A COLLABORATION PROPOSAL BY GTPA, IIT & SCRC, WITH THE SUPPORT OF BLOOMBERG NEW ECONOMY SOLUTIONS

Quantitative study:
BUILDING BUSINESS RESILIENCE IN GLOBAL VALUE CHAINS 2020-21

MAY 2020
In November 2019, we launched a solutions initiative, “Unlock inclusive trade,” at the Bloomberg New Economy Forum. Its purpose was to identify barriers to diversity and innovation in regional and global trade; to increase resilience in the face of supply chain disruptions; and to develop standards, enable knowledge sharing, and leverage emerging technologies that enable SMEs’ participation in multinational corporations’ value chains. A few short weeks later, the emergence of SARS-CoV-2 and its ongoing impact on supply chains, public health, economies, and livelihoods only increased the relevance and urgency for this work.

We continue to ask ourselves: How can companies survive the short-term shocks of this global pandemic? How will they build resilience for the aftermath? How can small businesses in developed and developing markets alike stay afloat, pivot, and innovate? How will regulatory bodies, multilateral organizations, trade associations, corporate leaders, entrepreneurs, and citizens themselves recognize what was broken in the system? How can we learn lessons to rebuild a more inclusive, more resilient system for the flow of goods and services across borders? How can technology create efficiency, increase sustainability, and alleviate unnecessary burdens as the world emerges from this crisis?

We invite you and your organization to join us and to support our esteemed collaborators at the Global Trade Professionals Alliance (GTPA) in exploring these questions through the work outlined in the following pages. Your perspective, insights, networks, data, and commitments to inclusion and innovation will be invaluable in shaping the research, results, and recommendations.

The work we do together is meant to explore and build on data, research, and perspectives from SMEs, MNCs, and trade professionals in order to achieve substantive and practical outcomes, from global standards we can widely adopt to changes in corporate procurement policies. Thank you most sincerely for your consideration and please reach out to us at any time.

We wish you, your loved ones, and your colleagues around the world safety and resilience in 2020 and beyond.

Kind regards
Carolina Aguilar
Solutions Director, Bloomberg New Economy
caguilar23@bloomberg.net
www.bloomberg.com/solutions

Lisa McAuley
CEO, Global Trade Professionals Alliance
lisamcauley@gtpalliance.com
www.gtpalliance.com
COALITION PARTNERS

NC State Poole College of Management
Supply Chain Resource Cooperative

The University of Adelaide

APEC Study Centre
Asia Pacific Economic Cooperation

RMIT University

Asia Pacific Foundation of Canada

Fondation Asie Pacifique du Canada
WHO WE ARE

GLOBAL TRADE PROFESSIONALS ALLIANCE (GTPA)

The Global Trade Professionals Alliance (GTPA) is a global trade organisation dedicated to the development of international standards to harmonise and facilitate inclusive and trusted trade.

The GTPA support businesses, governments, trade professionals, trade organisations and industry bodies to:

- Build competency and proficiency in the conduct of international trade;
- Create and facilitate global business networks to advance international trading opportunities; and
- Establish a trusted international trading environment reinforced by ISO standards.

INSTITUTE FOR INTERNATIONAL TRADE (IIT), UNIVERSITY OF ADELAIDE

Established in 1874, The University of Adelaide is one of Australia’s finest universities and consistently ranked in the top 1% of universities worldwide. Internationally renowned as a forward-looking, innovative institution, it is a member of the prestigious Australian “Group of Eight” elite universities, and directly associated with five Nobel Prize winners and more than 100 Rhodes Scholars. The University of Adelaide conducts high-impact research at the cutting edge of numerous globally significant fields of inquiry and is committed to preparing leaders of tomorrow who are independent, creative thinkers with an international perspective.

The University of Adelaide’s Institute for International Trade (IIT or the Institute) is an interdisciplinary unit with a focus on trade and development issues, economics, business and law. Since its formation in 2003, IIT has built a strong track record in:
- Design and delivery of customised capacity-building and trade negotiation training activities;
- Specialised contract research and consulting, including trade-related research, providing strategic advice on business investment policy and sustainable development strategies; and
- Delivery of academic programs focused on international trade, trade law and economic development.

Over the past fifteen years, IIT has developed an international reputation as a centre for trade training excellence. We have trained thousands of participants from across the globe, including in Africa, South East Asia, Europe, the Asia Pacific, Central Asia and Latin America.

SUPPLY CHAIN RESOURCE COOPERATIVE (SCRC)

As part of North Carolina State University’s Poole College of Management, the Supply Chain Resource Cooperative is a unique, industry-university partnership dedicated to advancing the supply chain industry and the professionalism of its practitioners. The SCRC provides support, services, and programs to benefit three overlapping constituent groups: supply chain management students, supply chain thought leaders and corporate partners from diverse businesses and industries to create a full circle of impact, innovation, and real-world solutions. Businesses tap into the value and resources of NC State, and students gain knowledge and experience to prepare for the workforce.

BLOOMBERG NEW ECONOMY SOLUTIONS

Established in 2018, Bloomberg New Economy seeks to be the defining voice and global hub of ideas during this period of global change. Our annual gathering, the New Economy Forum, convenes a global community composed of leading executives, policymakers, rising stars, innovators, and thought leaders from around the world to have candid exchanges, conversations, and debates. Together, they define the challenges, identify the opportunities, and chart a way forward toward a thriving economy of the future. In November 2019, our community convened in Beijing, the very heart of the new economy, to continue the dialogue on these challenges and collaborate on a pathway toward prosperity in the new economy.

Through the New Economy Solutions, we engage our community throughout the year to advance pragmatic, creative solutions that make tangible progress in tackling the broader challenges of the New Economy. These solutions launch or expand existing initiatives that combat inequality and/or climate change. From hiring refugees and reskilling workers to leveraging data and AI for climate change-related disaster relief, we seek to convene the right perspectives through workshops and matchmaking, to amplify awareness of effective efforts to our community and beyond, and to use the New Economy Forum as an opportunity to issue calls to action to our CEOs and government officials.
THE RATIONALE

With the world economy facing multiple disruptions due to the COVID-19 pandemic, global value chains (GVCs) have been transforming rapidly. Experts and government officials around the world have been stressing that doing business – especially international business – will fundamentally change. Yet, the nature and extent of that change is still unknown.

Therefore, from both a commercial and policymaking perspective, it is crucial to identify accurately how multinational corporations (MNCs) and small and medium enterprises (SMEs) are currently coping with disruption to GVCs, including present and future measures to build resilience. It is also important to explore to what extent those measures are expected to impact the operation of GVCs in the short and long-term.

GVCs will not fully disappear but instead will continue transforming. The most reliable way to map this transformation is by surveying businesses directly at a global scale, and with the support of multiple stakeholders. While the COVID-19 pandemic has been affecting all types of businesses across the world, it is expected that some regions and business sectors will undergo different transformations.

THE PROJECT

It is in this context that the Global Trade Professionals Alliance (GTPA), in partnership with the University of Adelaide’s Institute for International Trade (IIT), North Carolina State University’s Supply Chain Resource Cooperative (SCRC), and the Bloomberg New Economy Solutions initiative, are planning to deploy a global survey “Building Business Resilience in Global Value Chains 2020-21”, covering MNCs and SMEs participating in GVCs, as well as industry bodies, international organisations, and academic institutions.

While there is no clarity on how long the current circumstances will continue, MNCs and SMEs will certainly prioritise de-risking their operations and searching for new business opportunities. This will require three key attributes that will frame the overall project: (1) businesses’ resilience, (2) businesses’ leadership adaptability, and (3) GVC’s integrity (covering sustainability, ethical behaviour, security, and inclusion).

The survey will offer direct and valuable insights to businesses on GVCs transformations, as well as relevant and accurate data for industry organisations, government agencies, and academia to design new business recovery policies and adjust programmes in place to support MNCs and SMEs participating in GVCs. Most importantly, it will offer a clear map with which to more efficiently allocate resources, both human and economic.

Preliminary and general areas of interest to be examined include:

1) Micro-level MNC procurement decisions and relationships
2) MNC sourcing strategies
3) MNC and SME profiles and operational overviews
4) Barriers to establishing businesses as new entities
5) Barriers to business expansion and new market entry
THE CONTEXT

The survey constitutes the quantitative component of a larger project the GTPA, in conjunction with IIT and Bloomberg New Economy Solutions, is currently advancing: “Building Integrity in Global Value Chains”. Integrity is defined as the capability of businesses to ensure sustainability, ethical behaviour, security, and inclusion throughout their entire operations across GVCs.

MNC executives around the world are constantly assessing and searching for the best ways to de-risk their global operations while maintaining value in their supply chains.

One way to do this is by diversifying GVCs by sourcing from more small and medium enterprises (SMEs) around the world. This creates opportunities to access new technologies and innovative solutions as well as help reduce concentration risk and enhance innovation.

Our project addresses the question of how to promote this diversification of GVCs through a framework that reduces risk and operational costs while increasing value and inclusion. It explores the role of incorporating standards to support GVC integrity, either through the harmonisation of existing standards or the development of new ones.

The project will:

1. Map the critical components of embedding integrity in GVCs
2. Develop an overarching global standard/framework to enhance GVC integrity by linking existing specific-issue standards
3. Promote SME participation in GVCs through capacity-building and the adoption of a global GVC integrity standard
4. Mitigate MNCs’ risks via the implementation of an overarching global integrity standard
5. Build trust, add value, and reduce costs in the operation of GVCs
## HOW CAN YOU COLLABORATE

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<tr>
<th>KNOWLEDGE</th>
<th>MNCS</th>
<th>SMES</th>
<th>INDUSTRY BODIES</th>
<th>GOVERNMENT &amp; INTERNATIONAL ORGANIZATIONS</th>
<th>ACADEMIA &amp; THINK-TANKS</th>
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<tr>
<td>Contribute research findings and analysis, case studies, and best practices</td>
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<td>Provide interviews and insights from in-house experts and practitioners</td>
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<td>Provide high-level advice on the areas of GVC resilience, business adaptability, and GVC integrity (sustainability, security, ethical behaviour, inclusion)</td>
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<td>Advise on survey content and design</td>
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<td>Disseminate survey to MNCs and SMEs and encourage respondents to participate</td>
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## YOUR COLLABORATION BENEFITS

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<td>Recognition on all survey promotion materials and related media initiatives, including display of logo</td>
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<td>Recognition on event specific materials (e.g. survey’s results presentation, invitations, discussion groups – whether in-person or online)</td>
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<td>For direct business transformation purposes</td>
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<td>For policymaking, advocacy, and thought leadership purposes</td>
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<td>Ability to leverage brand on website and marketing materials</td>
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<td>Access to a global network of trade experts, professionals, academics and policy makers</td>
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