

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board, fifty-sixth executive session
Geneva, 3–4 December 2012

Opening Plenary
General statements by regional groups
Speaker: Asian Group

Monday, 3 December 2012

*Not checked against delivery **

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**Statement by H.E. Ambassador Abbas Bagherpour,
Deputy Permanent Representative of the Islamic Republic of
Iran,
on behalf of the Asian Group
At the Fifty-sixth Executive Session of the Trade and
Development Board
Geneva, 3 December 2012**

**Mr. President,
Mr. Deputy Secretary General,
Excellencies,
Ladies and Gentlemen,**

I have the honor to speak on behalf of the Asian Group. I would also like to associate myself with the statement made by Indonesia on behalf of the G77 and China.

At the outset allow me to thank the Deputy Secretary General for his opening statement and also the Director of ALDC Division for his presentation. We also commend the secretariat for preparing UNCTAD's report on the Least Developed Countries titled "*Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*".

Mr. President,

The Istanbul Program of Action (IPoA) sets an overarching quantitative target to reduce the number of LDCs from the current 48 to 24 countries by the year 2020. This is clearly a major task for the international community given that LDCs are the most vulnerable group of developing countries. We also note that since 1994, only three LDCs have graduated, whereas with the IPoA, it is envisaged that 24 LDCs will graduate in less than a decade.

To reach this goal we need an enabling global economic environment. However as the report underlines, the uncertain global economic recovery and the worsening Eurozone crisis continue to undermine those factors that enabled the LDCs to attain higher growth rates between 2002 and 2008. In recent years, developing countries, in particular LDCs have been most affected by financial crisis caused by other countries and if another global downturn hurts the growth prospects of world economy, LDCs, as major commodity exporters, will be directly affected.

In 2011, LDCs grew by 4.2 per cent, 1.4 percentage points lower than the preceding year. For the Asian LDCs, however, the slowdown -- at over two percentage points -- was more pronounced. Asian LDCs also recorded a merchandise trade deficit of \$17.5 billion in 2011, which is more than other LDCs.

If the current economic deceleration continues, LDCs may once again be exposed to external economic shocks and may have to deal with a crisis that originates elsewhere. In this context, we call on UNCTAD to undertake additional studies and come up with policy recommendations to prevent a global economic and financial crisis or minimize its adverse effects on developing countries in general and LDCs in particular.

Mr. President,

The IPoA clearly states that LDCs need to mobilize their national actions to achieve the graduation targets. In this context, the critical role that international assistance plays in helping to meet these goals cannot be overemphasized.

One of the eight priority areas identified by IPoA is the mobilization of financial resources for development and capacity-building. More specifically, the Program refers to five sources of

finance: domestic resource mobilization; official development assistance; external debt; foreign direct investment; and remittances.

The 2012 Least Developed Countries Report focuses on the issue of remittances from a wider perspective. As the report indicates, a growing consensus is emerging that remittances constitute a significant source of external financing, whose availability, if managed through appropriate policies, could prove particularly valuable for capital-scarce developing countries. However it should be stressed that remittances cannot be considered as a substitute for above mentioned finance sources in particular ODA.

It should also be highlighted that some 80 per cent of LDC migrants migrate within the South. Therefore, contrary to the general perception that LDC migration is a South–North phenomenon, the pattern of migration has acquired a South–South dimension in recent decades. Consequently, the rise in global remittances is chiefly driven by the surge of inflows to developing countries. Correspondingly, the developed economies’ share of world remittances has been steadily declining.

Mr. President,

The other aspect of migration is the role that migrants, especially skilled professionals, can play as “development agents” linking home and destination countries. However, as the report indicates there are concerns about the adverse impact of brain drain. Globally, developed countries tend to accept skilled immigrants but increasingly erect barriers to exclude unskilled immigrants. In this regard, we believe that more studies should be undertaken by UNCTAD on such a trend and its consequences for developing countries and “turning brain drain into brain gain” in particular through knowledge transfer.

In conclusion, Mr. President, we appreciate the work being done by UNCTAD to contribute to the implementation of the IPoA and call upon UNCTAD to continue these efforts based on its three pillars. We further hope that under your able leadership this session will lead to a successful outcome.

I thank you, Mr. President.