Statement
Delivered by Mr. Behzad Azarsa
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at the Sixty-Seventh Session of the Trade and Development Board

Agenda item 5: Investment for Development: International Production beyond the Pandemic

بسم الله الرحمن الرحيم

Mr. President,
Director James Zhan,
Dear Panelists,
Distinguished Delegates,

My delegation associates itself with the statements made by distinguished Ambassador of Zambia in her capacity as coordinator of G77 and distinguished representative of Pakistan as the coordinator of Asia-Pacific Group. Nevertheless, I would like to highlight some important points in my brief statement.

1. Based on the UNCTAD report, the investment flows are forecast to decrease by up to 40% in 2020, which means below $1 trillion for the first time since 2005. In addition, the world cannot see a recovery till 2022.

2. COVID-19 has delivered an enormous global shock, leading to steep recessions in many countries and exacerbating the situation of FDI, that was already experiencing a downward trend.

3. The blow is hitting hardest in countries where the pandemic has been the most severe and is coupled with Unilateral Coercive Measures which has already put unlawful pressure on exports, external financing, banking, foreign investment and other forms of economic interactions.

4. Great Lockdown triggered an unprecedented transformation from international production, known as Global Chain Value, to a protectionist and national self-sufficiency policies.

5. Having said that, the economic crisis growing out of the pandemic has led to the total or partial suspension of production activities. As stipulated in the WIR report, COVID-19 has resulted in production
stoppages and supply chain disruptions in most sectors, complete closures of entire industries, & unprecedented demand shocks in most economies. Pandemic mitigation & lockdowns will be devastating for all economies, independent of their links to global supply networks.

6. As indicated by pamelists, protectionism is poised to play an elevated role in global trade, particularly as countries grapple with the economic fallout of COVID-19. In this line, Governments introduced new regulations and incentives to maintain local ownership of homegrown products.

7. In the meantime, pandemic has created an atmosphere where the traditional neighbouring trade partners face certain limitations and border lockdowns and even unjustified check and controls procedures which far exceeds established regulations and health protocols requirements introduced by relevant international and world organizations., such as WHO.

Mr. President,
In conclusion, my delegation believes under the abovementioned elements there are certain grounds that UNCTAD could assist developing countries. they can be categorized into three following levels:

One, at the national level, UNCTAD could assist developing countries to exit this enduring situation in a gradual, effective and safe manner. One of the most urgent priority area is the SMEs and Micro economic enterprises, which are the economic construct of developing economies.

Two, at regional level, UNCTAD could help developing countries to strengthen regional arrangements and initiatives, with the aim of bringing back the regional integrity and cooperation, through export-import facilitation schemes.

Three, at international level, to promote multilateralism and adherence to multilateral approaches and policies.

Thank you Mr. President