Fostering economic transformation in a fast-changing world

The OECD Initiative for Policy Dialogue on GVCs, Production Transformation and Development

Production Transformation Policy Reviews (PTPRs): advising governments & improving measurement for policy making
New markets, innovation and standards are shaping the future of global agro-food

New trends:
- New ingredients
- New energy sources
- Smart packaging
- New production processes
- New forms of distribution

New values:
- Social and environmental sustainability → Greener & more inclusive value chains

New demands & consumer preferences:
- ↑ Health & wellness food market

Emerging risks:
- Global coronavirus epidemic:↓
  - Food security,
  - Logistic lockdown
  - Prices volatility

Transforming the value chain

Broadening enabling capabilities

Regional integration initiatives are opening up new opportunities.
Developing countries are mostly active in the primary segments of the agro-food value chain

➢ Primary products account for 56.3% of Egypt’s agro-food exports – 3 times higher than Italy (16%).

Composition of agro-food trade, Egypt and selected countries, 2018-20

Local firms participate little to international agro-food value chains

➢ Only 23% of agro-food exports are linked to agro-processing value chains in Dominican Republic, compared to 40% in Spain.

Developing countries invest relatively more in research and development and in innovation in agro-food and could better leverage on trade and FDI for competitiveness

Even though developing countries lag behind in innovation capacities in this industry they do have institutions and competences that could be better exploited.

Eg. Most countries in Latin America invest more in agricultural R&D than the national average Chile (2.41% versus 0.7%) Brazil (1.82% versus 1%) and Costa Rica (1.1% versus 0.5%).

THANK YOU