

POLICY RESEARCH STATISTICS

Newsletter

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PRS Department

EXPLORE COMPARE ANALYSE

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Improving Data Literacy with UNIDO's Industrial Analytics Platform

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Dear Readers,

Welcome to the second edition of the PRS Newsletter.

This issue recaps the PRS Department's most recent activities, provides an overview of the most relevant publications, as well as top events. The newsletter features novel research on trade and on the diffusion of technologies on structural change and industrialization. It then questions how domestic and foreign demand for manufacturing products influence GDP growth.

As for events, we present the outcomes of the GMIS Summit in Yekaterinburg, which focused on policies necessary in the context of the Fourth Industrial Revolution. Then, we move to Cambodia and Georgia where policymakers were trained in the Enhancing the Quality of Industrial Policy (EQuIP) toolbox on climate change, gender and industry 4.0.

In Statistics, the Industrial Analytics Platform (IAP) was soft-launched at Thailand Industry Expo. The IAP is an innovative tool containing data on selected indicators of industrial development that can be used to visualize trends in global production networks. Another important milestone is UNIDO's support in the work of the UN Committee of Experts on Business and Trade Statistics (UNCEBTS) which addresses issues ranging from globalization and digitalization to sustainability and capacity building.

I would also like to take this opportunity to announce the impending publication of the Industrial Development Report 2020 (IDR), which will be launched at the eighteenth session of the General Conference in Abu Dhabi from 3 to 7 November 2019. The IDR 2020 focuses on the future of industrialization and will provide new insights on how the process of industrial development is being re-shaped by advanced digital production technologies. The next edition of the PRS Newsletter will place a special focus on the IDR 2020 and present its key findings in more detail.

We hope you will enjoy reading our newsletter.

Cecilia Ugaz Estrada
*Director,
Policy, Research and
Statistics Department*

Upcoming Events

- **2-6 Sept**, [Industrial Policy for Policymakers \(IPPM\) programme](#), South Africa
- **3 Sept**, Launch of the Report, "Promoting Development of Global Value Chains through Belt and Road Initiative" BRIDGE for Cities, Vienna, Austria
- **18-19 Sept**: UNIDO-University of Cape Town Training Course "Global value chains and industrialization in Africa", Cape Town, South Africa
- **18 Sept**, PRS Seminar Series by Dr. Jostein Hauge from the University of Cambridge, 10:00 - 11:00, D1973 at Vienna International Centre (VIC)
- **19-20 Sept**: ["Future of Industrial Work: New Pathways and Policies of Structural Transformation?"](#) Workshop - Vienna, Austria
- **25 Sept**: GMIS Side Event at UNGA 74 - New York, USA
- **30 Sept - 18 Oct**: ISID for policymakers from ASEAN developing countries Training Programme, KOICA's ICC, Seoul, ROK
- **2-4 Oct**: Global Value Chains Training for policymakers from Phnom Penh, Cambodia

RESEARCH IN BRIEF

RESEARCH provides solid empirical analyses on themes and global trends related to UNIDO's mandate to identify the sources and determinants of sustainable industrial development and economic growth, leading to improved industrial competitiveness in the context of the global economy.

PRS Seminar Series

Should the African lion learn from the Asian tiger? A comparative-historical study of FDI-oriented industrial policy in Ethiopia, Republic of Korea, and Taiwan Province of China

Dr. Hauge will compare FDI-oriented industrial policy in Ethiopia in the current era to those of the Republic of Korea, and Taiwan Province of China between 1960 and 1990. The latter two are arguably the two most generalisable cases amongst the Asian tigers, and discuss the importance of pro-active strategies to transfer technology from foreign firms to the domestic economy and the creation of backward linkages from foreign to domestic firms.

Latest Publications



Aid for Trade at a Glance 2019 - Promoting economic diversification and structural transformation through industrialization

Chapter 3 by UNIDO

PRODUCTION CAPABILITIES – THE ESSENTIAL DRIVER IN THE AID FOR TRADE INITIATIVE

With the increase of growth in manufacturing and related services, industrialization and structural transformation remain at the core of many national and regional development projects. But what chance do they stand in the face of rapid diffusion of technologies? UNIDO's chapter addresses this question quantitatively, and proposes new strategies to foster successful and sustainable industrialization.



AIDFORTRADE
AT A GLANCE 2019
ECONOMIC DIVERSIFICATION
AND EMPOWERMENT



Tracing incomes generated by domestic and foreign demand for manufacturing

Alessandra De Macedo, Alejandro Lavopa

What are the implications of global value chains (GVCs) and how substantive is their impact on domestic and foreign demand? This paper analyses these correlations empirically and examines the relative role of domestic and foreign absorption of manufactured goods in driving GDP growth.



Accelerated globalization and the dynamics of deindustrialization

Nobuya Haraguchi, Khuong Minh Vu, Jürgen Amann

Between 1970 and 2015, the patterns of structural change were strongly correlated with a high level of global market integration. While the link between productivity growth and the structural transformation of the manufacturing and the service sector has been long established, this study reveals that only the manufacturing sector—in contrast to the service sector—has experienced positive and significant structural change.

Promoting Development of Global Value Chains through the Belt and Road Initiative

*National Development and Reform Commission
China, University of International Business and
Economies (in cooperation with UNIDO)*

Infrastructure development is considered a key factor in enabling the participation of developing countries in global value chains (GVCs). This report reviews some of the progress and achievements that have been made to date within the scope of the Belt and Road Initiative, and explores the available options and how these can be used to inform better policymaking.



IDR 2018 Briefs

Industrial Development Report 2018 Overview:

IDR Brief #3: “The domestic demand for manufacturing in a global economy”

Final demand for manufacturing goods is a key driver of economic activity, because it spreads across all sectors of the economy, spurring agents to engage in activities that are directly and indirectly related to manufacturing production. When domestic production satisfies final demand, income growth is fostered at the national level. When domestic final demand is met by exports, income leaks to producers in source countries.

IDR Brief #4: “Foreign demand: injecting new fuel in the virtuous circle of manufacturing consumption”

Tapping into demand abroad generates new incomes for producers at home, fueling the virtuous circle. Critically, it also provides the foreign exchange necessary to escape balance-of-payments problems. The extent to which these opportunities materialize depends on how countries adjust their manufacturing terms of trade. Countries that increase the value of their manufacturing exports relative to the price of imports—their ‘purchasing power’ on international markets—are better placed to benefit from global demand. Countries can improve their international purchasing power of manufacturing exports in several ways, ranging from investing in innovation to diversifying their destination markets, and strengthening adherence to international standards.



POLICY UPDATES

POLICY provides strategic industrial policy advice to Member States in support of accelerating their industrial development. In close collaboration with the Research team, it identifies, designs, implements and evaluates policies aimed at expanding and diversifying Member States' productive capacity.



Nature-inspired technologies at the Global Manufacturing and Industrialisation Summit (GMIS), Yekaterinburg, Russian Federation

9 - 11 July 2019

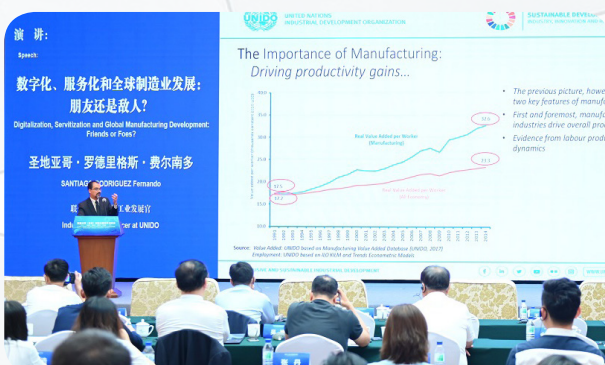
UNIDO co-chaired the second Global Manufacturing and Industrialisation Summit (GMIS) 2019, under the theme of “nature-inspired technologies”, in cooperation with the Ministry of Energy and Industry of the United Arab Emirates, the Ministry of Industry and Trade of the Russian Federation, the Region of Sverdlovsk, the Russian Export Centre, and the Roscongress Foundation.

Over 3,700 participants from 64 countries attended the Summit, including from the private sector and national governments to international policymakers, academia, and civil society. UNIDO Director General, Mr. Li Yong, addressed participants in a keynote opening remark and a high-level discussion panel, “The New Era of Manufacturing: Manufacturing, Nature-Inspired Technology and their Role in the 2030 Agenda for Sustainable Development”.

During a plenary session, the President of the Russian Federation, Mr. Vladimir Putin, emphasized that, “for the second time running, this Summit has brought together officials, business, science and NGO representatives from almost all over the world. In effect, [GMIS] already made a serious claim to becoming a much-in-demand international platform for thorough discussions on [the] challenges of the new technological era.”

First Global Summit on Manufacturing Services Outsourcing, Changchun, China

23 - 25 July 2019



PRS represented UNIDO at the First Global Summit in Changchun, China on 23-25 July. The event was jointly organized by the Ministry of Commerce of the People's Republic of China, the China Outsourcing Institute, and the government of the City of Changchun. The presentation, “Digitalization, servitization and global manufacturing development: friends or foes?” argued about the links between industrial development and the expansion of services, stressing the growing dynamics of the two.



Training workshop on evidence-based industrial policymaking in Cambodia

16 – 19 July 2019

UNIDO’s PRS organized a training workshop in Kep Province, Cambodia. The course introduced UNIDO’s Competitive Industrial Performance (CIP) methodology and the Enhancing the Quality of Industrial Policy (EQuIP) toolbox for assessing, monitoring and benchmarking Cambodia’s overall industrial and trade performance.

EQuIP helps policymakers in developing countries formulate evidence-based strategies for inclusive and sustainable development. UNIDO and GIZ have joined forces to develop [the EQuIP](#) toolbox, an integrated capacity-building package for industrial diagnosis.

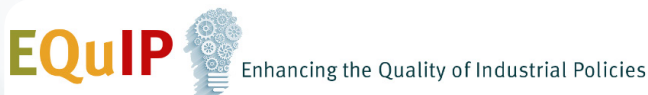
Cambodia has recently transitioned from the status of a low-income country to that of a lower-middle income country. In 2019, its economy is expected to grow at a rate of 7.1%, with the industrial sector contributing 33%. Cambodia can thus make full use of UNIDO’s capacity development tools to guide its upcoming mid-term review of the Industrial Development Policy 2015-2025.

Training workshop on EQuIP new tools on climate change, gender and industry 4.0 in Georgia

22 – 26 July 2019

A group of 14 Georgian policymakers was trained on the newly developed EQuIP modules. Part of the project “Expanding the EQuIP diagnostic toolkit”, the mission in Tbilisi and Sairme, Georgia, was designed to develop three new modules on Climate Change, Gender and Industry 4.0.

For Industry 4.0, the tool’s aim was to provide analysts and policymakers with simple and intuitive diagnostic methods to monitor the exposure and adoption of industry 4.0 technologies.



HOME ABOUT EQUIP - CONTACT US THE EQUIP TOOLBOX E-LEARNING



The Gender tool focused on a set of indicators to help experts understand female participation in manufacturing and structural change, and to better ensure that the trajectory of industrialization is more gender-equitable.

Lastly, the purpose of the Climate Change tool was to present a general overview of the country’s greenhouse gas emissions.

STATISTICS AT A GLANCE

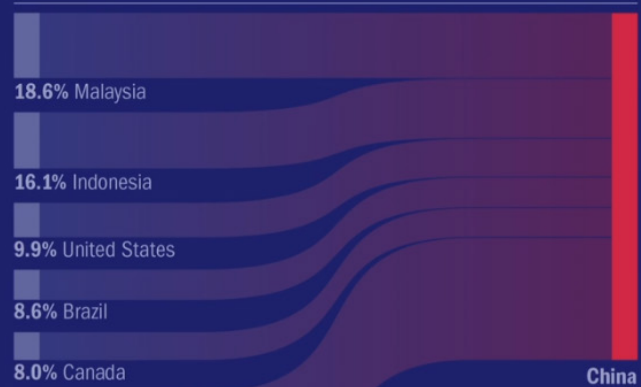
STATISTICS compiles, stores, and disseminates reliable and internationally comparable data on inclusive and sustainable industrial development. It maintains an international industrial statistics database, and contributes to the improvement of statistical standards.

The Industrial Analytics Platform soft-launched at Thailand Industry Expo

EXPLORE
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participation of
industries in global
production networks

China



19 July 2019

UNIDO rolled out its Industrial Analytics Platform (IAP) during a soft launch at the Thailand Industry Expo.

The IAP is an innovative tool featuring data on selected indicators of industrial development and relevant research. The Platform structures the user's journey around three main components:

- Data Explorer (visually tailored indicators on industrial development)
- Country Profile (brief overview of the selected country)
- Featured Articles (concise, non-technical texts on industrialization issues and trends)

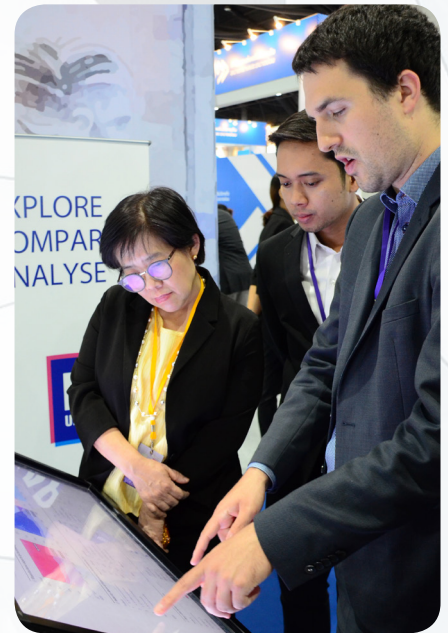


STATISTICS AT A GLANCE



The IAP not only visually displays ongoing trends, it is also a repository of useful data that can be interpreted and utilized as a tool for creating industrial narratives. It closes significant gaps in data literacy, as it allows viewers to better understand and intuitively apply the information, and to seamlessly interact with the platform in real-time.

Questions such as “what drives trends” and “how well are economies around the world performing” can now be illustrated in a straightforward way. The IAP will also be presented at the 18th General Conference in Abu Dhabi, with plans to further increase the Platform’s outreach through publications, side events and relevant trainings.



The UN Committee of Experts on Business and Trade Statistics

UNIDO has been included in the work of the Committee of Experts on Business and Trade Statistics (UNCEBTS), a five work-streams division covering topics such as globalization and digitalization, well-being and sustainability, business dynamics, and capacity building.



The objectives of the seven sessions range from knowledge sharing to data literacy and to the overall advancement of UN programmes in disseminating global statistical information and supporting countries’ efforts to strengthen their national statistical systems.

As part of the experts exchange programme, three experts from Russian statistical and academic institutions are currently working in the UNIDO Statistics Division. The programme is funded by the Government of the Russian Federation, and in close collaboration with UNIDO statisticians, the Russian experts carry out statistical and analytical activities on topics related to the index of industrial production, data visualization and industrial growth in Eurasian Union countries.



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INDUSTRIAL DEVELOPMENT ORGANIZATION

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