



## PROJECT NOTIFICATION

Reference No.: 141

|                                     |  |
|-------------------------------------|--|
| <b>Date of Issue</b>                | 9 June 2023  |
| <b>Project Code</b>                 | 23-RC-13-GE-RES-B  |
| <b>Title</b>                        | Research on Premature Deindustrialization and Productivity Performance   |
| <b>Timing</b>                       | 15 June 2023–31 December 2023  |
| <b>Hosting Country(ies)</b>         | Not Applicable   |
| <b>Venue City(ies)</b>              | Not Applicable   |
| <b>Modality</b>                     | Online   |
| <b>Implementing Organization(s)</b> | APO Secretariat  |
| <b>Participating Country(ies)</b>   | Bangladesh, Cambodia, India, Indonesia, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, Turkiye, and Vietnam |
| <b>Overseas Participants</b>        | Not Applicable   |
| <b>Local Participants</b>           | Not Applicable   |
| <b>Closing Date</b>                 | 31 August 2023   |
| <b>Remarks</b>                      | The above closing date is for the nomination of national experts.  |

|                       |   |
|-----------------------|---|
| <b>Objectives</b>     | Study the risk of premature deindustrialization among APO member economies; estimate the impact of deindustrialization on long-term productivity performance; and generate implications for industry and productivity policies.   |
| <b>Rationale</b>      | The phenomenon of premature deindustrialization, or the trend of rapidly declining shares of manufacturing and increasing shares of services at an earlier stage of economic development than in industrialized economies, is prevalent in emerging economies. Premature deindustrialization poses a threat to labor productivity, competitiveness, and future growth prospects.  |
| <b>Background</b>     | <p>APO member economies are at different stages of development. However, many are experiencing the deindustrialization trend in both employment and value-added shares of manufacturing before reaching the high-income rank (APO Productivity Outlook 2022). The risks of premature deindustrialization are not favorable for future growth. Additionally, various middle-income APO members exhibit decreasing outward FDI and low share of high-tech industries in their export composition and cannot raise their industrial complexity level in global value chains. They risk losing their competitiveness in the global market, with stagnating production network development.</p> <p>Relevant industrial and economic policies to keep these economies ahead of premature deindustrialization trends are necessary. This research will investigate the status of deindustrialization among APO members and its impacts on long-term productivity performance, thus generating policy implications.</p> |
| <b>Topics</b>         | Premature deindustrialization; Economic structural change; Manufacturing and service shares; Industry employment and value-added shares; Labor productivity and TFP performance; Industrial policies; and Economic growth policies.   |
| <b>Outcome</b>        | Examined risk of premature deindustrialization in APO member economies; estimated impact of deindustrialization on productivity performance; and estimated implications for industry and productivity policies in APO members.  |
| <b>Qualifications</b> | Analysts or academic researchers specializing in industrial economics, industry policies, and productivity studies with a track record of experience, three or more years in the position, and excellent English writing and presentation skills.   |

Please refer to the implementation procedures circulated with this document for further details.



Dr. Indra Pradana Singawinata  
Secretary-General