

# Branding and other intangibles account for 30 per cent of product value – UN report

20 November 2017 – Intangible capital, such as branding, design and technology, is increasingly determining success in the marketplace, as nearly one third of the value of manufactured products comes from such capital, a study conducted by the United Nations intellectual property agency has revealed.

“Intangible capital will [increasingly determine the fate and fortune](#),’ of firms in today’s global value chains. It is behind the look, feel, functionality and general appeal of the products we buy and it determines success in the marketplace,” said Francis Gurry, Director General of the World Intellectual Property Organization (WIPO).

“Intellectual property, in turn, is the means by which companies secure the competitive advantage flowing from their intangible capital,” he added.

The WIPO’s study, ‘World Intellectual Property Report 2017: [Intangible Capital in Global Value Chains](#),’ released on Monday, looks at how much income is credited to labor, tangible capital and intangible capital in global value chain production across all manufacturing activities.

The report finds that intangible capital accounted, on average, for 30.4 percent of the total value of manufactured goods sold throughout 2000-2014. Overall, income from intangibles increased by 75 per cent from 2000 to 2014 in real terms, amounting to \$5.9 trillion in 2014, twice as much as tangible capital, such as buildings and machinery, contributed to the total value of manufactured goods.

## **Smartphones**

In the case of high-end smartphones, crucial intangible assets include technology, the design of hardware and software, and branding. Smartphone firms and technology providers rely heavily on patents, trademarks and industrial designs, generating a high return on their intangible capital.

For every iPhone 7 that Apple sells for about \$810, about 42 per cent of the sales price derives from intangibles. Huawei and Samsung also capture significant value in their top-end smartphone models.

Indeed, in the domain of patents, up to 35 per cent of all first filings worldwide may relate to smartphones. The report finds that the 4th-generation (4G) cellular standard used today is associated with close to four times more patents than the 2nd-generation standard.

## **Coffee**

Technology plays a key role in turning a coffee bean into a cup of brew. Brand reputation and image allow companies to differentiate their offering from their rivals.'

Shifting consumer preferences have progressively transformed the global coffee value chain, moving from consumption in the home, then in coffeehouses and now to a new generation of discerning consumers who are interested in their coffee product's back story, willing to pay premium prices.

Prices commanded in this so-called 'third wave' market segment can exceed those in 'first wave' consumption by more than four times, with coffee farmers' incomes tripling. Information on the origin and variety of the coffee beans, how they were farmed and processed, and farmers' compensation become integral to selling coffee.

Responding to the shifting consumer preferences, coffee growers and even countries are investing in efforts to move beyond generic coffee, adopting their own branding strategies.

## **Solar Panels**

Technological innovation is prompting profound shifts in the global manufacturing value chain for photovoltaic (PV) solar panels. Solar panels have moved from highly specialized products to low-cost commodities, putting pressure on producers.

Many companies are seeking growth in local service markets – such as the installation of solar panels in private homes. In such consumer markets, company and product branding are key intangible assets that help attract consumers and project finance.

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## **UN chief 'horrified' at buying and selling of African migrants in Libya**

20 November 2017 – Expressing horror at news reports and videos showing African migrants in Libya allegedly being sold as slaves, United Nations [Secretary-General](#) António Guterres on Monday called on the authorities to urgently investigate the situation and bring the perpetrators to justice.

Slavery has no place in our world and these actions are among the most egregious abuses of human rights and may amount to crimes against humanity,&#8221 Mr. Guterres [told reporters](#) at a press stakeout at the UN Headquarters, in New York, Monday.

He added that he has asked the relevant UN actors to actively pursue the matter.

Mr. Guterres also called on all countries to adopt and apply the [UN Convention against Transnational Organized Crime](#) and its protocol on trafficking in persons and I urge the international community to unite in fighting this scourge.

The [Protocol against the Smuggling of Migrants by Land, Sea and Air](#), supplementing the Convention, was adopted by the UN General Assembly in November 2000. It entered into force in January 2004.

It is an important legal instrument that seeks to prevent and combat the smuggling of migrants, as well as to promote cooperation among States Parties, while protecting the rights of smuggled migrants.

Further in his remarks, the UN chief urge the international community to unite in fighting the scourge.

He also called for addressing migration flows in a comprehensive and humane manner, including through the development cooperation among States to address its root causes, meaningful increase of all the opportunities for legal migration, and enhanced international cooperation in cracking down on smugglers and traffickers and protecting the rights of their victims.

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## [Genuine change in Gaza could help restore confidence in peace process, UN envoy tells Security Council](#)

20 November 2017 – Noting that with the signing last month of the Cairo agreement, Palestinians have set out on a path towards reconciliation, a senior United Nations official underscored on Monday the urgency to resolve the humanitarian crisis in the Gaza Strip and to return the enclave to full civilian and security control of the Palestinian Authority.

“I believe and hope that a genuine change in Gaza [...] [would contribute to restoring confidence in the feasibility of a comprehensive peace agreement](#),” Nickolay Mladenov, the UN Special Coordinator for the Middle East Peace Process, told the Security Council Monday.

“This is a Palestinian-owned process. All Palestinian factions must seize this opportunity to open a new page for their people,” he added.

In his briefing, the UN envoy also underscored that for success to be achieved, past failures must be avoided, security for both Palestinians and

Israelis must be preserved, and all sides must be willing to compromise in the interests of peace.

In the context of improving security, he welcomed the restoration of full security coordination between Israel and the Palestinian Authority (announced 8 November) noting that it the coordination is critical to the security of Israelis and Palestinians alike.

He however, expressed concern over the recent discovery of tunnel extending from Gaza into Israel, and condemning the continued construction of tunnels and statements by terrorist groups purporting violence.

At a time when Palestinians in Gaza who have lived with closures for a decade, survived three conflicts, and have had to struggle to merely exist are seeing hope for the future, such actions and statements risk a dangerous escalation that could destroy the prospects for intra-Palestinian reconciliation.

The humanitarian situation in Gaza continues to worsen with power outages now reported as much as 20 hours a day, piped water supply of 3-5 hours every five days, dwindling stocks of essential drugs and medical supplies and lack of functioning sanitation systems.

Turning to settlements, Mr. Mladenov informed the 15-member Council of Israeli planning authorities' approval of building permits for at least 418 housing units in the East Jerusalem settlements of Gilo and Ramat Shlomo as well as conditional approval of 178 housing units in the settlement of Nof Zion located in the East Jerusalem neighbourhood of Jabel Mukaber.

The UN considers all settlement activities illegal under international law. They constitute a substantial obstacle to peace and should cease," added Mr. Mladenov.

Also in his briefing, the envoy expressed concern over the implications of the latest developments related to the Palestine Liberation Organization (PLO) representative office in the United States.

Only through constructive dialogue can we hope to advance peace and I call on all parties to remain engaged," he said, urging everyone, especially Palestinian leaders, Israel and the international community of their important responsibility to advance the peace efforts in the region.

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**[UNICEF urges greater opportunities for 'forgotten minority' as study reveals](#)**

# bleak prospects for 180 million children

20 November 2017 – Despite global progress, one in 12 children live in countries with prospects more limited than those of their parents, the United Nations Children’s Fund ([UNICEF](#)) reported Monday.

In a new report released to coincide with [World Children’s Day](#), UNICEF revealed that in 37 countries, some 180 million youth are more likely to exist in extreme poverty, be out of school or be killed by violence, than children in those same countries 20 years ago.

“While the last generation has seen vast, unprecedented gains in living standards for most of the world’s children, the fact that a forgotten minority of children have been excluded from this – through no fault of their own or those of their families – is a travesty,” said Laurence Chandy, UNICEF Director of Data, Research and Policy.

In honour of World Children’s Day, which marks the anniversary of the adoption of the [Convention on the Rights of the Child](#), UNICEF has coordinated a range of activities in over 130 countries that aim to give youth their own platform, helping to save their lives, fight for their rights and fulfil their potential – including children’s global ‘take-overs’ and high-profile events.

Among a [host of events and activities](#) worldwide, at UN Headquarters in New York, UNICEF will bring together high-profile supporters, influencers and special guests alongside children who represent some of the world’s most vulnerable children to speak out to the international community on issues that matter to them. Many are expected to join Secretary General António Guterres and 150 children in a ‘take-over’ of the UN complex.

“It is the hope of every parent, everywhere, to provide greater opportunities for their children than they themselves enjoyed when they were young. This World Children’s Day, we have to take stock of how many children are instead seeing opportunities narrow and their prospects diminish,” Mr. Chandy said.

In assessing the prospect of children in escaping extreme poverty, getting a basic education and avoiding violent deaths, among other things, the UNICEF analysis shows that the share of people living on less than \$1.90 a day has increased in 14 countries mostly due to unrest, conflicts or poor governance.

It also revealed that due to financial crises, rapid population growth and the impact of conflicts, primary school enrolment has declined in 21 countries; violent deaths among children below the age of 19 have increased in seven conflict-ridden countries; and that four countries witnessed a decline across more than one of the three areas measured.

“In a time of rapid technological change leading to huge gains in living standards, it is perverse that hundreds of millions are seeing living standards actually decline, creating a sense of injustice among them and failure among those entrusted with their care,” said Chandy. “No wonder they feel their voices are unheard and their futures uncertain.”

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## [Security Council fails at fresh attempt to renew panel investigating chemical weapons use in Syria](#)

17 November 2017 – For the third time in two days, the United Nations Security Council on Friday failed to adopt a resolution on the mandate of an international panel investigating use of chemical weapons in Syria due to a negative vote by permanent member, Russia.

The mandate of the joint Organisation for the Prohibition of Chemical Weapons (OPCW)-UN panel, the Joint Investigative Mechanism (JIM) expires today.

Had the Japanese-penned resolution been adopted, the mandate of the JIM would have been renewed for a period of 30 days, with a possibility of further extension by the Security Council if it deems necessary.

In addition to Russia, Bolivia voted against the draft. Another permanent member China abstained.

A negative vote or veto from one of the Council’s five permanent members (China, France, Russia, United Kingdom and the United States) means a resolution cannot be adopted.

[Yesterday](#), two draft resolutions on the joint [OPCW-UN](#) panel – one sponsored by the United States and another by Bolivia – were defeated in the 15-member Security Council.

The JIM was established by the Council, unanimously, in 2015 to identify “to the greatest extent feasible” individuals, entities, groups or Governments perpetrating, organizing, sponsoring or otherwise involved in the use of chemicals as weapons in Syria.

[Find out more about Syria and the OPCW here](#)