Promoting Industrialization in the Global South in a New Global Landscape

全球南方研究中心
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The views expressed in the report are the authors' own and do not necessarily reflect the position of GSRC.

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Acronyms and Abbreviations

AfCFTA	African Continental Free Trade Area
AFTA	ASEAN Free Trade Area
AI	Artificial Intelligence
ASEAN	Association of Southeast Asian Nations
BRL	Brazilian Real
CIKD	Center for International Knowledge on Development
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CORFO	Corporación de Fomento de la Producción (Chile's Production Development Corporation)
EU	European Union
EV	Electric Vehicle
EVFTA	EU-Vietnam Free Trade Agreement
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSRC	Global South Research Center
ILO	International Labour Organization
IT	Information Technology
MERCOSUR	Mercado Común del Sur (Southern Common Market)
MSMEs	Micro, Small and Medium-sized Enterprises
PLI	Production-Linked Incentive
R&D	Research and Development
RCEP	Regional Comprehensive Economic Partnership
SEZ	Special Economic Zone
UNIDO	United Nations Industrial Development Organization
US	United States

Summary

Industrialization in Global South countries in the twenty-first century faces emerging challenges and evolving circumstances. Over the past decade, the progress of industrialization in Global South countries has generally slowed down. The rise of unilateralism and protectionism, advancements in digital and intelligent technologies, the green and low-carbon transition, and the collective rise of the Global South present opportunities and challenges for industrialization in the Global South. Academics have different views on whether and how Global South countries should pursue industrialization.

The Global South Research Center (GSRC) invited a group of researchers to conduct research on industrialization in the Global South. The report analyzes the practical experiences of eight countries—Egypt, Ethiopia and Kenya from Africa; India, Indonesia and Vietnam from Asia; Chile and Brazil from Latin America and the Caribbean, from the perspectives of five types of industrialization: 1) Agriculture-led industrialization, 2) Export-oriented industrialization, 3) Resource-driven industrialization, 4) Industrialization in service-dominant economies, and 5) Re-industrialization. The study finds that each country has achieved certain progress in industrialization. Their practice demonstrates six common features in achieving industrialization. First, the governments have attached great importance to industrialization and the formulation of industrial policies. Second, the countries have leveraged their comparative advantages based on their national conditions to develop leading industries. Third, the countries focus on integrating their leading industries into the international industrial division of labor, achieving economies of scale through trade. Fourth, the countries focus on building and improving infrastructure to support industrialization, particularly the development of industrial parks and industrial ecosystems. Fifth, the countries focus on enhancing skills through training, promoting technological capability and increasing investment in research and development (R&D) to meet the needs of industrial development and upgrading. Sixth, the countries focus on adjusting industrial policies in response to changing circumstances in technology, energy, and international trade.

Under the new development circumstances, advancing industrialization in the Global South offers implications in three major aspects: First, remaining committed to the industrialization path. Global South countries, especially those medium- and large-scale economies, could make industrialization

an important development strategy and adopt effective industrial policies, leveraging comparative advantages and latecomer advantages to further industrial transformation and technological catch-up. Second, strengthening domestic capacity-building. This involves optimizing the business environment to attract productive investment, fostering local industrial ecosystems, enhancing education and training systems, increasing R&D investment to address gaps in labor skill, and promoting technological R&D capabilities. Third, promoting regional cooperation and leveraging South-South cooperation. This includes advancing regional market integration, building regional industrial division of labor systems, and strengthening trade, investment, technological cooperation, and mutual learning in industrial policies and exchange of development experiences among Global South countries.

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Promoting Industrialization in the Global South in a New Global Landscape

Over the past decade, the pace of industrialization in Global South countries has slowed down. Meanwhile, the rise of unilateralism and protectionism, advances in digital and intelligent technologies, the green and low-carbon transition, and the collective ascent of the Global South have brought new changes to the development conditions for Global South countries. Academics hold different views on whether and how Global South countries should pursue industrialization. This report examines the industrialization practices of eight Global South countries—Ethiopia, Vietnam, Egypt, Indonesia, Chile, India, Kenya, and Brazil—and analyzes the development approaches and key policies adopted in different types of industrialization, summarizes their common characteristics and provides implications for industrialization in other countries.

1.

CHANGING LANDSCAPE AND CHALLENGES IN THE INDUSTRIALIZATION OF GLOBAL SOUTH COUNTRIES

1.1

Industrialization in Global South Countries: Progressing at a Slower Pace

The industrialization level of the Global South[1] **has improved.** From 2000 to 2024, in aggregate terms, the industrial value added in the Global South increased from US$ 3.6 trillion to US$ 11.2 trillion, and their manufacturing value added grew from US$ 1.9 trillion to US$ 8.5 trillion (Figure 1). The Global South's share of global industrial value added increased from 35.1% to 55.6%. The Global South's share of global manufacturing value added rose from 27.1% to 53.9%, an increase of 26.8 percentage points. In per capita terms, the overall industrial value added per capita in the Global South increased from US$ 706.2 to US$ 1590.9 (Figure 2). In terms of economic structure, the share of manufacturing in the gross domestic product (GDP) of the Global South increased from 15.1% to 20.3% (Figure 3). In terms of employment structure, from 2000 to 2023, the share of the industrial sector in employment in the Global South increased from 19.4% to 24.2%.

However, the pace of industrialization in the Global South has generally slowed down over the past decade. In aggregate terms, the Global South's share of global industrial value added and manufacturing value added increased by 14.1% and 18.2% between 2000 and 2012. In contrast, from 2012 to 2024, these shares increased by only 6.4% and 8.6%—less than half of the growth seen in the previous period. In per capita terms, the industrial value added per capita and manufacturing value added per capita in the Global South increased at annual rates of 4.5% and 6.8%, from 2000 to 2012. However, from 2012 to 2024, the growth rates slowed considerably to 2.5% and 3.4%. Concerning economic structure, the manufacturing sector's share in GDP grew by 4.2% between 2000 and 2012, but only by 1.1% from 2012 to 2024. In terms of employment structure, the share of the industrial sector in employment in the Global South grew by 4.1% during 2000–2012. Yet, it remained largely static from 2012 to 2024.

1 This report defines Global South countries based on the International Monetary Fund's classification of "emerging and developing economies." Based on available data, this report primarily measures the level of industrialization in the Global South across dimensions including industrial value added, manufacturing value added, the ratio of industrial value added in GDP, the ratio of manufacturing value added in GDP, the ratio of industrial sector employment, and the ratio of manufacturing employment.

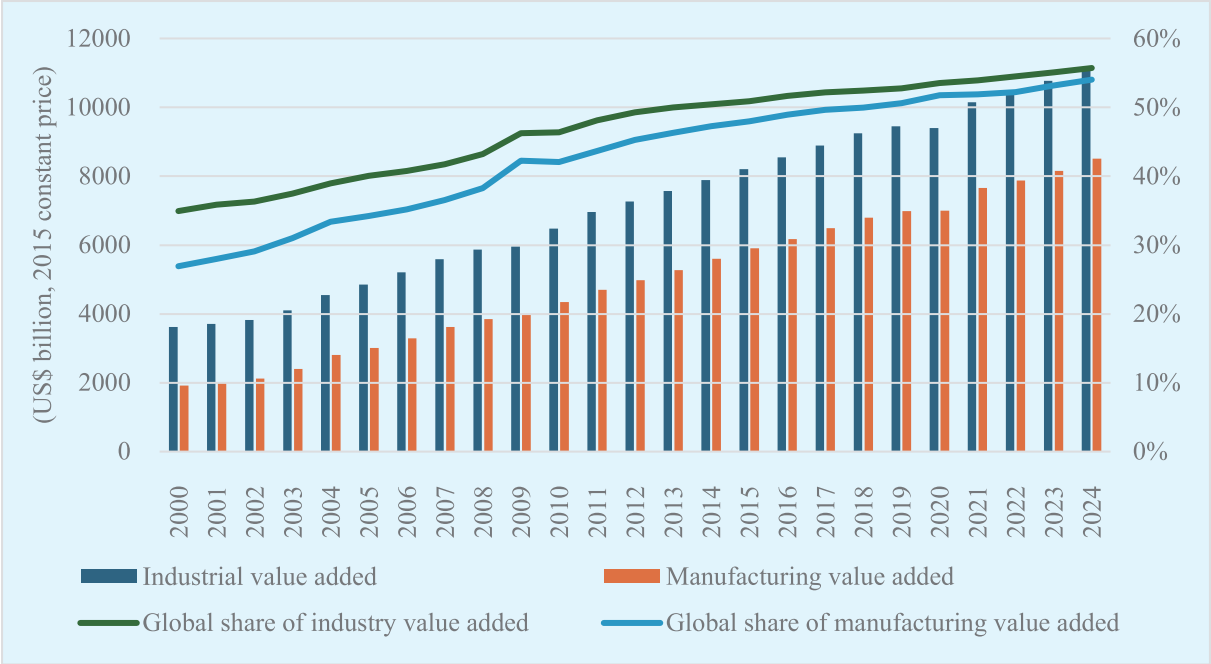

FIGURE 1

Industrial and Manufacturing Value Added in the Global South and Their Global Shares

Source: Calculated by the authors based on UNIDO (2025) data.

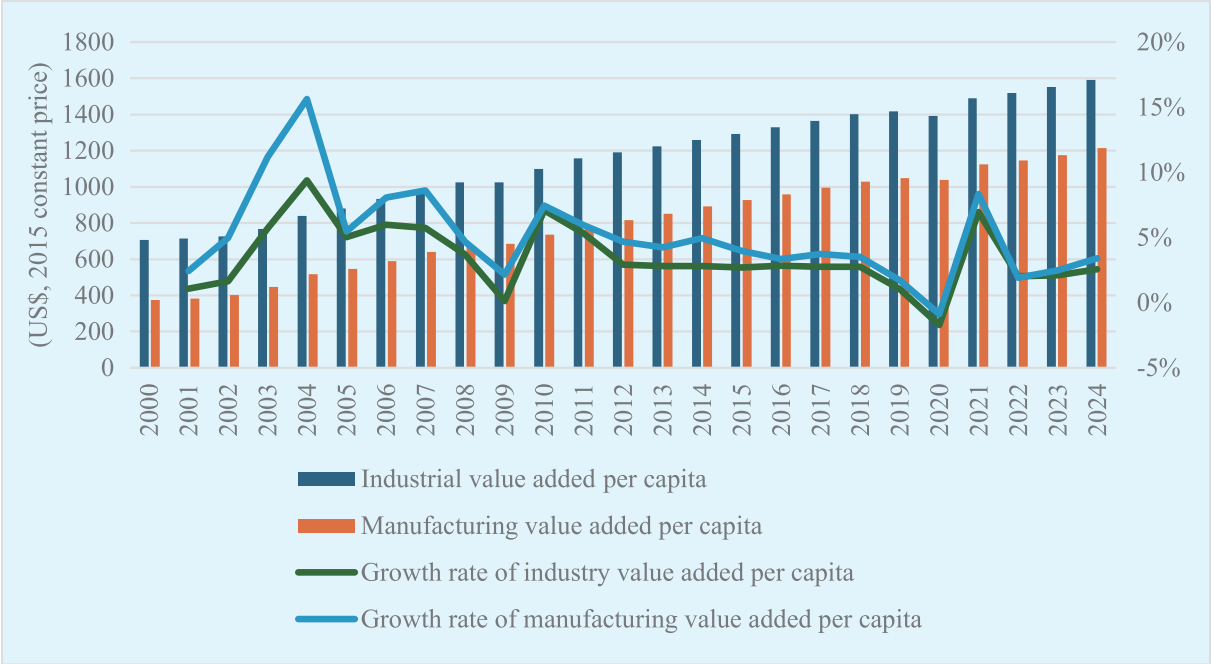

FIGURE 2

Industrial Value Added per Capita and Manufacturing Value Added per Capita in the Global South and Their Growth Rates

Source: Calculated by the authors based on UNIDO (2025) data.

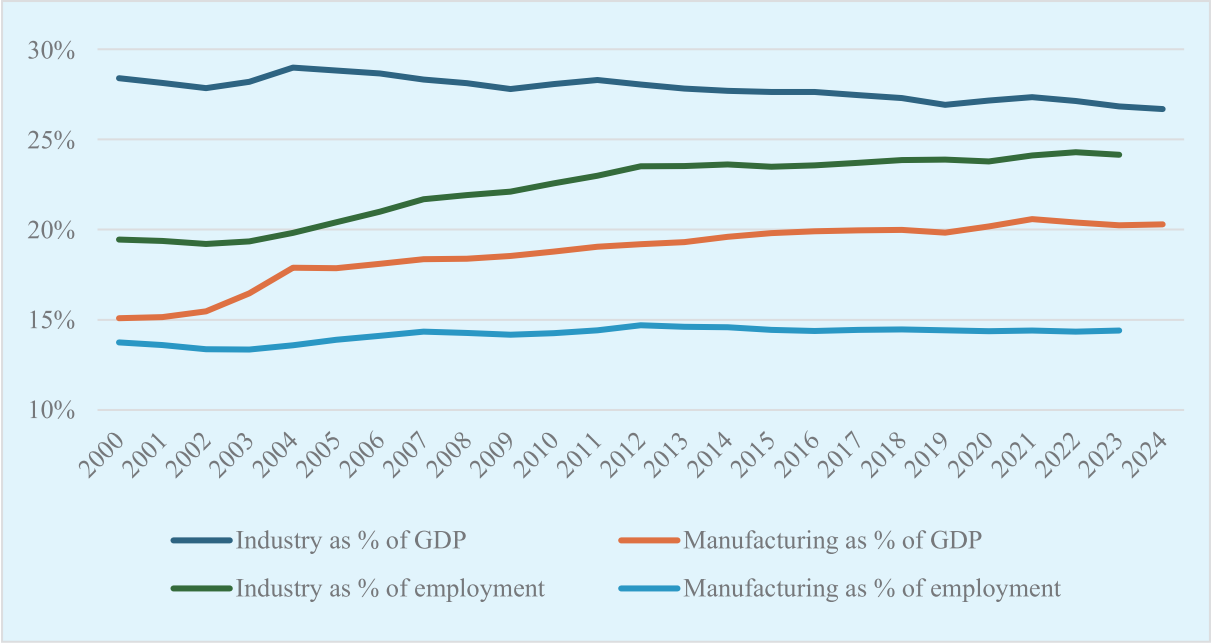

FIGURE 3

Shares of Industry and Manufacturing in GDP and Employment in the Global South

Source: Calculated by the authors based on UNIDO (2025) and ILO (2025) data.

1.2 Industrialization in the Global South Faces New Conditions and Circumstances

Unilateralism and protectionism impacting the industrialization prospects of Global South countries. Over the past decade, protectionism and unilateralism have been increasing. Some developed countries have adopted measures to promote onshoring, near-shoring, friend-shoring, which have disrupted global industrial and supply chains, hence raising global economic uncertainty and eroding investor confidence worldwide. This negatively impacts foreign trade and foreign investment flows into Global South countries. Although certain Global South countries have seized short-term opportunities of industrial relocation amid geopolitical realignments, the highly uncertain international economic environment will, in the long run, consistently impact trade stability and further disrupt investment, hindering the industrialization of most Global South countries.

Digital and intelligent technologies driving development but also eroding the traditional comparative advantages of Global South countries. Over the past decade, digital and intelligent technologies have given rise to new business forms and models such as the platform economy, sharing economy, and experience economy, which can help enterprises in Global South countries connect to broader markets and increase the added value of their products. Big data and cloud computing can help companies in Global South countries improve production processes, optimize resource allocation, and enhance production efficiency and quality. However, the development and application of digital and intelligent technologies are also shifting some traditional labor-intensive industries, such as textiles towards more

capital-intensive and technology-intensive. Advanced robotics and AI are gradually replacing labor in certain sectors. The traditional comparative advantage of large-scale, low-cost labor in Global South countries may be diminished.

The green and low-carbon transition opening new prospects and also presenting challenges for industrial development in Global South countries. Over the past decade, the global green and low-carbon transition has led to a significant increase in demand for critical minerals such as lithium, copper, chromium, nickel, and rare earth elements. Some Global South countries endowed with abundant critical mineral resources have gained opportunities to advance deeper processing of mineral products. Technological innovation and application in the green sector have also made it possible for Global South countries to pursue a path of green industrialization. However, the global climate governance system requires Global South countries to accelerate industrial upgrading and energy transition. They often lack sufficient funding and talents for developing and utilizing key technologies, as well as adequate capacity for developing clean energy projects.

The rise of the Global South opening new opportunities for industrialization in Global South countries. Over the past decade, these countries have experienced a steady improvement in their economic strength and position within the global industrial system. Global South countries are actively expanding their market openness, and the scale of their outward foreign direct investment (FDI) has grown. They are increasingly becoming major consumer markets for industrial products and key sources of industrial investment for other Global South countries. Emerging economies, especially the BRICS countries, have become vital nodes in global industrial and supply chains, leading the industrialization of other Global South countries (CIKD, 2024). New mechanisms and platforms for development cooperation in the Global South—such as the BRICS cooperation mechanism, the African Union's Agenda 2063, the Global Development Initiative, and the ASEAN Community Vision 2045—are fostering new opportunities and space for industrialization in Global South countries.

1.3 Academic Debate on Whether the Global South Should Pursue Industrialization

One perspective questions the feasibility of industrialization for Global South countries. Due to the weakening comparative advantage of low-cost labor in developing countries and the trend of global production moving closer to consumer markets, the manufacturing-led growth model is coming to an end. Industrialization can no longer be expected to play the same role as it did in East Asia's historical development. Instead, developing countries should adopt a multi-pronged new development strategy that coordinates agriculture, manufacturing, mining, and services (Stiglitz, 2021). New technologies, climate governance, premature deindustrialization, and global realignments are reducing the feasibility and effectiveness of the export-oriented manufacturing growth model. Developing countries should adopt new development strategies, focusing critically on investing in the green transition and enhancing productivity in labor-absorbing service sectors (Rodrik & Stiglitz, 2025). Rajan and Lamba (2023) argue that global manufacturing competition is more intense than ever, making it increasingly difficult to sustain an export-oriented growth strategy, while it has become easier to expand the exports of service and manufacturing-integrated services. Developing countries like India could shift away from the conventional path

of gradually moving up the value chain from low-end manufacturing and instead pursue a service-led development path, driving economic growth through exports of high-skilled service sectors.

An alternative perspective argues that industrialization continues to be a vital route for the Global South to achieve economic structural transformation and sustainable development. Based on a series of recent empirical studies (UNIDO, 2020; 2024), the UNIDO emphasizes that industrialization is a driver of sustained prosperity and central to advancing the implementation of the United Nation 2030 Agenda for Sustainable Development. Manufacturing is particularly important for developing countries. It is an engine for economic growth, key to job creation and poverty reduction, and vehicle for facilitating green technology development and energy transition. Herrendorf et al. (2022) emphasize that although the technology diffusion and job absorption effects of manufacturing have diminished compared to the past, manufacturing still provides the foundation for the development of other sectors, particularly high-end and producer service sector. As Ha-Joon Chang points out in the UNIDO's report, manufacturing has always been the driving force behind productivity growth and technological development. Even the most productive agricultural economies heavily use agricultural chemicals and machinery, while the most productive service economies utilize top-tier computer technology, transport equipment, and mechanized warehouses. Developing countries should not be misled into thinking they can skip the industrialization stage (UNIDO, 2024).

2.

PRACTICES OF FIVE INDUSTRIALIZATION TYPES IN THE GLOBAL SOUTH

The Global South Research Center (GSRC) organized a research project on "Industrialization in the Global South" to analyze the industrialization practices of eight countries: India, Vietnam, Indonesia, Egypt, Kenya, Ethiopia, Brazil, and Chile. The eight countries vary in geographical location, population size, development level, and industrial structure and undergo different process of industrialization development. Based on both qualitative and quantitative data, this report analyzes the most prominent features during the industrialization process of each country and its implications from the perspective of five types[1] of industrialization (see Table 1), aiming to provide implications for the industrialization in Global South countries.

TABLE 1

Five Industrialization Types in Eight Global South Countries (2024)

Country	Region	Population (million)	GDP per Capita (US$, 2015 constant price)	Primary-Secondary-Tertiary Industry Structure(%)	Industrialization Type
Ethiopia	Africa	132	916	39:23:38	Agriculture-Led Industrialization
Vietnam	Asia	101	4,018	13:41:46	Export-Oriented Industrialization
Egypt	Africa	117	4,138	14:34:52	
Indonesia	Asia	284	4,368	13:41:46	Resource-Driven Industrialization
Chile	Latin America	20	14,579	4:34:62	
India	Asia	1,450	2,397	18:27:55	Industrialization in Service-Dominant Economies
Kenya	Africa	56	1,853	23:17:60	
Brazil	Latin America	212	9,565	6:25:69	Re-industrialization

Source: Calculated by the authors based on World Bank (2025).

1 The five types of industrialization are analytical patterns rather than fixed or mutually exclusive paths. During the process of industrialization, countries may demonstrate different types at different stages. The report draws on the most useful experience for each country and looks into the implications for industrialization.

2.1
Agriculture-Led Industrialization: Ethiopia

Most low-income Global South countries are primarily agricultural economies, where agriculture plays a fundamental role in initiating industrialization. Agricultural countries can initiate industrialization based on their resource endowments, leveraging comparative advantages through targeted policy support. While improving the productivity of the agricultural sector, they could develop industries directly linked to their competitive agricultural sectors, such as agro-processing and light manufacturing, to gradually advance industrialization and economic structural transformation. Ethiopia is a typical example of a country that has pursued industrialization starting from agriculture. From the 1990s to the 2000s, agriculture accounted for over 35-40% of Ethiopia's GDP, 50% of employment, and 50% of exports. Ethiopia has advanced economic structural transformation by adopting an industrialization strategy focused on light manufacturing.

The Ethiopian government has formulated strategies for industrialization. In the early 1990s, Ethiopia introduced the Agricultural Development-Led Industrialization Strategy. Based on the concept of linkages between agriculture and industry, it emphasized the mutual support between the two sectors. Agriculture provides raw materials, capital accumulation, and markets for industrialization, while industrialization can further drive agricultural development. In 1998, the Export Promotion Strategy was promulgated, designating the industries of export-oriented primary products as key areas for government support. From 2003 to 2013, strategies such as the Industrial Development Strategy, the Plan for Accelerated and Sustained Development to End Poverty, and the Growth and Transformation Plan (I and II) were implemented. The government prioritized the development of agro-processing and light manufacturing industries in successive five-year plans.

Ethiopia's industrial policies encompass four key areas. First, the country has advanced infrastructure and industrial park development. It has focused on building world-class industrial parks that target specific sectors, meet international compliance and aim for sustainability. Since 2013, Ethiopia has been establishing industrial parks and agro-industrial parks and 11 industrial parks and 4 agro-industrial parks had been built by 2020. In 2019, the Hawassa Industrial Park achieved exports worth US$ 55.3 million and created approximately 32,000 jobs. Second, it has encouraged domestic and foreign enterprises to invest in export-oriented industries. The government provides fiscal subsidies and facilitates foreign exchange usage and profit repatriation for key light manufacturing sectors. The Investment Board and the National Export Coordination Committee have been established to offer one-stop services, and foreign investors enjoy greater access in terms of land acquisition and business registration. Third, it has secured financing for light manufacturing. The government assists key industries in securing financing through policy measures. In the meanwhile, the government attracts FDI with incentives such as export promotion. Fourth, it has strengthened talent development. The Leather Industry Development Institute and Textile Industry Development Institute have been set up to provide R&D, training, information, and standards. The country also promotes vocational education and training, and collaborates with overseas institutions to cultivate urgently needed talents.

Ethiopia has achieved positive outcomes in its initial phase of industrialization. Leveraging its agricultural advantages, Ethiopia began with primary manufacturing, forming an industrial structure where agro-industry constitutes

the largest share of the industrial sector. As agricultural productivity improved, agricultural employment began to decline, supplying more labor for manufacturing has development. The growth of manufacturing, in turn, has further boosted agricultural productivity, laying the foundation for sustained industrialization. From 2000 to 2024, Ethiopia's manufacturing value added per capita rose from US$ 9 to US$ 50, an increase of more than fivefold (Figure 4). The share of agriculture in employment continued to decline, dropping from 78.4% in 2003 to 62.4% in 2023, a decrease of 16 percentage points. In terms of key industries, Ethiopia is the world's fourth-largest and Africa's second-largest rose exporter, generating over US$ 550 million in annual export earnings, accounting for approximately 17% of non-agricultural export revenue, and creating more than 200,000 jobs. Coffee exports make up about 30% of total exports. The annual export value of textiles and apparel has grown to US$ 240 million, creating over 200,000 jobs. Regarding export markets, the United States (US) is Ethiopia's largest export destination (accounting for over 10% of exports), followed by neighboring Middle Eastern countries and Europe.

Ethiopia has undertaken policy adjustments to meet new opportunities and challenges. First, Ethiopia is endowed with abundant renewable energy sources, including hydropower and wind power, with significant potential for solar energy development. It has identified energy as a priority sector for industrialization. Mobilizing domestic resources and has concessional loans to expand electricity supply has become a crucial component of its industrialization strategy. Ethiopia will fully leverage its scale advantage in power generation to provide ample and inexpensive electricity to industry and develop electric rail transport. Second, digital transformation has presented new requirements for the accumulation of human

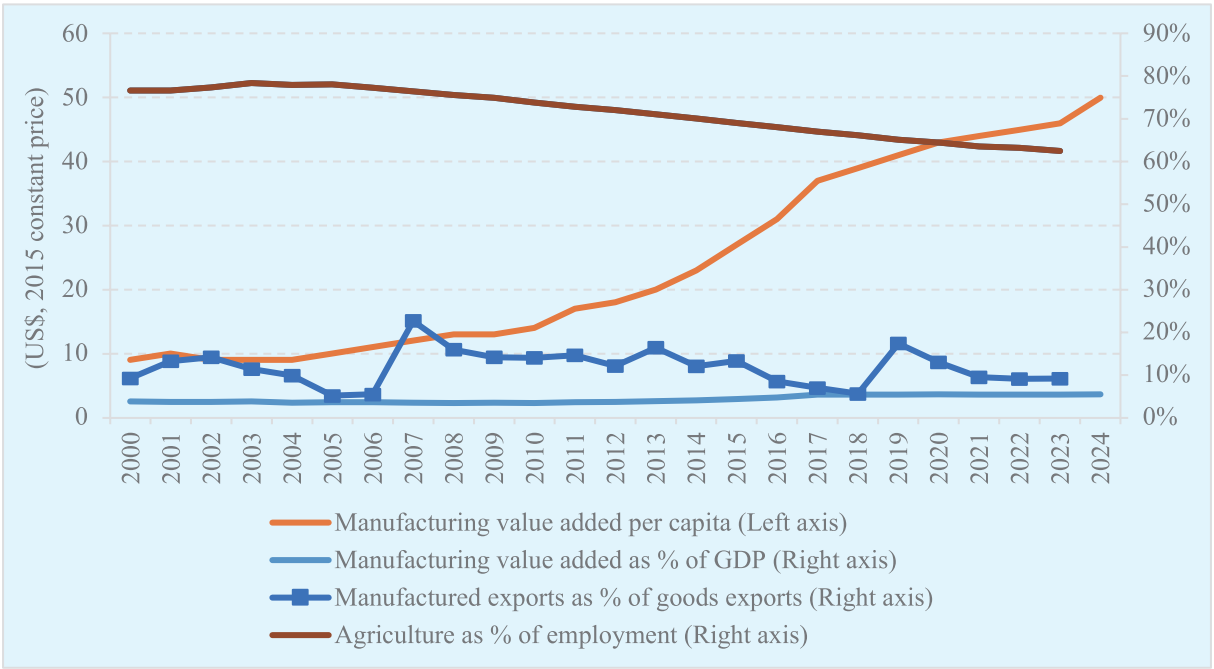

FIGURE 4

Development of Manufacturing in Ethiopia

Source: Calculated by the authors based on UNIDO (2025) and World Bank data.

capital. Third, unilateralism and protectionism have increased the costs of logistics and compliance and the difficulty in securing orders and foreign investment. In response, Ethiopia has implemented policy adjustments. These include: optimizing the business environment to attract productive FDI by establishing industrial parks and providing incentives in finance, taxation, and land use rights; increasing investment in energy, highways, railway transport corridors, information and communication infrastructure, technical schools and higher education; emphasizing policy coordination through the restructuring of the Ethiopian Investment Commission, the Industrial Parks Development Corporation, and the Development Bank of Ethiopia; prioritizing green energy and digital capabilities by integrating sustainability into industry and infrastructure, promoting eco-industrial parks, and advancing digital connectivity and industrial competitiveness through the Digital Ethiopia 2025 Strategy; expanding exports to Europe, Asia (particularly China), and within Africa; and leveraging Ethiopian Airlines to develop the aviation industry, so as to promote the export of high value-added service to create new competitiveness, and further facilitate foreign investment and industrial development.

2.2
Export-Oriented Industrialization: Egypt and Vietnam

After achieving initial industrialization through labor-intensive industries, some Global South countries have adopted export-oriented strategies to further advance their industrialization. These countries implement industrial policies, strengthen infrastructure development, and actively attract foreign investment. They deepen their integration into global industrial chains through export-oriented manufacturing, processing trade, and supporting services, enhance industrial capabilities via large-scale orders and standardized production, and employ import substitution measures to achieve industrial upgrading. Both Egypt and Vietnam start from labor-intensive light industries such as textiles, garments, and agricultural products and gradually move towards a more diversified and higher-end manufacturing system. Driven by government policies, Egypt has expanded industries like petrochemicals. Vietnam, relying on foreign investment from companies such as Samsung and Intel, has developed mid-to-high-end manufacturing in sectors such as electronics and electrical appliances.

Egypt and Vietnam advance industrialization through developing export-oriented manufacturing. By attracting foreign investment, strengthening infrastructure and industrial parks, implement-ing import substitution measures and market mechanism reforms, both countries have enhanced their integration into domestic and international production networks, further expanding their manufacturing scale. In the late 1990s, Egypt spearheaded the establishment of the Greater Arab Free Trade Area. In 2004, it signed the Qualifying Industrial Zone Agreement with Israel and the US, and the Egypt-European Union (EU) Partnership Agreement, thereby reducing trade barriers with the US, Europe, and Arab regions. The Priority for Egyptian Products Act (2015-2017) and Investment Law No. 72 aimed to attract more foreign and domestic investment and increase the level of industrialization. In recent years, Egypt has launched several key strategies, including the 2030 Industrial Development Strategy and the National Industrial Strategy. The “golden license” initiative has been introduced to attract investment in key sectors, including infrastructure, new energy, and telecommunications by streamlining administrative procedures. Vietnam signed

the US-Vietnam Bilateral Trade Agreement in 2001 and joined the WTO in 2007, which has provided strong impetus for sustained market-oriented reforms and the integration into regional and global markets. Decree 111 and the Supporting Industry Development Program 2016-2025 introduced import substitution measures, providing incentives and support for the production of components and materials in Vietnam. The recently announced Industrial Policy towards 2030 has set a target for industry to account for over 40% of GDP by 2030, focusing on enhancing the participation of local enterprises in global supply chains and promoting the development of high value-added industries.

Industrial policies in Egypt and Vietnam encompass three main aspects. First, infrastructure and industrial park development. Egypt has established the Suez Canal Economic Zone, the Golden Triangle Special Economic Zone, and other industrial parks. It has reduced institutional costs by streamlining administrative approvals, implementing integrated customs procedures and building logistics corridors. It has also cut down factor costs by building power and renewable energy infrastructure. Vietnam has built a nationwide network of industrial parks and high-tech zones, providing supporting facilities in areas such as electricity, ports, customs clearance, and bonded warehouse services. This supports the clustering of export-oriented manufacturing and enhances economies of scale. Second, advancing marketization and opening-up and implementing import substitution measures. Both countries have corresponding policies to attract foreign investment and emphasize using import substitution measures to promote domestic industrial upgrading after introducing foreign capital. Egypt strengthens investor rights protection, but at the same time requires imports to boost domestic manufacturing and promote substitution, aiming to achieve import substitution and industrial upgrading at a higher level. Vietnam provides targeted incentives for key components and materials and requires foreign investors to foster local supporting industries and technology transfer. Third, prioritizing the development of key industries and talent cultivation. Egypt establishes a "priority list" focusing on engineering, electromechanics, chemicals, fertilizers, automobiles, textiles, and food industries. It uses fiscal subsidies to expand investment and production capacity, and enhance export competitiveness. It has launched a Technical and Vocational Training Development Plan, emphasizing the participation of private sector, the improvement of education and training quality, and the development of vocational programs. Vietnam has introduced a semiconductor industry development strategy, aiming to cultivate technical talents by expanding university programs and conducting technological cooperation with the US, Japan, and South Korea, thereby promoting deeper integration into the semiconductor supply chain and facilitating technological upgrading.

Egypt and Vietnam have made solid progress in industrialization. Regarding manufacturing exports, the share of manufactured goods in Egypt's goods exports has maintained an upward trend since 2008, while Vietnam's share has consistently increased since 2000. By 2024, this share has exceeded 50% for Egypt and surpassed 80% for Vietnam (Figures 5 and 6). In terms of manufacturing value added per capita, both Egypt and Vietnam have achieved continuous growth with Egypt reaching US$ 548 in 2023 and Vietnam surpassing US$ 1,000 in 2024. In key sectors, Egypt's export of building materials reached US$ 10.6 billion in 2024, making it the top foreign exchange earning sector. The export of chemical products amounted to US$ 8.4 billion, accounting for over 20% of total exports. Food industry exports reached US$ 6.1 billion. Vietnam's export of electronics

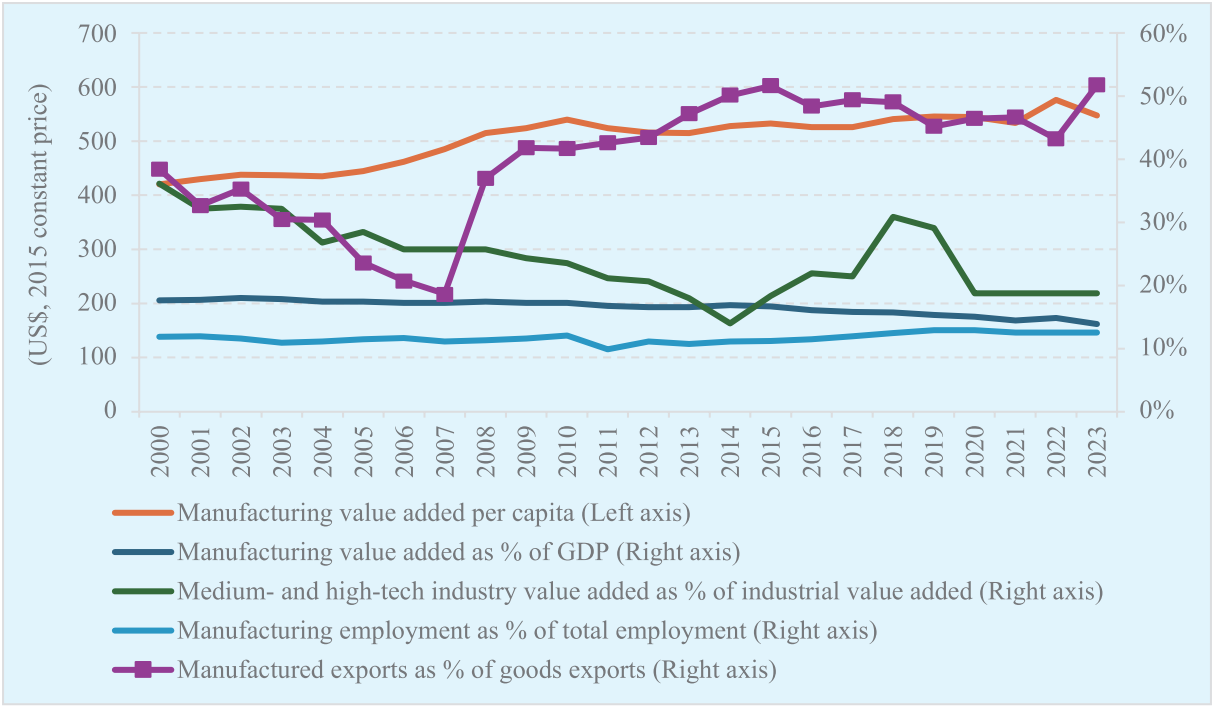

FIGURE 5

Development of Manufacturing in Egypt

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

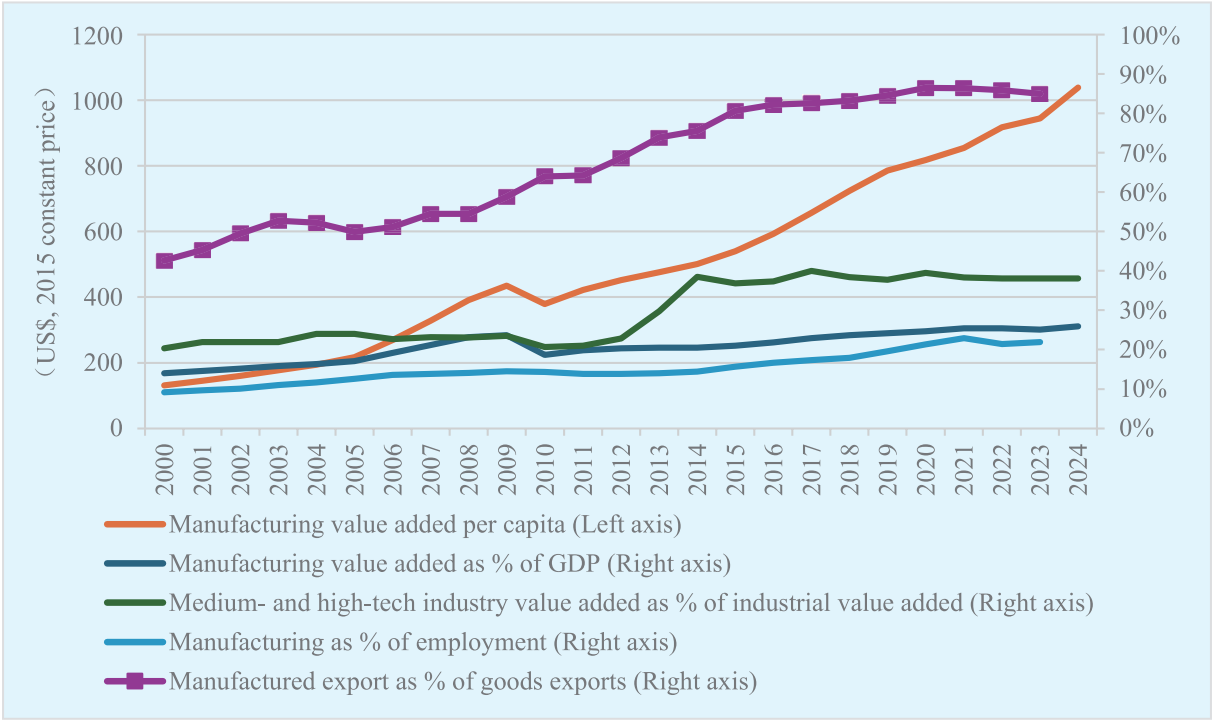

FIGURE 6

Development of Manufacturing in Vietnam

Source: Calculated by the authors based on UNIDO (2025) and World Bank data.

was approximately US$ 126.5 billion in 2024, representing over one-third of national exports. The exports of textiles, garments, footwear, and luggage reached about US$ 71 billion. The export of machinery equipment amounted to around US$ 52.3 billion. Regarding export markets, Egypt's main export destinations include Middle Eastern neighbors such as Turkey and Saudi Arabia, and European countries such as Italy and Spain. Vietnam primarily exports to the US (nearly 30% of exports). East Asian countries such as export China, Japan, and South Korea are also its important export destinations.

Egypt and Vietnam have undertaken policy adjustments to meet new opportunities and challenges. First, digital technologies present opportunities for upgrading traditional industries and developing new sectors. However, both countries face challenges in terms of technical capabilities and talent reserves. Second, the global green transition offers opportunities. Egypt is endowed with abundant solar and wind energy resources. Vietnam is a leader in the green energy sector within ASEAN. Third, unilateralism impacts the exports from both countries, adversely affecting economic development and hindering scientific exchange and technological progress. In response, both countries maintain their industrialization strategies and promote the transformation and upgrading of manufacturing sectors. Vietnam has put forward the Strategy for the Development of Vietnam's Semiconductor Industry to 2030 and Vision to 2050, aiming to become a global leader in the semiconductor and electronics industries by 2050. It actively expands its international trade network, deepening cooperation within trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the EU-Vietnam Free Trade Agreement (EVFTA) to mitigate risks of over-reliance on the American market. Egypt has approved the National Industrial Strategy, which set the target of increasing the industrial sector's share in GDP from 14% to 20% by 2030, raising industrial employment from 7 million to 8 million through skill programs, and achieving localization in manufacturing across nine key industries. It tries to leverage the strategic opportunities presented by the changing global trade landscape, and become a competitive industrial and logistics hub within global supply chains.

2.3 Resource-Driven Industrialization: Chile and Indonesia

Many Global South countries are endowed with abundant mineral resources. Leveraging these resources for industrialization is a viable pathway, but transforming mineral wealth into human and physical capital requires coordinated efforts across multiple stages and sectors. Policies should avoid the crowding-out of other tradable sectors due to real exchange rate appreciation driven by bulk resource exports. It is necessary to build strong fiscal institutions and a predictable, transparent governance system. It is also crucial to channel resource revenues into infrastructure development, extend supply chains based on these resources, enhance capabilities, and increase the value added of resource-related products. Both Chile and Indonesia are pursuing industrialization based on their natural resources. Chile is the world's largest copper producer and the second-largest lithium producer. Indonesia is the world's top nickel producer and the second-largest tin producer.

Chile and Indonesia promote industrialization through innovation and localization policies. Chile has utilized resource revenues to promote

industrialization. Since 1990, the country has focused on supporting key industries such as mining, food, and tourism through the Corporación de Fomento de la Producción (CORFO). In 2005, the introduction of a mining royalty tax provided a foundation for implementing industrial policy. In the same year, the National Innovation Council for Competitiveness was established, proposing the development of industrial clusters by leveraging its advantages of natural resources. The Research and Development Promotion Law was enacted in 2009, creating an incentive-based legal framework for corporate R&D investment. In 2018, the Ministry of Science, Technology, Knowledge, and Innovation was formed, serving as the national hub for science, technology, and innovation governance. In 2020, the National Agency for Research and Development was created, together with CORFO as key institutions to implement industrial policies. Indonesia has pursued industrialization by focusing on downstreaming strategy. The country enacted the Mineral and Coal Mining Law in 2009, which banned the export of raw minerals and required mineral products to be domestically refined before export. In 2020, an absolute export ban on nickel ores was implemented. In the same year, the Indonesia Battery Corporation was established to build an industrial ecosystem encompassing nickel mining, battery materials, and battery pack assembly.

Industrial policies in Chile and Indonesia encompass three key aspects. First, infrastructure and industrial park development. Chile utilizes the Law of Concessions of Public Works to advance large-scale infrastructure development through public-private partnerships. The country has built 24 desalination plants, with over 85% of their output supplying the mining sector, ensuring the provision of production factors. It has also constructed highways, high-speed railways, and ports to create favorable conditions of infrastructure for exports. Notable examples in Indonesia include the Trans-Sumatra Toll Road, the Jakarta-Bandung High-Speed Railway, and the Patimban Deep Sea Port. Indonesia has also established industrial parks focusing on the nickel industry, providing fiscal subsidies and ensuring energy supply. Second, extending the industrial chains based on natural resources. Chile has announced the National Lithium Strategy to vigorously develop the manufacturing of lithium value-added products. Indonesia implements export bans on raw mineral materials, focusing on extending industrial chains for deep processing of natural resources and enhance the value added of raw materials. Third, emphasizing technological development and talent cultivation. Chile allows companies to partially offset taxes with R&D investments and provides free or subsidized skills training to cultivate technical talents for industrial upgrading. Indonesia has launched its "Industry 4.0" roadmap in 2018, encouraging the transformation of manufacturing through new technologies and innovation. The government also promotes vocational education and training in six priority sectors—tourism, maritime programs, food, creative industries, energy, and construction—to develop technical talents for key industries.

Chile and Indonesia have achieved certain progress in their industrialization efforts. In terms of export structure, Chile emphasizes more on increasing revenues from natural resource exports. The proportion of natural resource exports experienced a short-term decline after 1990 but has remained consistently above 50% since 2005 (Figure 7). The share of manufactured goods exports has generally stayed below 20% since 1990. Indonesia has been relatively successful in implementing its resource export bans aimed at extending downstream industrial chains and promoting localization. After 1980, the share of natural resource exports decreased from around 80% to approximately 24% by

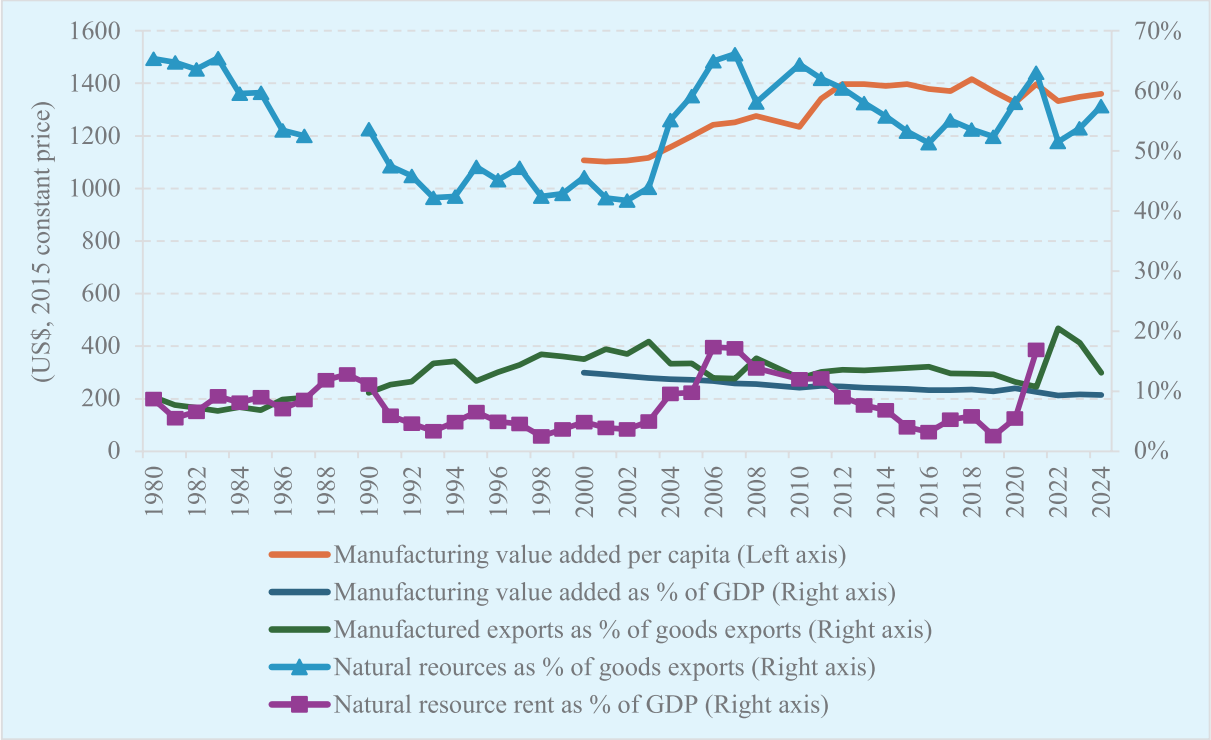

FIGURE 7

Manufacturing and Natural Resource Development in Chile

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

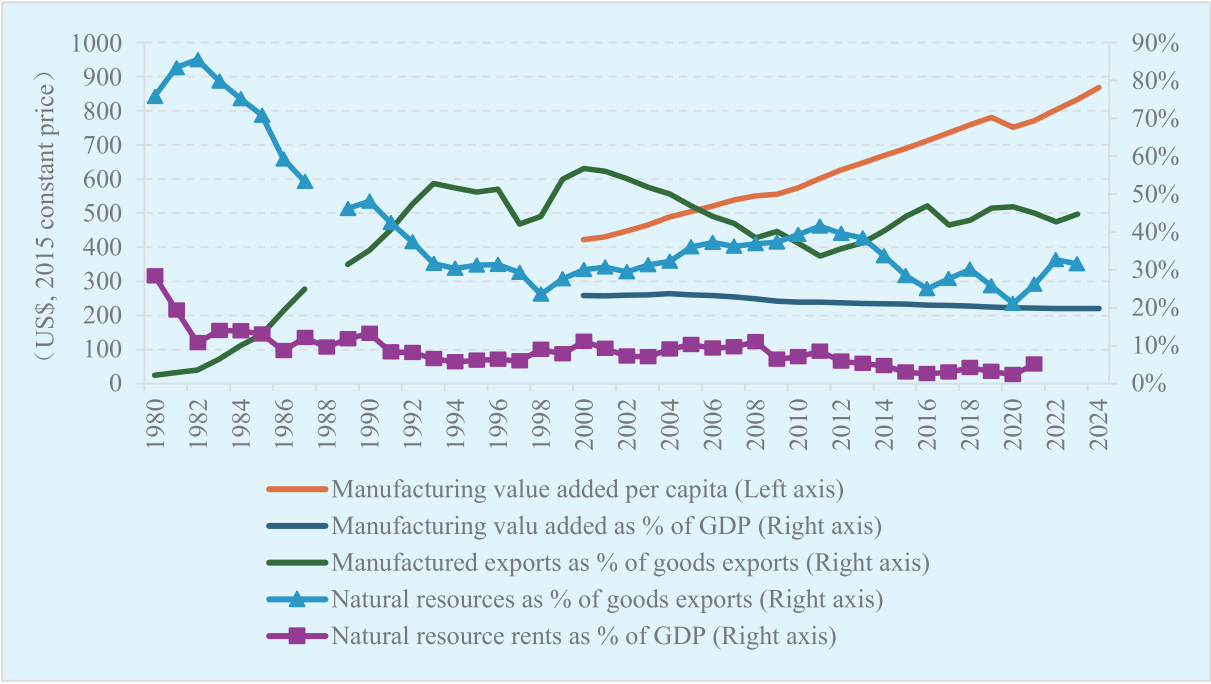

FIGURE 8

Manufacturing and Natural Resource Development in Indonesia

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

1998, and has since overall remained below 40% (Figure 8). The proportion of manufactured goods exports rose from 2% in 1980 to 53% in 1993, and has generally stayed above 40% thereafter. Regarding key industries, Chile's exports of copper ores and concentrates reached approximately US$ 31.29 billion in 2024, and its lithium ore exports were about US$ 2.9 billion. Indonesia's exports of nickel matte were around US$ 4.1 billion in 2023, and its steel exports reached approximately US$ 25.8 billion in 2024. In terms of export markets, China is the largest export destination for both Indonesia and Chile, followed by the US.

Chile and Indonesia have implemented policy adjustments to deal with new opportunities and challenges. First, the green energy transition offers opportunities. Chile's lithium and Indonesia's nickel are crucial materials for energy storage, with significant strategic importance in the era of new energy development. Second, digital technologies provide opportunities for upgrading traditional industries and creating new sectors. However, both countries also face challenges such as weak manufacturing bases and insufficient talent reserves. Third, geopolitical tensions and volatility in commodity markets has increased economic risks for both countries. In response, both countries maintain their industrialization strategies, focusing on increasing the value added to resource-related industries and diversifying industrial sectors. Indonesia has put forward the National Medium-Term Development Plan 2025–2029, including eight major strategies: enhancing agricultural productivity; developing export-oriented, labor-intensive and sustainable sectors; promoting blue and green economies; fostering tourism and the creative economy; establishing urban economic centers; accelerating digital transformation; attracting export-oriented FDI; and increasing investment from non-statutory revenues. Chile has introduced the Framework Law on Sectoral Authorizations to reduce approval time for large public and private investment projects by approximately 30%, and potentially by up to 70% for projects conducted by micro, small, and medium-sized enterprises (MSMEs) and cooperatives.

2.4 Industrialization in Service-Dominant Economies: India and Kenya

Countries rich in human resources often have strong comparative advantages in service sector upon integrating into the international trade system, even without active industrial policies. The low entry barriers for low-end service further accelerate the sector's growth. However, as the prioritized service sectors lack the efficiency of manufacturing, some countries seek to break the path dependency on service and drive industrial development. India and Kenya have developed economic structures predominantly based on service. India initiated market-oriented reforms in 1991, coinciding with the rise of the Information Technology (IT) revolution and service outsourcing. Leveraging its large pool of English-speaking, highly educated talents, India has developed a robust IT services sector. The government also directed more investment towards the service sector. Historically, Kenya had a weak industrial base. After market liberalization in the 1990s, its manufacturing sector faced further external shocks. Meanwhile, traditional services (tourism) and emerging services (mobile payments) have become bright spots for economic growth, attracting more resource allocation from the market and reinforcing the service-dominant economic structure.

India and Kenya implement industrial policies to break the path dependency. In India, the National Manufacturing Competitiveness

Council was established in 2006. In 2011, the National Manufacturing Policy was launched, setting a target to increase the manufacturing sector's share to 25% and create 100 million new jobs by 2022. In 2014, the "Make in India" initiative was launched. The government simplified approval procedures, relaxed restrictions on FDI, reformed the tax system by implementing a nationwide goods and services tax, and improved the overall business environment. In 2008, Kenya launched the Vision 2030 plan, aiming to transform the country into a newly-industrialized, middle-income country by 2030. This was followed by the subsequent introduction of the National Industrialization Development Plan and the Special Economic Zones Act. In 2017, the government announced four key development goals, including developing the manufacturing sector. In 2023, the Bottom-Up Economic Transformation Agenda focuses on MSMEs, aiming to achieve inclusive industrial growth.

India and Kenya's industrial policies encompass three key aspects. First, development of infrastructure and industrial parks. India launched the National Infrastructure Pipeline in 2021 and relaxed land approval requirements for Special Economic Zones (SEZs) related to the electronics industry in 2025. Kenya saw the Mombasa-Nairobi Railway starting to operate in 2017, established SEZs covering a total of 9,000 acres in Naivasha, Mombasa, and Machakos, and plans to develop Konza Technopolis into Africa's first smart city. Second, focusing on key industries. India has boosted the development of specific sectors through policies such as the Scheme for Promotion of Research and Innovation in Pharma Med Tech Sector, Production-Linked Incentive (PLI) Scheme for the Automotive and Auto Components Industry, and the PLI Scheme for Advanced Chemistry Cell. Kenya has also leveraged opportunities under the African Growth and Opportunity Act to develop its textile industry. Third, emphasizing technological development and talent cultivation. India has implemented policies such as "Digital India," "Startup India," and "Skill India" to enhance R&D capabilities and cultivate technical talents for the manufacturing sector. Kenya has established industrial and entrepreneurship programs. It encourages technological innovation in the private sector and creates integrated industry-academia-research platforms, fostering technical talents for manufacturing.

India and Kenya have achieved partial breakthroughs in their industrialization. Since the 1990s, the service sector's share in India's GDP has steadily increased from 37% to 49%, but the industrial sector's share declined after the start of the 21st century, decreasing from a peak of 31% to 24% in 2024 (Figure 9). In Kenya, the service sector's share has remained above 50% since 2006, whereas the industrial sector's share decreased from 19% to 16% (Figure 10). Regarding employment, both countries have experienced a shift from agriculture to service and manufacturing, with employment in these sectors growing at similar rates. Concerning key industries, India's pharmaceutical sector is one of the most successful high-tech manufacturing industries in the Global South, accounting for approximately 10% of global drug production and ranking third worldwide. India has focused on developing domestic automobile brands such as Tata and Mahindra. By 2022, India's annual automobile production exceeded 6 million units, contributing over 6% to global output and making it the fourth-largest producer after China, the US, and Japan. In Kenya, agricultural exports accounted for 49% of goods exports in 2024. The textile industry directly created over 70,000 jobs, and cement production reached about 9 million tones. In terms of export markets, the US is India's major export destination, followed by the United Arab

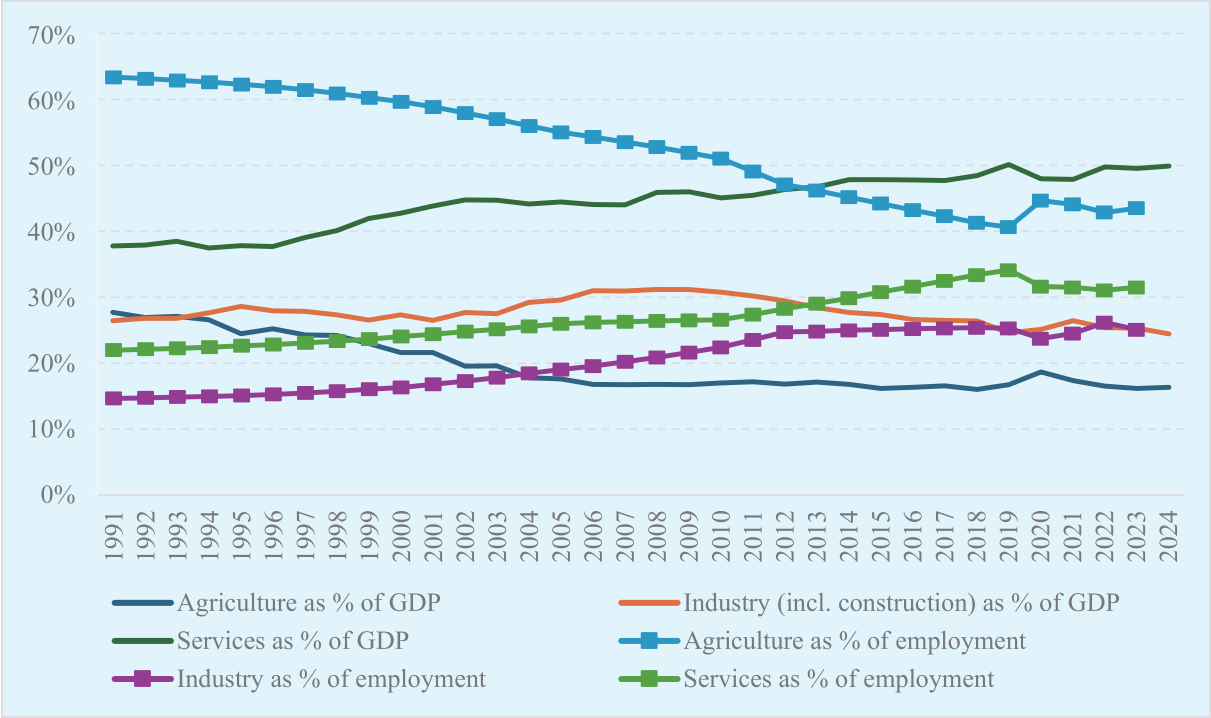

FIGURE 9

Output and Employment Share of Agriculture, Industry and Service Sectors in India

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

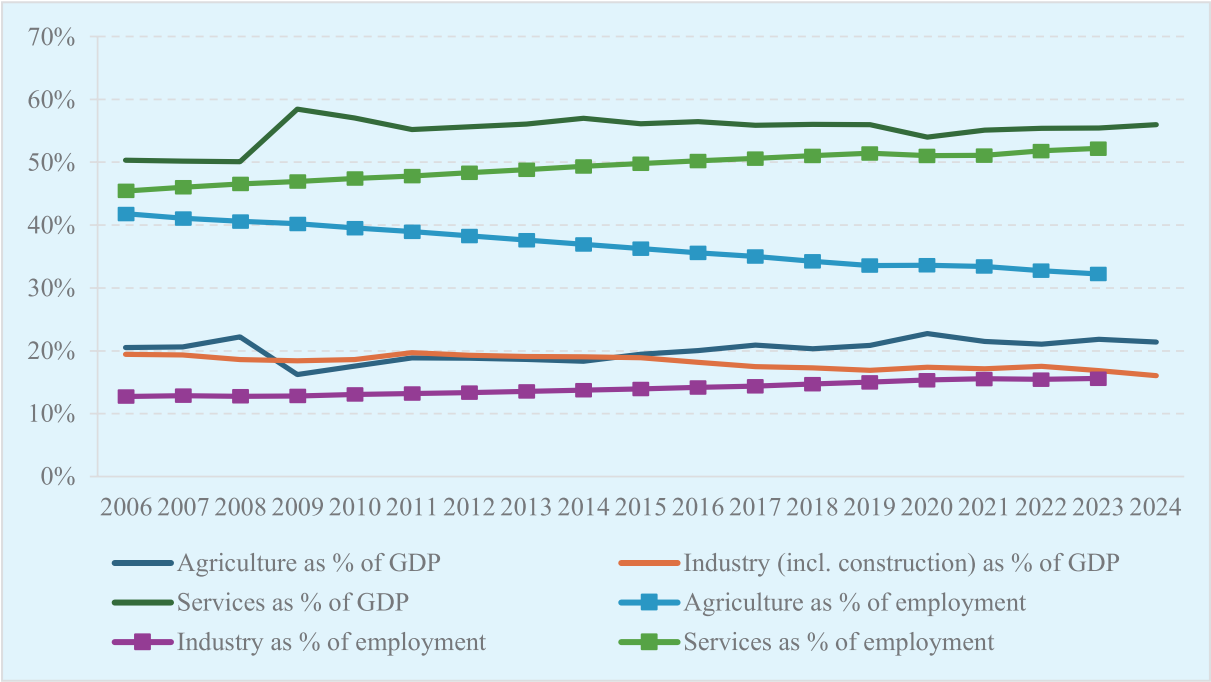

FIGURE 10

Output and Employment Share of Agriculture, Industry and Service Sectors in Kenya

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

Emirates. Uganda is Kenya's leading export destination, followed by the US.

India and Kenya have undertaken policy adjustments to meet new opportunities and challenges. First, the green transition presents opportunities. India is rich in wind and solar power and prioritizes green hydrogen development. Kenya also has abundant green energy reserves. Second, advancements in digital technology offer prospects. India has solid software industry and digital infrastructure. Kenya holds an advantage in telecommunication sector in the region of Africa. Third, amid geopolitical tensions, both countries have relatively weak industrial foundations, with their manufacturing sectors being less integrated into international value chains and less resilient under the pressure of external shocks. In response, both countries remain committed to the industrialization path and prioritize manufacturing development. India is actively leveraging its advantages in digital technology to empower the servicification of manufacturing, setting a goal to become a global leader in hydrogen energy production and utilization, and has also formulated investment policies to improve the electric vehicle (EV) manufacturing capabilities. Kenya has released the draft of the Cotton, Textiles and Apparel Policy to promote deeper integration into the textile industry chain. Additionally, it has incentivized the local EV industry through government procurement and established the National Technical Barriers to Trade Committee, which aims to protect domestic goods from non-tariff barriers, strengthen regional standards setting, and consolidate its position in global commerce and trade.

2.5
Re-industrialization: Brazil

Some Global South countries previously implemented policies that led to premature deindustrialization. Compared to historically developed countries, these countries began deindustrialization at lower income levels and with a smaller share of manufacturing in GDP, characterized notably by a rapid decline in the share of industrial output and manufacturing employment. In recent years, these countries have begun to promote re-industrialization. Brazil is a typical example. In the 1980s, Brazil's industrial output accounted for 50% of its GDP. However, following the Latin American debt crisis and the pursuit of neoliberal reforms, the share of industrial output fell below 25%, and the share of manufacturing employment declined to around 11%.

The Brazilian government actively promotes re-industrialization plans. Brazil actively initiated re-industrialization policies in 2023 and announced the "Nova indústria Brasil" in 2024. The plan focuses on six key objectives: building sustainable and digital agrobusiness chains; developing a health-industrial economic complex; promoting sustainable infrastructure development; accelerating the digital transformation of industries; fostering green development; and strengthening R&D in defense technology. It is backed by a special fund of BRL 300 billion. Brazil's re-industrialization strategy, through coordinated employment of public finance, public procurement, and regulatory frameworks, pursues a balanced development of innovation, domestic production and regional equity, aligning macroeconomic stability with industrial upgrading to strengthen policy consistency and prevent rent-seeking.

Brazil's industrial policies encompass three key aspects. First, prioritize industries with solid foundation. It has launched the "MOVER"

program for the automotive industry, introduced the Fuels of Future Law and the "FINAME Solar" certification in the new energy sector, and established ALADA to promote localization in the aviation industry. Second, promote localization through industrial policy. For example, the Brazilian Development Bank has launched an industrial finance special certification program to encourage the purchase of equipment meeting the required proportion of domestic production, and the "Caminho da Escola" program has incentivized domestic bus manufacturing through government procurement. Third, emphasize international cooperation and talent development. Brazil values the Partnership for New Industrial Revolution with BRICS countries, actively introduces advanced new energy technologies, and collaborates with technologically advanced countries on remote sensing satellite development.

Brazil's industrial foundation provides favorable conditions for its re-industrialization. Over the past twenty years, the value-added by Brazil's medium-and high-tech industries has consistently accounted for more than 30% of its total industrial output (Figure 11). The country has achieved a high level of urbanization, with the proportion of its rural population declining to 12% by 2024. Brazil has a relatively comprehensive industrial system and a strong industrial base. Its industrial strength ranks the first among Latin American countries. Concerning key industries, Brazil's automobile production reached 2.5 million units in 2024, making it the world's eighth-largest automobile manufacturer, with vehicle exports totaling 398,500 units. Embraer is the world's third-largest civil aircraft manufacturer and a significant exporter for Brazil, holding a leading global position in the production of regional jets with capacities of up to 120 seats. Brazil also has an established space and satellite

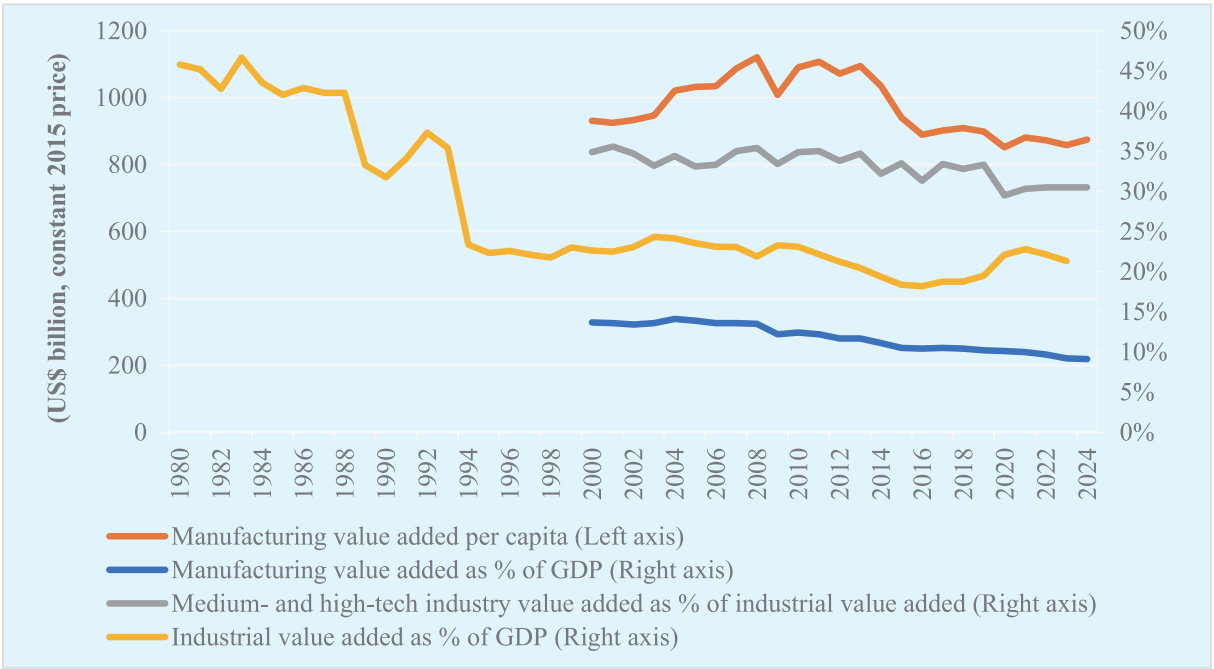

FIGURE 11

Brazil's Industrial Development

Source: Calculated by the authors based on UNIDO (2025) and World Bank (2025).

industry, including launch capacity. Solar and wind power have become vital pillars of Brazil's energy mix, with solar photovoltaic accounting for 19.8% of total power generation in 2023. The country ranked third globally in new onshore wind capacity additions in both 2022 and 2023.

Brazil's re-industrialization efforts have yielded early fruits. In 2024, the country's industrial output increased by 3.1% year-on-year, a significant rise from the 0.1% growth rate recorded in 2023. Brazil's global ranking for industrial output improved from 43rd in 2020 to 25th in 2024. Manufacturing output grew by 3.7%, with exports reaching a record US$ 181.9 billion. Durable consumer goods production grew by 10.6%, the highest level since 2017. The industrial sector witnessed a 146% year-on-year increase in new jobs created in 2024. Regarding export markets, the top three destinations for Brazilian exports are China, the US, and Argentina.

Brazil has undertaken policy adjustments to meet new opportunities and challenges. First, Brazil has abundant solar and wind energy resources. The localization of new energy production presents certain challenges but also brings opportunities. Second, digital technology has become a significant driver of Brazil's economic growth, although it needs to address issues such as digital infrastructure and a shortage of skilled talents. Third, despite geopolitical tensions exerting pressure on Brazil's economic development, the country remains committed to advancing re-industrialization and implementing more active industrial policies. In 2025, Brazil approved a package of investment plans for the defense industry totaling approximately BRL 112.9 billion, aimed at achieving the defense technology enhancement goals outlined in the "Nova indústria Brasil".

3.
INSIGHTS AND IMPLICATIONS

The industrialization practices of the eight countries discussed in the previous section reveal some common characteristics, offering implications for advancing industrialization in the Global South under the new circumstances.

3.1
Common Characteristics of the Eight Countries

First, committing to industrialization and formulating industrial policies. Industrialization is a systematic project requiring the mobilization and coordination of multiple forces for long-term investment in capital, technology, and human resources. The eight countries all attach great importance to advancing industrialization and adopt industrial policies. They design their industrialization pathways, promote domestic reforms to optimize the business environment, vigorously attract foreign investment, and provide various supports—including tax incentives, financing, R&D, export facilitation, and administrative assistance—for key industries. For example, Ethiopia has established an industrialization path led by agricultural development, providing financial support, preferential policies, and foreign investment facilitation for key industries such as agro-processing and light manufacturing. Egypt has made the development of its local manufacturing sector a cornerstone of its economic strategy, prioritizing investment attraction and export promotion in key industries such as textiles and chemicals. Vietnam has maintained the industrialization strategy, promoting market-oriented reforms, adopting import substitution measures, vigorously introducing foreign capital as well as fostering technological upgrades in domestic industries.

Second, fully leveraging comparative advantages to develop leading industries. The determinants of specific pathways and sectoral choices for industrialization in each country include resource endowment, industrial base, geographical location, and historical and cultural context. The eight countries have been able to fully leverage their comparative advantages based on their national conditions to develop leading industries that drive economic growth. For example, Ethiopia and Kenya have leveraged their abundant agricultural and workforce to develop labor-intensive light industries closely linked to agriculture. Vietnam has utilized its geographical location, trade facilitation, and labor to attract foreign investment and undertake industrial transfers, forming leading industries such as

electronic assembly and garments, footwear, and leather goods. Chile and Indonesia have capitalized on their rich resource bases – copper and lithium for Chile, and nickel for Indonesia – to develop mineral processing industries.

Third, integrating into the international industrial division of labor system to achieve economies of scale. The industrial sector exhibits significant economies of scale, yet many Global South countries have limited domestic markets, relying on the international market to expand their industrial capacity. The eight countries have actively integrated their key industries into the global industrial division of labor system. By engaging in international trade and specialized production, they attain economies of scale. For example, Indonesia has attracted foreign investment to promote the processing of nickel ores and the export of related finished products, becoming the world's largest producer of nickel pig iron and the second-largest producer of stainless steel. Vietnam has actively attracted foreign investment to develop its electronics manufacturing industry. It has become a significant global hub for home appliance and electronics production, the world's second-largest exporter of mobile phones and the fifth-largest exporter of computers. India, by exporting to the international market, has gradually grown to be a global powerhouse in generic pharmaceuticals. Kenya, by exporting cut flowers to Europe, has developed to have become the world's third-largest exporter of flowers.

Fourth, building infrastructure and industrial parks to support industrialization. Industrialization relies on the support of infrastructure such as energy, transportation, telecommunications, and municipal utilities. The eight countries have all constructed infrastructure and industrial parks aligned with their industrial development needs. Industrial parks not only provide centralized infrastructure supply but also guide industrial agglomeration, foster industrial collaboration, establishing upstream and downstream linkages, and facilitate achieving economies of scale and scope. For example, Ethiopia has actively attracted productive investment and promoted the development of agro-processing and light industries by building industries parks. Egypt has made large-scale investments in critical infrastructure such as roads, railways, ports, and smart cities, and has established the Suez Canal Economic Zone, the Golden Triangle Special Economic Zone, and multiple comprehensive industrial parks to drive localization of manufacturing industries. Indonesia has fostered economies of scale in nickel ore processing through the development of industrial parks. Chile has extensively advanced the construction of infrastructure, including highways, railways, and ports, through public-private partnerships, creating favorable conditions for exports. Vietnam has established a nationwide network of industrial parks and hi-tech parks, effectively supporting the agglomeration of export-oriented manufacturing.

Fifth, enhancing human capital to meet the needs of industrial development. Human capital plays a vital role in increasing labor productivity, promoting technological innovation, and improving organizational efficiency. The eight countries have focused on strengthening training to address skill shortages in the workforce, fostering technological R&D capabilities, and adapting to the needs of industrial development and upgrading. For example, Ethiopia has established specialized institutes for the leather and textile industries to support technological R&D and personnel training. Both Indonesia and Chile provide vocational education and training in the mineral processing industry, using policies to incentivize technological R&D. India has implemented policies such

as "Digital India," "Startup India," and "Skill India" to cultivate technical talents for the manufacturing sector and enhance its scientific research capabilities. Vietnam has cultivated technical talents by expanding university programs and international sci-tech cooperation, and also accelerated the establishment of national key laboratories to enhance its R&D capabilities.

Sixth, adjusting industrial policies in a timely manner in response to changing circumstances. The eight countries have all made policy adjustments in response to new developments in technological progress, energy constraints, and international trade. Regarding digitalization, these countries have focused on strengthening digital infrastructure, improving the digital adaptability of the workforce, and enhancing digital connectivity. Regarding green transition, they have emphasized integrating sustainability into industry and infrastructure. Brazil, Egypt and Vietnam have intensified their efforts in developing and utilizing well-endowed sources of renewable energy. Countries with abundant critical mineral resources such as Chile and Indonesia have extended their industrial chains and developed new energy-related products. Regarding trade and exports, most countries have actively promoted export diversification and strategically enhanced trade and investment cooperation within their regions and with key trading partners. Countries with large domestic markets, such as Brazil, Indonesia and India, have also focused on developing domestic demand to reduce external risks and shocks.

3.2 Implications for other Global South Countries

First, committing to the path of industrialization. Under the new circumstances, Global South countries pursuing the industrialization path, especially medium and large-sized economies, could maintain industrialization strategies to drive economic and social progress. Building on the full utilization of their comparative advantages, they could leverage the opportunities presented by digitalization and green transition, and utilize latecomer advantages to further advance industrialization. Efforts could be made to promote the use of applicable digital and intelligent technologies in traditional industries such as textiles and garments, electronic assembly, mineral processing, and automobile manufacturing, thereby enhancing production efficiency and added value of products. Efforts could be made to develop and utilize critical mineral resources, extend industrial chains, and enhance innovation capabilities, thereby creating more value for local industries. Efforts coud be made to develop and utilize new energy sources, boost the supply of green energy, and promote the development of green industries, thereby advancing industrialization in the era of green and low-carbon transition.

Second, strengthening domestic capacity-building. Global South countries pursuing the industrialization path could enhance their capability to formulate and implement industrial policies and also improve the predictability of business environment to attract productive investment and to develop infrastructure based on industry characteristics, spatial layout, and development trends. Given limited resources, they could concentrate on the development of industrial parks, fostering industrial clusters with comparative advantages as well as upstream and downstream linkages. Based on the actual needs of local competitive industrial development,

they could improve education and on-the-job training systems to enhance labor skills and increase productivity. It is also important to reform R&D incentive mechanisms, establish and improve the innovation ecosystem, prioritize R&D investment, and facilitate the learning and disseminating of innovative technologies.

Third, fostering regional cooperation and South-South cooperation. Amid rising unilateralism and protectionism, Global South countries should place greater emphasis on strengthening trade and investment cooperation within their regions. By leveraging mechanisms such as the African Continental Free Trade Area (AfCFTA), ASEAN Free Trade Area (AFTA), and Mercado Común del Sur (MERCOSUR), they could promote regional market integration, build regional industrial division of labor systems, expand the scale of local industries, and achieve economies of scale. It is essential to strengthen complementarity and mutually beneficial cooperation in trade, investment, and technology among Global South countries, promoting trade and industrial diversification. Industrialization could become a key area of South-South cooperation to enhance mutual learning in industrial policies and the exchange of development experiences and help countries pursue an industrialization path that is suited to their specific national conditions.

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Introduction to the Global South Research Center

The Global South Research Center (GSRC) was announced by Chinese President Xi Jinping at the Conference Marking the 70th Anniversary of the Five Principles of Peaceful Coexistence in June 2024, and formally launched in March 2025.

The GSRC is an international research platform involving experts and scholars from South and North countries and international organizations. The GSRC's primary responsibilities are to consolidate research resources from around the world, particularly from Global South countries and relevant international and regional organizations, and to carry out research, consultation, and exchange activities concerning key and major issues related to the development and cooperation of the Global South.

The GSRC establishes a Council, chaired by the Minister of the Development Research Center of the State Council (DRC) Lu Hao. The Secretariat of the Council is hosted at the Center for International Knowledge on Development (CIKD).

Council of the GSRC

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