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MOSCOW-VIENNA, APRIL 7

UNIDO ZOOM MEETING



Due to the limitations caused by the pandemic, in April the workshops of UNIDO staff and organizations within the UN system were transferred to the Zoom digital platform.

The workshops was attended by representatives of UNIDO ITPO offices, headed by Mr. Weixi Gong. From the UNIDO Center in the Russian Federation, the director S.A. Korotkov and UNIDO national expert I.N. Seregin took part in the workshops

The participants discussed the prospects and strategy for the further coordinated work of UNIDO offices in the context of a global pandemic, problems and solutions to maintain a higher level of quality standards of UNIDO's work in the world.

APRIL 15, VIENNA-WORLDWIDE

UN REPRESENTATIVES ZOOM MEETING

On April 15, a large-scale online meeting was held on the Zoom platform under the auspices of the United Nations Department of Security (UNDSS).

The meeting was attended by representatives of the UN structure - the UN Refugee Agency (UNHCR), the UN Information Center in Moscow (UNIC), the United Nations Environment Program (UNEP), the World Health Organization (WHO), the International Labor Organization (ILO), the Office

UN High Commissioner for Human Rights (OHCHR), UNESCO, UNIDO and many others. On behalf of the UNIDO Center in the Russian Federation, the director S.A. Korotkov took part in the meeting.

Colleagues from UN organizations discussed the global pandemic and how to deal with its consequences.

In particular, a representative of the UN Refugee Agency said that the number of infected people in Europe has reached 1 million cases. Despite the fact that Italy, Germany and Spain have a tendency to reduce the number of detected diseases, according to agencies, this number will increase and reach 1.5 million people next week. The head of WHO informed colleagues about the situation with COVID-19 in the Russian Federation. The head of WHO compared it with the situation in Kazakhstan and Italy, where the first country showed a rather effective response to self-isolation measures with indices of 4.0-4.5. The head of the WHO also called the best isolation index in Moscow, a week ago it was 3.5 - 3.7, sometimes even less than 2.5.

In addition, according to information from WHO representatives the organization is working on a global strategy for a phased transition to a normal life, which will consist of five main criteria.

The transition strategy implies that countries will be able to adapt to exit the quarantine period or the period of complete isolation. Complete information on morbidity statistics and instructions for maintaining health is available on the WHO website and is constantly updated. Read more: <https://www.who.int/en>

MOSCOW-VIENNA, APRIL 7-28

ZOOM MEETINGS ON DISTANT WORK

During April, weekly working meetings of the Center's employees and the Director took place remotely on the ZOOM platform

All employees reported on the results of their distant work to the Director of the UNIDO CIIC S.A. Korotkov and received tasks for the next period, taking into account the restrictions due to the pandemic period.

Active work continues on the UNIDO / GEF project "Environmentally sound regulation and final destruction of PCBs at the enterprises of Russian Railways and other owners."

In addition, the Center resumed work on organizing the participation of Russian companies in the field of high and environmentally friendly technologies on the virtual platform of the GMIS 2020 Global Summit on Production and Industrialization.

This year, due to the restrictions introduced, GMIS 2020 will be held in digital format in full accordance with the mission of the Summit - the development of technologies of Industry 4.0. The Summit will unite all participants in a series of digital sessions, which will be held in June and July 2020 under the hashtag *#GermanyConnects*.

APRIL 27, BONN, GERMANY

INTERNATIONAL CHEMICAL LEASING AWARD 2021 (GLOBAL CHEMICAL LEASING AWARD 2021)

In July 2021, Bonn, Germany, will host the Global Chemical Leasing Award 2021 at the 5th meeting of the International Conference on Chemicals Management (ICCM5).

The co-organizers of the award will be UNIDO; governments of Austria, Germany and Switzerland, and the European Association of Chemicals Distributors as co-sponsors.

The International Chemical Leasing Award was established in 2010. The award aims to further broaden the global understanding of chemical leasing and similar business models based on efficiency for sustainable chemicals management,

recognize best practices and inspire companies and individuals around the world to rethink how they work with chemicals.

The prize will be awarded to companies and individuals in 5 nominations:

- Case studies or case studies;
- Innovation;
- Scientific research;
- Two special awards:
- Initiatives put forward by women;
- Startups

In addition, a special jury award "Champions of Chemical Leasing" will be awarded to companies demonstrating many years of commitment to the principles of Chemical Leasing.

Applications for participation are accepted until December 15, 2020, they can be submitted on the award website:

<https://chemicalleasing.org/global-chemical-leasing-award-2020>

UNIDO, APRIL 2020

ANALYTICAL ARTICLE ON THE CONSEQUENCES OF COVID19 FOR THE GLOBAL PRODUCTION CHAINS IS OVER ON THE UNIDO PLATFORM

An article was published on iap.unido.org about the main consequences of the pandemic for the global market (Managing COVID-19: How the pandemic disrupts global value chains).

Below are the main abstracts of the article.

"Over the past four decades, much of manufacturing production world-wide has been organized in what has become known as global value chains (GVCs). Raw materials and intermediate goods are shipped around the globe multiple times and then assembled in yet another location.

The final output is re-exported to final consumers located in both developed and developing markets. For many goods, China is at the heart of such GVCs – for example, as a primary producer of high-value products and components, as a large customer of global commodities and industrial products, and as a major consumer marketplace. China is also producing many intermediate inputs and is responsible for processing and assembly operations. Foxconn, an electronics contract manufacturer, is a well-known example. Its assembly plants, located in mainland China, produce for many world-leading electronics companies, among them Apple, Intel and Sony. China, along with Japan, the United States and the European Union, forms the very core of the global production network.

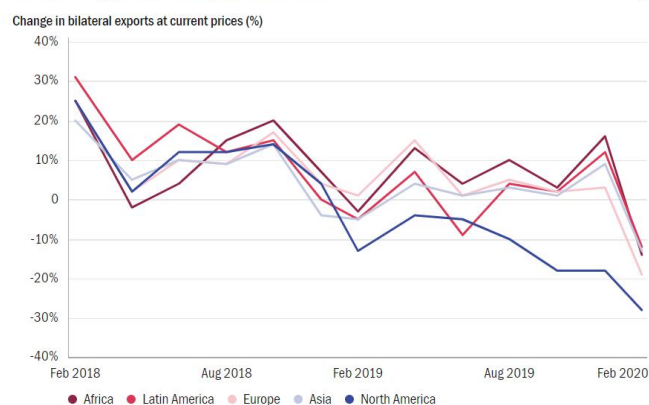
In December 2019, infections with the then still-unknown coronavirus started in the Chinese province of Hubei. The Chinese authorities reacted to this outbreak by imposing severe restrictions on movements of people, effectively imposing curfews and quarantines across the country from the end of January onwards. This necessarily also affected the economy, as many production sites closed in order to reduce possible contact between individuals.

The effect of virus containment measures is visible in data on industrial production in China, which has fallen by 13.5 per cent in January and February combined, compared with the previous year. This drop in production is severe, in particular when putting it into a longer perspective: neither the SARS outbreak in 2002/2003 nor the financial crisis in 2008/2009 was associated with any such stark drop in production.

Exports from China have declined to all regions across the world. This decline has been severe across the globe, with the exception of North America, where trade was already in decline for more than a year due to the ongoing trade disputes between the US and China. The picture of a steep decline in goods received from China is similar when looking

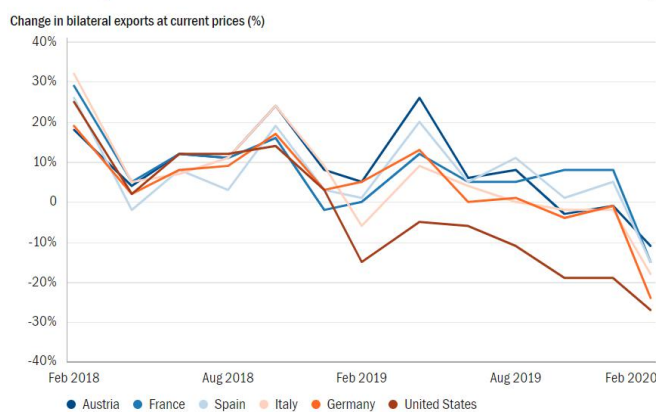
at numerous individual European countries, including Austria, France, Germany, Italy and Spain. The collapse in production activity at the heart of many GVCs necessarily has implications for producers and consumers in countries further up and down the products' value chains.

Chinese exports to the rest of the world



Note: Bilateral exports at current prices. Year-on-year changes of two-month data from January/February 2018 to January/February 2020.
Source: General Administration of Customs, China; Thomson Reuters Datastream.

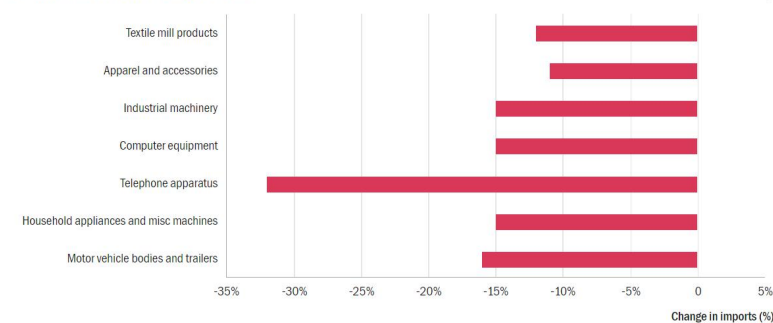
Chinese exports to selected countries



Note: Bilateral exports at current prices. Year-on-year changes of two-month data from January/February 2018 to January/February 2020.
Source: General Administration of Customs, China; Thomson Reuters Datastream.

Latest monthly data from the US on total imports

US imports of selected products



Note: Year-on-year change from February 2019 to February 2020.
Source: U.S. Census Bureau

shows a dramatic reduction in imports of computer and telecommunications equipment, motor vehicles bodies and trailers, and other

products associated with US-Chinese global supply chains compared to February 2019. However, it is safe to assume that this data also partially reflects escalating tensions on trade between the US and China over the last year.

The resulting drop in demand, due to the imposed restrictions on movements of individuals, combined with concerns about health and safety of employees has led to factory closures which will adversely affect operations of entire GVCs. In the case of China, the first country to go through a full cycle of the epidemic, manufacturers now have to deal with the double negative consequences ('second shock') of first their own lockdown and second the drop in demand from customers further up the many value chains that its economy commands and contributes to. If other global GVC hubs experience similar trajectories the cumulative effect of supply bottlenecks and falling consumer demand may indeed increase the risk of global manufacturing entering a downward spiral, possibly causing significant damages to operations of many cross-border supply chains.

This 'second shock' is not confined to production and trade only, but is quickly spilling over to investments as well. Most recently, the International Monetary Fund (IMF) has reported a staggering US\$83 billion of capital outflows from emerging markets, which were the largest outflows ever recorded, while at the same time an unprecedented number of more than 80 countries have requested emergency financing. While foreign direct investment (FDI) is usually considered less volatile, the impact of COVID-19 on investment is going to be substantial. In its most recent forecast, UNCTAD estimates a 30-40 per cent reduction in global FDI during 2020-21, based on the latest earnings revisions of major multinationals. Thus it is to be expected that this 'second shock' from the collapse of demand and production in many industrialized economies and the divestment from developing countries will have far more long-lasting effects on global

production than the temporary supply chain disruptions caused by COVID-19."

Read the full article: <https://iap.unido.org/articles/managing-covid-19-how-pandemic-disrupts-global-value-chains>

