UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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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: United Kingdom

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UK Mission Geneva

Agenda Items 4 & 8 – Interdependence: Trade and development policy challenges for a sustained recovery of the global economy

Madame President
Secretary General
Excellencies
Distinguished Delegates

We align ourselves with the statement made on behalf of the EU and its Member States.

We welcome UNCTAD's Trade and Development Report 2014, which makes a notable contribution to the debate on trade on development. However, it lacks the concerns already stated in this session.

We believe that there are substantial gains to be had from openness to trade and we remain committed to concluding trade negotiations and increasing market access for the least developed countries.

The UK is committed to supporting an open international trading system, raising productivity and making it easier for least developed countries to compete in global markets. Good progress has been made on granting least developed countries preferential access for their exports, but challenges remain as trade liberalisation increasingly takes place through bilateral agreements that exclude the poorest countries. We will continue to press for progress on the WTO multilateral agenda, and use our influence to achieve positive outcomes for developing countries through EU trade policy and negotiations that are development friendly, pushing for the rapid conclusion of Economic Partnership Agreements with Africa and others.

On the issue of regulation of capital inflows, we agree that certain types and levels of capital flows may generate risks for developing countries, but to discuss the issue of capital flows without noting some of the very significant benefits could lead to flawed policy recommendations. These capital flows can create jobs, improve local skills and lead to private sector and technological development. Developing country governments may need to build their capacity to make sure that they are able to develop stable macroeconomic environments and maximise the development benefits from investment flows. But taking measures to try to reduce capital flows could be counterproductive: placing limitations on capital movements will produce huge disincentives to positive capital flows into developing countries.

DFID is ramping up our work with businesses to remove the hurdles to responsible investment in the developing world. We have reoriented DFID's work to focus on the private sector and on helping to create sustainable economies.

Multinational businesses are major investors in developing countries. Investment from multinationals overtook development aid in 2000, with their value chains today accounting for 25% of production worldwide and creating major opportunities for developing country firms. DFID will work with our businesses to maximise their development footprint, through delivering economic growth, jobs and services, particularly to girls and women.

We agree that domestic resource mobilisation is vital for development, and an effective tax system is at the heart of an effective state. Sustainable tax revenues provide essential funding for public services and ultimately allow developing countries to stop being aid dependent. At the G8 Summit in Loughe Erne last year we committed to increasing our support for developing countries so that they can collect the taxes that are owed. This commitment shows that the UK is leading the way in providing support to developing country tax authorities. We also read with interest the report’s treatment of the Extractive Industries Transparency Initiative. As you will know, this initiative was launched in London in 2003 with the backing of the UK government. It was developed using a strong multi-stakeholder model which provides an important lesson for us all.

Regional integration supports trade and economic growth and is an important focus of our overall approach to economic development. Intra-regional trade barriers are particularly significant for economies with small domestic markets, limited diversification or poor connections to neighbouring countries. Overcoming regional barriers and promoting regional integration can help reduce the costs of trading and production by realising economies of scale, promoting cross-border value chains, increasing the efficiency of key services and transport networks and driving down prices for consumers and businesses.

We look forward to participating in the coming discussions.

DELIVERED BY GEORGE RIDDELL, ATTACHE