

Multi-year Expert Meeting on
Enhancing the Enabling Economic Environment
at all Levels in Support of Inclusive and
Sustainable Development, and the Promotion of
Economic Integration and Cooperation

26-27 October 2017

New industrial and trade dynamics in a changing world

Paper submitted by

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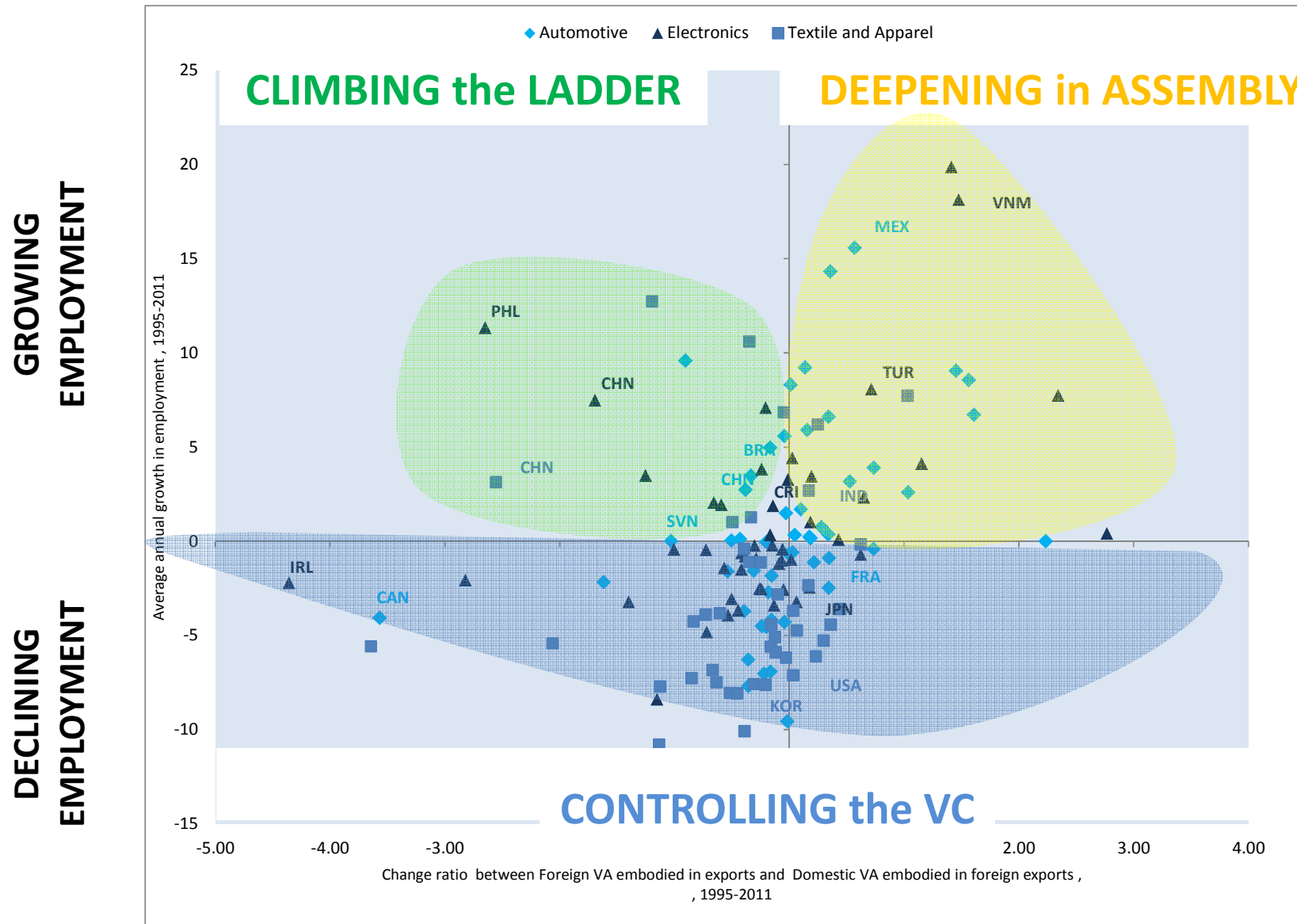
MYEM, UNCTAD

October 2017, Geneva

3 key issues from the policy dialogue

- **Solutions** => advanced manufacturing systems
- **Identity** => values & reputation
- **Together** => pacts for development

GVCs made new actors entering in global trade dynamics **BUT**

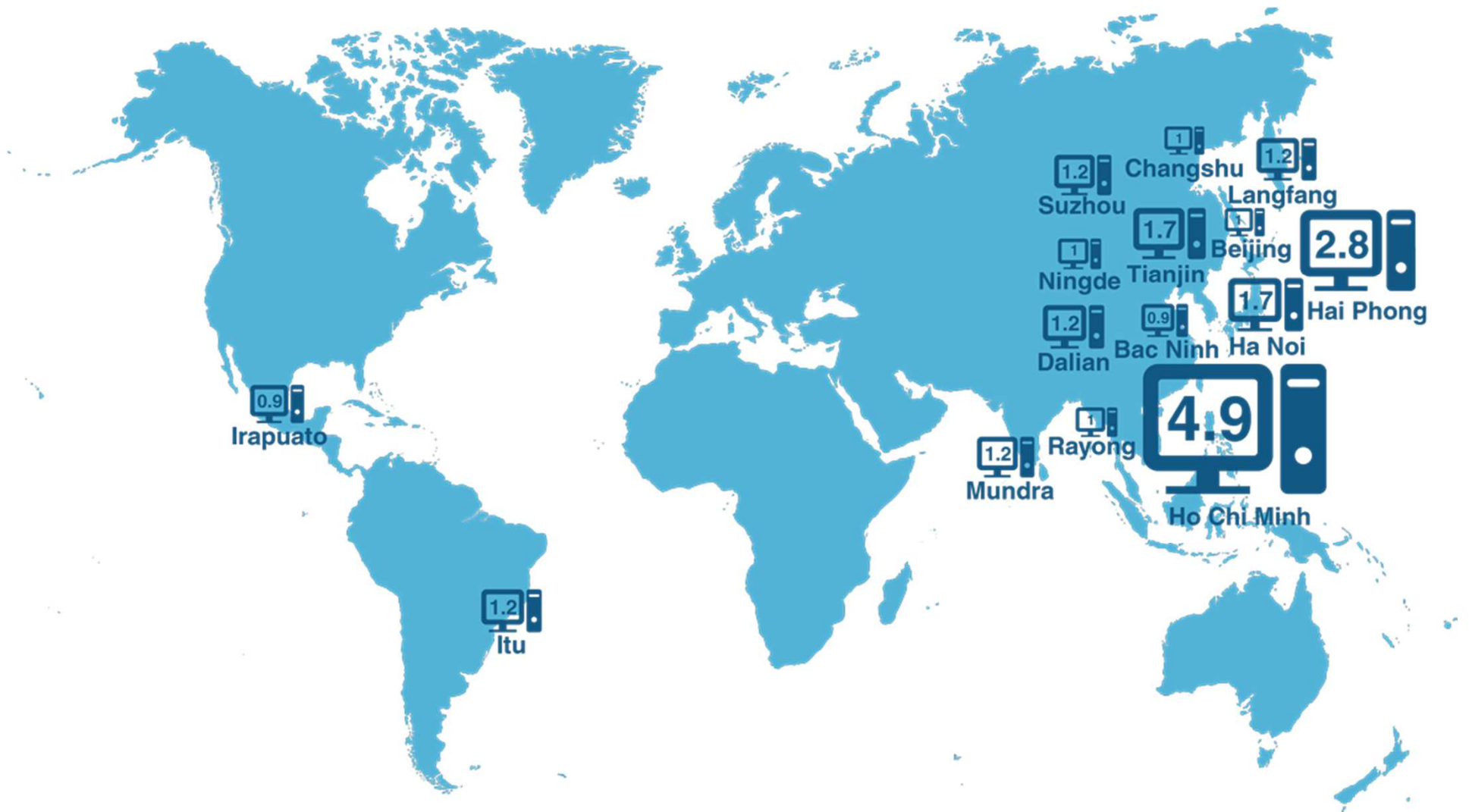


Source: OECD Development Centre- UNCTAD- ECLAC-ECA-ESCAP- Transforming Economies Report (forthcoming based on World Bank World Development Indicators, 2016).

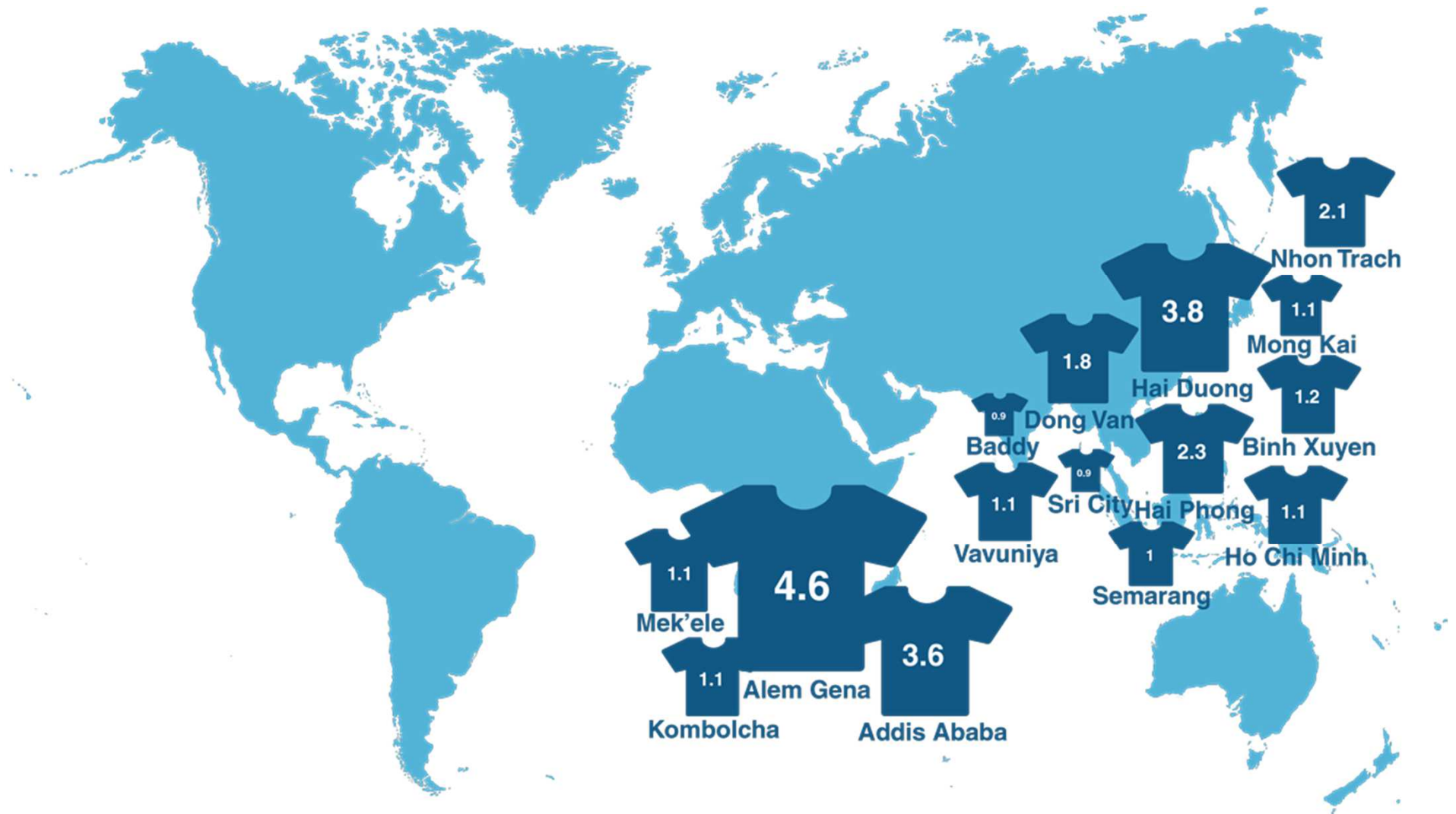
Top 20 WORLD FDI destination cities, 2013-15 in automotive

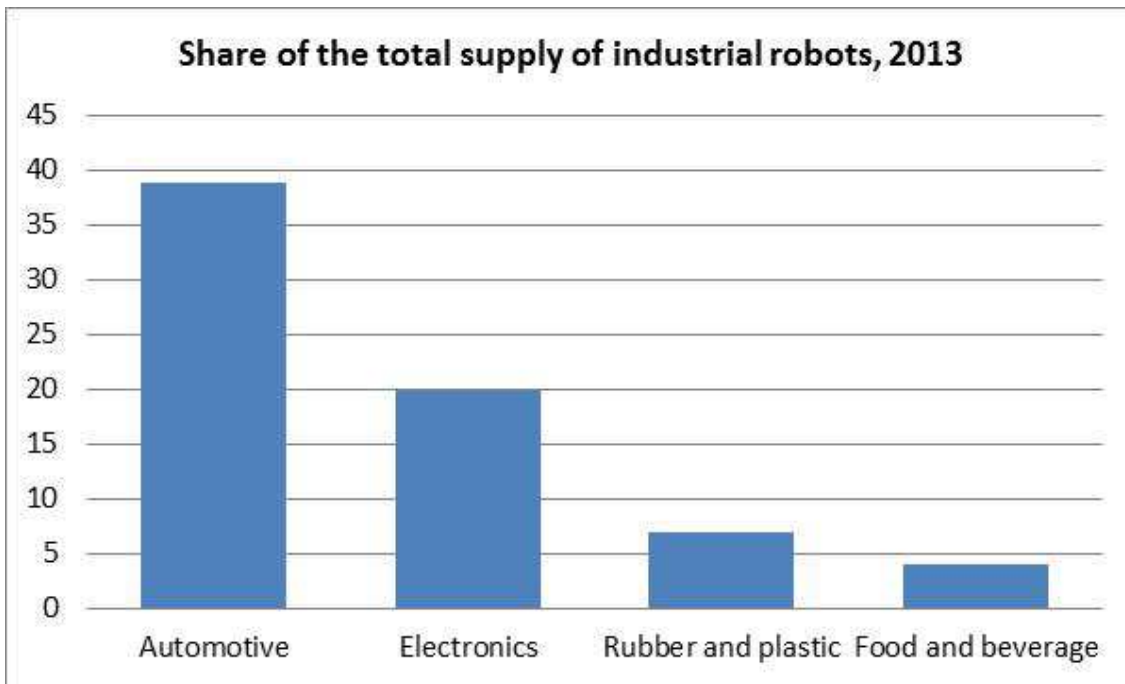


Top 20 FDI destination cities in electronics , 2013-15



Top 20 FDI destination cities in textiles, 2013-15



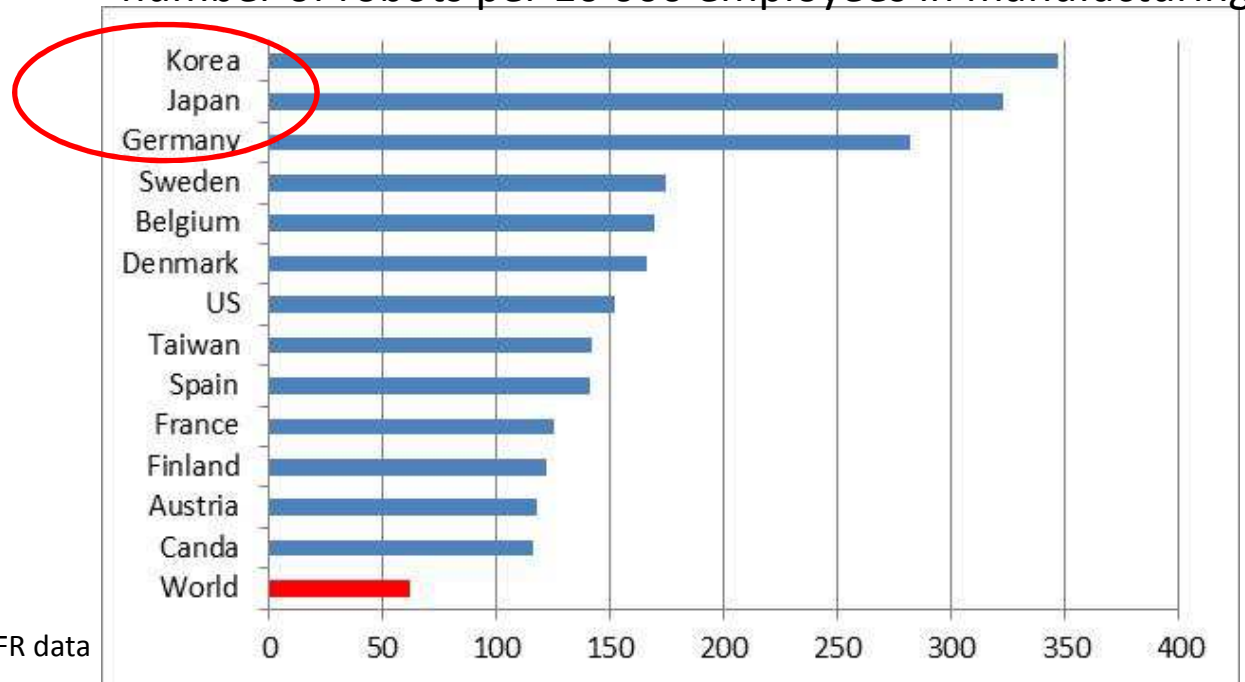


**THE FUTURE IS
ALREADY HERE....BUT
NOT (YET) FOR ALL**

Including software /licences the market value is **three times higher**

THE DIGITALISATION OF
MANUFACTURING IS
REDEFINING THE
ORGANISATION OF
PRODUCTION WITHIN AND
BETWEEN FIRMS & the
ORIGIN of RENTS

number of robots per 10 000 employees in manufacturing

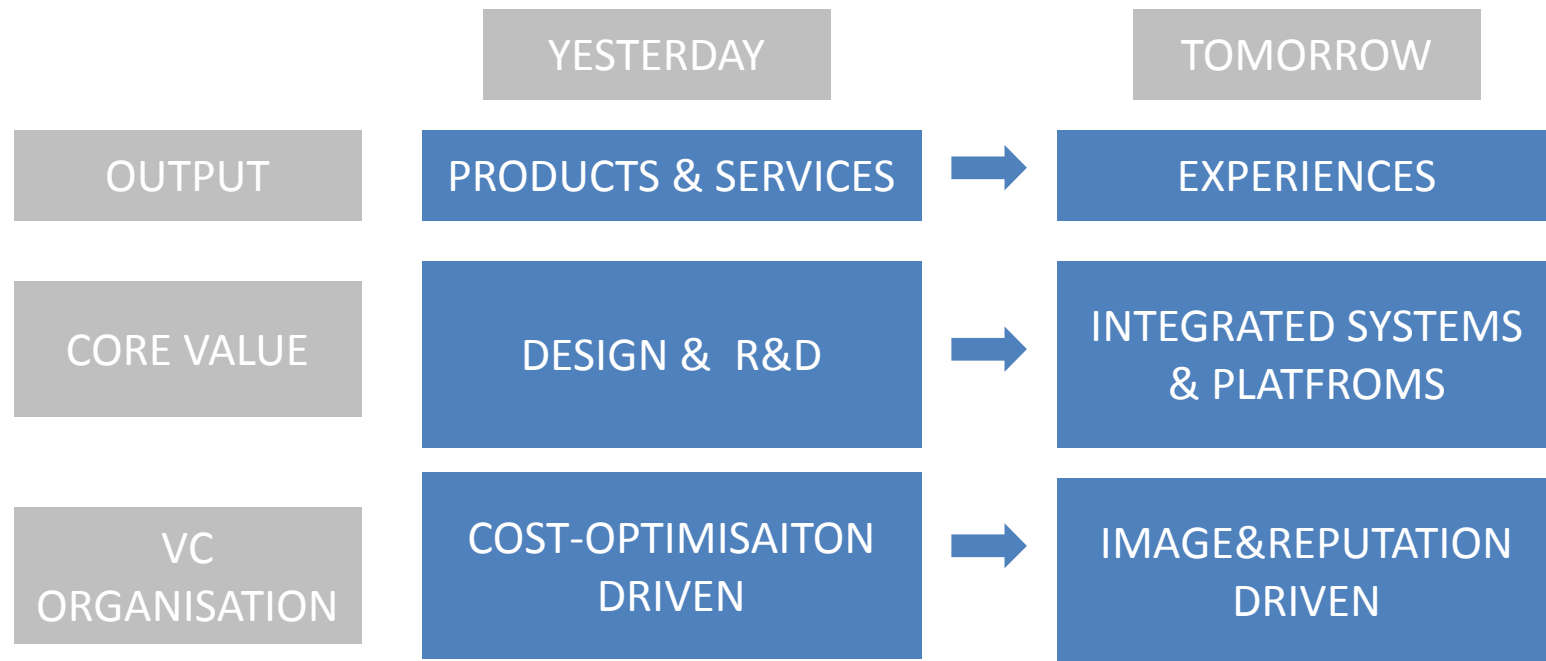


Source: OECD Development Centre based on IFR data

3 words to define the current landscape
UNCERTAINTY- COMPLEXITY- HIGH SPEED

Drivers of change

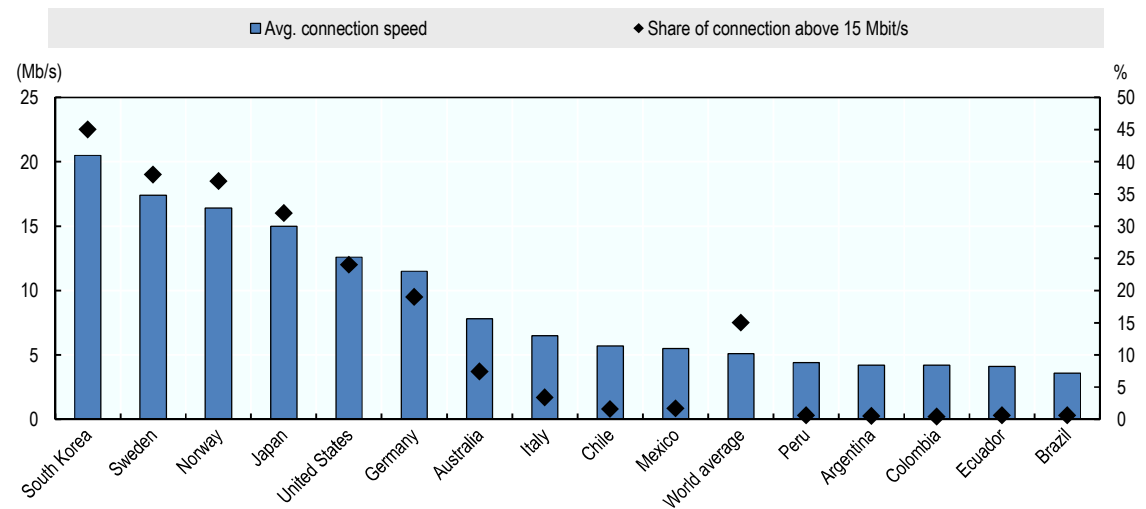
Science & Technology Aspirations & Values
Global Challenges



In GOING FORWARD:

- Higher speed (the windows of opportunities close up faster...)
- Investment! Investment! Investment! The transition towards the new industrial & services model will require high(er) level of investments.
- New and effective forms of public-private dialogue & partnerships

INTERNET CONNECTION SPEED



Source: OECD Development Centre elaboration on Akamai Faster Forward State of the Internet Report, 2017

Higher heterogeneity
Growing divides
Risk of marginality
Growing concentration

More inclusive and
sustainable economies

Tailor-made solutions (e.g.
targeted medicine)

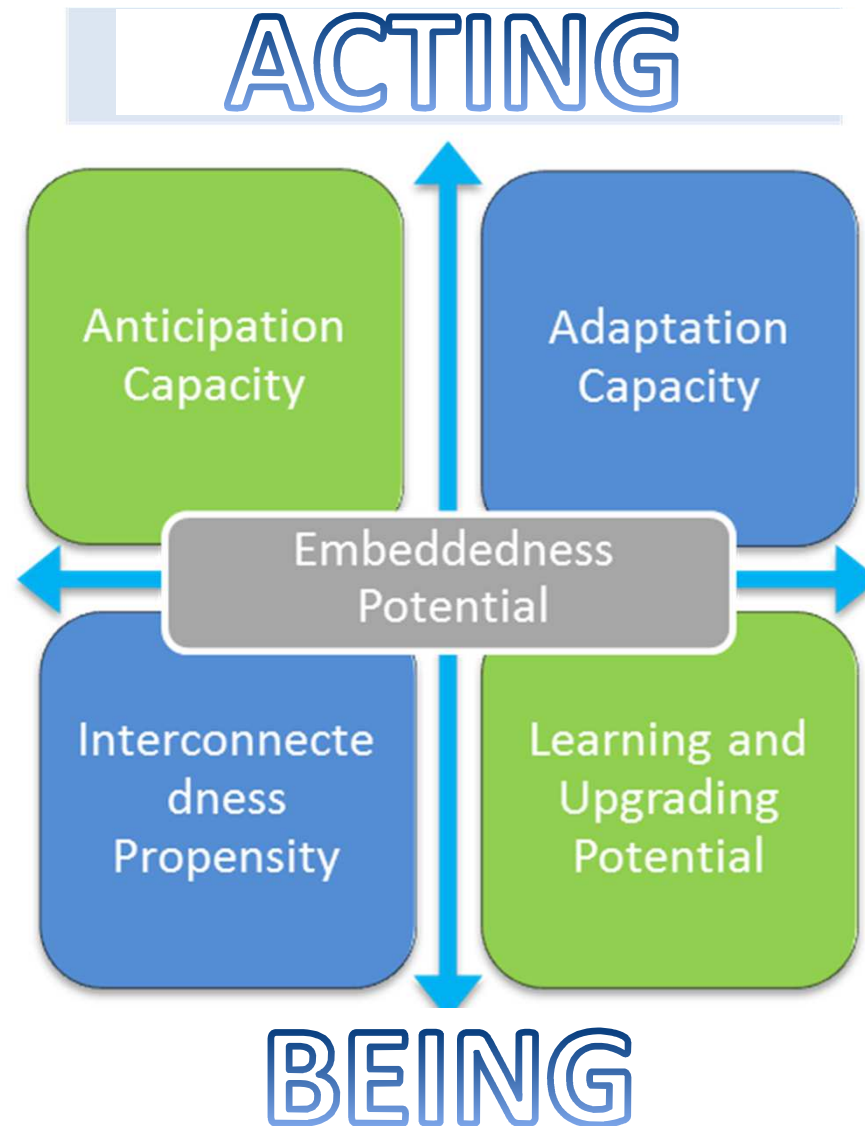
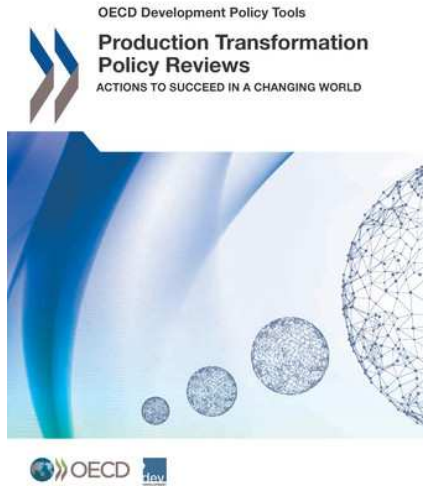
Stronger regional & globally
connected production
systems

There is a growing need for strategic visions and coordinated policy actions to anticipate and shape the changes and to put “values-identity&citizens” at the core

Key areas for shaping the future	
Skills for the future	✓
Infrastructure (ICT and physical)	✓
Standards & compatibility	
Regulations on data storage, cybersecurity/privacy	
IP and copyright including on data ownership	
Redefining social contracts (responsibilities and rights)	
Technology transfer	
Digital trade	
Regional integration and multilateralism	

PTPRs- PRODUCTION TRANSFORMATION POLICY REVIEWS

A 5 pillar framework for effective governance and for successful production systems





PRODUCTION TRANSFORMATION
POLICY REVIEW (PTRP)
PEER LEARNING GROUP OF
CHILE

How to scan for
possible futures for
better strategies

May 2017

Lessons learned
... strategic foresight requires: Engaging...



PRODUCTION TRANSFORMATION
POLICY REVIEW (PTRP)
PEER LEARNING GROUP OF
CHILE

How to effectively
manage targeted
programs

May 2017

Key findings

- Scanning even for weak signals is an essential component of successful strategies because, at an early stage, it factors in events with high probability and significant disruptive impacts.
 - Effective prioritisation for policy based on scanning for possible futures through strategic foresight should ensure the engagement and commitment of all stakeholders and the private sector, academia (the private sector, academia and local communities) from the start.
 - The private sector can adapt to disruptive changes. In the early stages, the government's role is to quickly and enable transfer of technology and expertise.
 - Engaging in foresight a setting can be a tool for building.
- Major technological changes**
countries to diversify.

- Managing targeted programmes

Key findings

- Targeted programmes need to be technically feasible, yet they also need to be politically acceptable.
- Building a shared vision requires early partnerships with the private sector, a whole of government approach, and structured and open dialogue with civil society.



PRODUCTION TRANSFORMATION
POLICY REVIEW (PTRP)
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CHILE

How to increase the
voice of regions and
shift towards place-
based transformation
strategies

May 2017

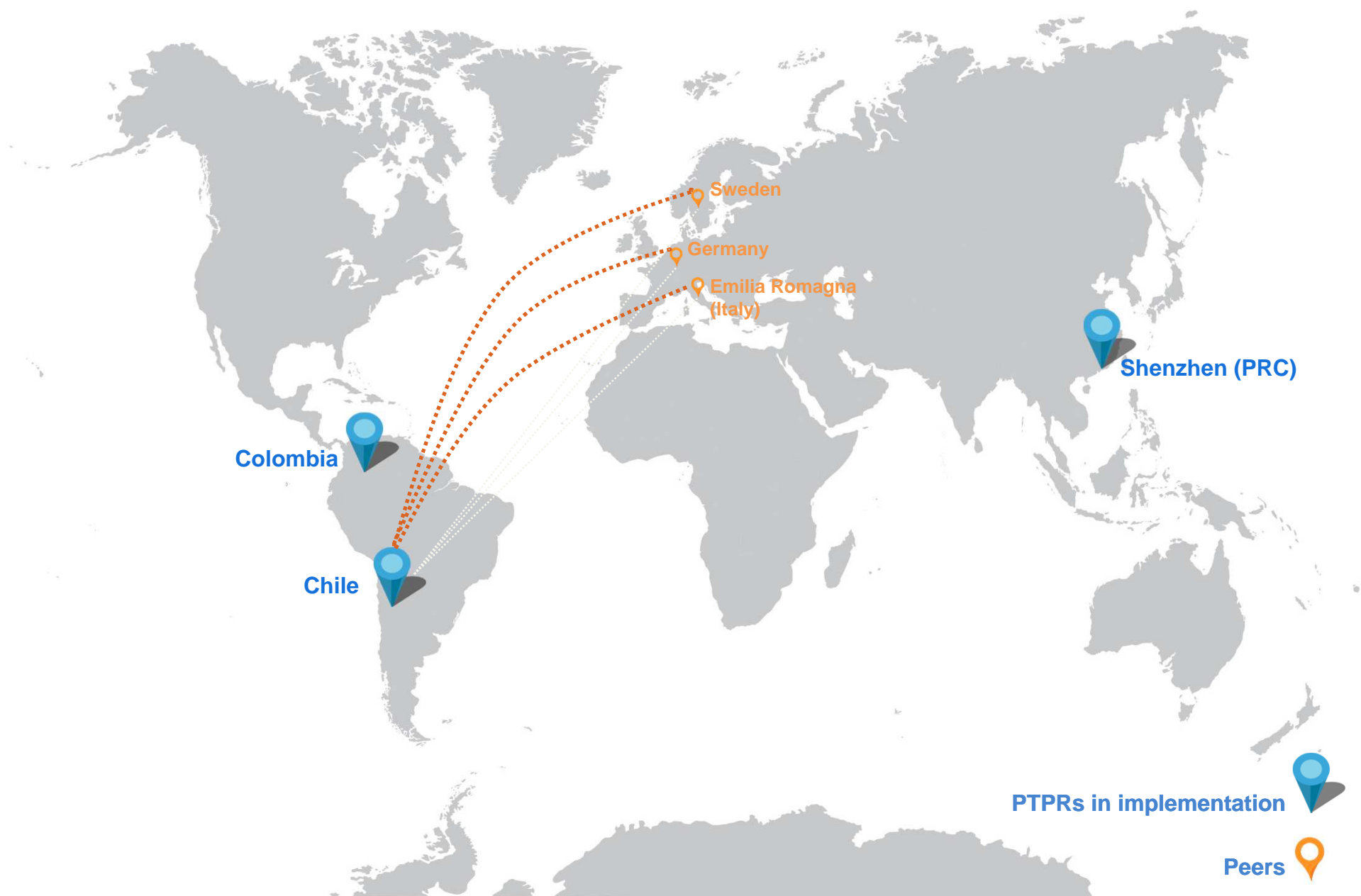
Lessons learned

- Empowering the interest of regions and all their actors to participate in strategy setting.
- Implementing effective mechanisms for dialogue and contracts between the national and local governments to avoid duplicating and wasting resources.
- The focus from document elaboration to implementation by enabling effective elaboration and implementation by civil society, the government, academia, and the private sector, and focusing on the region.
- The potential of the variety of regions, which differ highly in their history and culture and should be used as a driver of effectiveness.

Lessons learned

- Start small, experiment, and identify quick wins.
- Go beyond pure economic assessments and analyse the impact on jobs and the environment. This will require developing new indicators to assess transformation strategies according to a more comprehensive framework.
- Ensure local ownership. Even when some targeted or sectoral programmes are initiated through international partnerships, ownership by local communities should be built and maintained.

On-going PTPRs



OECD INITIATIVE FOR POLICY DIALOGUE ON
GLOBAL VALUE CHAINS,
PRODUCTION TRANSFORMATION AND DEVELOPMENT

