



**Asia-Pacific  
Economic Cooperation**

**Advancing** Free Trade  
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# **APEC Workshop on Opportunities and Challenges for GVCs during COVID-19 Pandemic and Post- Pandemic Economic Recovery**

**APEC Committee on Trade and Investment**

January 2023





**Asia-Pacific  
Economic Cooperation**

**APEC Workshop on Opportunities and Challenges  
for GVCs during COVID-19 Pandemic and Post-  
Pandemic Economic Recovery**

**Hybrid Format | 13 – 14 October 2022**

**SUMMARY REPORT**

**APEC Committee on Trade and Investment**

**January 2023**

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# **APEC Workshop on Opportunities and Challenges for GVCs during COVID-19 Pandemic and Post-Pandemic Economic Recovery**

**13-14 October 2022**

**(Hybrid Event)**

## **Summary Report**

### **I. INTRODUCTION**

On 13 and 14 October 2022, the APEC Workshop on Opportunities and Challenges for GVCs during COVID-19 Pandemic and Post-Pandemic Economic Recovery, initiated by Viet Nam and co-sponsored by Chile; China; Indonesia; Japan; Philippines; Russia; and Chinese Taipei was held in hybrid mode (with the in-person event being in Ha Noi, Viet Nam). Speakers and participants came from international organizations and research institutions and APEC member economies' relevant ministries and agencies, companies and business associations.

The Workshop aimed at the following objective:

- to provide an opportunity for stakeholders share information and experiences on opportunities and challenges for GVCs during COVID-19 pandemic and Post-pandemic economic recovery.

### **II. BACKGROUND**

The COVID-19 has spread rapidly around the globe, being characterised by the World Health Organisation (WHO) as a pandemic. Till date, we have seen more than million cases and more than a million deaths worldwide. Beyond being a severe public health crisis, COVID-19 has also resulted in adverse economic ramifications. According to IMF (2020), global growth is estimated to come in at -4.4% in 2020 and 5.2% in 2021, with the recovery path back to pre-pandemic levels of economic activity prone to facing setbacks.

During the earlier days of the COVID-19 pandemic, strict lockdown measures were imposed across many economies in the first half of 2020, which restricted economic activity to a substantial degree. Consequently, trade in intermediate goods may have been a transmission channel propagating the economic malaise as economies faced a reduction in the supply of intermediate inputs used in industries around the world and this supply-side shock spread through the global supply chains, resulting in a “supply-chain contagion” (Baldwin and Tomiura, 2020). It is clear that the Covid-19 pandemic occurred in a phase of high trade integration and slowed or halted the expansion of GVCs, which had remained fairly stable after the Great Financial Crisis (GFC) and the consequent trade collapse a decade ago (Baldwin, 2009).

COVID-19 has posed unprecedented challenges to global value chains by disrupting both the supply of goods and also the demand for them. However, according to the World Bank’s Blogs, GVCs have powered economic transformation by enabling developing economies to specialize and catalyse growth and job creation. We can see lots of opportunities hidden in the challenges the COVID-19 has posed to the GVCs during the pandemic and post-pandemic economic recovery. This project aims to help the relevant stakeholders such as government agencies, policy makers, companies working in GVC industry to share information and experiences on opportunities and challenges for GVCs during COVID-19 pandemic and Post-pandemic economic recovery.

Over the recent years, there have been many projects focused on the GVCs, however, there have not been many activities focused on opportunities and challenges for GVCs during COVID-19 pandemic and Post-pandemic economic recovery. By holding an **APEC Workshop on Opportunities and Challenges for GVCs during COVID-19 Pandemic and Post-pandemic Economic Recovery** in Viet Nam in 2022, this project is an opportunity where economies share experiences on how to address the challenges and develop opportunities for GVCs during and post pandemic. The workshop also highlights the importance of cross-sectoral coordination and collaboration and evidence-based analysis to APEC’s discussions on its GVC work going forward.

### **III. OPENING REMARKS**

In the opening remarks, Dr Trinh Minh Anh (Director General, Office for the Inter-Agency Steering Committee for International Economic Integration, Viet Nam) stressed that according to the International Monetary Fund (IMF), the COVID-19 pandemic will continue to profoundly affect the recovery and growth of the world economy. The global economic outlook remains uncertain mainly due to the development of the pandemic. IMF analysed that the decline in activities in 2020 was unprecedented in history but could have been much worse (estimated 3 times) without special support policies. After reduction of 3.3% in 2020, the global economy is expected to grow moderately at 4.4% in 2022. This reflects higher-than-expected growth in the second half of the year in most regions of the world after isolation measures, blockades are eased and economies adapt to the new way of work. Despite this, GDP growth in most economies has generally continued to be significantly lower than pre-pandemic.

Dr Trinh emphasized that COVID-19 poses unprecedented challenges to global value chains with disruptions to both the supply of goods and services as well as the demand. In the early days of the COVID-19 pandemic, many strict lockdown measures were applied in many economies in the first half of 2020, leading to many production and business activities being significantly restricted along with supply/value chain being disrupted. The regional and world economies face a huge shortage of intermediate inputs for industries, and this shock spreads rapidly through supply chains. In the period of deep economic integration, COVID-19 has slowed/disrupted the expansion of GVCs which had been relatively stable after the Great Financial Crisis (GFC).

However, the speaker observed that challenges always come with opportunities. The pandemic has given new impetus to building a more flexible production network, accelerating the trend of restructuring GVCs in the context of rising protectionism. Mrs Victoria Kwakwa, Vice President of the World Bank stated that the pandemic also encourages domestic enterprises to apply new technologies and upgrade business models. COVID-19 accelerates the trend of digitization. For example, the blockade of workers can encourage enterprises to automate certain stages, encourage digitization and the use of online platforms. Travel restrictions encourage online sales and boost e-commerce, allow to bring



goods and services to new consumers. Digital transformation has taken place before the pandemic, but is now being accelerated to help us better adapt to the new normal.

In recent years, there are cooperative activities in APEC focusing on GVCs. In that sense, the Workshop is the contribution of Viet Nam to the collective efforts of the APEC region to address challenges and take advantage of opportunities for the recovery of GVCs in particular and the economy in general during and post-pandemic. The workshop would highlight the importance of cross-sectoral coordination and cooperation as well as evidence-based analysis for APEC discussions on future GVC work.

#### **IV. KEY ISSUES**

##### **1. The Importance Of GVCs During The COVID-19 Pandemic**

- At the beginning, Mr Nguyen Anh Duong (Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam) talked about the external environment which has mixed factors that potentially affect regional economic recovery after COVID-19. He shared that world economic recovery is evident, despite risks of downturn. At the chart of growth prospects for the global for economic over next 3, he shared that according to KPMG CEO Survey in August 2022: Supply chain no longer in the top 5 risk top growth over the next 3 years. The speaker showed the comparison of major machinery international production networks amid COVID-19: machinery exports to the world. He emphasized that FTAs continued to shape GVCs in APEC region such as RCEP, CPTPP. RCEP plays as inducement for new competition on initiatives for regional linkages and RCEP helps partially compensate for negative impacts of US-China trade war. FTA and GVC participation helps improve the linkages with regional economic recovery. To conclude the presentation, Mr Duong said that GVC induces efforts towards digitalization along all stages of GVCs during COVID-19 pandemic. GVC participation also implies more resilience, rather than higher exposure to external shocks. GVCs evolve to meet Economic Sustainable Goals (ESG) expectation, thus compelling firms to

adapt/upgrade, eventually contributing to sustainable development and economic resilience. Positive spillover impacts from FDI to domestic enterprises as supply chain leaders reduce reliance of sales on foreign demand and dependence on foreign value-added.

## **2. Challenges For GVCs During COVID-19 Pandemic And Post-Pandemic Economic Recovery**

There were two speakers in Session 2: (1) Dr Akhmad Bayhaqi, Senior Analyst, APEC Policy Support Unit; (2) Professor Yang Cuihong, Academy of Mathematics and Systems Science, Chinese Academy of Sciences.

- The presentation of Dr Akhmad Bayhaqi was about “Managing Risks in GVCs: Strengthening Resilience”. He divided his presentation into 5 main parts: The Rise of Global Value Chains; Systemic and global risks; Defining resilience; Turning resilience into competitive advantage; Policy Priorities. In the first part, he talked about the proliferation of global supply chains: from East Asian Miracle to ‘Factory Asia’, the flourishing of global trade, Trade facilitation: WTO TFA, RTA/FTA, customs improvement (digital and paperless), structural and regulatory reforms and the emergence of business and trade hubs. After that, he shared that Global supply chains were disrupted through a ripple effect. Some products sourced from manufacturing hubs are no longer being produced or exported at the same rate. The speaker listed the ten most severe risks on a global scale over the next 10 years that include environmental, societal, economic and geopolitical risks. Greater GVC concentration has been blamed for vulnerabilities, but the real culprit is inattention to long-term resilience in pursuit of short-term profits. Disruptions to supply chain networks can have considerable impacts on inflation. In the last part, the speaker provided some recommendations to reduce trade costs and ensure a resilient economic recovery: Invest in trade facilitation reforms and facilities to resolve bottlenecks; Focus efforts in preventing supply chain disruptions to risky and essential products; Strengthen policy coordination and regional cooperation.
- To begin the presentation, Professor Yang Cuihong talked about trade data of China which showed share of processing export of China, shares of

China trade in goods by industry, other selected economies of exports in goods by industry. In the second part, the speaker talked about industry relocation measurements with some table about World input-output (WIOT), WIOT based industry relocation model, the analysis on industry relocation for selected economies. She said that China was the most representative economy for the global industry relocation-in. The typical developed economies were the representative economies for the global industry relocation-out. In period 2000-2007, the most representative one was the United States; while in period 2007-2014, the most representative shifted to Japan. The industry relocation for Germany and India changed sharply in the period 2007-2014, Germany shifted from the top 5 of industry relocation-in to the top 5 of industry relocation-out. Meanwhile, India became the representative economy for industry relocation-in. Small developing economies were also achieving the industry relocation-in from the typical developed economies. About future industry relocation and its impact on GVC, the speaker said that COVID-19 is changing the fundamentals of industry relocation; accelerate the rapid development of digital technologies and digital economy. Global production shrinks to regional production with great probability. Global production chains / value chains may become shorter, forming global production hub, i.e., European hub (Germany as the center), American hub (US as the center), East Asian hub (China, Japan and S. Korea as centers).

### **3. Turning Adversity into Opportunity During COVID-19 Pandemic And Post-Pandemic Economic Recovery**

There were three speakers in this Session: (1) Mr Luciano Cuervo, Advisor, GVC Division, Undersecretariat of International Economic Affairs, Chile; (2) Mr Jason Bernstein, Director for Global Affairs at the American Chemistry Council, USA; (3) Mr Faizal Safa, Head of Permanent Committee for Industrial 4.0 Human Resources Development and P3DN, Indonesia Chamber of Commerce and Industry.

- To begin the presentation, Mr Luciano Cuervo introduced briefly about Chile's participation in GVCs (According to OECD TiVA Data. After that he talked about the meaning of participation into the GVCs with backward and forward participation. The speaker also mentioned about current

situation of global trade such as trade frictions, reshoring, COVID-19, economic recession. For Chile, the economy is trying to enhance the GVCs, looking towards its natural partners, production complementarity and productive linkages. Mr Cuervo speaks deeply about the productive linkages by saying that Global Value Chains are not simple; on the contrary, they are complex and count on different levels that are at the same time entrenched within others. The latter is a reality that impose barriers for developing countries to be able to take full advantage to them, and even more so, for SMEs. Chile has developed a methodology by which it seeks to identify potential productive linkages with its trade partners. The latter based on the wide network of free trade agreements, as well as its privileged geographical location and infrastructure within the region. At the end of the presentation, the speaker gave some example of productive linkages between Chile and Guatemala, Chile and Costa Rica, Chile and Argentina.

- Mr Jason Bernstein started his presentation by giving some evidences of COVID impacts to GVC/Supply Chain. Domestic lockdowns and staff shortages and losses stopped or slowed the flow of many raw materials and finished goods, less that 2% of companies were fully prepared for COVID. The WTO Trade Facilitation Agreement (TFA) highlighted several areas where greater trade facilitation could help alleviate supply chain pressures and bottlenecks. Several APEC economies instituted more automated customs procedures that would decrease human interaction (e.g., having people to stand in line), document duplication, use of stamps and signatures, and consularization of documents. The speaker shared that in the Chemical industry, many incentives were provided to Strengthen GVC/Supply Chain Resiliency such as Timely review and approval of new chemistries under regulatory agencies, low cost imported intermediate inputs into manufacturing of chemicals, facilitation of high skilled labor, access to worker training/retraining programs and strengthening of worker skills and safety knowledge. He came up with some suggestions: New negotiating agenda that focuses on sustainability, regulatory cooperation, and new rules; Strengthen regulatory cooperation; Set new rules on subsidies and State-Owned Enterprises.
- The presentation of Mr Faizal Safa focus on boosting productivity and Industrial Growth after the Covid-19. Firstly, he talked briefly about new

normal of global trend including personal life and social engagement, industrial operation, supply chain and globalization. He also mentioned about changes in consumer preferences and behavior, challenges and opportunities in current situation. The speaker said that despite uncertainty, some firms responded boldly to COVID-19 acting in ways that have the potential to increase productivity. He showed some sector analysis indicates potential for incremental productivity growth of approximately one percentage point per year through 2024 and surveyed executives expect acceleration on most drivers. Mr Faizal Safa emphasized that without action to strengthen demand, however, growth could remain tepid, wage growth low and as a result, productivity growth slow as firms do not invest and the most productive firms find it difficult to grow as happened after the global financial crisis. To conclude the presentation, the speaker recommended that government can innovation and other advances that can increase productivity growth be sustained and spread; government can action by firms that could potentially boost productivity growth also support employment, median wages, and demand; government can investment be increased and directed to the right places.

#### **4. Case Studies from Economies on Participation in GVCs**

There were three speakers in this Session: (1) Dr Sitanon Jesdapipat, Associate Professor, Rangsit University, Thailand; (2) Mr Reynaldo Datu-Lignes, Acting Director, Manufacturing Industries Service (MIS), Sectoral Champion for Shipbuilding and Iron and Steel Industries, the Philippines; (3) Mr Stephen Su, Senior Vice President, General Director of Industry, Science and Technology International Strategy Center (ISTI), and Director of AI Applications, Strategy Office at Industrial Technology Research Institute (ITRI), Chinese Taipei.

- Dr Sitanon Jesdapipat presented about “Small Farms in Thailand Chicken Supply Chain: Critical Issues and Gaps”. At first, he talked about the old structure of value chain map and chicken industry in Thailand but now it changes a lot to large business control, emerging medium size farms, and small farms are trapped in the vicious cycle. In Thailand, the Department of Livestock Development (DLD) in 2018 launched a “Livestock OK” label for chicken meat, duck meat, fresh chicken egg, fresh duck egg and quail egg. Dr Sitanon Jesdapipat also shared some actions of government

to support small holders and small firms. From the findings, the speaker concluded that top all the issues is the oligopolistic structure of the industry and control of the whole supply chain leaves very little room for others, especially the small ones, to enter, survive and prosper. It is very problematic for small farms that enter into a contractual arrangement with medium- and large- size farms, unfair pricing and discounts, capital investment remains problematic for small farms.

- To begin the presentation, Mr Reynaldo Datu-Lignes introduced DTI's lead government agency responsible for industry promotion in the Philippines who take the lead in the promotion of investments, assist Filipino and foreign investors to venture and prosper in desirable areas of economic activities. The Industry Development Program of the Philippines is creating a better future for Filipinos by developing industries and attracting investments that will provide jobs, foster innovation and improve the competitiveness of the local industries, responsive to the needs of the global market. The speaker showed some figures on economic performance and economic recovery of the Philippines. He also talked about megatrend of GVCs which includes service Sector boosting manufacturing exports, service offshoring expansion, digitalization, Automation and artificial intelligence. About economic recovery through GVC reconfiguration, the speaker mentioned about Industrial, Manufacturing and Transport (IMT), Technology, Media, And Telecommunications (TMT), Health and Life Sciences (HLS), Modern Basic Needs, Resilient Economy. At the end of the presentation, Mr Reynaldo Datu-Lignes shared that Philippines is on its way to full recovery and be a \$1-trillion economy by 2033.
- Mr Stephen Su divided his presentation into 4 main parts: Contribution of GVCs to Development, Case Studies for Resilient GVCs, GVCs as Tools to Achieve GRID and Future Vision. About the contribution of GVCs the speaker said that GVCs are essential to development and poverty reduction, specialization and economies of scale bring productivity gains and create opportunities to participate in the global economy. In the recent trends in GVCs Global trade integration slows down but not uniformly, with emerging economies going forward, multinational corporations contribute a significant amount of GVC activity, reshoring not become any more pervasive than before. COVID-19 re-ignites a debate on risks associated

with international production, GVCs can help firms and economies recover faster from economic shocks caused by COVID-19. Companies can make GVCs more resilient by taking better risk management strategies with the assist of technologies. Governments can support companies by providing information on GVCs and creating conducive regulatory environment. Mr Su shared the story of Schneider Electric who developed a self-healing digital supply chain platform, using adaptive machine learning to optimize performance, resulting in reduction of energy costs and maintenance costs. The speaker also gave other examples of Nike and TSMC companies. He concluded with multinational corporations making supply chains greener or more inclusive, climate mitigation policies leading a shift away from carbon-intensive GVCs and governments assisting companies in improving supply chains. Integrate into the global trading system can help achieve Green, Resilient and Inclusive Development (GRID).

## **5. DISCUSSIONS**

- Regarding the prospects for growth and development of Global Supply Chains (GVCs) after the COVID-19 pandemic, a speaker commented that Free Trade Agreements (FTAs) would continue to act as an important factor for GVC promotion. GVCs were expected to become more and more complex and sophisticated in the APEC region, which would hopefully be verified and confirmed by an accurate and thorough assessment of the WTO.
- In the post-COVID-19 era, GVCs are shifting and re-defining the role of foreign investors. Developing economies are currently challenged by a paucity of capacities and conditions to shape and locate their positions along GVCs. Therefore, they need close coordination and cooperation with major trading partners and developed economies such as the United States. It is also important for developing economies to re-confirm and further strengthen the confidence of multinational corporations if larger volumes of investment are to be made and risks to be mitigated.
- The implementation of regional FTAs will contribute to improvement of investors' confidence in trading and business partners in the region. Since local companies in APEC member economies are not yet fully prepared nor possess adequate capacity to replace multinational corporations,

foreign direct investors should still assume the key role to navigate and promote healthy development of GVCs.

- Another speaker shared the observation of some leaders of large corporations around the world, who confirmed continuous development of global supply chains in the last two years. However, growing concerns about economic incentives and financial support packages may deflect GVCs. Therefore, policy makers have to be double thoughtful over what, when and how to introduce support packages as well as to look for and consider alternative solutions to avoid the diversionary impact on important supply chains.
- After global shocks, resilience is emerging as a more and more important issue. While governments seek options to overcome challenges and strengthen the economies' resilience in the long term, most businesses are forced to solely concentrate on short-term profits. In order to promote GVC integration of the private sector in the long run, governments are suggested to consider different strategies such as improvement of investment and business support policies, provision of high quality infrastructure, and strengthening of supply chain connectivity to help private enterprises build resilience and deepen their participation in GVCs.
- Furthermore, one of the key orientations is to enhance the effectiveness of the enabling environment in attracting FDI for industries and to further promote digital technology application and digital transformation. They would help improve production and export, and fuel further economic growth.
- In order to make that happen, the authorities need to really listen to the opinions of the business community, especially to those of the international business community, and to take proper care and actions to address difficulties that these businesses are facing in the global supply chains. At the same time, exchange of knowledge, intelligence and experience and technology transfer should be taken into account to maximize the advantages of GVCs.
- In addition, it is proposed that economies should pay attention to assessing global risks, environmental issues and green growth opportunities to



improve the resilience of businesses in GVCs and enable sustainable growth.

- The next speaker stressed that the impact of the COVID-19 pandemic may have triggered permanent changes in how the world population looked at value chains and supply chains from the industrial perspectives. In order to address supply chains-related issues in the future, we should emphasize approaches for sustainable development.
- Cooperation is more than ever required to solve industry issues along and across GVCs. For instance, technical-level dialogues and meetings within APEC that bring the governments and industries together play an extremely important role in facilitation of discussions that lead to new ideas and solutions.
- In terms of the regulatory framework, a speaker called for reinstatement and improvement of the communication and coordination not only between the public and private sectors, but also among different governmental departments and agencies. This requirement came from an undeniable fact that during the COVID-19 pandemic breakout most policies that had major impacts on GVCs seemed to be more or less governed by the ministries of health. This may cause disruption along GVCs.
- Therefore, it was strongly recommended to look at the idea of establishing supply chain committees for different industries and ministries to build more resilient supply chains.

## **V. RECOMMENDATIONS**

During the final session, there were 2 panelists in this Session: (1) Mr Nguyen Anh Duong, Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam; (2) Mr Jason Bernstein, Director for Global Affairs, the American Chemistry Council, USA.

- Mr Nguyen Anh Duong provide some recommendation as following: Continue discussion and dialogue-based activities to identify and foster common understandings of opportunities, challenges, benefits and risks

related to GVCs; Share best practices in promoting supply chain resilience; Promote cross-fora collaboration to incubate new ideas to support supply chain resilience (digital transformation, paperless trading, online dispute resolution of cross-border B2B disputes, engagement of MSMEs, etc). Build capacity for GVC-related policymaking (industry relocation measurement, digital economy measurement, supply chain finance and its innovative forms, etc.). Promote new negotiation agenda (NTBs/NTMs, regulatory coherence/cooperation, new rules, etc.).

- Mr Jason Bernstein shared that: Specific issues related to GVCs should be discussed in such regional fora as the CTI in APEC. Joint discussion is a pre-requisite to start addressing the supply chain issues. The desirable next step is to continue regional cooperation and sharing of information and best practices, which are expected to further boost supply chains. Specific commitments and ideas for GVCs resilience are needed, especially within the regional forums such as APEC. Regarding the most effective policy recommendations to boost GVCs in the short term, one speaker advised on a reduction in barriers to trade as well as non-tariff barriers. They should be taken into account to facilitate the sustainable production and trading processes. In addition, a design of a productive linkage model between public and private sectors in the GVCs could be a contributing factor to that effort. Trade facilitation measures through simplifying documentation processes and related procedures could be helpful to enhance GVC operation and development. Moreover, reviewing and revising regulatory framework, supportive logistical infrastructure and allocating budget into R&D were feasible methods for economies to recover the GVCs during and post COVID-19 pandemic. Besides, it was also proposed to increase connectivity not only at the regional level but also at the global level in the post-pandemic period to assist recovery of important value chains. Relating to policy recommendations to effectively support smooth integration of firms and enterprises into the GVCs, it was proposed that the public sector should focus on assisting SMEs and MSMEs through policies for promotion of trade and investment and for creation of an enabling environment for the investors and businesses

Participants also shared overall views and recommendations on what APEC APEC/ Member Economy should do in term of policies and actions to support for GVCs during COVID-19 Pandemic and Post-Pandemic Economic Recovery as follows:

- Governments of APEC member economies should consider the establishment of a policy cooperation group, which would jointly promote the private sector's smooth participation in GVCs.
- In order to overcome the difficulties of GVCs during the global recession hardship, APEC member economies could put in place a working mechanism that would allow for proper exploration and follow-up of every regional idea and potential solution for GVC development.
- Maintaining the operation of essential GVCs and increasing supply proved to be highly important during the Covid-19 pandemic. Therefore, the policies and actions to support economies in this aspect should focus on:
  - Facilitating trade by removing trade barriers and by ensuring the smooth functioning of international transportation and customs; and
  - Increasing supply of essential goods by facilitating investment and operation permits and licenses, expediting certification procedures, and prioritizing shipments of essential goods.
- Additionally, in order to support post-COVID-19 economic recovery, APEC member economies should have a mechanism to regain and improve GVC robustness by:
  - Maintaining an open trade and investment environment to reduce the recovery time and to speed up trade facilitation;
  - Reviewing transport, logistics and customs clearance regulations to better mitigate disruptions; and
  - Addressing firms' financial issues and other related issues that can delay the recovery of GVCs and interfere in channeling the support to MSMEs.

- Also related to supporting GVC development during and after the COVID-19 pandemic, a number of recommendations came from the workshop participants. They can be summarized as follows:
  - First, APEC economies should put in place the policies to accelerate the digital transformation process and apply scientific and technological advancements in GVC-related activities;
  - Second, APEC member economies should try to consolidate and reorganize existing supply chains for industries and develop the new ones to allow for greater levels of flexibility and sustainability. After all, we should take actions to ensure smoothness, stability and efficiency of logistics activities and to adapt to the new requirements of the GVCs and timely promote enterprises' new business models such as e-commerce.
  - Third, it is necessary to improve the resilience and adaptability of enterprises when the GVC is disrupted due to the COVID-19 pandemic. Some businesses are adjusting their business models in response to the crisis.
  - Last, in the 'new normal' situation APEC economies should focus on restructuring export products and import-export markets to refrain from being overly dependent on a few specific markets. Resilience also comes from diversification.

## **VI. CONCLUSIONS**

In her closing remarks, Ms Pham Quynh Mai (Viet Nam's Senior Official to APEC) recognized productive sessions on a number of important issues such as adverse effects of GVCs disruption during the COVID-19 pandemic, how to overcome such hardship, turning adversity into opportunities for the post-pandemic economic recovery, sharing case studies, lessons and experiences from the member economies. From presentations and discussions, the Senior Official observed impacts of the pandemic on inputs and outputs of manufacturing. In her opinion, GVC disruptions also highlight limitations in terms of long route supply chains. On the other hand, the pandemic has created momentum to set up a new

and more flexible manufacturing network, fostered the restructure of GVCs in the context of increasing protectionism and speeded up digitalization at businesses.

In addition to sharing information and experiences among relevant stakeholders such as government agencies, policy makers, companies, etc. with aims of addressing challenges related to GVCs and pursuing economic recovery and growth in the long term, Ms Pham stressed the needs to promote an adequate approach of cross-sectoral coordination and collaboration among the APEC member economies, and evidence-based analysis to promote GVC work going forward in APEC, which would significantly contribute to the APEC Strategic Blueprint for Promoting GVCs Development and Cooperation and the APEC Strategic Blueprint for Promoting GVCs 2020-2025 as endorsed by the APEC Economic Leaders.

Through the sharing of information and lessons learnt, Ms Pham emphasized that each and every member economy's participants could consider choosing to develop and implement their own strategies and goals subject to their long term development policies and specific domestic circumstances. Economies could consider restructuring the economy enhancing their values in the GVCs, promoting R&D, harnessing digital transformation, strengthening regulatory cooperation, facilitating support and incentives for business communities or industries, and so on.

By hosting this Workshop, Viet Nam wishes to join and strongly support APEC's common efforts to pursue economic recovery, inclusive and sustainable growth and development.

## VII. ANNEX 1: FINAL AGENDA OF THE WORKSHOP

| <b>13 October 2022</b> |  |
|------------------------|--|
| 08:30–09:00            | Registration and Test Run  |
| 09:00–09:10            | <p><b><u>Opening Remarks</u></b></p> <p>- Dr Trinh Minh Anh, Director General, Office for <i>the</i> Inter-Agency Steering Committee for International Economic Integration, Viet Nam</p>  |
| 09:10–10:00            | <p><b>Session 1: The Importance Of GVCs During The COVID-19 Pandemic</b></p> <p><b>Moderator:</b></p> <p>- Dr Sitanon Jesdapipat, Associate Professor, Rangsit University, Thailand.</p> <p><b>Speaker:</b></p> <p>- Mr Nguyen Anh Duong, Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam.</p>   |
| 10:00–10:20            | <b>Q&amp;A</b>   |
| 10:20–10:40            | Coffee Break   |
| 10:40–11:20            | <p><b>Session 2: Challenges For GVCs During COVID-19 Pandemic And Post-Pandemic Economic Recovery</b></p> <p><b>Moderator:</b></p> <p>- Ms Vu Minh Nguyet, Trade Facilitation Coordinator, Nathan Associate Inc, Viet Nam.</p> <p><b>Speakers:</b></p> <p>- Dr Akhmad Bayhaqi, Senior Analyst, APEC Policy Support Unit;</p> <p>- Professor Yang Cuihong, Academy of Mathematics and Systems Science, Chinese Academy of Sciences.</p> |
| 11:20–11:40            | <b>Q&amp;A</b>   |

| <b>14 October 2022</b> |   |
|------------------------|---|
| 08:30 –<br>09:00       | Registration and Test Run   |
| 09:00 –<br>09:50       | <p><b>Session 3: Turning Adversity into Opportunity During COVID-19 Pandemic And Post-Pandemic Economic Recovery</b></p> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>- Dr. Cao Thi Hong Vinh, Lecturer, Faculty of Graduate Studies, Foreign Trade University, Viet Nam.</li> </ul> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>- Mr Luciano Cuervo, Advisor, GVC Division, Undersecretariat of International Economic Affairs, Chile;</li> <li>- Mr Jason Bernstein, Director for Global Affairs at the American Chemistry Council, USA;</li> <li>- Mr Faizal Safa, Head of Permanent Committee for Industrial 4.0 Human Resources Development and P3DN, Indonesia Chamber of Commerce and Industry.</li> </ul> |
| 09:50 –<br>10:10       | <b>Q&amp;A</b>  |
| 10:10 –<br>10:20       | Coffee Break  |
| 10:20 –<br>11:00       | <p><b>Session 4: Case Studies from Economies on Participation in GVCs</b></p> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>- Dr. Cao Thi Hong Vinh, Lecturer, Faculty of Graduate Studies, Foreign Trade University, Viet Nam.</li> </ul> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>- Mr Stephen Su, Senior Vice President, General Director of Industry, Science and Technology International Strategy Center (ISTI), and Director of AI Applications, Strategy Office at Industrial Technology Research Institute (ITRI), Chinese Taipei;</li> <li>- Dr Sitanon Jesdapipat, Associate Professor, Rangsit University, Thailand;</li> </ul>   |

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|                  | - Mr Reynaldo Datu-Lignes, Acting Director, Manufacturing Industries Service (MIS), Sectoral Champion for Shipbuilding and Iron and Steel Industries, the Philippines.  |
| 11:00 –<br>11:20 | <b>Q&amp;A</b>  |
| 11:20 –<br>11:50 | <p><b>Session 5: Recommendations on the Way forward</b></p> <p><b>Moderator:</b></p> <p>- Ms Tran Thi Lan Anh, Director General, Bureau for Employers Activities, Viet Nam Chamber of Commerce and Industry.</p> <p><b>Panelists:</b></p> <p>- Mr Nguyen Anh Duong, Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam;</p> <p>- Mr Jason Bernstein, Director for Global Affairs at the American Chemistry Council, USA.</p> |
| 11:50 –<br>12:00 | <p><b><u>Closing Remarks</u></b></p> <p>- Ms Pham Quynh Mai, Viet Nam’s Senior Official to APEC</p>   |