

**GRULAC UNCTAD
GENEVA**

**STATEMENT BY BRAZIL ON BEHALF OF THE GROUP OF LATIN AMERICAN
AND THE CARIBBEAN STATES (GRULAC) AT THE 64TH SESSION OF THE
TRADE AND DEVELOPMENT BOARD**

Item 2 – High-level dialogue: Is the world integrating or disintegrating?

Geneva, 12 September 2017

Mr. President, H.E. Mr. Tudor ULIANOVSKI (Moldova),
Mr. Mukhisha Kituyi, Secretary-General of UNCTAD,
Excellencies,
Distinguished delegates,

1. I have the honor to deliver this statement on behalf of the Group of Latin American and Caribbean Countries (GRULAC), hoping to bring some regional perspective to complement the rich interventions from the panel.

2. The topic of this high-level session is at the core of UNCTAD's mandate to promote the integration of developing countries into the world economy in order to accelerate their development. Furthermore, the *Nairobi Maafikiano* recognizes that regional integration can be an important catalyst to reduce trade barriers, implement policy reforms, decrease trade costs and increase developing country participation in regional and global value chains.

Mr. President,

3. After a strong performance before the 2008-2009 economic crisis and a quick rebound immediately after the 2009 shock in global economic activity, the value of intraregional trade in Latin America and the Caribbean has decreased since 2012-2013.

4. This trend is also reflected in the extraregional trade of the Latin America and the Caribbean, but it should be particularly worrisome for the region that intraregional exports have contracted more than extraregional exports in recent years. In the context of a period of persistent weakness in the global economy and in international trade flows, the sharper contraction in intraregional trade cannot be separated from lower growth performance and recession that some economies in the region have experienced in the recent past.

5. As economic growth in the region regains dynamism, intraregional trade should also recover. GDP growth in the region will recover and modestly accelerate in the next years. According to estimates of the United Nations Commission for Latin America and the Caribbean, the overall international trade of the region could see an average annual growth of around 3% between 2017-2020.

6. For Latin America and the Caribbean it is essential to strengthen regional cooperation so as to increment trade, investment and production links among the countries in the region. The region's manufactures are chiefly exported to other countries in the region. In this context, promoting intraregional trade is a crucial step to foster regional value chains.

7. Latin America and the Caribbean have a long history in regional integration and will keep pursuing this goal. According to studies by the Inter-American Development Bank, the most comprehensive agreements in the region already cover approximately 80% of intraregional trade, making further liberalization within the region closer than one might expect.

8. Still, it should also be highlighted that regional integration initiatives in the region are diverse in terms of scope and many go beyond trade liberalization. This reflects different socioeconomic dynamics in the sub-regions of Latin America and the Caribbean and can also serve as a source of mutual learning in an overall path towards closer integration in the region.

9. Given that UNCTAD has an accumulated knowledge in the study and analysis of integration among developing countries, we expect the organization to maintain constant cooperation with its Members and the region, providing up-to-date analysis on regional integration efforts in developing countries.

Mr. President,

10. Before I conclude, let me also emphasize that for the region it is important to promote integration not only at the regional level, but also at the multilateral level. Regional integration is an important tool for promoting productive integration and diversification but it is important that such initiatives remain complementary to and are complemented by progress at the multilateral level.

Thank you.