

Sixtieth session of the Trade and Development Board

Geneva, 16–27 September 2013

Closing Plenary Session

Closing statement by the Deputy Secretary-General of UNCTAD

AS PREPARED FOR DELIVERY

Mr. President,
Excellencies,
Ladies and Gentlemen,

It is an honour for me to say a few words at the close of the sixtieth session of the Trade and Development Board. We have had stimulating discussions over the past two weeks, and I would like to thank member States and delegates who engaged substantively in the deliberations, participating in the process via their policy positions and statements, through their intellectual engagement, and by sharing their national experiences. This is how I see the essence of our unique intergovernmental process, and it is a real opportunity to support development. In the context of the positive atmosphere that these past two weeks have created, I would like to reiterate the Secretary-General's call for your continued close engagement, as the principal stakeholders of our organization.

Allow me to briefly recap some of the key points:

The High-level Segment focused on the evolving shift towards new growth poles in the developing world, with regard both to GDP and trade, but also – though less frequently discussed – in the areas of technology and innovation. At the same time, what was a broadly positive international economic environment during the first decade of the millennium has

deteriorated since the crisis in 2008. In this context, the call of this year's *Trade and Development Report* for fresh thinking, at the national and the international level, appears to have struck a chord with many members. In particular, strategies that have been overly dependent on exports to world markets for their growth need to consider how to bolster domestic and regional sources of demand if they are to establish more balanced and sustainable growth paths.

It was clear from the deliberations that this will be a formidable challenge for all developing countries, though more difficult for some than for others. It will require a new perspective on the role played by incomes and wages, by social protection policies, and by the public sector in the development process. Putting the emphasis on domestic and regional demand does not, however, negate the all-important role of international trade. On the contrary, expanding domestic markets across the developing world, particularly at a time of austerity in the advanced economies, can help to bolster regional and South–South trade as part of a more balanced development strategy.

This rebalancing of growth dynamics cannot happen automatically, and will require proactive policies to support it. These could include macroeconomic policies; credit policies, including the role of central banks in supporting productive endeavours; redistribution measures; and the promotion of structural transformation through industrial policies, broadly defined. Member States were particularly interested – given their distinct histories and the unique configuration of constraints that each one faces – in how to translate these general principles into specific policy advice. As set forth in his opening statement, this is a challenge to which we will be paying greater attention during Dr. Kituyi's tenure as Secretary-General, and I believe that UNCTAD is well placed to help create an integrated policy framework that can speak to the variety of economic challenges facing countries at different levels of development.

Moving from the substantive discussions to issues more related to process, I have taken note that some delegates have asked for increased synergies between UNCTAD's flagship reports. Let me reiterate that we do already make an effort to foster complementarity between the reports. However, the benefits from further collaboration across UNCTAD's research work are clear, and it is a central theme of discussion within the secretariat. One challenge will be to strengthen the synergies between reports that deal with global and macroeconomic issues and those with a more sectoral focus, and to make them all more visible.

In the area of investment, delegates commended the quality and relevance of the *World Investment Report 2013* and of UNCTAD's work on the Investment Policy Framework for Sustainable Development, both of which aim to assist countries in policymaking. Many of you expressed concern about declining flows of foreign direct investment (FDI) and the bumpy recovery of global investment, and requested the secretariat to continue monitoring trends and analysing their impact on growth and development, particularly in developing countries.

Delegates also observed that investment policymaking at the national and international level is in transformation. In this regard, delegates called for further technical assistance to make investment work for sustainable development. In particular, the ministers from Myanmar and Tunisia expressed great appreciation for UNCTAD's technical assistance in the areas of investment and enterprise development, and requested that further such support be provided to their countries.

Many delegates recognized that global value chains (GVCs) offer opportunities for developing economies to integrate into international production

networks, and to attract investment for development benefits – including jobs, technology and market access. They also voiced concern about the challenges posed by GVCs, and about countries’ abilities to effectively benefit from GVCs while mitigating the associated risks. They therefore called on the secretariat to further advance the relevant policy analysis, and to offer technical assistance including support for developing countries in building regional value chains.

Ladies and Gentlemen,

Particular attention was also devoted to the development challenges in Africa. Noting the recent commitment by African Heads of State to boost intra-African trade, UNCTAD’s *Economic Development in Africa Report* analysed the key obstacles that prevent such trade from reaching the levels achieved in other regions, and made recommendations to policymakers on how to achieve this goal. In particular, the report pointed out that efforts to boost intraregional trade goals should not be limited to fully implementing existing regional trade agreements and addressing non-tariff barriers, and should be complemented by measures to support the private sector, and to build joint infrastructure projects. A more integrated, “developmental regionalism” approach, as practised in the Greater Mekong Subregion in Asia, was presented as a possible model for ensuring that African countries also build greater supply capacity.

Closely related to this, member States welcomed UNCTAD’s work on developing quantifiable indicators to measure productive capacities, as mandated by the thirteenth Ministerial Conference of UNCTAD. UNCTAD’s analytical work has identified a number of basic elements of productive capacity: productive resources, entrepreneurial capabilities, and production linkages. For UNCTAD – having highlighted the importance of building productive capacities in least developed countries (LDCs) for years – finding answers to the measurement question is critical, as it would allow countries to

benchmark their achievements with other more successful countries and to learn from best-practice policies. UNCTAD's current work on benchmarking productive capacity in LDCs is a "first" effort to develop indicators that would help measure progress on the development of productive capacities in LDCs. However, we still face a key challenge with the lack of reliable and timely data. We need member States' support for this initiative.

The agenda item on UNCTAD's contribution to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields also generated significant interest. We took note of the request by delegations to have more time to deliberate on this item, and we will explore how best to accommodate it at the next Trade and Development Board meeting. We are also considering the designation of a focal point within the secretariat for the follow-up to major United Nations conferences and summits on development.

Ladies and Gentlemen,

This brings me to the deliberations on our Trade Day, which were organized around two themes, namely the contribution of international trade to achieving the new post-2015 development goals, and recent trends in international trade, related trade policy, and market access issues. The Trade and Development Board broadly concurred that international trade in goods and services can be an important catalyst for achieving poverty eradication, as well as sustainable development in its economic, social and environmental dimensions. It should be mainstreamed into the design of the post-2015 agenda as a prominent part of a stand-alone goal, and also under other thematic goals that may be determined. It was recommended that quantitative targets and indicators relating to trade needed to be accompanied by qualitative assessments (i.e. how trade contributes to inclusive and sustainable development). In this

context, the Secretary-General of UNCTAD has proposed the establishment of an open working group of member States to take stock of progress on the post-2015 deliberations, and to reflect over the coming months on how international trade can be integrated into the new goals. This proposal was met with enthusiasm by several representatives, who further called for openness, transparency, and a member State-driven process.

With regard to current trends in global trade, member States noted that the multilateral trading system was a key global public good and that a positive conclusion was needed at the ninth WTO Ministerial Conference in Bali. Support for improved accountability mechanisms was underscored. Nevertheless, important trends have emerged that affect the way in which international trade is conducted, and these have to be reflected in a new generation of trade policies, disciplines, and institutional frameworks. These changes call for an adjustment of trade policies, regulations and institutions, to better harness the new opportunities and address the new threats. They also call for greater coherence among trade and development policies at the national and international level; in particular, trade policies need to be accompanied by coherent economic, industrial, social and environmental policies, and be supported by an enabling institutional environment. Continuous monitoring by UNCTAD of the evolving trading system and of trade policy should inform member States and help them to shape policies.

Last, but not least, member States had an opportunity to assess the progress achieved in enhancing the management and administration of UNCTAD. Several delegates welcomed the efforts made in the implementation of the work plan, and noted their appreciation for Dr. Kituyi's stated commitment to managing for results. However, member States also emphasized the need for continued efforts to enhance UNCTAD's management. We have taken note of the comments made by all groups at the session, and will take these fully into account as we go forward. In this context, we plan to review the

work plan in light of the comments made, and to provide you with regular updates on progress achieved. I would also like to reiterate what I mentioned in my remarks during the session on item 12: Our efforts to improve management and administration in UNCTAD will not be limited to the implementation of this work plan. Building a stronger UNCTAD requires a culture of innovation and continuously striving to do better.

Ladies and Gentlemen,

With these remarks, allow me to thank you once again for your active engagement during these past two weeks. Dr. Kituyi and I are greatly encouraged by the positive and constructive spirit of our deliberations. We hope that the discussions have been of interest to you and your capitals, and we would welcome any feedback that you may have on the sessions. We are confident that – with your support – we can make the Trade and Development Board an even more effective forum for discussing pressing development challenges.

Thank you very much.