

**STATEMENT BY KENYA DELEGATION DURING UNCTAD' 66<sup>TH</sup> SESSION OF TRADE AND DEVELOPMENT BOARD 24<sup>TH</sup> – 28<sup>TH</sup> JUNE 2019**

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**Mr. President, Ambassador Michael Gaffey**

**Secretary General of UNCTAD, Dr. Mukhisa Kituyi**

**Excellences**

**Distinguished Delegates**

The Kenya delegation takes this opportunity to congratulate you, Mr. President on your election as Chair of the 66<sup>th</sup> Trade and Development Board. We assure you of our support during your tenure. In addition, we recognize the immense role played by Ambassador Salim Baddoura for his work as Chair of the Trade and Development Board in the last one year. Further, we congratulate UNCTAD Secretariat for launching the two very important reports; SDG Pulse and the Joint EEC-UNCTAD report on Inclusive Growth, including new composite index during this Board meeting. The two reports provide critical information that will guide us to make important policy decisions as institutions and governments.

The Kenya delegation fully associates itself with the statements delivered by the distinguished Ambassador of Ecuador on behalf of G77 and China and the distinguished Ambassador of Togo on behalf of the African Group.

**Mr. President,**

For the longest time, multilateralism, as espoused mainly through trade and development, has been the backbone for global partnership and has contributed significantly to economic growth and poverty reduction in many countries. However, multilateralism has not solved the challenge of inequality between and within countries. Indeed, inequalities and large disparities remain in income and wealth.

The Kenya delegation is concerned that widening inequalities within and between countries, between men and women, urban and rural areas are a common phenomenon as described by the panelists in the last two days. Income inequalities continue to rise with the richest 10% earning up to 40% of total Global income. The poorest 10% earn only 2-7% total Global income. In developing countries

inequality has increased by 11%. These widening disparities need to be managed for us to achieve SDG 10 by 2030.

My delegation reiterates the importance of reducing inequality and ensuring the inclusion of all regardless of age, gender, disability, race, ethnicity, origin, religion, economic or other status in heeding the call that “no one is left behind”. SDG 10 encompasses the universality of the 2030 Agenda and involves both the developed and developing countries.

Today, we recognize that developing countries are more indebted than ever before. Domestic resource mobilization is still a challenge, coupled with illicit financial flows and tax avoidance, denying our countries the already scarce revenues. In this regard, we call upon our partners and friends to continue walking with us to curb these flaws as this would serve as a good step towards reducing the inequalities in our countries and entrenching solid governance in our systems.

**Mr. President,**

Inequality is a global problem that requires global solutions. Clearly, enhancing trade and development, FDI, availing finances to the Micro, Small, and Medium Enterprises (MSMEs), and economic innovators, are some of the ways to help alleviate the problem. Indeed, managing globalization, including the complex global flows of finance, people (migration), technology and other resources is paramount.

**Mr. President,**

Digital development is the new reality of businesses worldwide, and a force that offers many opportunities for trade, investment, business transactions and market penetration. The Fourth Industrial Revolution has become an important driver of growth. It is supporting MSMEs development and provides unprecedented opportunities including and uplifting of traditionally disadvantaged groups like women and youth. However, it is evolving with significant gaps arising between and within countries.

**Mr. President,**

On May 15, 2019, His Excellency the President of the Republic of Kenya unveiled Kenya’s Digital Economy blueprint during the Africa Heads of State attending Transform Africa Summit 2019 of the Smart Africa Initiative in Kigali, Rwanda. Through this blueprint, the Kenya government aims at enhancing the contribution of ICTs to the economy through digital governance solutions, digitizing

business processes, facilitating infrastructure delivery, innovation driven entrepreneurship and promotion of digital skills and values.

On the other hand, projected to lead to about 25 percent increase in intra-African trade, AfCFTA has the potential to boost African industrialization, blossoming digital sector and sustainable development. AfCFTA is Africa's "game changer." Africa appreciates the support of UNCTAD during the negotiation period and finalization and look forward to increased support throughout implementation. On the contrary, various issues need to be addressed for Africa to take advantage of current technological innovations and facilitate the achievement of the objectives of the AfCFTA. Connectivity to enable digitalization to take place is still a big issue. The other issue is whether Africa currently has the legal framework and enabling environment for digital trade and other digital-related activities to flourish in the future AfCFTA market. Other concerns include trust, data privacy and cyber security. Development cooperation through financing, capacity building and technology transfer will go a long way in helping Africa achieve its vision.

**Mr. President,**

Promoting South-South Cooperation can enhance trade, and investment and further contribute to reducing inequalities between countries, and hence, achievement of the SDGs. This is possible through cooperation in trade, finance and also capacity building among the countries of global South. Today, many of these countries are committed to "developmental integration" through liberalizing trade and improving regional infrastructure to support structural transformation. Investments also occur intra-regionally as countries seek to enhance integration. Such initiatives have been beneficial at the East African Community sub-regional level and more continues to be done to deepen this this integration. Again, we thank UNCTAD for supporting EAC trade facilitation, among other programmes. However, we note that South-South efforts should only be viewed as complimentary to international trade.

In conclusion, my delegation wishes to reiterate that for developing countries to reap the benefits of globalization and in particular, be able to participate in the global value chains (GVCs), enhancing our capacities through skills, financing and technology is critical. We, therefore, call upon UNCTAD to continue implementing your mandate as espoused in Nairobi Maafikiano.

**I thank you.**