Statement by
Her Excellency Mrs. Margarida Izata
Ambassador and Permanent Representative of the Republic of Angola
on Behalf of the African Group
at the Sixty-Seventh Session of the Trade and Development Board

Agenda Item 5: Investment for Development: International Production Beyond the Pandemic

Geneva, 7-9 September 2020
Palais des Nations, Room XX

President of the Trade and Development Board, Ambassador Federico Villegas,
Director of the Division on Investment and Enterprise, Mr. James Zhan,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

I am honoured to present this statement of behalf of the African Group.

The Africa Group aligns itself with the statement presented by Zambia on behalf of the G77 and China.

Mr. President,

The African Group welcomes the 2020 World Investment Report: International Production Beyond the Pandemic, which provides a comprehensive picture of global FDI in 2019, during the pandemic and beyond. The report comes at an opportune time considering that the entire world is grappling with the human and economic costs of the COVID-19 pandemic. The Group appreciates the detailed analysis on FDI in Africa, SDG investment and international production transformation.
We note with concern that FDI flows to Africa are projected to fall by 25 to 40 per cent in 2020, with the impact of the pandemic being exacerbated by low commodity prices. The expected decline is particularly concerning because FDI flows to Africa were already on a downward trend, having declined by 10 per cent to $45 billion in 2019.

The Group finds it worrisome that the decline in FDI to Africa will have a negative impact on the long-term objective to diversify FDI away from natural resources towards manufacturing and services on the continent. We appreciate the analysis done in the report linking early indications of investment prospects with Africa’s key export industries.

Despite the immediate downward prospects for FDI to the continent, some mitigating factors may limit the extent of the decline and help initiate a recovery. These include the implementation of the African Continental Free Trade Area Agreement in the near future, including the conclusion of its investment protocol and deepening state backed investment initiatives from major global developed and emerging economies.

In this context we commend UNCTAD for its efforts in providing expert opinion and advice to assist African countries in the context of the African investment protocol, and call on UNCTAD to continue its annual training on issues related to international investment agreements in Africa, including through virtual platforms.

The African Group appreciates UNCTAD’s analysis on how international production will be transformed beyond the pandemic. For African states striving to promote structural transformation through industrialization and integration in global value chains (GVCs), the industry centered analysis using three key dimensions of GVCs and how they are being shaped by policy, sustainability and technology megatrends is extremely insightful. We applaud the focus of the thematic part of WIR 2020 on the policy implications of a new era of international production with regard to the role of FDI in industrial policies, national policy measures aimed at promoting and facilitating investment, and options at the international level to maintain a policy environment conducive to productive cross-border investment in sustainable development.

The African Group is pleased to see a dedicated Chapter on Investing in SDGs in light of the General Assembly resolution adopted in December 2019 on “Promoting investments for sustainable development” that requested UNCTAD to inform its next session “on the gaps and challenges faced and the progress made in promoting...
investment for sustainable development as well as concrete recommendations for the advancement of investment for the implementation of the 2030 Agenda”.

The Group notes with concern that despite some progress, Global SDG investment remains far from the target to meet the $2.5 trillion annual financing gap for developing countries. For the various SDG sectors, private sector flows are either in decline or growing at a rate that falls short of the level required to make a significant dent in the SDG investment gap. The pandemic is likely to exacerbate resource constraints for SDGs and UNCTAD has a critical role in rallying all stakeholders to ensure that as we enter the final ten years of the sustainable development agenda, momentum is not lost.

The African Group recognizes UNCTAD’s work on enterprise development. The importance of SMEs in the pursuit of sustainable development goals has been pointed out by the United Nations General Assembly. UNCTAD’s efforts to promote entrepreneurship through its Empretec programme with a particular focus on women, youth and vulnerable individuals is commendable. This work will become even more important due to the pandemic, which is disproportionately impacting SMEs, including in Africa.

The African Group also recognizes UNCTAD’s support through its e-government platform that has enabled countries on the continent, including Benin, Kenya, Mali, Cameroon, Lesotho, Rwanda, Uganda and Tanzania to continue providing essential services and new fiscal rescue measures to businesses through online single windows while physical offices were closed.

The African Group encourages UNCTAD to continue in providing analytical inputs and technical assistance to member states in the area of investment for development, including monitoring investment trends through the SDG Investment Trends Monitor and the Global Investment Trends Monitor series. UNCTAD should continue to extend support in the design and planning of Special Economic Zones, which is particularly important for African states. This is because a large number of new zones are under construction and their implications under the African Continental Free Trade Area Agreement needs to be reflected upon.

I thank you, Mr. President.