

The Resilience of Global Value Chains within The APEC Region

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Abstract:

“This policy brief aims to replicate a key study conducted by APEC in 2014 where a quantitative evaluation of the Strength of Value Chains was conducted. As an update to this study, the policy brief we are currently finalizing provides updated results on the extent of resilience against 5 key risk areas (Natural disaster risk; Logistics and Infrastructure Risk; Market Risk; Regulatory and Policy Risk; and Political Risk) that are relevant to Value Chain Strength in the APEC region. This study is important as it quantifies the region’s performance in terms of Global Value Chains resilience, an issue being exemplified in recent months. The paper makes use of the Principal Component Analysis method to calculate a Value Chain strength index that quantifies the resiliency of the Global Value Chain environment of the APEC region in comparison to other inter-governmental bodies such as ASEAN, G20, OECD and the European Union. Furthermore, considering the recent pandemic, a section of this report has highlighted instances where businesses or governments have shown resilience to this pandemic and the areas within which improvements can be made. More importantly, this study helps shed light on how governments can be more prepared to face unexpected crisis like COVID-19 in the future. “