



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



PRS NEWSLETTER

Policy Research and Statistics Department

Issue No. 1/ November 2020

Dear Readers,

Welcome to our first E-newsletter!

As already announced in the [last PRS newsletter](#), we are switching to monthly E-newsletters, which allows us to send readers more timely information about PRS's recent activities, publications and upcoming events. We hope you enjoy the new format we will be using from now on to share our news and knowledge with you.

Despite the tumultuous times we are currently facing in adjusting to the "new normal", PRS has not slowed down. This month's newsletter features PRS's contributions to [Africa Industrialisation Week 2020](#), information on the latest webinars with high-level panellists, and PRS's recent publications on issues ranging from [industrial policies in the BRICS](#), to the [elimination of fuel subsidies](#), to building resilient industry in the post-COVID world.

We hope you find the content of this newsletter useful and interesting. As we want our newsletter to be as relevant as possible to our readership, we look forward to receiving your feedback at prsnewsletter@unido.org.

Hiroshi Kuniyoshi

Deputy to the Director General and Director ad interim of the Department of Policy Research and Statistics, EPR/PRS

UPCOMING EVENTS

[Forum on Globalization and Industrialization 2020 \(FGI\): Risk, Resilience and Recalibration in Global Trade and Value Chains](#)

The Forum will bring together stakeholders from academia, the private sector, the policymaking and the international development community on **15 December**. It builds on the PRS webinar series [The Future of industrialization in a post-pandemic world](#) and will explore questions such as whether we ought to rethink existing approaches to international production and global sourcing, and how policy and international cooperation can help build resilience

[IATT Work Stream 6 on capacity building programme on technology facilitation for SDGs](#)

Within the context of IATT Work Stream 6, PRS is contributing to the organization of three pilot webinars targeting policy makers in developing countries. The sessions will take place once a week starting 19 November. PRS will be organizing Session 3 on entrepreneurship and innovation on **3 December** in collaboration with, among others, UNCTAD and UNESCO. The objectives include sharing knowledge and practices about using different methodological approaches to policymaking and the implementation of STI policies.

PUBLICATIONS

[What factors drive successful industrialization? Evidence and implications for developing countries](#)

We are proud to announce that the journal article has been awarded “**2019 Best Paper Award**” by the Editors-in-Chief of [Structural Change and Economics Dynamics](#), published by Elsevier. It analyses the long run drivers of industrialization in developing countries and finds that successful industrialization depends on a combination of factors, including a country’s initial economic conditions, factor endowments and other characteristics, such as demography, geography and variables policymakers can control.

[To ride COVID-19’s wave of green momentum, governments must slash fossil fuel subsidies](#)

The blog contribution to the Brookings Institution argues that now is the right time to eliminate fuel subsidies, particularly in developing countries, as the costs for consumers and industries would be low in the current regime of low oil prices. Research shows that a rise in fuel prices may actually have a positive impact on manufacturing firms’ productivity and profitability and induces firms to scrap old fuel-powered machinery to purchase more productive and energy efficient electric equipment.

[Investing in innovative and productive capabilities for resilient economies in a post-COVID-19 world](#)

The article, which was initially published as an [opinion piece](#), has been elaborated and appears in the [International Journal of Technological Learning, Innovation and Development](#). It advocates cooperation and investment in science and technology and in productive and innovative capabilities as strategic ingredients to address the COVID-19 challenges and build resilience, particularly in developing countries.

[Recovery or protracted economic downturn? The role of policies based on evidence](#)

The Policy Brief concludes that industries in developing countries could face severe setbacks post-COVID-19. To future-proof industry, governments must implement initiatives to ensure business continuity and that production can stand on more solid ground in case of future supply chain disruptions. This will require, among others, a reorientation towards sourcing locally, domestic supply chain development and the exploration of new products and markets.

[Industrial policy in the BRICS](#)

This chapter was published in Part V: Experiences in Emerging and Developing Countries of the [Oxford Handbook of Industrial Policy](#). It documents the member states' gradual buy-in to the concept of BRICS and their efforts to strengthen collaboration, which is influenced by the differences in members' individual development paths. BRICS's response to the Fourth Industrial Revolution builds on their traditional proactive approach to industrial policy, while their collective collaboration with third-party regions reflects their cumulative interests at the individual country level.

[Overview of the existing STI for SDGs roadmapping methodologies](#)

Within the scope of activities related to the [STI Roadmaps for SDGs](#), PRS has contributed to the [Guidebook for the Preparation of Science, Technology and Innovation \(STI\) for SDGs Roadmaps](#) with this Background Paper, which features PRS's approach to industrial policy and SDG-9.

[Industrial diagnostic study Zambia 2020](#)

The diagnostic study has been published within the scope of UNIDO's [Programme for Country Partnership \(PCP\)](#). It concludes that a gradual process of structural transformation towards more sophisticated and technology-intensive sectors will be necessary for long-term industrial competitiveness, which can be achieved, among others, by upgrading current labour skills.

[IAP Country Briefs South Africa, Egypt, Ethiopia and Ghana](#)

The Country Briefs were launched at the [Africa Industrialisation Week 2020](#) and build on UNIDO's [IAP SDG-9 Industry Tracker](#). They provide an overview of the countries' policy landscapes as a gateway to investigating their industrialization story. Initiated as a pilot in four African countries, UNIDO cooperated closely with key policymakers to produce data-driven insights into the countries' stage of industrialization.

[African industrial competitiveness report: An overview of the manufacturing industry in the region](#)

The results of the study were presented at the [Africa Industrialisation Week 2020](#)'s side event 'Benchmarking Africa's Industrialisation - Achieving SDG9 with Enhancement of Industrial Capabilities'. The report finds that the negative trade balance in manufactured products is significant across all African regions. Many African countries are specialized in the export of goods that have relatively slow growth in international demand, raising concerns about the future imbalance in international accounts. The presentation is available [here](#).

[Policy response to COVID-19 – Supporting African industry through the pandemic. Based on a survey among policymakers in Africa](#)

This Working Paper which was presented at the [Africa Industrialisation Week 2020](#), presents empirical evidence on African policy makers' views about COVID-19's impacts on industrial sector firms and firms' responses to these impacts. In some cases, policy measures introduced by peers in more developed countries were copied in African countries without considering the associated substantial fiscal burden. Policy makers stated that firms—aside from receiving government support—could have done more to respond to the pandemic, e.g. modify their product mix or establish a learning mechanism amongst themselves.