

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

Plenary on Items 4 and 8:
**Interdependence: Towards new patterns in global growth
and
Development strategies in a globalized world: Growing
domestic and regional demand for balanced and sustainable
growth**

Speaker: African Group

Tuesday, 17 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.



**AFRICAN GROUP
GENEVA**

Statement by the Coordinator of the African Group
Delegation of the Federal Democratic Republic of **Ethiopia**
to the UN Office at Geneva, and other international organizations in Switzerland
at the 60th Session of the Trade and Development Board, UNCTAD
from 16 to 27 September 2013

Item 4 and Item 8, 17 September 2013

Excellencies, Dr. Kituyi, Secretary-General of UNCTAD, Ladies and Gentlemen,

I have the honor to deliver this statement on behalf of the African Group. The Group associates itself with the statement presented by Distinguished Delegate of Ecuador on behalf of the G 77 and China.

I thank Dr. Kituyi for his comprehensive and thought provoking remarks.

The African Group congratulates the UNCTAD Secretariat for producing its flagship report, TDR 2013. We believe that the Report is an important input for member states and facilitates an informed debate on the global economic situation. As it was noted by the recent external evaluation report on the sub program 1 of UNCTAD, TDR is one of the main outlets of UNCTAD to disseminate its research and analysis work to the international development community. TDR is well-known for challenging the conventional wisdom and it helps us to think outside the box with the purpose of finding solutions to persistent and emerging development challenges. This is exactly what the TDR 2013 does. It challenges the international community to go out of path of doing business as usual to sustainably address impacts of the global economic and financial crisis.

The TDR argues that the great recession is the result of structural imbalances and it therefore requires structural reform. The Report notes that policy makers should understand that the recent economic and financial crisis is of a quite different nature than the cyclical crises of the past. The current situation requires policies that adopt a more comprehensive and long term perspectives. Due to partly the lack of this understanding, some of the policy measures taken in the aftermath of the crisis were not sufficient enough to bring back the much needed global economic certainty.

The world economy is still in struggling to recover from the worst economic recession

since the Great Depression of the 1930s. Global economic growth in 2013 is likely to be even lower than the 2.2 percent recorded in 2012. The impact of the global economic and financial crisis are still with us. High unemployment, wage compression, income inequality, low consumer confidence, among others, are slowing the economic growth of the advanced economies. International trade in goods has not returned to its pre-crisis level and the global economic outlook remains uncertain. The slow economic growths in developed countries have affected the economic growth of developing countries. Developing countries are expected to grow by between 4.5 and 5 percent in 2013, similar to 2012. Domestic demand has become a major growth driver in many of them as external demand from developed countries has remained weak.

The TRD notes that developing countries have emerged as additional drivers of global economic growth. However, the Report stresses that developing countries cannot be expected to lift developed countries out of their sluggish growth pattern through higher imports from them. The widely expected protracted period of slow growth in developing countries make it increasingly difficult to pursue export-led growth. Therefore, policy makers need to find new policy alternatives. The new global growth pattern demands new policy tools. Countries should find right policies to pursue sustainable economic growth that enhances export, domestic consumption and income increase.

Mr. President, African countries registered high economic growth at the first decade of the 21 century. However, the Great Recession has negatively affected the growth of Africa. The Economic growth of Africa is predicted to be 4 percent in 2013 much slower than the 5.4 percent of 2012. In spite of this; Africa is now recognized as one of the global growth poles. The Africa Economic Outlook Report states that the continent's economic growth looks promising and this confirms the healthy resilience for internal and external shocks. The most important policy challenge for policy makers would be to bring structural transformation in African economies. This requires, among others, a stable global economic growth as African development could be realized while the global economic environment remains uncertain. Therefore, it is important that right and development-friendly policies are implemented to fully recover from the 2008 economic and financial crisis.

Finally, The African Group encourages the UNCTAD Secretariat to further disseminate the TDR for the wider policy makers, and to the civil society

I thank you