

**Trade and Development Board
Sixty-first session**

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**Item 9: Investment for development: Investing in
the sustainable development goals**

Speaker: Chile on behalf of the GRULAC

Wednesday, 17 September 2014

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**Statement by H.E. Mr. Héctor Casanueva,
Ambassador and Permanent Representative of Chile to the WTO
on behalf of the Group of Latin America and the Caribbean (GRULAC), to the
Sixty-first Session of the Trade and Development Board**

Item 9: Investment for Development: Investing in sustainable development goals

Wednesday, 17 September 2014

Madam President, H.E. Ambassador Ana María Menéndez Pérez (España);
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Mr. James Zhan, Director of the Division of Investment and Enterprise,
Excellencies
Distinguished delegates,

1. It is an honor for Chile to be speaking on behalf of GRULAC at this session of the Trade and Development Board. First of all, congratulation Mrs. President for the leading this meeting, and we extend our best wishes for success to all board members.
2. Also, we would like to thank the Secretariat on the preparation of the 2014 Report on World Investment, whose data, information and suggestions are very relevant and useful, not only for all members, but also for other international organizations, universities, think tanks and the civil society more broadly, and I would like in particular thanks the Director Mr. James Zhan for his presentation of the report.
3. While the study shows that foreign direct investment increased overall by 9% in 2013, with a projected 10% for 2014, at the same time, it noted that the flows from developed countries remain relatively stagnant, and that they also capture a significant portion of the investment. In this regard, in our countries, the behavior is positive, in the case of Central America and Caribbean, growing by 64%, and in the case of South America is negative, which falls sharply, especially given the disincentives generated by the fall in commodity prices. The ECLAC (CEPAL) and other regional bodies said: This is a sign that our region needs urgently, which is the diversification of production and improve competitiveness indicators, and in that sense, the investment required should be technology intensive and point to innovation and value creation.
4. Its important to consider, then, according to our reality and developing countries, proposing a gradual Action Plan guide at boosting the investment in accordance with parameters consistent with the objectives of sustainable development. The analysis contained in the report, we need to emphasize in particular the unique role of public investment and the need for policy and investment promotion agencies focus their attraction in those functions compatible with those objectives.
5. Also, it is noteworthy to mention governance as a stabilizing factor of Foreign Direct Investment, and the idea gradually towards systemic reform to the system of international investment agreements (IIAs). The necessary complementarity with the private sector is mentioned, considering that compliance with the development goals will require ongoing discussion in public and private investment continue to be implemented, but fulfilling conditions for sustainability.

6. We are aware that investments, so conceived, contribute to the international trade and this to the development. Therefore, the countries of GRULAC emphasize the role of government to promote Investment in social and environmental quality.

Madame Chair, dear colleagues,

7. Concerns about foreign investment have supported the objectives of sustainable development is not new to our country. This is a concern already expressed in other multilateral fora. More recently, at the first EU-Summit CELAC (Community of Latin American and Caribbean States), which met in January 2013 in Santiago de Chile at sixty Heads of State and Government of the European Union, Latin America and the Caribbean, focus corresponded precisely to strengthen our strategic partnership with a "Partnership for Sustainable Development: Social Investment Promotion and Environmental Quality."

8. Our region is rich in biodiversity, and seeks to protect the environment in a rule of law that promotes inclusion, equity and social responsibility, respect for private property and advancing in social policies.

9. At the present we all know that civil society in the worldwide has a leading role in denouncing the so-called socio-environmental conflicts. Also, monitoring the respect of labor rights, consumer rights, the provision of quality goods and services, are now matters are not only for the government but also social organizations.

10. On this point, let us refer to the Report of Foreign Direct Investment in Latin America and the Caribbean presented by ECLAC in June this year, which pointing that more time the civil society will require an institutional and regulatory framework involving demands of a so predictable and adjusted to the right. So it will encourage responsible investment and penalize those that do not meet the requirements of sustainable development in the region.

11. We know the dynamics and dependence on investment; need for our development capital flows. We support fully the cooperation and synergy to stimulate innovation, entrepreneurship, and the development of our SMEs, technology transfer, the creation of skilled employment, human capital formation and training. However, our governments are sharp in respect of the rules to ensure social and environmental sustainability of development. It is public knowledge that millionaire's investment projects in Latin America and the Caribbean have not been executed, not bound by these terms.

12. Finally, on the basis of this, GRULAC's Countries we are fully agree with what was said by the Secretary-General that the only investment that meets the 17 Sustainable Development Objectives and the goals 169 may directly affect the development of the region.

Thank you Madame President.