

Trade and Development Board, Sixtieth Session
17 September 2013

Item 8: Development Strategies in a globalized world
Statement by the Deputy Secretary-General of UNCTAD

AS PREPARED FOR DELIVERY

Mr. President,
Distinguished Panellists,
Excellencies,
Ladies and Gentlemen,

It is a great pleasure for me to welcome you to today's discussion of item 8 of the agenda, on Development Strategies in a globalized world. I see as an opportunity to continue the discussion of the findings the Trade and Development Report, which already yielded a number of interesting insights yesterday. I am pleased that the report's analysis of the structural shifts in the global economy, and their implications for the development strategies of developing countries, has generated a lot of interest.

Before opening the Panel, allow me to briefly address a point that was raised in yesterday's discussion. Some delegations appeared concerned that UNCTAD was advocating developing countries to abandon trade and to turn inwards. This is not the case. UNCTAD's report merely argues that in the face of depressed import demand in the developed countries, developing countries would do well to pursue a more balanced development strategy, and to rely to a greater extent on domestic demand as a source of growth. As the Secretary-General said in his opening remarks yesterday, the world "balanced" is important here. Trade remains an important means of increasing demand, a disciplining tool to ensure competitiveness and efficiency, and a means to access new technologies and skills.

But in the absence of significant export demand, a development strategy that places greater emphasis on fostering domestic and regional demand will likely be more successful than one that focusses exclusively on exports.

In addition, as the TDR points out, a development strategy focused on domestic demand may well generate greater trade flows than what we are seeing today, as the kind of goods demanded by the growing middle class in developing countries may be served by suppliers from other developing countries. Thus, it could lead to an actual expansion of South-South trade.

Ladies and Gentlemen,

This morning we are fortunate to have with us a Panel of Experts to provide additional insights on UNCTAD's analysis and policy recommendations emanating from the Trade and Development Report. I am delighted to be able to welcome Mr. Ha-Joon Chang, Reader in the Political Economy of Development at Cambridge University. Mr. Chang is the author of "Kicking Away the Ladder: Development Strategy in historical perspective" and more recently, of the book "23 Things They Don't Tell You about Capitalism". I am very much looking forward for his academic views on UNCTAD's work and the findings of the report. We are also pleased to have Mr. Nimrod Zalk, who is Industrial Development Policy and Strategy Adviser at the Department of Trade and Industry of South Africa. As the TDR notes, the new focus on the importance of domestic demand and the need to re-orient supply industries towards meeting this growing demand re-opens the debate about industrial policy. We therefore stand to gain from hearing the views of a practitioner like him. Finally, I am pleased to introduce Mr. Edgardo Torija Zane, who is the Senior Manager of International Agreements at

the Central Bank of Argentina. His views on the ways in which central banks can support investment in developing countries can also greatly enrich our deliberations on the report's findings.

With their insights, I am sure that this morning's session provides an excellent opportunity to examine the policy recommendations of the report and their feasibility in even greater depth.

Thank you very much.