UNIDO’s SDG-9 Industry Tracker
UNIDO and the Agenda 2030

Inclusive and sustainable industrial development (ISID)

• UNIDO’s mission is to promote and accelerate inclusive and sustainable industrial development in Member States.
• "Inclusive" in this context means that industrial development must include all countries and all people, and offer equal opportunities and an equitable distribution of the benefits of industrialization to all stakeholders.
• “Sustainable” addresses the need to decouple the prosperity generated from industrial activities from excessive natural resource use and negative environmental impacts.

Sustainable Development Goal 9 (SDG-9)

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
UNIDO’s role in SDG-9 monitoring

• **UNIDO is a custodian agency of six SDG-9 industry-related indicators**
  • UNIDO is responsible for collection, compilation and dissemination of timely, internationally comparable statistics to support member states in formulation of their development plan and programmes in the context of ISID
  • **The SDG-9 Industry** covers all three dimensions of sustainable development

- **Advancing economic competitiveness**
  • 9.2.1: Manufacturing value added as a proportion of GDP and per capita
  • 9.b.1: Proportion of medium and high-tech industry value added in total value added

- **Creating shared prosperity**
  • 9.2.2: Manufacturing employment as a proportion of total employment
  • 9.3.1: Proportion of small-scale industries in total industry value added
  • 9.3.2: Proportion of small-scale industries with a loan or line of credit

- **Safeguarding the environment**
  • 9.4.2: CO₂ emissions per unit of value added
UNIDO’s SDG-9 Industry Tracker I

SDG-9 Industry Index: Composite measure benchmarking countries’ performance towards SDG-9 industry-related targets

• The SDG-9 Industry Index
  • Captures 5 industry-related indicators of Goal 9 (9.2.1, 9.2.2, 9.4.1, 9.b.1)
  • Is one single measure comprising of various dimensions
  • Is a great tool for increasing awareness and gaining attention of broader audience

• Composite measures are thus better invitations to closer investigation of their components
UNIDO’s SDG-9 Industry Tracker II

**SDG-9 Industry Index:** Composite measure benchmarking countries’ performance towards SDG-9 industry-related targets

- Data for all 5 indicators are needed to construct the index
- **Data coverage**
  - 128 economies over 2000-2017
  - In Africa, 24/54 countries are covered
  - Only 8 African LDCs have sufficient data
UNIDO’s SDG-9 Industry Tracker III

**SDG Targets**

9.2 Promote inclusive and sustainable industrialization and, by 2030, **significantly raise** industry’s share of employment and gross domestic product, in line with national circumstances, and **double its share in least developed countries**

**Indicators**

9.2.1 Manufacturing value added (share in GDP, per capita)

9.2.2 Manufacturing employment, in percent to total employment

**Progress and Outlook:** Tracking country progress towards achieving SDG-9 targets by 2030

**Progress:** How much progress has been made since 2000?

- Based on existing data from 2000 until now
  - Evaluate country progress with respect to the SDG region
  - LDCs: double their share as indicated in 9.2 target

**Outlook:** How likely will the targets be achieved by 2030?

- Forecasting country data series until 2030

- **Negative**
- **Insignificant**
- **Fair**
- **Substantial**

- **Reverse trend**
- **Accelerate progress**
- **On track**
Case study: Egypt

- Egypt is ranked 71st of 128 countries in the **SDG-9 Industry Index**.
- In all dimensions except for CO$_2$ efficiency, the country outperforms the African average.
- However, in two dimensions (Value added per capita and Technology), the data shows only moderate success.
Case study: Egypt

• Since the year 2000, the country has only moderately increased its manufacturing value added per capita.

• This falls short of the strong growth other countries in the group of Emerging Industrial Economies have exhibited over the same time horizon.
Case study: Egypt

• Egypt’s share of medium- and high-tech (MHT) industries’ manufacturing value added has declined since 2000 to 18.4 percent.

• This is significantly lower than in other Emerging Industrial Economies, but also lower than the African average.
Case study: Egypt

• The analysis performed in the SDG-9 Industry Tracker can be further complemented by other parts of the IAP Data Explorer.

• Looking at Egypt’s manufacturing exports, we see that medium-and high-tech industries (marked with H) are less relevant than in the comparator Malaysia.

<table>
<thead>
<tr>
<th>Industry share of total manufactured exports (%)</th>
<th>Egypt</th>
<th>Share %</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Chemicals</td>
<td>23.3</td>
<td>+14.7</td>
<td></td>
</tr>
<tr>
<td>2. Basic metals</td>
<td>16.8</td>
<td>+2.1</td>
<td></td>
</tr>
<tr>
<td>3. Food &amp; beverages</td>
<td>10.1</td>
<td>+4.0</td>
<td></td>
</tr>
<tr>
<td>4. Fuels</td>
<td>9.2</td>
<td>-12.0</td>
<td></td>
</tr>
<tr>
<td>5. Textiles</td>
<td>8.9</td>
<td>-10.9</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry share of total manufactured exports (%)</th>
<th>Malaysia</th>
<th>Share %</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Telecommunications</td>
<td>31.9</td>
<td>-3.5</td>
<td></td>
</tr>
<tr>
<td>2. Chemicals</td>
<td>11.0</td>
<td>-5.1</td>
<td></td>
</tr>
<tr>
<td>3. Fuels</td>
<td>8.3</td>
<td>+6.0</td>
<td></td>
</tr>
<tr>
<td>4. Food &amp; beverages</td>
<td>8.0</td>
<td>-3.1</td>
<td></td>
</tr>
<tr>
<td>5. Machinery &amp; appliances</td>
<td>7.1</td>
<td>+3.0</td>
<td></td>
</tr>
</tbody>
</table>

(ESPI)
Case study: Egypt

Comparing the structure of value added in Egypt’s manufacturing sector to other EIEs, we find also find that MHT industries are less prominent.
Case study: Egypt

• The SDG-9 Industry Tracker was able to identify an important trend in Egypt‘s manufacturing sector: a decreasing share of value added generated in MHT industries.

• The role of medium- and high-tech industries was further substantiated with other parts of the IAP Data Explorer, which allowed to explore the structure of Egypt’s manufacturing production and exports.

• Indeed, Egypt is currently investing heavily in technological upgrading as part of its Industry and Trade Development Strategy and is supported by UNIDO through the Programme for Country Partnership (PCP)