

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board, sixtieth session
Geneva, 16–27 September 2013

**Plenary on Item 9:
Investment for development: Global Value
Chains and Development**

Speaker: Asian Group

Wednesday, 18 September 2013

*Not checked against delivery **

* This statement is made available in the language and form in which it was received. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Asian Group

Statement on behalf of the Asian Group (Iraq), at the sixty session of the Trade and Development Board

Item 9: Investment for Development: Global value chains and development

Wednesday, 18 September 2013

Mr. President.
Mr. Deputy Secretary General
Excellencies,
Distinguished colleagues.

I have the honour to speak on behalf of the Asian Group. The Group aligns itself with the statement made by Ecuador on behalf of the G77 and China.

At the outset, the Asian Group would like to thank UNCTAD for its presentation and for the documentation prepared for this meeting, including the World Investment Report (WIR). Our thanks also go to the distinguished panelist for their interesting presentations.

The central focus of this year's WIR on global value chains (GVC), particularly with regard to the opportunities and risks developing countries face from participation in GVCs, is particularly relevant and timely given the persistence of the global economic and financial crisis.

In emphasizing the importance of GVCs to Asia, allow me to underscore the importance of investment for Asia, and the relatively success of the way that we have managed to mitigate the adverse impact of investment flows in the wake of the global economic and financial crisis.

In the overall context of an 18 per cent decline in world investment flows, FDI flows to Asia reflected a modest 7 per cent decline in 2012 – the first decline since 2009. FDI inflows to East and South East experienced a decline of 8 per cent inflows, with South-East Asia experiencing a modest increase in flows of 2 per cent. South Asia experienced a more significant drop, with FDI flows contracting by 24 per cent. West Asia recorded its fourth consecutive annual decline, although the 4 per cent decrease in inflows was more moderate than in previous years. However, Asia remained the largest source of developing country FDI – responsible for 75 per cent of all developing country investment.

It is evident therefore that harnessing the developmental impact of investment is a high priority for our region. Participation in GVCs could be one way to enhance productive capacity and flows while taking advantage of other opportunities such as

enhanced integration into processes and enhanced transfer of technology and know-how. In this regard, the WIR illustrates the impact that GVCs can have on development, carefully balancing the benefits and potential drawbacks that GVC participation can generate.

Obviously, not all countries can equally benefit from their participation in GVC's as it all depends on a number of criteria such as the technological and manufacturing capabilities of countries as well as their ability to meet the standards of the international market. In this context, assessment of the costs and benefits of GVC participation and GVC-led development strategies must be carried out on the basis of the country-specific situation.

Mr. President.

We welcome the policy initiatives proposed by the study and we believe that they merit serious debate and reflection.

The 2013 WIR also addressed reform of the international investment regime, an issue that was highlighted by UNCTAD through the release in 2012 of the Investment Policy Framework for Sustainable Development (IPFSD). The report stresses regionalism as an important ongoing development. As the various processes of regional integration progress in Asia, and in other regions, we believe that the ideas presented by UNCTAD provide much food for thought and we look forward to intensifying the debate with a view of translating our deliberations into action including through national and regional investment policies and initiatives.

We look forward to UNCTAD's continued work in providing technical assistance in the area of investment. We call on UNCTAD to expand its work delivering technical expertise and capacity building to enable its recommendations to be enacted among a critical mass of countries.

As we look towards the important work ahead of the global community as it begins the process of articulating the post-2015 development agenda and as we prepare for UNCTAD's 50th anniversary in 2014, we should enunciate development goals which address economic challenges including through enhanced investment in productive capacity.

I wish to conclude by stressing the need for UNCTAD to continue its innovative analytical work, and of the importance of ensuring that it will inform and enrich the deliberations in New York in articulating the post-2015 development agenda.

I thank you, Mr. President.