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PRS NEWSLETTER

Policy Research and Statistics Department

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Dear Readers,

In its latest World Economic Outlook (April 2022), the IMF estimates that inflation will reach 8.7 per cent in emerging markets and developing economies compared with 5.7 per cent in developed countries, with the ongoing conflict in Ukraine further derailing post-pandemic economic recovery. The saying goes that necessity is the mother of invention and the COVID-19 pandemic has taught us some valuable lessons in this regard, namely that a crisis can act as a catalyst for innovative thinking and creative solutions. We have also learned that the best response to crises is resilience, solidarity and commitment.

Although opportunities often emerge from crises, countries may be unable to actively seize them. To help our Member States seize as many opportunities for industrial development as possible, UNIDO will be launching the Multilateral Industrial Policy Forum, which will be a space for policymakers, experts and all relevant stakeholders to come together to exchange knowledge and experiences, to learn from each other, to develop creative solutions to the problems and challenges their countries are facing and to foster innovation by convening a new diversity of perspectives.

As the content of this newsletter once again demonstrates, PRS continues to work tirelessly to provide the foundation for sound policy recommendations and strategic advice based on solid, evidence-based analyses. In this regard, I would like to point out the launch of the IAP's *Industrial Development Report 2022 series* and its *Latin America and the Caribbean (LAC) series*.

I hope you find the PRS Newsletter to be an interesting and valuable source of information on PRS's activities and output.

Hiroshi Kuniyoshi

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

Our newsletter mailings are a convenient way to stay connected and keep readers up to date on PRS's latest news. Previous editions of the newsletter are available [here](#).

We welcome any feedback, comments and suggestions for further improvements at prsnewsletter@unido.org.

PUBLICATIONS

IAP Articles

[Building socio-economic resilience through industrial capabilities](#)

By A. Andreoni and A. Lavopa (UNIDO)

This article, which is part of the IAP IDR2022 series based on the [Industrial Development Report 2022](#) and Antonio Andreoni's [Background Paper](#), concludes that resilience unfolds over time. The pandemic's socioeconomic impact in a given country largely depended on the extent to which two sets of capabilities—industrial and government—were present and aligned with each other. Developing resilience requires continuous financial investment in key strategic assets, an accumulation of systemic capabilities, market creation and learning from experimentation. There are pockets of capabilities nested in both government and industrial sectors, even in developing countries, that can be leveraged to increase the overall robustness of a country's socioeconomic system. This requires long-term commitments and investments that will not necessarily pay off in the short run, but may well determine an economy's survival through the next crisis.

[Industrialization in Latin America and the Caribbean: Challenges and opportunities](#)

By D. Masera (UNIDO)

This article which is part of the new IAP LAC Series, asserts that LAC countries are especially vulnerable to the physical effects of climate change, which pose a particular risk for less developed countries, vulnerable groups and coastal and commodity-based economies. The impact of both climate change and digitalization and the LAC countries' ability to capitalize on productivity and employment opportunities will depend on their policy responses based on reliable data. The region will need to deploy a wide range of industrial policies if it is to successfully build the necessary industrial and technological capabilities, and to develop the skills, institutions and digital infrastructure required to achieve sustainable and inclusive industrial development. In this context, UNIDO has introduced the [SDG-9 Accelerator](#), a collaboration, communication and information platform that provides decision makers, experts and civil society with opportunities for knowledge exchange, tools and good practices in pursuit of SDG-9. The network promotes South–South cooperation by bringing together business, government and civil society, and facilitating access to technical services and knowledge in priority sectors.

[COVID-19, lockdowns and international trade: Evidence from firm-level data](#)

By J. Amador, C. Melo Gouveia and A. C. Pimenta

One salient feature from the outbreak of the pandemic until the first half of 2021 was the recovery of international trade flows, raising the hypothesis that firms successfully

adapted to the prevailing restrictions in their partner countries. The negative impact of containment measures was higher for foreign capital firms, i.e. for those more closely integrated in global value chains (GVCs), industries with a high import content and foreign suppliers of crucial value added for exports. Despite this, international traders generally demonstrated a very strong degree of adaptation and managed to continue their operations in the face of the containment measures. Additionally, the strong heterogeneity of the size of firms operating in foreign markets is likely to have influenced their response in the face of containment measures.

[Circular economy to fight climate change: Are countries walking the talk?](#)

By M. Albaladejo (UNIDO), N. Cantore (UNIDO) and S. Owusu

The current response to the climate change emergency is only half-hearted as it ignores the huge amounts of emission created by the production and use of materials and goods. Countries' climate change pledges are mostly tilted towards energy-related emissions, hence perpetuating a defective framework to fight climate change. Circularity is widely recognized as a climate change warrior, but a review of countries' circular economy strategies reveals that countries only allude to the circular economy in a shallow fashion, particularly when it comes to measuring the real impact circularity has on greenhouse gas (GHG) emissions. The circular economy calls for radical systemic change involving many public and private stakeholders at the national and subnational levels. This may make policymakers wary of the complex mechanisms through which circular economy policies impact climate change. By contrast, targeting energy-related emissions is more straightforward, and is therefore a quick win in policymaking. On the other hand, the circular economy still lacks sector-specific, time series and cross-country data to demonstrate its true impact on GHG emissions. The development of sector calculators linking waste treated with estimated GHG emission reductions is an important way forward for policymakers to really pin down the impact of circularity in a given sector.



RECENT EVENTS



[Value chain and market analysis, 20–30 March](#)

This workshop was part of a series of trainings to strengthen the analytical capacities on industry and trade competitiveness in Jordan for country diagnoses, sectoral studies and value chain analyses. The outcomes and analytical findings of this training will constitute an important basis for the continued drafting of Jordan's first industrial competitiveness report (JICR), each training participant being assigned a specific section to develop along with the trainer as a member of the JICR task force team. Participants in the training learned more about the different value chain approaches (the World Bank's and UNIDO's approach) and how they complement the analysis. They learned how to identify the stage(s) that offers the best opportunities in terms of growth, world market share and unit value and identify attractive markets to export products of a specific country based on price and market size.

Studies on innovation, 12 April

PRS's Fernando Santiago held a presentation for faculty and post-graduate students of the Management of Innovation and Innovation Policies at the Autonomous Metropolitan University (UAM) in Mexico entitled "Estrategia industrial para el desarrollo de la Industria 4.0" (Industrial strategy to foster Industry 4.0) building on UNIDO's IDR 2020 and IDR 2022. A recording of his presentation is available [here](#).

Sixth Expert Meeting on statistics for SDGs, 5–6 May

The 6th Expert Meeting on Statistics for Sustainable Development Goals targeted experts from national statistical offices, international organizations and other stakeholders involved in the production, communication and coordination of the reporting of statistics on the SDGs. The meeting served as a platform for the sharing of experiences, good practices and lessons learned; for showcasing innovative solutions to challenges being faced; and for identifying priorities for future methodological and capacity development work in this area. PRS's Petra Kynclova made a [presentation](#) on how UNIDO measures progress made in SDG-9 and how the results are communicated through the IAP tools in [Session 1: Communication - progress measurement](#).

FORTHCOMING EVENTS

Development Dialogue on UNIDO's Multilateral Industrial Policy Forum, 19 May

UNIDO is set to launch a Multilateral Industrial Policy Forum (MIPF) in response to the perceived need for a platform to facilitate learning and exchange between Member States on practical experiences related to industrial policy issues. The Development Dialogue will contribute to the definition of the MIPF's objectives and strategic direction, with the aim of ensuring that the inaugural forum, to be held in November 2022, and its subsequent editions align with Member States' industrial development priorities and the role of industrial policies therein. This Dialogue will collect inputs from delegates on the structure, thematic focus, possible policymaking capacity-building activities and functions of the forum. Participants will also discuss on how to establish a peer-learning mechanism around industrial policies, which will become a centrepiece of the MIPF.

Launch of the Industrial Development Report 2022 at the UN Headquarters in New York, 25 May

This launch event will be co-organized with the Permanent Missions of Austria and Ethiopia in their function as co-chairs of the [Group of Friends of Inclusive and Sustainable Industrial Development](#) and moderated by Ralf Bredel of UNIDO's liaison office in New York. PRS's Nobuya Haraguchi will present the [Industrial Development Report 2022](#) and PRS's Fernando Santiago will discuss the policy implications of the Report. On this occasion, UNIDO will also introduce the forthcoming Multilateral Industrial Policy Forum to the UN community in New York.

Industrial Policy for Policy Makers (IPPM) 2022, 5-9 September

Applications are now open for the IPPM training course for policymakers in Africa (partnership between UNIDO, APORDE, DTIC, TIPS and SARChI Industrial Development), which will be held in September. The five-day intensive training course will focus on industrial policy and consists of lectures and seminars by leading international and African

economists. The training will include sessions on critical perspectives on development economics; African economic development: A practitioner's view; market, state and institutions in economic development, and agriculture, the industrialization of freshness and industrial policy. The application call will close on 22 July 2022 at 13:00 (SAST). Interested parties can apply [here](#).

