

Newsletter

Policy, Research & Statistics (PRS) Department

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The Research and Policy Advice Division



The Statistics Division

PRS Department consists of two mutually reinforcing components:

1. The Research and Policy Advice Division

The Division provides strategic and customized policy advice to Member States with the aim of accelerating their industrial development based on comprehensive applied economics research and multidisciplinary methodologies using thematic, sectoral and country level information.

2. The Statistics Division

The Division implements UNIDO's mandate in global industrial statistics. It maintains an international industrial statistics database and provides statistics and data services to the Member States by disseminating reliable and internationally comparable data on inclusive and sustainable industrial development. The Division also fulfils the in-house demand in data for policy research and technical cooperation.

Dear Reader,

I am delighted to introduce the first edition of the PRS Newsletter. This Newsletter provides information about recent achievements, progress and important upcoming activities of the Department of Policy Research and Statistics (PRS). In this first newsletter, we briefly introduce the role and objectives of PRS and present the developments and activities PRS has been involved in in the second quarter of 2019. Detailed information about our work, project results and publications are available on [UNIDO's website](#).

As a global facilitator of knowledge and advice on policies and strategies towards achieving inclusive and sustainable industrial development (Lima Declaration 2013), UNIDO seeks to ensure that its Member States are provided with relevant and practical research findings; that they receive solid policy advice and recommendations; and that they have access to the most recent industrial statistics to monitor their progress towards the Sustainable Development Goals. PRS significantly contributes to the realization of this key objective of UNIDO.

As this Newsletter intends to attract a broad readership, we welcome your comments and suggestions as a means to making its content more accessible, useful and interesting. We look forward to engaging with you in this process of knowledge creation and transfer to support UNIDO's unique mandate and commitment to support industrialization as a driver of development and the achievement of Agenda 2030, leaving no one behind.



Cecilia Ugaz Estrada
Director,
Policy, Research
and Statistics Department



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Latest publications

Investors' characteristics and the business climate as drivers of backward linkages in Vietnam

Chiara Franco, Marco Sanfilippo, Adnan Seric

An analysis based on a 2011 survey of 1,500 investors in Viet Nam finds that certain investor characteristics such as size, productivity, experience and autonomy in decision-making, affect the formation and deepening of backward linkages with domestic suppliers.



Manufacturing as an engine of growth: Which is the best fuel?

Nicola Cantore, Michele Clara, Alejandro Lavopa, Camelia Soare

The experiences of countries such as India, which is investing in the services sector, and failures of industrialization in Africa and Latin America have led to scepticism about the effectiveness of manufacturing as an engine of growth. Using the generalized method of moments (GMM) and a sample of 80 countries for the period of 1980 to 2010, new evidence has been found that the manufacturing sector does indeed foster growth and development.



IDR 2018 Briefs

Industrial Development Report 2018 Overview:

IDR Brief #1: "Has manufacturing become more important or less?"

Recent global trends have led some observers to conclude that manufacturing is no longer a key sector of the economy. As the IDR 2018 points out, the downward trend in manufacturing is only apparent. It is explained by rapid productivity gains, which dampen the growth of prices for manufacturing goods relative to the rest of the economy. Keeping prices constant, the share of manufacturing in the global economy has, in fact, increased between 1991 and 2014. As a result, consumers worldwide enjoy access to ever-greater quantities of goods at declining relative prices.



IDR Brief #2: "IDR presents the virtuous circle of manufacturing consumption"

As presented in the IDR 2018, the 'virtuous circle' of manufacturing consumption and production emerges, simultaneously leading to industrial development and demand diversification through a combination of variety, volume, and price effects. As incomes grow, demand for new and better varieties of goods spurs innovation in existing and new industries, gradually enabling the production of greater volumes at lower relative prices. The generation of new incomes in the process enables the further expansion of demand, keeping the circle turning.

15-16 April 2019

Expert Group Meeting IDR 2020, UNIDO HQs, Vienna

IDR 2020 report to be launched at the General Conference 18th Session

In November this year PRS department is launching its newest edition of Industrial Development Report at the General Conference in Abu Dhabi. The latest IDR 2020 report offers a global perspective of new technologies and industrial development and tackles the question how manufacturing firms in developing countries can absorb and exploit the new technologies. Additionally, the firm level data on Industry 4.0 will present a comparison between different countries, and policies on making the traditional structural transformation more viable will be provided.



28 May 2019

PRS at G20-T20 Roundtable Discussion on GVCs in Japan

The roundtable discussion jointly organized by UNIDO and the German Development Institute at the United Nations University (UNU) Headquarters in Tokyo, discussed two major topics. Namely, the role of investment facilitation as well as investment promotion and interfirm linkage creation to address ideas and options available to policymakers, which may contribute to evidence-based policy making at the level of the G20 and beyond.



PRS seminar series

"The Art of Economic Catch-up and Leapfrogging" by Prof. Keun Lee, 17 April 2019

Despite the fact that the ladder to industrial development is often perceived as kicked away, the seminar highlighted that the latecomer economies can still achieve it by taking detours and trying leapfrogging, which could help them in overcoming the barriers, such as IPR protection. This was one of the key points stressed by Prof. Keun Lee who gave a talk on technological leapfrogging thereby introducing his new book *"The Art of Economic Catch-up: barriers, detours and leapfrogging in innovation systems"*.

"STI policies: observations from the field in developing countries" by Mr. Dimo Calowski, 8 May 2019

Dimo Calowski, economist at UNCTAD delivered a seminar about Science and Technology industrial (STI) policies in developing countries. Dimo explained in detail the different steps conducive to the definition the policy process, the problems and the actors related to the definition and review of science and technology policies, and the importance of the inter-organizational cooperation for effective interventions. The identification of relevant available secondary data for preliminary quantitative analyses was pointed by Dimo as one of the key points for a rapid and efficient technical support. From this point of view initiatives of UNIDO such as those related to the project EQUIP co – funded by GIZ aimed at capacity building for policy makers are precious assets.

"GVCs, value creation and growth" by Dr. Roman Stöllinger, 13 June 2019

Developing countries are likely to generate comparatively little value added due to their functional specialization and may even end up in a "functional development trap". Hence, the seminar on GVCs, value creation and growth offered new empirical evidence on the actual functional specialization patterns of developing and developed countries which derived from project-level data on greenfield FDI.



Focus: GMIS

The **Global Manufacturing and Industrialisation Summit (GMIS)** was established in 2015 as a joint initiative by the Ministry of Energy and Industry in UAE and UNIDO, to build bridges between manufacturers, governments & NGOs, technologists and investors in harnessing the Fourth Industrial Revolution's transformation of manufacturing for the regeneration of the global economy. This year, GMIS 2019 is scheduled to take place in Yekaterinburg, Russian Federation, from 9th to 11th July 2019 under the theme **"Nature-inspired technologies"**. **GMIS Connect** is the GMIS's international roadshow programme. GMIS Connect is the starting point in engaging the local manufacturing community with global partners to discuss trends, opportunities and challenges brought by the fourth industrial revolution.

21 March 2019 - GMIS Connect Cairo "Industry 4.0: boosting employment, innovation and competitiveness"

The event was organized in association with the **UNIDO Regional Office in Egypt and the American University in Cairo**, attracting around 80 participants from the private sector, the research community and national and international policymakers. The event also served as the 1st consultation phase of the Programme for Country Partnership (PCP) Egypt to explore their efforts to promote Inclusive and Sustainable Industrial Development within the framework of Egypt's Vision 2030.

26 March 2019 - GMIS Connect Shenzhen

The session was held in association with the **Federation of Shenzhen Industries and Shenzhen Open Innovation Lab**, bringing together around 200 stakeholders. The session addressed "4IR technologies and the circular economy: how innovation can enable inclusive and sustainable industrial development". UNIDO PRS/ RPA also presented the latest research findings from its recent UNIDO-OECD publication "Integrating South East Asian SMEs in Global Value Chains: Enabling Linkages with Foreign Investors".

Related publication: ["Integrating South East Asian SMEs in Global Value Chains: Enabling Linkages with Foreign Investors"](#)
UNIDO-OECD

GMIS @ Hannover Messe 2019

A number of promotional activities took place within **Hannover Messe 2019**, the world's largest industrial trade fair, including a GMIS Gala Dinner on "collaboration and cooperation in the new industrial era", featuring UNIDO Director General LI Yong and Minister of Energy and Industry of the United Arab Emirates Suhail Mohammed Al Mazrouei.

The exhibition also saw the announcement of Hannover Messe 2020 as the venue for GMIS 2020, and the signing of a Memorandum of Understanding between UNIDO, Global Manufacturing Organisation Limited, and Deutsche Messe.



8–12 April 2019

Course on Sustainable Energy Solutions in the Netherlands

Around 25 policy makers and ministerial officers from developing countries and emerging economies as well as some representatives from international organisations gathered in Groningen for a **capacity building course on “sustainable energy solutions”**, jointly organised by UNIDO and New Energy Coalition, a Dutch knowledge and network organisation striving for a sustainable world by boosting the acceleration of the energy transition. Lecturers from UNIDO, New Energy Coalition, Climate Technology Centre & Network, JIN Energy & Sustainability, Gasunie, Nouryon, Quintel and Hanze University of Applied Sciences provided participants with an opportunity to familiarize themselves with current and expected trends in sustainable energy solutions, as well as to reflect on practical, innovative and cost effective ways to address the issue of sustainability in the energy industry.

Work visits to the Eemshaven area and OMRIN waste recycling facilities complemented the intensive 5-day programme. It was the third time that this course was organised in Groningen.



The course aimed to enhance understanding among the participants of key topics related to energy transition and to contribute to building new capacities for promoting sustainable energy systems for climate resilient industries.



Contribution to UN-wide initiatives on science, technology and innovation (STI)

PRS leads and actively contributes to the UNIDO Working Group on STI (EB/2018/7). In May 2019, UNIDO, the Kingdom of Morocco and the Joint-Research Center of the European Commission co-organized a side event to the Fourth Annual Multi-stakeholder Forum on STI titled: “Development partnerships to address binding constraints around innovation, education and the environment”. The event, held at the UN headquarters in New York, presented collaborative approaches to addressing binding constraints for the uptake and mobilization of STI for the Sustainable Development Goals (SDGs) with emphasis on education and the environment.

Also, PRS fosters UNIDO’s engagement in the activities of several Inter-agency Task Teams on STI for the SDGs (IATTs). Regarding the sub-stream on capacity building on STI and industrial policies, staff from PRS and other Departments has lectured in workshops organized in Jordan (2018) and Panama (2019), and is also involved in the development of STI Roadmaps, which will provide guidance on how to leverage on STI activities as part of development strategies.



16-17 May 2019

Workshop on promoting economic diversification in the CAREC region

The CAREC Institute has partnered with UNIDO to deliver a workshop on economic diversification in the CAREC region. It aimed at deepening the understanding of characteristics of resource dependent economies, importance of industrial development strategies, particularly export oriented industries, to achieve economic diversification, and enhance capacity of CAREC countries to improve their competitiveness.

The workshop lasted for two days. It delivered lectures, panel discussions, and country case studies. It also featured an exercise giving participants an opportunity to exchange their views on the current state on promoting economic diversification in their countries as well as to from their peers.



STATISTICS AT A GLANCE

Why do statistics matter?

The Policy Research and Statistics Department is best equipped to provide the latest relevant and most accurate data to its constituencies.

PRS information is crucial: for policymakers of Member States that seek to guide the strategic transformation of their economies; for academia that wishes to contribute to joint research activities; and to other development stakeholders, including UNIDO project managers, to allow for a sound research and policy basis to their technical cooperation activities.

In 2019, the efforts of PRS resulted in the release of several publications, including **the International Yearbook of Industrial Statistics 2019**, **the SDG Report 2019**, **the Industrial Development Report 2018**, and **the Competitive Industrial Performance Report**. Furthermore, UNIDO's position in global industrial statistics was once again recognized **at the 50th Session of the UN Statistical Commission** where UNIDO presented its report on global industrial statistics.



UNIDO presents the Global Industrial Statistics Report at the 50th Session of the UN Statistical Commission 5 – 8 March, New York

This year, the 50th session of the UN Statistical Commission took place in the main hall of the General Assembly in New York and was attended by a large number of heads of national statistical offices and chief statisticians of international, supranational and regional organizations.

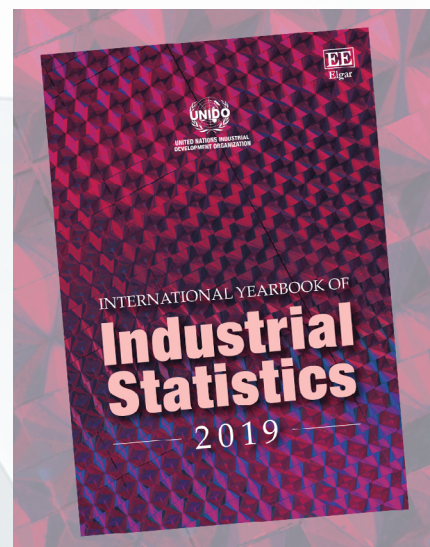
There, UNIDO presented its report on global industrial statistics, which was very much appreciated; as a matter of fact, and in recognition of UNIDO's contribution to global industrial statistics as well as its designation as the custodian agency for SDG indicators related to industrialization, the Commission endorsed the transfer of all industrial statistical activities from UNSD to UNIDO, with the OECD responsible for its member countries.



The Yearbook 2019 highlights the decline of global manufacturing in 2018

Since 1995, UNIDO has been researching regional and country growth as well as the structure of manufacturing industries worldwide; the Organization then published the newest insights in the International Yearbook of Industrial Statistics.

According to the Yearbook 2019 and as compared to the previous year, the manufacturing growth rate fell in industrialized economies from 2.6 to 2.3 percent. More precisely, in China from 6.6 to 6.2 and in other developing and emerging industrial economies (excluding China) from 4.1 to 3.8 per cent. The world manufacturing value added rose by 3.6 percent in 2018 - lower than 3.8 percent in 2017. As explained in the publication, the slowdown is mainly attributed to emerging trade and tariff barriers involving major global markets such as the United States, the European Union and China.



CIP Report 2018: Country ranking in global industrial performance



Positive competition can be beneficial as it encourages advancement: the new 2018 report on the competitive industrial performance (CIP Report) presents the latest ranking of countries according to their ability to produce and export manufactured goods, the extent of technological development and upgrading, and their impact on the world market. The CIP report is a biennial publication of UNIDO Statistics based on the CIP Index as a composite measure constructed from eight indicators. The 2018 edition of the report covers 150 countries, the largest number so far. In addition, the report includes CO2 criteria reflecting the environmental dimension of industrial performance.

SDG Report 2019: Changes in country groups based on SDG-9 indicators

The report on Statistical Indicators of Inclusive and Sustainable Industrialization (SDG Report) is a relatively new publication of UNIDO statistics. It presents an analysis of global progress towards sustainable industrial development based on aggregated data for country groups. The report is primarily based on a statistical analysis of SDG-9 indicators related to industrialization for which UNIDO is designated as the custodian agency. While the first report of 2017 outlined the baseline scenario of industrial development in the SDG context, the current report shows the patterns of recent changes in different country groups.



The country data used for this publication can be accessed by users via the UNIDO web-site.



**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION**

Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Telephone: (+43-1) 26026-0 Email: unido@unido.org
Internet: www.unido.org