Navigating the Future of Global Value Chains

Technical workshop on
“Value chain development for deeper integration of FEALAC: Asian perspectives”

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Global Value Chains participation in East Asia

(1) In ASEAN, the proportion of backward participation outweighs that of forward participation.

(2) A glimpse of changes, (i) expansion in production networks in East Asian which was driving trade integration in the 1990s to mid-2000s has reached the saturation point (ii) China factor which was a large contributor to East Asian integration through trade has somewhat gradually changed its facet moving away from trade-oriented growth into the more maturing economy driven by services and consumption.
Three driving factors behind the changes

(1) The growth of the EMEs
(2) The rapid advancements in technology
(3) Increasing geopolitical tensions
Three key movements that we will see in the coming years

(1) The regional consolidation of goods-producing supply chains

(2) The increased importance of services in the economy.

(3) Country’s competitiveness will be based on the ability of the country’s workforce to adapt to new technologies.
Three implications for policymakers

(1) The need to markedly upgrade digital infrastructure in the region

(2) The liberalization of the service sector

(3) The reskilling and upskilling of our workforce