



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Monitoring progress towards industry-related SDG targets

Workshop on Data and Statistics for Evidence-based
Voluntary National Reviews

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Role UNIDO Statistics Division in SDG monitoring

- Collection of national data
- Compilation of regional and global aggregates
- Maintenance of the SDG 9 data platform
- Publication of thematic report on sustainable industrialization
- Interaction with NSOs and technical assistance



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STATISTICAL INDICATORS OF INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION

Biennial Progress Report 2019

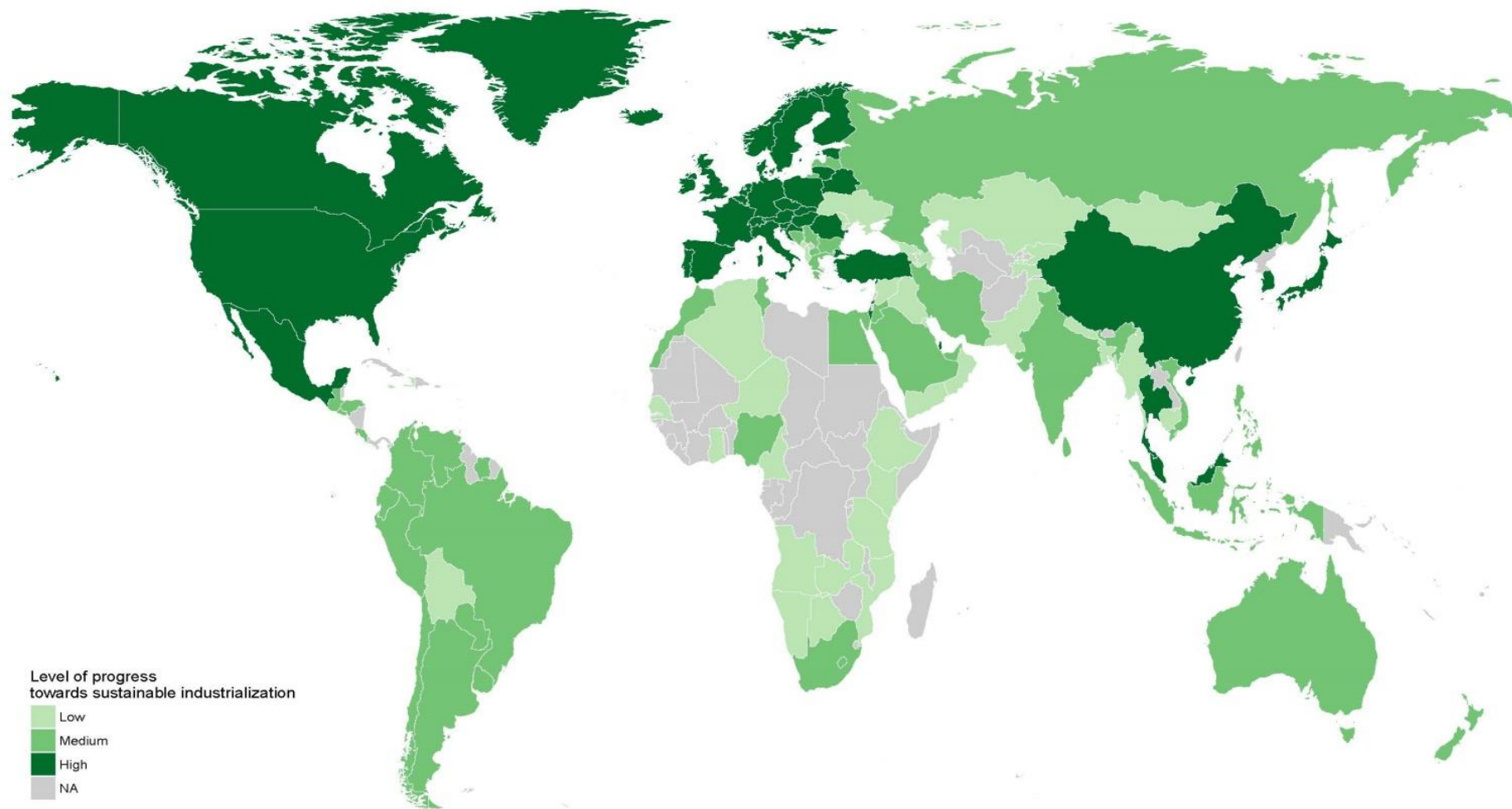


SDG indicators and national data sources

Indicators	National data source
9.2.1 Manufacturing value added (share in GDP, per capita)	Annual national accounts
9.2.2 Manufacturing employment, in percent to total employment	Labour force survey/household survey Annual industrial survey
9.3.1 Percentage share of small-scale industries in total industry value added	Annual industrial survey/ small establishment survey
9.3.2 Percentage of small-scale industries in loan or line of credit	Annual industrial survey/ small establishment survey
9.4.1 CO ₂ emission per unit of value added	Energy consumption data
9.b.1 Percentage share of medium and high-tech (MHT) industry value added in total value added	Annual industrial survey - disaggregated value added data at 3-digit level of ISIC

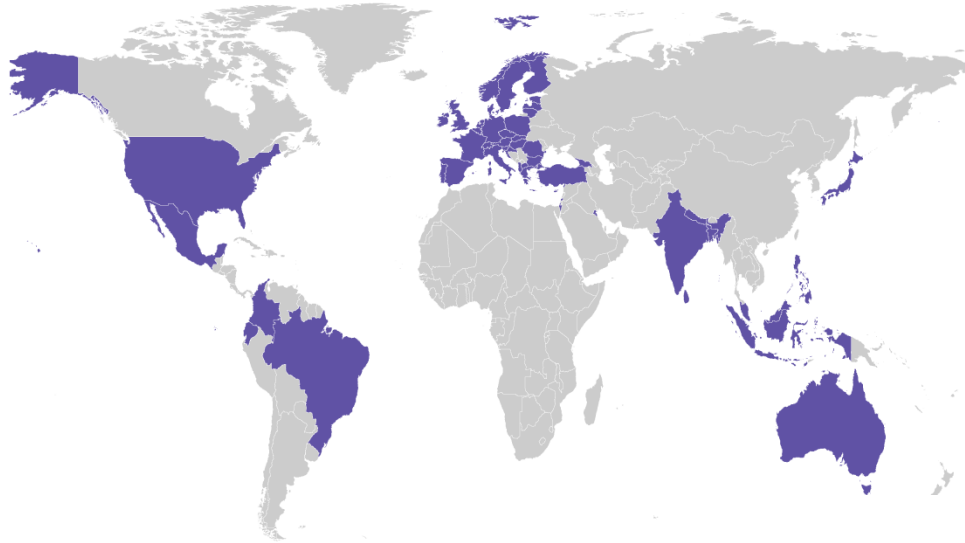


Measuring progress towards sustainable industrialization



Challenges

- SDG 9.3.1 and 9.3.2 indicators are related to **small-scale industrial enterprises (“small-scale industries”)**
 - 9.3.1 Proportion of small-scale industries in total industry value added
 - 9.3.2 Proportion of small-scale industries with a loan or line of credit
- **Definition differs by country**
 - Countries are using the designation of “small” based on revenue, amount of initial investment or fixed capital, employment etc.
 - For SDG reporting the size class is designated at 20 persons employed which is in line with IRIS 2008
- **Data sources**
 - UNIDO Small Industrial Enterprises Questionnaire
 - World Bank Enterprise Surveys – access to finance

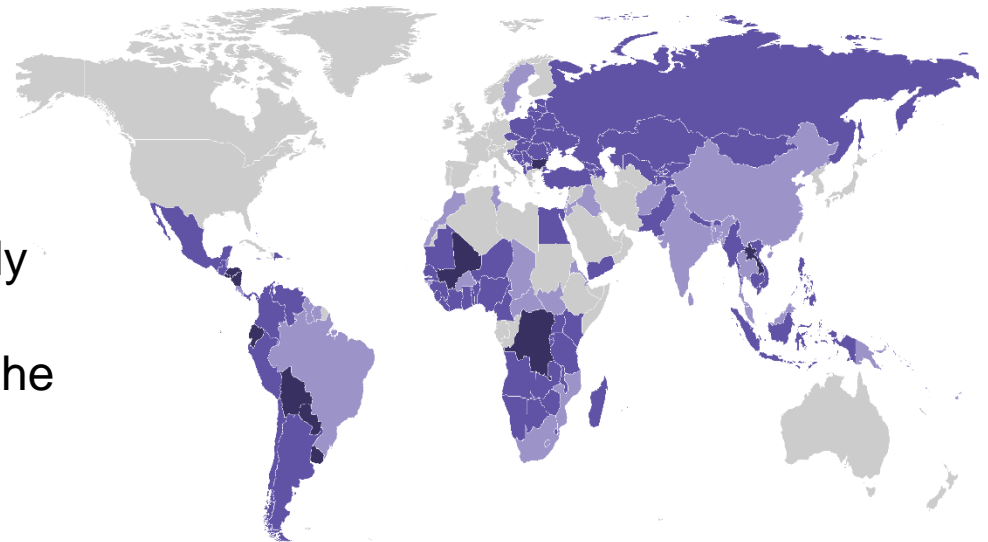


SDG 9.3.1

- Coverage: 57 countries (19 non-OECD and 38 OECD countries)
- Information collected by sub-sectors (at 2-digit level)

SDG 9.3.2

- Coverage: 134 countries (mostly developing)
- **Issues:** representativeness of the sample, gaps in time series

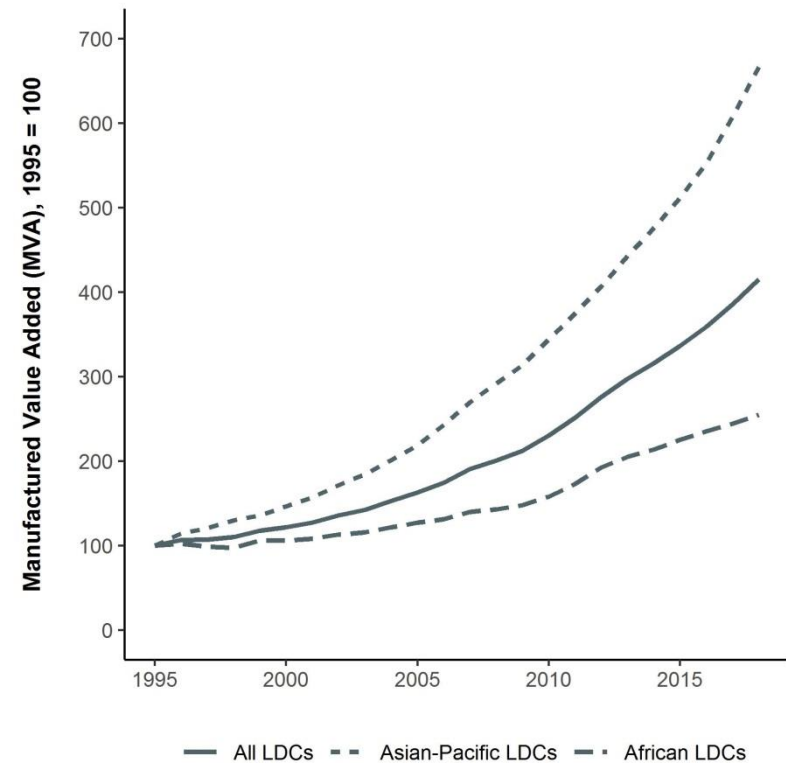
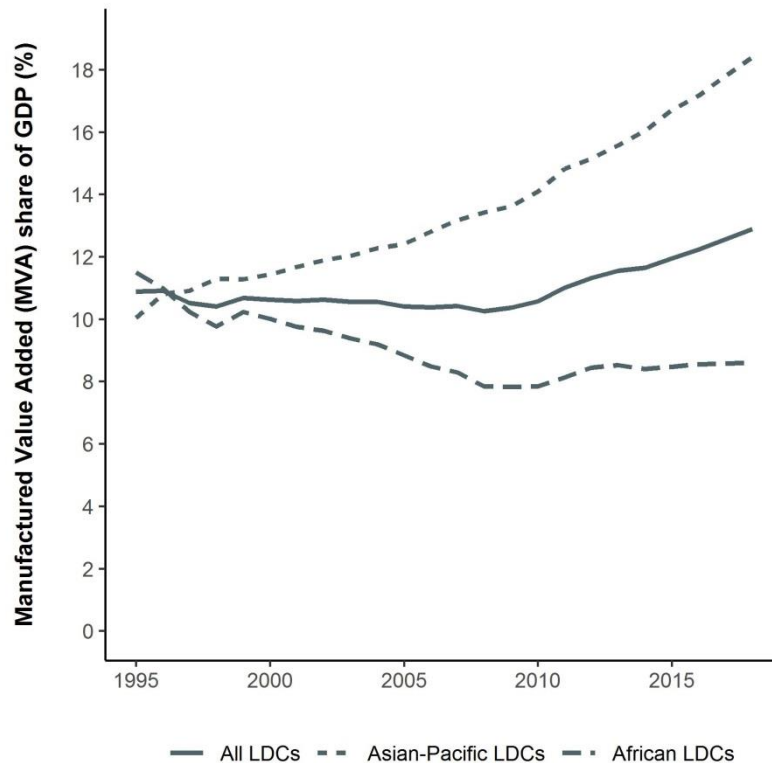


SDG Targets	Indicators
9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	9.2.1 Manufacturing value added (share in GDP, per capita)
	9.2.2 Manufacturing employment, in percent to total employment

What are the prospects of LDCs to reach the SDG target 9.2?

Goals and Targets	World	Sub-Saharan Africa	Northern Africa and Western Asia	Central and Southern Asia	Eastern and South-Eastern Asia	Latin America and the Caribbean	Australia and New Zealand	Oceania*	Europe and Northern America
Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation									
Significantly raise industry's share of GDP	very high share	high share	high share	very high share	very high share	high share	moderate share	moderate share	high share

Baseline - Manufacturing in LDCs



How to drive the successful industrialization in LDCs? What are drivers to improve the chance of achieving the targets?

Forecasting the share of manufacturing in LDCs

Considered Variables

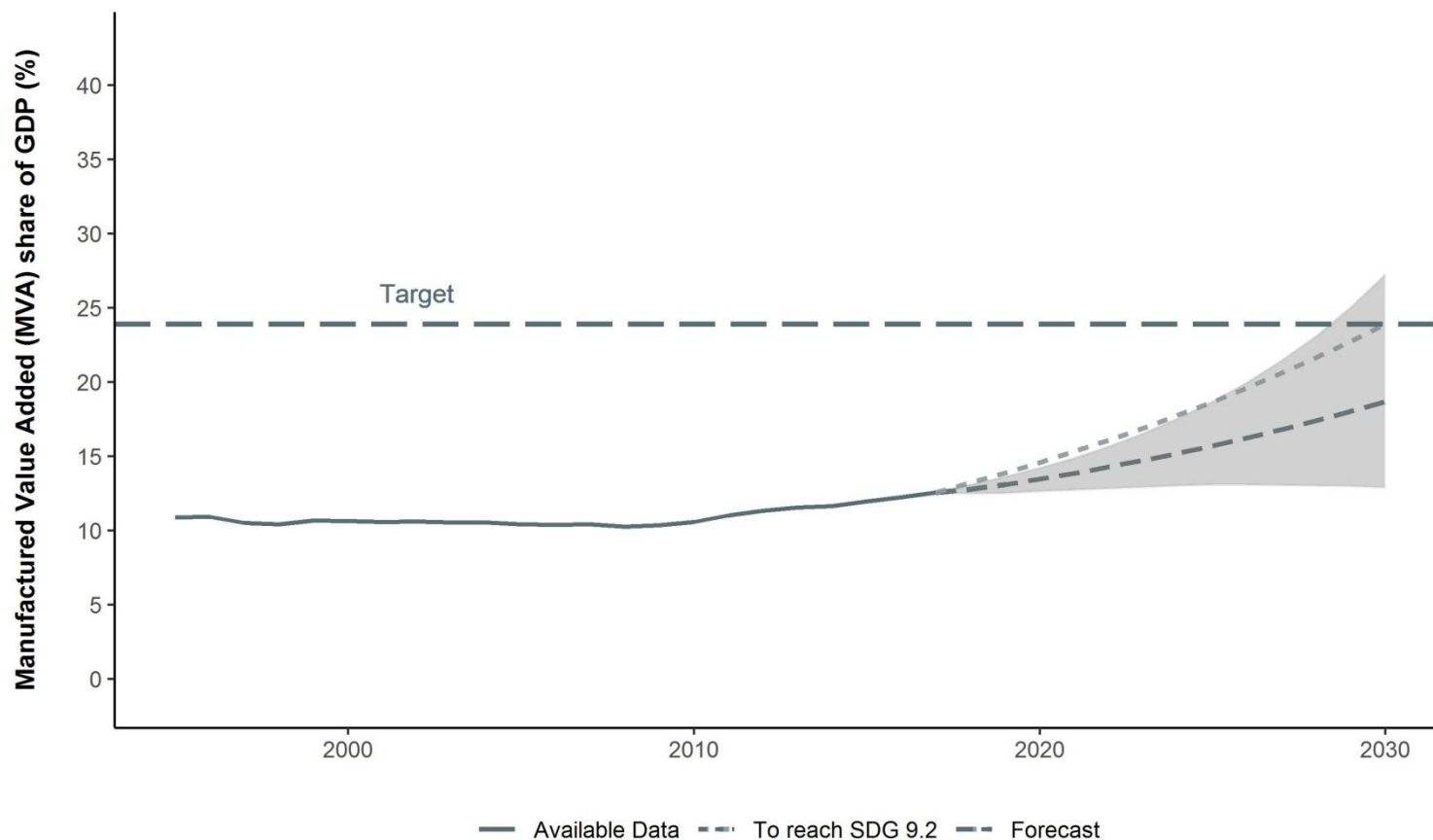
- Driving factors of Industrialization (mainly based on Haraguchi et al., 2019 & Newman et al., 2016)
 - Investment (gross capital formation, foreign direct investment, ...)
 - State of industrial development (MVA/GDP, employment, ...)
 - Economic and political stability (REER, regime change, ..)
 - Social aspects (years of education, age dependency ratio, ..)
- Selected variables for statistical model:
 - Investment (FDI per capita, gross domestic savings)
 - Macroeconomic stability (interest payments on foreign debt)

Forecasting the share of manufacturing in LDCs

Chosen Variables

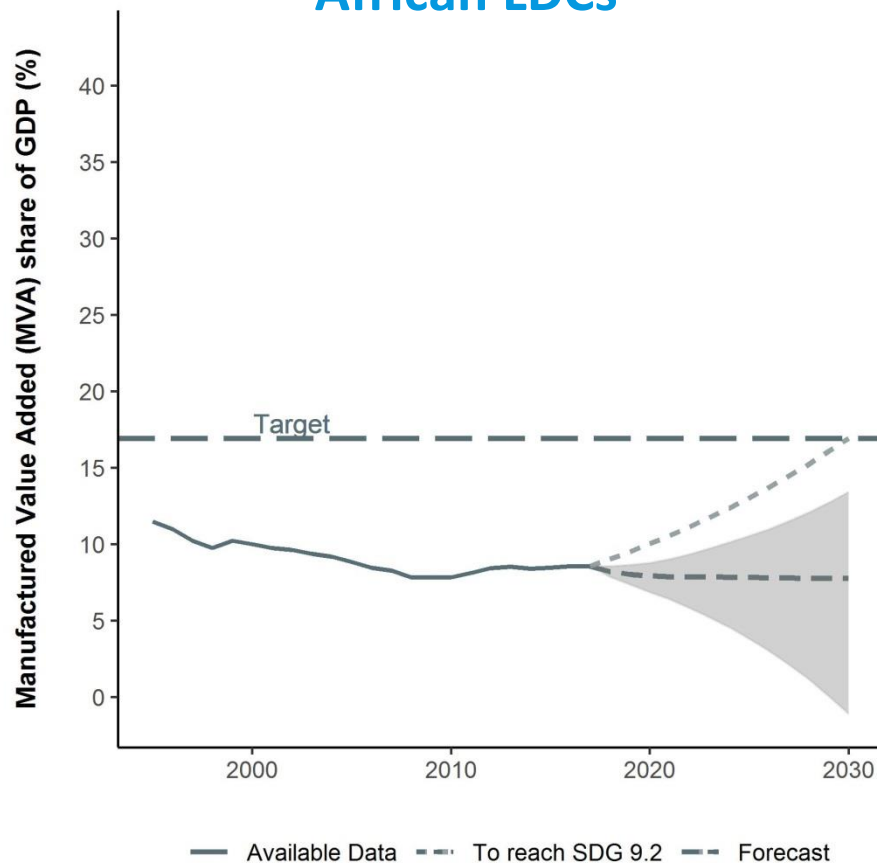
- Overall
 - Data availability
 - Problem of aggregation
 - Some variables more important in later stages of industrialization
- **Foreign Direct Investments (positive impact on MVA)**
 - Investment for capacity building assuming sound policy plan
 - Indicator of secure business environment
- **Gross Domestic Savings (positive impact on MVA)**
 - Linked to domestic investment
- **Interest Payments on External Debt (negative impact on MVA)**
 - Fiscal ability to strengthen industry
 - Indicator of macroeconomic stability

Forecasting the SDG target 9.2 in LDCs

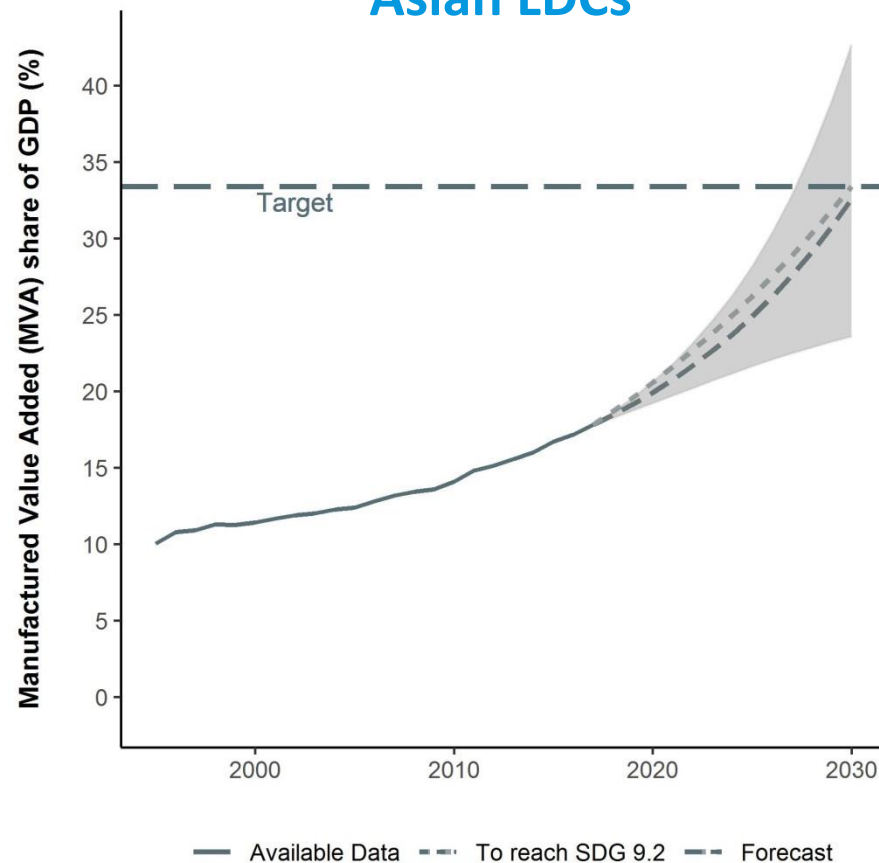


Forecasting the SDG target 9.2

African LDCs



Asian LDCs



Ways towards better SDG-9 monitoring

- Strengthening partnerships with NSOs in data collection
- Supporting Member States to improve monitoring the SDG target 9.3 on “small-scale industries”
 - Strengthening partnerships with NSOs
 - Methodological guidance and technical cooperation
- Developing e-learning materials
 - Data collection, analysis and reporting for SDG-9 indicators



Thank you for your attention

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