



United Nations Conference on Trade and Development

Distr.: General
19 October 2021

Original: English

Fifteenth session

Virtual Barbados
3–7 October 2021

Ministerial round table: Reshaping global and regional value chains

UNCTAD XV

Summary prepared by the UNCTAD secretariat

1. This round table, taking into account the fact that, during the pandemic, pressures had increased on international production systems to reconfigure for recovery and resilience, and changes in global and regional governance, the new industrial revolution and the sustainability imperative, addressed ways to forge a new consensus on how to reap the benefits of these trends for development and how to avoid negative impacts.
2. The panel was composed of the following: Parliamentary State Secretary, Federal Ministry for Economic Affairs and Energy, Germany; Secretary-General, International Chamber of Commerce; Minister of State for Industry, Ministry of Trade, Industry and Cooperatives, Uganda; and Secretary-General, UNCTAD.
3. In her opening remarks, the Secretary-General of UNCTAD highlighted that the expected evolution of global value chains in the post-pandemic trade and investment environment would have profound implications for inclusive, sustainable and resilient recovery and growth.
4. During the discussion, the panellists agreed that if recovery was to be inclusive, it was crucial to improve the supply of vaccines to poorer countries. One panellist suggested that global rules should foster technology transfer, to enable these countries to produce vital medicines.
5. All panellists noted global and regional cooperation; adherence to multilateral trading and investment rules; a concerted push for sustainable investment; and public-private partnerships as important ways to capture opportunities from the reconfiguration of global value chains, along with the importance of increasing the participation of developing countries and the least developed countries in such chains, to promote equitable recovery. A few panellists stated that improving investment climates and governance was important, to unlock the potential of these countries. One panellist stressed that global and regional value chain integration could also improve the resilience of the least developed countries and that Governments could help boost the resilience of existing value chains by providing stable environments that allowed companies to plan.
6. With regard to the growing momentum of value chain regionalization, one panellist noted that this presented an opportunity for developing countries and the least developed



countries to make progress towards increased self-reliance and resilience; the African Continental Free Trade Area could lower trade and investment barriers within the continent, help improve market access and relieve supply pressures and, in this regard, investment in logistics and infrastructure, as well as improvements in governance, were key.

7. All panellists agreed that stress had been placed on global value chains during the pandemic. However, a few panellists noted that this had also shown the system's resilience. One panellist stated that, during the pandemic, the ingenuity of business in dealing with supply and logistical barriers and pivoting production to vital goods was a lesson in the flexibility of business and its potential contribution to solving global challenges; policymakers needed to foster an environment that allowed room for this.

8. In addition, all panellists expressed optimism with regard to concerns about reshoring or the diminishing role of global value chains. One panellist noted that, even given incentives to return manufacturing capacity to investor countries, economic rationale had largely led businesses to continue to operate internationally; global and regional value chains would remain an important avenue for economic growth and development. A few panellists emphasized the importance of multilateral trading and investment rules and governance; and the importance to business and investors of progress at the multilateral level on both trade and investment facilitation, highlighting the role of UNCTAD in policy analysis and consensus- and capacity-building in developing countries for practical implementation.

9. With regard to foreign direct investment prospects, citing UNCTAD data, all panellists noted that the size and allocation of post-pandemic recovery packages would affect global investment, and expressed concerns about the uneven distribution of spending; recovery investment could boost investment in achieving the Sustainable Development Goals as it mostly targeted related sectors, including infrastructure, renewables and health systems, yet such investment did little to fill the annual Goals-related investment gap in developing countries. One panellist stated that concrete policy measures were needed to mitigate the risk of diverting investment from developing countries towards lower-risk projects in developed economies; promoting investment in infrastructure needed to be accompanied by facilitating investment in industry, which was equally central to growth in productive capacities, and it was necessary to scale up absorptive capacities for foreign investment, strengthen governance mechanisms and safeguard adequate social and environmental standards.

10. In closing, the panellists noted that financing from multilateral development banks would not be sufficient to fill the Goals-related investment gap; foreign direct investment and public-private partnerships were indispensable. One panellist stressed that incentives to generate private investment to achieve the Goals needed to be meaningful to influence the risk and return considerations of investors; outward investment support measures could be decisive in order for companies to invest abroad.
