



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 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**