



**United Nations Conference
on Trade and Development**

Distr.: Limited
23 September 2010

Original: English

Trade and Development Board

Fifty-seventh session
Geneva, 15–28 September 2010

**Draft report of the Trade and Development Board on its
fifty-seventh session**

Held at the Palais des Nations, Geneva, from 15 to 28 September 2010

Contents

	<i>Page</i>
II. President's summary	2
Opening statements	2

II. President's summary

Opening statements

1. The following speakers made opening statements: Mr. Jean Feyder (Luxembourg), President of the Trade and Development Board at its fifty-sixth session; Mr. Luis Manuel Piantini (Dominican Republic), President of the Trade and Development Board at its fifty-seventh session; Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD; the representative of Cuba, speaking on behalf of the Group of 77 and China; the representative of Egypt, speaking on behalf of the African Group; the representative of Chile, speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC); the representative of Bangladesh, speaking on behalf of the Asian Group; the representative of Belgium, speaking on behalf of the European Union; the representative of Romania, speaking on behalf of Group D; the representative of Nepal, speaking on behalf of the least developed countries (LDCs); the representative of Paraguay, speaking on behalf of the landlocked developing countries (LLDCs); the representative of the United States of America; the representative of Germany; the representative of China; the representative of Morocco; the representative of Thailand; the representative of Côte d'Ivoire; the representative of Switzerland; the representative of the Philippines; the representative of Yemen; the representative of Norway; the representative of the International Trade Union Confederation; the representative of the Islamic Republic of Iran; the representative of Algeria; the representative of Ethiopia; and the representative of the Russian Federation.

2. It was felt by some that the multiple challenges currently facing the global community could be summed up in one word – imbalances – including in food, energy, housing and financial markets. These imbalances were increasing, and had been allowed to grow during the sustained economic boom which preceded the current crisis. State stimulus packages had helped stave off a full-blown depression, but the crisis had been a watershed, revealing new economic powers and exposing weaker ones in a multi-polar world. Countries with surpluses, such as Germany and Japan, had to rebalance their economies towards domestic consumption. Increasing wages and reducing savings were seen as means towards that end. The *Trade and Development Report 2010* supported this notion, and also made it clear that dramatic declines in public spending could have disastrous effects for the recovery, which was fragile and uneven. The only sustainable route out of recession, it was felt, was through growth and progressive taxation, with reductions in public-sector deficits to come later. It was noted that there was little enthusiasm for much-needed changes in pre-crisis business models. More capital investment in the agricultural sector was needed to address food imbalances. It was also noted that the food and energy markets had become increasingly interlinked, that speculation was driving food prices higher, and that tax havens must be closed.

3. One speaker called upon UNCTAD to improve its language regime to ensure that all delegations would receive documents and reports, translated, and in good time. The same speaker expressed a desire to see more systematic cooperation between UNCTAD and other international organizations such as the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO), where there is a common interest. Furthermore, the speaker wished to see UNCTAD fulfilling its mandate fully, particularly in respect of the poorest countries, on questions such as appropriate trade regulation in order to allow for nascent productive capacity to develop to the point where it is able to face international competition.

4. A number of speakers pointed out that although the financial and economic crisis had originated in developed countries, its impacts had been borne disproportionately by the developing countries – and most particularly by African countries, LDCs and LLDCs. The crisis had impacted on development, and also on flows of official development assistance (ODA). In addition, the financial and economic crisis was endangering the modest progress that had been made towards achievement of the Millennium Development Goals. In this regard, UNCTAD was called upon to strengthen its visibility and efficiency, and the international community was called upon to stand in solidarity with developing countries to help them meet their needs. Reference was made to the recent series of natural disasters in some developing countries, which had exacerbated the negative effects of the financial and economic crisis and further hindered development. One speaker stressed that world leaders must abide by their commitments undertaken at the international level and implement income policies that would stimulate demand and benefit those who were most disadvantaged by market forces, and expressed the hope that commitments of international solidarity would prevail over considerations of individual convenience.

5. Speakers voiced a wide range of concerns, including fears of a double-dip recession, the instability of the current economic system which was plagued by excessive speculation to the detriment of the vital interests of the majority, the burden of servicing external debt, the enormous efforts and the transfer of resources and technology from North to South that would be needed in order to counter the effects of climate change, the need for adequate policy space to enable countries to better respond to the challenges resulting from the multiple crises, the continued marginalization of the landlocked developing countries from the world economy and the structural weaknesses and low levels of foreign direct investment (FDI) in those countries, and the need to formulate innovative mechanisms to allow economies that are net importers of goods and services to make the expenditure necessary to create physical and human capital.

6. In the face of the current multiple crises affecting the world, there was an overwhelming call from speakers for reform. A number of delegates highlighted the need to place development at the centre of the global economic system in order to achieve a sustained and enduring recovery for all countries. Several speakers called for a rapid and successful conclusion to the Doha development round, in order to open new markets and opportunities for developing countries. Many speakers pointed to the need for reform of the global financial architecture, and for strong multilateral institutions and a strong multilateral response. In this regard, calls were made for a structural reform of the major international institutions including a redefinition of their responsibilities and duties, for transparency and clear rules to improve fairness and predictability in the international trading system as a way of encouraging trade and investment, and for greater participation of developing countries in the international financial system and inclusion of LDCs in deliberations on the reform of the international system. One delegate made a call for UNCTAD to act as a counterbalance to the market fundamentalism of other global institutions. Several delegates emphasized the need to come up with innovative and effective policy responses to prevent similar crises in the future.

7. One speaker emphasized that sustainable jobs and sustainable communities would only be generated through sound macroeconomic policies and sound employment and social policies working together.

8. Some delegates pointed out that at the national level, countries needed to coordinate their fiscal and monetary policy and to strengthen regulation of their financial institutions.

9. One delegate observed that the policy actions of developed countries during the crisis had shown that State involvement in the economy would be needed.

10. Many speakers emphasized the importance of building and enhancing productive capacities. One delegate stated that increased trade openness would not be sufficient to ensure that new market opportunities would be seized by developing countries, and that investment in trade facilitation, productive capacity and infrastructure would be needed. Delegates stated that encouraging trade and investment was key to development and to poverty reduction, noted the need to increase investment in agricultural research and development, and spoke of the need to promote private investment, employment-oriented investment and entrepreneurship in order to ensure a sustainable recovery. Some delegates highlighted the need to boost domestic demand.

11. The financial and economic crisis had reduced the level of employment worldwide, and many delegates stated that it was essential to generate employment. One delegate called for employment creation to be put at the centre of economic policy. Another delegate, highlighting the value of a strategy of boosting domestic demand, stated that this strategy, based on employment creation, could lead to a virtuous circle by stimulating production, increasing employment and reducing poverty. Another speaker observed that the realization of decent work would require enhancing the role of governments, and suggested that UNCTAD should work closely with ILO to promote full, productive, quality employment, using trade and investment vehicles for a more inclusive and balanced globalization. The same speaker noted that employment creation required more investment in viable basic infrastructure, a qualified and competitive labour force, and appropriate fiscal, monetary and exchange-rate policies.

12. One delegate called for global cooperation to face common challenges, and stressed the need for good governance at the national and international level. The same delegate recognized market solutions, as well as the need to create partnerships among countries to meet the challenges arising from the aftermath of the crisis, stating that in that regard, there was a need to empower problem-solvers at local, national and international level. Several delegates called for a participatory, inclusive and democratic decision-making process at the international level with a greater role for developing countries, which would take the interests of developing countries more into account, and one delegate called for delivery on the commitments made in support of development. Another delegate stated that the vast potential of South–South cooperation should be tapped, particularly given the increasingly important roles of emerging economies in global trade. The same delegate highlighted UNCTAD’s need for sufficient resources to support the preparatory process for the Fourth United Nations Conference on the Least Developed Countries to be held in 2011, and to ensure the effective participation of LDC representatives at the Conference. An appeal to development partners for such support was made.

13. One speaker made the point that regional initiatives played a crucial role in making the global system more balanced and resilient, and provided examples of successful regional initiatives in the Asian region. Another speaker commented that the development and opening of regional markets was an important step towards full integration of developing countries into the global economy.

14. One delegate highlighted the unique difficulties faced by Palestine in terms of development and called for the international community to support the Palestinian people to achieve a sovereign Palestinian state and to establish peace in the Middle East.

15. One delegate congratulated UNCTAD on its successful organization of the second World Investment Forum held in September 2010 in Xiamen, China, which had attracted some 1,500 participants from approximately 100 countries, and in this regard, called upon the UNCTAD secretariat to continue its follow-up activities to the Forum and to share the results with the parties concerned. The same delegate encouraged UNCTAD to continue its efforts to rethink economic development paths and economic development models. Other delegates expressed appreciation to UNCTAD for promoting the development-friendly

integration of developing countries into the world economy; for UNCTAD's major engagement in science, technology and innovation; and for its ongoing involvement in multi-agency partnerships, and specifically for its involvement in drafting the Principles for Responsible Agricultural Investment.
