

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Trade and Development Board  
Sixty-first session**

**Geneva, 15–26 September 2014**

**Item 4: Interdependence: Trade and development  
policy challenges for a sustained recovery of the global economy**

**Item 8: Development strategies in a globalized world:  
Policymaking in an evolving framework of global governance**

**Speaker: European Union**

**Tuesday, 16 September 2014**

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**European Union**

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**61<sup>st</sup> SESSION TRADE AND DEVELOPMENT BOARD  
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**EU Statement**

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## **TRADE AND DEVELOPMENT BOARD**

### **61<sup>st</sup> Session**

**(Geneva, 15-26 September 2014)**

#### **Item 4**

##### **Interdependence:**

**Trade and development policy challenges for a sustained recovery of the global economy**

#### **Item 8**

**Development strategies in a globalized world:  
Policymaking in an evolving framework of global governance**

Madam President,

I have the honour of speaking on behalf of the European Union and its Member States.

We thank the Secretariat for the Trade and Development Report 2014 and appreciate their analysis. However, as we have stated before in this forum, we understand that this report remains the responsibility of the UNCTAD Secretariat and, while we acknowledge the significant contribution of some of its analysis, we don't agree with all the statements or elements in the report. Furthermore, we underline the need to improve the coordination and coherence of the content and findings of UNCTAD flagship reports, in order to allow UNCTAD to present itself and speak in a more uniform, cohesive and authoritative manner at international level.

The European Union economy and other advanced economies seem to be picking up slowly. Global growth and world trade are expected to accelerate moderately in 2014 and into 2015, pushed by a gradual recovery in advanced economies and relatively steady growth in emerging economies. Some technical downwards revision of the forecast for global growth is likely but the underlying growth momentum appears to be intact and the outlook for 2015 is a little below 4% growth for the world economy.

The EU puts forward a package of substantial measures in its Growth Strategy. We have been very conscious to consider measures that address both short-term cyclical needs, long-term growth requirements, and rebalancing the composition of our growth. We also expect some employment

growth in 2015. Although unemployment remains high, we are trying to address this situation by supporting youth employment, fostering investment in quality jobs, facilitating access to finance for SMEs, etc.

We welcome the fact that growth in emerging markets and developing economies is expected to continue at roughly the same rate as in 2013, although prospects and risk factors vary widely. Most regions (Asia, Latin America, Sub-Saharan Africa) are expected to maintain or modestly increase their average growth rates. However the recent escalation of geopolitical tensions (particularly in the Middle East and Eastern Ukraine) has already affected the outlook, and remains a key risk factor. More generally, there remain vulnerabilities in some emerging market economies due to structural weakness that are holding back growth, as well as vulnerabilities to capital flow reversal as global interest rates gradually normalise.

International trade plays a pivotal role in any strategy for economic growth and development. Multilateral agreements, reached within the framework of the WTO system of rules and dispute settlement, should remain the primary tool through which to embed progress and efficiencies in the international trading system. Furthermore trade diversification and regional trade integration are of key importance. Well integrated regional trade helps to lower the cost of inputs and increases the competitiveness of the local economy. Regional as well as cross-regional cooperation and integration is intended to create larger, more efficient markets and help developing countries to attract new Foreign Direct Investment (FDI). Trade with regional partners and with emerging economies will ensure an increase in investors' and consumers' access to goods and services and ensure that economies of scale can be achieved.

The post 2015 agenda provides us with a key opportunity to deliver effectively on the challenges of poverty eradication and sustainable development. We should build on the MDGs and go beyond them by dealing with issues such as sustainable consumption and production, sustainable management of natural resources, good governance and all reinforced by an efficient Global Partnership. The EU and its MS are keen to have a clear recognition of the positive role played by openness to trade in fostering inclusive growth and sustainable development, provided it takes place on the basis of development strategies that fully integrate the trade dimension and in the context of good governance, sound domestic policies and reforms. At the same time, the primacy of the WTO with regard to its rule-setting function on trade issues must be safeguarded.

UNCTAD Trade and Development Report underlines the rise in inequality and the need to deal with this challenge in the post 2015 agenda. Previous studies have shown that there cannot be inclusive and sustainable development without addressing inequality, as it affects people in high, middle and low income countries. Thus dealing with inequalities is clearly a universal concern, which forms an integral part of the post-2015 agenda.

The post-2015 agenda should ensure a rights-based approach encompassing all human rights and be based on the principles of justice, equality, democracy, good governance and the rule of law. The EU and its Member States emphasize the need for sustainable economic growth that addresses the needs for employment, social inclusion and environmental protection. In this sense it is key to ensure effective policy instruments ~~and the necessary policy space~~ while of course respecting ~~its~~ international, regional and bilateral commitments and obligations, as the optimal mix of economic and social policies, to achieve the desired objectives.

Developing and developed countries have to work together towards defining economic and social policies to reduce inequalities to promote inclusive and sustainable economic growth characterised by people's ability to participate in and benefit from wealth creation.