Statement by the Republic of Zambia on behalf of the Group of 77 and China
at the Trade and Development Board, sixty-seventh Session

Statement on Item 3 - Actions carried out and/or planned by UNCTAD to support States in the recovery of their trade and industries after overcoming the pandemic.

Geneva, 2 to 3 July 2020

President of the Trade and Development Board Ambassador Federico Villegas (Argentina),
Secretary-General of UNCTAD Mukhisa Kituyi,
Deputy Secretary-General of UNCTAD Isabelle Durant,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

1. I have the honor to deliver this statement on behalf of the Group of 77 and China in relation to agenda item 3: Actions carried out and/or planned by UNCTAD to support States in the recovery of their trade and industries after overcoming the pandemic.

2. The COVID-19 pandemic has not only led to devastating effects for most developing countries but has also corroded the progress most developing countries had been achieving toward the attainment of the Sustainable Development Goals (SDGs). As we all know, developing countries had been facing important development challenges even before the COVID-19 pandemic, ranging from unsustainable debt levels and lack of sufficient productive capacities to unemployment and poverty. Such challenges are now exacerbated, adding to an already complicated mixture of financial instability, economic polarization, inequality, and environmental degradation that characterize the era of hyper-globalization that we live in.

3. Faced with the dire prospects of devastating impacts for development countries and given the uncertainty and difficulty in understanding the situation, the Group of 77 and China decided to conduct a standing dialogue at ambassadorial level amongst its members, which counted with the substantive support of all UNCTAD Directors, to whom we are grateful. Through this dialogue, the Group was able to gain a better understanding of the worrying and extensive impact of the COVID-19 pandemic on developing countries, which has compounded the political, social, and economic vulnerabilities of developing countries.

4. Developing countries, already suffering from climate change and natural disasters such as famine, drought, floods, dust storms, typhoons and earthquake need to be assisted in preparing, to encounter and respond such daunting challenges in a timely and appropriate manner.

5. The COVID-19 pandemic has tremendously disrupted international trade, global value chains, causing shortages of basic goods and food, and subsequent price hikes, increasing uncertainties and unnecessary restrictions. The international response to such a crisis should be quick, adequate, equal, cooperative, indiscriminate, and in an environment of promoting solidarity and multilateralism. At
the same time, countries should uphold multilateralism and refrain from unilateral actions that endanger it, while acting with solidarity and joining efforts to combat effectively and efficiently COVID-19 domestically and worldwide. It is also urgent and critical to ensure unhindered access of developing countries to vaccines and medicines, when produced, to put an end to the COVID-19 outbreak.

6. It is worth noting that most developing countries have large informal sectors and labor markets that are more vulnerable to shocks such as the one generated by the ongoing pandemic. According to a recently published UNHCR report, developing countries are playing host to approximately 85 percent of the refugees worldwide, which imposes huge adverse impacts on their planning in general and developmental activities, including on their response to the pandemic. One of the most tragic impacts of the pandemic, beyond the direct loss of life, is that it has led increased unemployment, and reduced overall income levels, stagnating fiscal revenues and reduced remittances, amongst others, all of which have a disproportionate effect on developing countries.

7. UNCTAD’s report From the Great Lockdown to the Great Meltdown: Developing Country Debt in the Time of Covid-19 notes that the outbreak of COVID-19 came at a time when developing economies had already been struggling with unsustainable debt burdens for many years. The report further notes that while the related challenges are large in advanced economies, they are enormously more daunting in developing economies. Most developing countries have considerable debt obligations and, as you are aware, the pandemic has had massive negative impact on almost all the revenue streams of developing countries. The commodity price collapse, drastic decline in FDI and trade, unprecedented capital outflows, falling tourism revenues, falling remittances, the collapse of taxation systems, amongst others, are likely to affect developing countries the most. The impact arising from the combination of these factors is forecasted to nothing short of a strangling effect for the economies of developing countries. The Group of 77 and China therefore calls on organizations such as UNCTAD to support developing countries to mitigate the devastating effects of the pandemic.

Mr. President,

8. Productive capacities form the backbone of an economy’s ability to produce goods and services and to ensure livelihoods, and are fundamental for diversifying economies, helping countries achieve structural transformation, and being resilient enough to withstand extreme shocks such as those generated by the pandemic. UNCTAD plays a vital role in providing assistance to developing countries through various modalities of support to, and we call on the UNCTAD Secretariat to enhance such role with activities aiming at the enhancement of the domestic and regional food and agricultural value chains of developing countries. In this context, UNCTAD should focus on strengthening the mobilization of resources to support health systems and, assist vulnerable sections of the population in developing countries, including through the attraction of FDI that is supportive of development and of the achievement of the SDGs.

9. The Group of 77 and China calls on UNCTAD to step up its efforts to cater to the emerging needs of developing countries in light of the evolving situation of the COVID-19 pandemic, most importantly assisting us in overcoming our systemic structural vulnerabilities. UNCTAD is called upon through its technical cooperation pillar to examine the specific challenges that LDCs, LLDCs, SIDS, other groups of vulnerable countries and all developing countries face due to lack of sufficient productive capacities, and to assist them in the design and implementation of adequate policies and strategies to address these challenges. Furthermore, UNCTAD should continue its support to
developing countries in recovering investment flows, securing debt alleviation, facilitating free trade, promoting digital transformation and electronic commerce, establishing new and linking to existing global and regional value chains, addressing challenges in the fisheries sector, and revitalizing the tourism sector, among other vital development challenges and means to ease existing trade blockages. At the same time, the continued provision of timely research and analysis and resulting policy options is an important contribution of UNCTAD to enhancing the understanding of Member States of how to address the evolving situation of the pandemic.

Mr. President,

10. Finally, I wish to reiterate the sense of urgency of the request of the Group of 77 and China to UNCTAD, to assist developing countries as the development institution it is, in avoiding further loss of human lives through the indirect impact of the pandemic of unemployment, food insecurity, extreme poverty and related constraints such as access to adequate housing and sanitation, amongst others.

I thank you, Mr. President.