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

I have the honor to deliver this statement on behalf of the Asia-Pacific Group. The Group would like to associate itself with the statement delivered by Zambia on behalf of the Group of 77 & China.

Mr. President,

The Asia Pacific Group commends the UNCTAD Secretariat particularly the “Investment and Enterprise Division” for the useful insights and analyses in this year’s World Investment Report 2020: International Production Beyond the Pandemic.

The report’s evaluation of the impact of COVID-19 pandemic on global investment and long-term international production transformation that will affect Global Value Chain (GVC) -intensive industries are both useful and instructive. The forecast of reduced investment flows will have direct bearing on the decline in SDG investments and therefore a cause of deep concern for Asian economies.

Mr. President,

The COVID-19 pandemic continues to impact negatively on investment sentiments and economic outlook across Asia.

The early lockdown measures and factory stoppages impacted supply chain and factories’ production in the region. This has exposed vulnerability of supply chains, connectivity of economies and the significance of Asia as a major global production hub.

COVID-19 is also affecting the financial capacity of companies in the region to invest abroad, further hampering outflows and South-South investment. A prolonged global economic recession will further weigh on inflows to and outflows from the region.

Mr. President,

The APG commends the report’s focus on international production transformation. COVID-19 pandemic is amplifying existing challenges to the system of international production. APG shares the concerns expressed in the report that growing economic nationalism characterized by rising protectionism are also shaping international production.
The decade to 2030 is set for significant international production transformation, which will have strong long-term impact on Asian economies that rely on labour, resource and GVC-intensive industries.

There are opportunities and challenges of international production transformation. APG calls for optimizing opportunities to diversify supply bases to enhance production resilience. Regional market-seeking investments are likely to increase, providing opportunities for FDI to Asian economies.

In general, Asia is vulnerable to changes arising from international production transformation and participation in global value chains. There is a need to rethink major policies in attracting MNE operations and in the investment-development paradigm. A right policy-mix to attract MNEs location and in building a resilience production environment is needed.

Mr. President,

The Asia Pacific Group commends the UNCTAD Secretariat for monitoring and reporting regularly the global state of SDG investment. While this is an important international development issue, we are concerned that investments in SDG have fallen behind the level needed to help Asian economies meet their SDG targets.

The COVID-19 pandemic is also expected to have a substantial impact on SDG investment given the already reduced cross-border capital flows and fragile health care systems in developing economies. There is a significant risk that progress made in SDG investments in the last few years could be undone.

We need to get SDG investment back on track. Efforts to mobilize, channel and encourage more private investment into SDG sectors need immediate international attention.

The Asia Pacific Group concurs with the recommendation of the report that a new set of global actions to facilitate a “Big Push” in private sector investment in the SDGs is required.

We also request UNCTAD to continue monitoring and report regularly on the state of global investments in SDGs, and to extend technical assistance to Asian economies in attracting private investment into SDG sectors.

Mr. President,

The Asia Pacific Group is pleased with the Secretariat’s efforts in providing assistance to economies in attracting FDI. In particular, the Group welcomes initiatives such as e-Government regulations, technical assistance on development of SEZs, Global Investment Trend and Policy Monitor specifically on COVID-19 pandemic and the IPA Observer that brings IPAs together to share experiences on specialized virtual platform and online facilities in supporting investors. The work on investment research and associated outputs is also commendable.

The Asia Pacific Group requests the UNCTAD Secretariat to continue supporting Asian economies in promoting, facilitating and attracting investments in the challenging times ahead.

I thank you, Mr. President.