



**Statement by His Excellency Mr. Diego Aulestia Valencia  
Ambassador and Permanent Representative of Ecuador on behalf of the  
Group of 77 and China at the Eleventh session of the  
Trade and Development Commission**

*Monday, 25 November 2019*

Mr. Chair, Ambassador Khalil Hashmi, Permanent Representative of Pakistan,  
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,  
Ms. Pamela Coke-Hamilton, Director of the Division on International Trade and  
Commodities,  
Ms. Shamika Sirimanne, Director of the Division of Technology and Logistics,  
Excellencies,  
Ladies and Gentlemen,

1. I have the honor of delivering this statement in representation of the Group of 77 and China.
2. The Group of 77 and China would like to congratulate Ambassador Hashmi and the members of the Bureau for their election.
3. The Group of 77 and China would like to congratulate the secretariat for the efforts in preparing this meeting on trade and vulnerabilities.
4. Vulnerabilities, in broad sense, are a commonality to the condition of being developing countries. In the past, UNCTAD, as per request of member States through the Sao Paulo Consensus, has addressed the issue of structurally weak, vulnerable, small economies.
5. Structurally weak economies are instable “in particular due to income volatility”. They are “exposed to risks of destabilization through external shocks beyond domestic control”. These risks can be natural disasters as well as trade related shocks. Structural disadvantages “are either of a geographical nature or resulting from a mix of natural and policy-related factors”.
6. Vulnerability encompasses three indicators of external shocks and four indicators of exposure to shocks. External shocks are measured through the index of instability of agricultural production, ratio of homelessness caused by natural disasters, and the index of instability of exports of goods and services. Meanwhile, indicators of exposure to shocks include: the share of agriculture, forestry and fisheries in the economy; index of merchandise export concentration; population, and the index of remoteness.

7. At the World Trade Organization, small and vulnerable economies, even though not recognized as a separate category, have been raising awareness about their very particular needs in the field of trade and development since 2002, in the framework of the “Work Programme on Small Economies”.
8. The Group of 77 and China considers important to recall UNCTAD’s previous work on the subject. These elements would have been useful in the introduction of the background note prepared for today’s meeting, due to the importance of this subject for member States . Vulnerability is a core element of the concept of developing countries, which is under threat by mischievous proposals.
9. The Group of 77 and China reiterates its concern regarding the challenges that vulnerabilities such as those caused by debt, pose to many developing countries.
10. The first subtitle of the Secretariat’s background note seems to be inspired in the 1999 provocative paper entitled “Small States, Small Problems?”. Since that time the structural problems faced by the Small Island Developing States have been a major claim.
11. The Group of 77 and China is seriously concerned about the effects and vulnerabilities of the climate change on the Small Island Developing States. Some of the insular states face not only economic but existential threats.
12. The small insular developing states combine several structural threats. On top they are often victims of periodic climatic catastrophes such as typhoons and hurricanes.
13. The Group of 77 and China reaffirms the relevance of UNCTAD in supporting developing countries to overcome their commodity dependence. At the same time, the Group of 77 and China expresses its concern because most developing countries continue to suffer from persistent commodity dependence. This dependence increases vulnerabilities as a whole, not only related to trade. Commodity dependent countries have economic and financial weaknesses and are more prone to be involved in debt crises.
14. The Group of 77 and China recognizes the importance of policy space and the positive impact it has had in the improvement of the economic structure of developing countries, particularly some in Asia. At the same time, the Group regrets the difficulties faced by commodity dependent countries.
15. The Group of 77 and China considers trade facilitation a useful mechanism to improve the trading conditions of developing countries. Still, there are many factors such as remoteness and the structure of the shipping industry, that affect trade costs in many countries beyond what trade facilitation can remedy. The monopolistic trend in the shipping industry reduces the negotiating possibilities and the policy options developing economies have regarding transport challenges.
16. The Group of 77 and China commends UNCTAD for continuing to work in the field of logistics, transport and particularly maritime transport. The Group underlines the value of the publication of the Maritime Transport Review since 1968.

17. International cooperation in the field of competition and consumer protection requires urgent efforts in order to develop effective mechanisms to protect small economies in the asymmetric conditions of the current hyper-globalized market. The Group of 77 and China recognizes the work done by UNCTAD in this field, and encourages the secretariat to continue with its work, particularly in the area of the competition and consumer protection in the digital economy.

18. The Group of 77 and China emphasizes the importance of labor policies to improve the living conditions of citizens in developing countries and the achievement of the Agenda 2030. The Group recognizes, at the same time, the contribution by the Multi-year Expert Meeting *Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development, and the Promotion of Economic Integration and Cooperation* on the implementation of adequate policies to diminish gender inequality. The Group of 77 and China would like request UNCTAD to continue working on these subjects and their impact on development.

19. The Group of 77 and China also encourages all UNCTAD divisions to continue working on the implications of climate change on the economies of developing countries.

20. The Group of 77 and China also commends the Divisions of International Trade and Commodities and Technology and Logistics for their continued valuable work.

21. I Thank you, Mr. Chair.