

High Impact Initiative - Transforming4Trade

17 September 2023
11:45 – 13:15 (New York time)
17:45 – 19:15 (Geneva time)

Conference Room 1
United Nations Headquarters
New York

**Statement by Ms. Fatou Haidara, UNIDO Deputy
Director General**

Thank you, Madam moderator,

We are witnessing the re-emergence of industrial policy in the global development discourse.

The setbacks caused by global crises have made it clear that structural transformation is necessary to address the challenges we face and industrialization plays a crucial role in driving structural transformation.

UNIDO's experience has shown that effective and modern industrial policies should distinguish themselves by drawing lessons from the past:

- They need to be **mission-oriented**, placing the developmental frameworks such as the SDGs at their core, and fostering **public-private collaboration**, encouraging a transparent and predictable exchange between governments and the business sector.
- They should **leverage transformative changes**, such as the green and digital revolutions.
- They should also be **regionally coordinated**, to tackle region-specific challenges and harness opportunities such as economies of scale.
- Lastly, modern industrial policies should **foster partnerships between developed and developing countries** for investment and technology transfer.

UNIDO's forthcoming Industrial Development Report highlights how developing countries across the world have a renewed interest in industrial policy.

Their focus converges on three priority areas: leveraging

industrial digitalization for competitiveness; fostering job creation for inclusivity; and achieving the decarbonization of industries for sustainability.

[Through **industrial digitalization**, advanced digital production technologies are applied in manufacturing processes. However, our research shows that more than 60% of firms in developing countries use only very basic digital technologies or none at all.

To address this, countries are formulating industrial policies that provide financial support, enhance technological capabilities and drive demand through public procurement. UNIDO, for example, has developed a diagnostic tool that sheds light on a country's capability to engage with digitalization in manufacturing.

In terms of **job creation**, the manufacturing sector has traditionally provided stable and well-paid employment. Countries are implementing industrial policies in tandem with employment policies to bridge the gap between labour demand and supply. Here, coordination between the public and private sectors is essential to meet the demands of local labour markets.

Lastly, the objective of **green industrial policies** is to shift from carbon-based development to a clean-energy and circular economy.

To achieve this, countries are implementing industrial policies that accelerate investments in renewable energies, energy efficiency and the development of emission-free industrial technologies.]

Modern industrial policies thrive on global collaboration and are becoming increasingly complex and interdependent. **Developing countries need to strengthen their capacity to develop effective**

industrial strategies and reinvest in these capabilities.

Through our global experience in this area, UNIDO recognizes the transformative potential of well-crafted policies. We welcome this very important High Impact Initiative and are eager to contribute our expertise, resources, and global network to ensure its success.

Thank you!