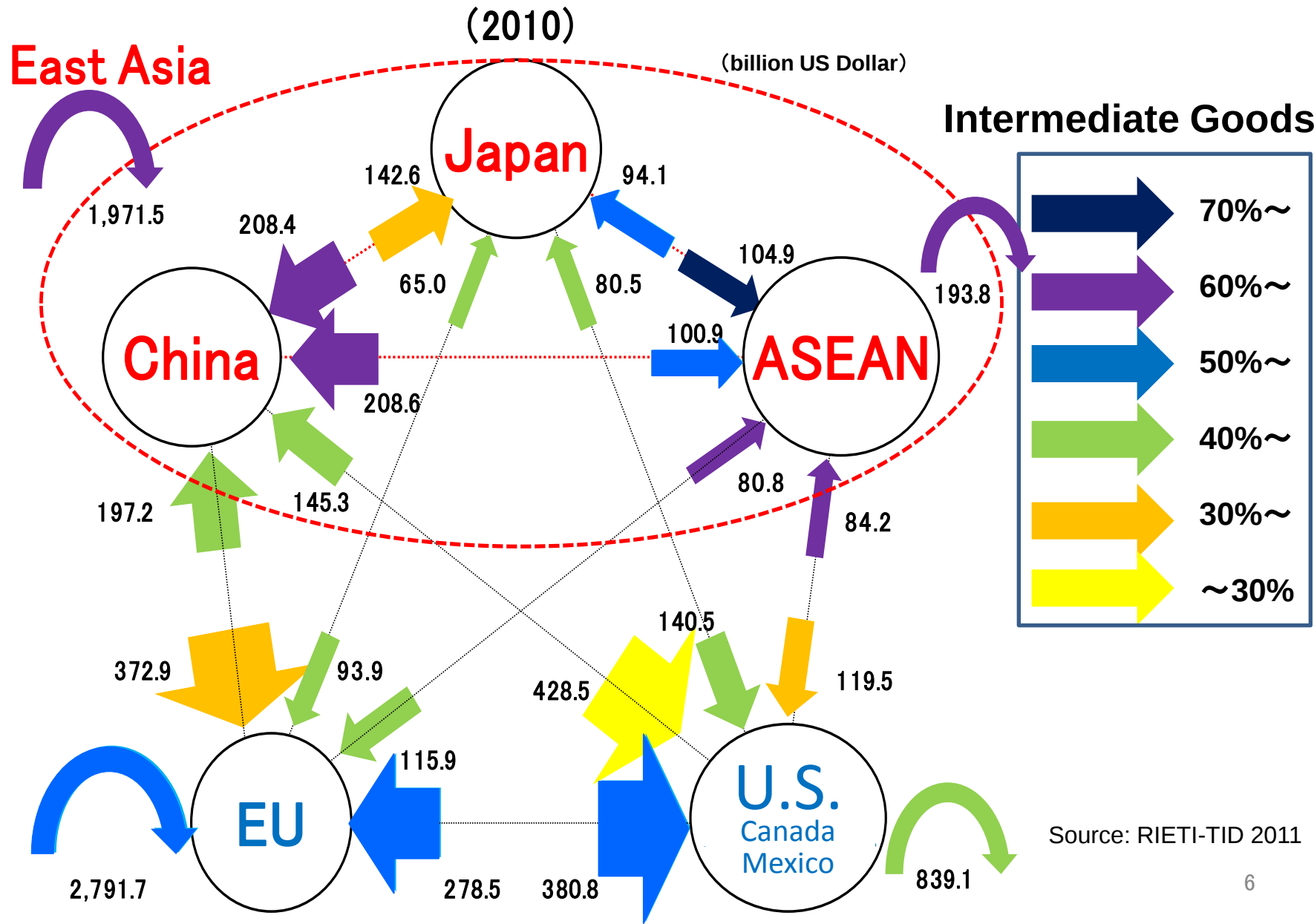
| Status                  | Number |
|-------------------------|--------|
| In Effect               | 286    |
| Agreed but not Ratified | 18     |
| In Negotiation          | 79     |
| In Preparation          | 22     |

Source: JETRO

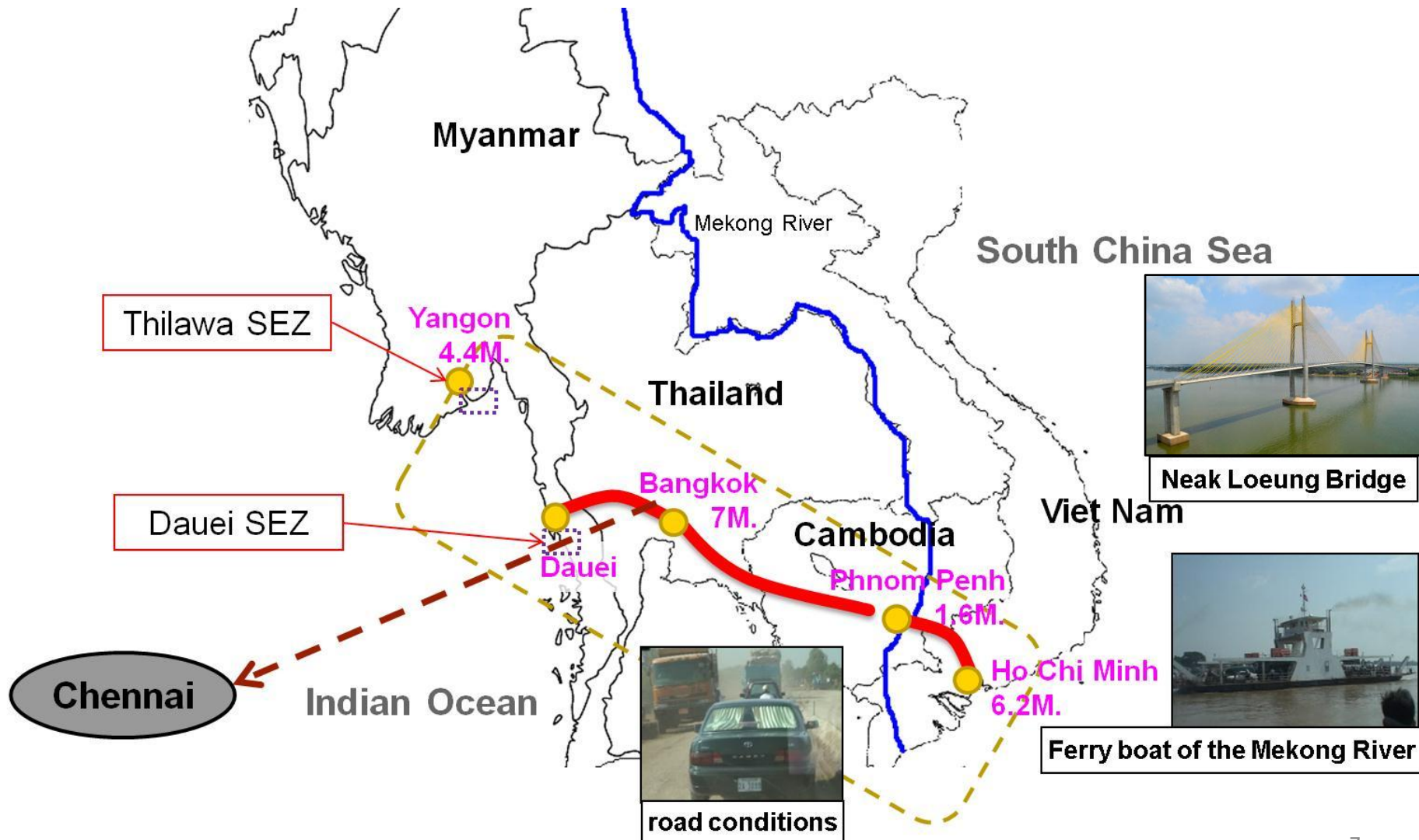
# TPP 11



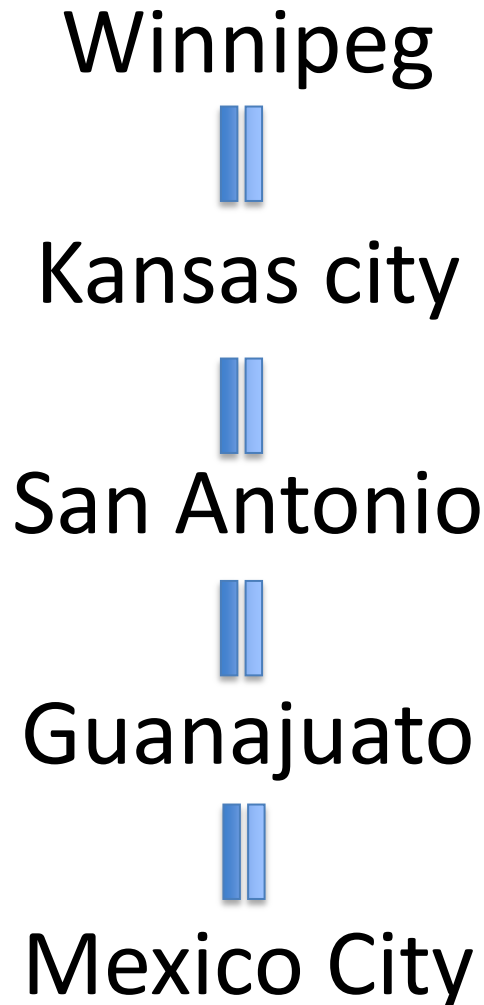
# Supply Chain in East Asia



# Southern Industrial Corridor in Mekong



# NAFTA Super Corridor



➤ State of Guanajuato  
«Detroit in Mexico»

➤ Many auto  
manufacturers  
invested in Mexico

|                      |           |
|----------------------|-----------|
| GM                   | 690,000   |
| Ford                 | 430,000   |
| Fiat Chrysler        | 500,000   |
| Nissan               | 820,000   |
| Honda                | 200,000   |
| Mazda                | 180,000   |
| Toyota               | 100,000   |
| VW                   | 460,000   |
| BMW                  | (150,000) |
| Audi                 | —         |
| Auto Parts Suppliers |           |

# Fast Food

|                                                                                                  | Founded | Number of Countries | Number of Stores |
|--------------------------------------------------------------------------------------------------|---------|---------------------|------------------|
| MacDonald's<br> | 1940    | 120                 | 36,900           |
| Starbucks<br>  | 1971    | 46                  | 23,800           |

# Fast Fashion

|                                                                                                   | Country | Founded | Number of Countries | Number of Stores |
|---------------------------------------------------------------------------------------------------|---------|---------|---------------------|------------------|
| GAP<br>          | USA     | 1969    | 54                  | 3,800            |
| ZARA<br>         | Spain   | 1975    | 87                  | 2,000            |
| H & M<br>       | Sweden  | 1947    | 62                  | 4,000            |
| Forever 21<br> | USA     | 1984    | 60                  | 800              |
| Uniqlo<br>     | Japan   | 1974    | 12                  | 1,300            |

# Uber and Airbnb

|                                                                                              | Founded | Number of Countries | Number of Cities |
|----------------------------------------------------------------------------------------------|---------|---------------------|------------------|
| Uber<br>    | 2009    | 70                  | 450              |
| Airbnb<br> | 2008    | 192                 | 3,300            |

# Globalization & Inequality

## Manufacturing Industry

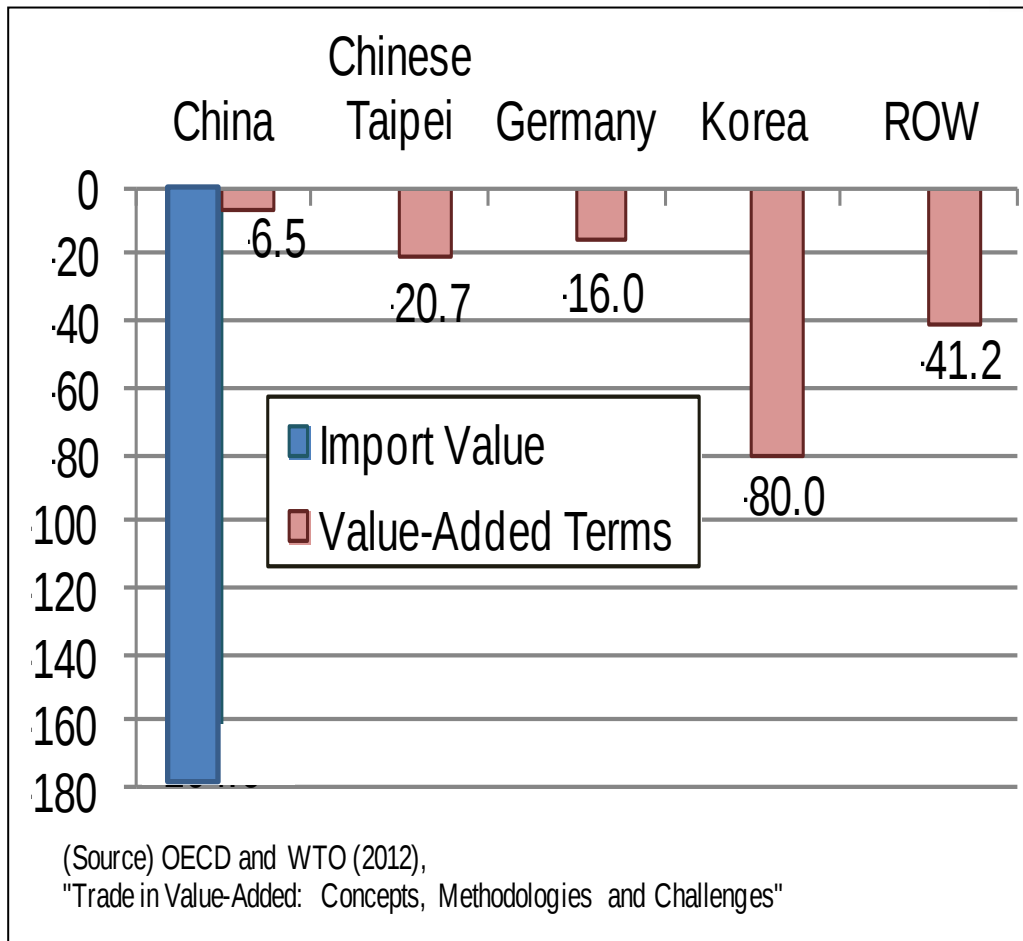
- Utilization of cheap labors in developing countries  
(e.g. Bangladesh)
  - Depriving developed countries of blue-collar worker's jobs
  - + Creating profit for design and management

## Service Industry

- Oligopolization of the service industry in indigenous/local markets
  - Depriving indigenous/local merchants of business opportunities
  - + Creating new business models and opportunities/value

# Trade of iPhone in Value-Added Terms

## U.S. Imports of One Unit of iPhone



## iPhone 4



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# **Rise of Nationalism and Anti-Globalism**

- America First
- Brexit
- Marine Le Pen in France
- Joko Widodo in Indonesia

cf. One Belt One Road

# Future of Globalization

- Would globalization slow down because of the political pressure?
- Inclusive Growth