



ADB ASIAN THINK TANK DEVELOPMENT FORUM 2019

The Global Value Chain and Economic Development

ADB-Asian Think Tank Development Forum 2019

22-23 October 2019

Yangon, Myanmar

Since the 1980s, the modular production network has been spreading fast in the manufacturing sector. Progress in transportation skills and information and communication technologies has led the production process to be increasingly compartmentalized into tasks that include research and development, design, procurement, manufacturing, assembly, distribution, marketing and sales. Different tasks are undertaken across borders, which underpins the emergence and deepening of the global value chain (GVC). The global decline in trade costs has shored up expansion of the GVC, while at the firm level increasing intra-industry trade and efficiency-driven foreign direct investments by multinational corporations have led to expansion in offshore production, either within the firm or through outsourcing. Asia has been no exception to that trend.

Asia's GVC participation—measured by the share of gross exports of which the production involves at least two countries—indicates that GVC participation has deepened since 2000. Asian countries at the same time are intensifying production and trade interconnectedness within the region, demonstrating growing regional value chain (RVC) linkages.

According to ADB's Multi-Regional Input-Output data, where the 62 economies covered include 26 in Asia, the region's GVC participation rate was 67.2% in 2000 and grew gradually to peak at 69.7% in 2011. That slowed for a few years in tandem with a slump in global trade growth, and had rebounded somewhat to 68% by 2017. While recovery in international trade growth could help explain this trend, in-depth discovery of the underlying factors behind changes in GVC participation remains the provenance of empirical investigation.

Deepening GVC participation can bring substantial economic benefits, owing to better utilization of cost advantages, locational comparative advantages, and other types of efficiency gain. While GVC participation can also offer opportunities for technological transfer and the absorption of production skills at the firm and industry levels, it may increase vulnerability to global economic shocks and geopolitical risks as economies become more connected with others. With services accounting for an increasing portion of economic growth and becoming embedded into manufacturing activities as essential value-added components, the role of the services sector in deepening the GVC is also drawing more attention from policy makers. With this in mind, it is important for policy makers in the region to gain an up-to-date understanding of drivers of the GVC and its economic and development impact if they are to come up with effective policy responses.

Questions to be addressed

This year's ADB-Asian Think Tank Development Forum will provide a venue to share ideas and experiences among affiliated scholars on the drivers and impact of the GVC by exploring the following questions:

1. How are the dynamics of the GVC changing and what main characteristics define Asian economies' GVC and RVC participation?
 - 1.1. What distinctive features at industrial and sectoral levels cause the patterns of Asian economies' GVC and RVC participation to differ from those in other regions?
 - 1.2. How can different Asian economies' relative position (upstreamness and downstreamness) in the GVC be assessed at sectoral and country levels? How have the GVC linkage patterns (backward versus forward) of Asian economies been changing and how are they forecast to evolve in future? To what extent are these trends anchored to the development stages of economies and their industrial structures?
2. What are the main drivers of GVC and RVC expansion in Asia, including cost, market access, cultural, and technological factors? What factors do multinational companies and small and medium-size enterprises have in common and in what respects do they differ when it comes to GVC and RVC participation?

3. What are the economic and development impacts of GVC at country and regional levels? What policy implications can be drawn to better utilize the opportunities offered by GVC expansion while coping with potential negative impacts?
4. How are various services sectors becoming embedded into GVC networks in regional economies and what economic impact is expected from this phenomenon? What would the policy implications be in this regard?
5. What are the enabling factors to foster an economy's GVC and RVC participation while maximizing its economic benefits, and how can their contributions be measured particularly from least developing country's perspective? (e.g., quality infrastructure, capacity building, enabling policy environment and policy reforms, lowering trade barriers including non-tariff measures, etc.)



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TENTATIVE AGENDA

Day 0 21 October 2019	
19:00	Cocktails (hosted by ADB)
Day 1 22 October 2019	
8:30	Registration
Opening Ceremony Emcee: ZAW MIN NAING, Research Associate; and JULIA THAINT ZAR CHIO OO, Executive Assistant, Centre for Economic and Social Development (CESD)	
9:00	Welcome Remarks ZAW OO, Executive Director, CESD
9:10-	Opening Remarks EDIMON GINTING, Deputy Director General, Asian Development Bank (ADB)
9:20-	Keynote Speech AUNG SOE, Permanent Secretary, Ministry of Commerce, Republic of the Union of Myanmar
Session 1: Regional Economic Outlooks	
9:30-	JONG WOO KANG, Principal Economist, Regional Integration and Cooperation Division, ADB <i>Regional Economic Outlook</i>
9:50-	RAJAT KATHURIA, Director and Chief Executive Officer, Indian Council for Research on International Economic Relations <i>Economic Outlook of India</i>

10:10-	LI MINGHUI, Research Fellow, Division of Multilateral Relations International Economics and Finance Institute <i>Economic Outlook of the People's Republic of China</i>
10:30	<i>Open Floor Discussion</i>
10:45	<i>Photo Session and Coffee Break</i>
Session 2: Changing Landscape of Global and Regional Value Chains (PANEL DISCUSSION) Moderator: EDIMON GINTING, DDG, ADB	
11:00-	JONG WOO KANG, Principal Economist, ADB HTEIN LYNN, Director, Ministry of Commerce, Myanmar KHALID UMAR, Head of Strategic Planning, CAREC Institute VENKATACHALAM ANBUMOZHI, Senior Economist, The Economic Research Institute for ASEAN and East Asia (ERIA)
12:00	Open Discussion
12:30-	<i>Lunch</i>
Session 3: Regional and Subregional Value Chains Moderator: ARUN KUMAR THAKUR, Executive Director, Centre for Economic Development and Administration	
	Paper Presentations
13:30-	NEHA GUPTA, Fellow, Indian Council for Research on International Economic Relations <i>Changing Landscape of Global Value Chains: Redefining Role of Asian Economies</i>
13:50-	DAVIT KESHELAVA, Senior Researcher, ISET Policy Institute <i>Assessing Participation of CAREC Countries in Global and Regional Value Chains</i>
14:10-	VENKATACHALAM ANBUMOZHI, Senior Economist, ERIA <i>Determinants and Regional Frameworks for Advancing Supply Chain Resilience in South East and East Asia</i>

14:30-	<i>Open Discussion</i>
15:10-	<i>Coffee Break</i>
Session 4: Global and Regional Value Chain	
Moderator: ZAW OO, Executive Director, CESD	
	Paper Presentations
15:30-	JANINE ELORA M. LAZATIN, Research Associate (ADB Consultant) <i>Indonesia in the Context of GVCs</i>
15:50	AUNG HTUN, Senior Research Coordinator, CESD <i>Pulse Value Chain Analysis: Role of Government in Normalizing Trade with India</i>
16:10	<i>Open Discussion</i>
16:30	Wrap up
19:00	<i>Networking Dinner (hosted by CESD)</i>
Day 2 23 October 2019	
Session 5: Country Level Production Network	
Moderator: TRAN KIM CHUNG, Vice President, Central Institute for Economic Management	
	Paper Presentations
9:00	FRANCIS ODHUNO, Senior Research Fellow, PNG National Research Institute <i>How has the Recent Redevelopment of Lae Port Enhanced PNG's Participation in the Global and Regional Value Chains?</i>
9:20	Professor Emeritus ZAKARIAH ABDUL RASHID, Senior Research Fellow, Malaysian Institute of Economic Research <i>GVC Economic Impact and its Implications on Malaysia</i>
9:40	NGU WAH WIN, Senior Policy Coordinator, CESD <i>Building Responsible Seafood Supply Chain in Myanmar: Opportunities and Challenges</i>

10:00	<i>Open Discussion</i>
10:20-	<i>Coffee Break</i>
Session 6: Impact of Regional Economic Integration on Global and Regional Value Chains Moderator: DUSHNI WEERAKOON, Executive Director, Institute of Policy Studies in Sri Lanka	
	Paper Presentations
10:40	JANINE ELORA M. LAZATIN, Research Associate (ADB Consultant) <i>Compilation and Uses of the Multi-Region Input-Output Tables</i>
11:00	GE LAI, Victoria University of Wellington, New Zealand <i>How Global or Regional are Value Chains in East Asia? Evidence Based on an Input-Output Analysis in Textile, Automobile, and Electronics Sectors</i>
11:20-	<i>Open Discussion</i>
Session 7: Policy Recommendations and Way Forward	
11:40-	Forum Summary and Recommendations JONG WOO KANG, ADB
11:50-	ATTN Way Forward ALELI ROSARIO, ADB
12:00-	Closing Remarks ZAW OO, Executive Director, CESD NEWIN SINSIRI, Country Director, ADB
12:10-	<i>Lunch Break</i>
14:00	Networking Event (hosted by CESD)