

JZ intervention

UNCTAD  
Trade and Development Report  
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Geneva

Mr. President,  
Excellencies,  
Distinguished delegates,  
Colleagues and Friends,

On the behalf of the JZ group, I would like to thank all panelists for their presentations, and take this opportunity to comment on a number of issues that were raised in the 2015 Trade and Development Report. First, however, I thank the Secretariat for the hard work in putting the report together. The report includes many issues that are worthy of further discussion, including commodity prices, the international monetary system reform, sustainable debt management, and financing for development.

Declining commodity prices – particularly oil, gas, and metals – have undeniably slowed growth and created economic headwinds for commodity exporters. Effects are not uniform, however, and lower commodity prices have a demand upside for commodity importers, lowering costs of inputs and improving current account balances. In some cases, falling commodity export prices can even be offset by falling import prices in some countries.

It would be a mistake to let economic headwinds and uncertainty undermine political will to complete structural reforms needed by some developing countries, and to further diversify economies dependent on primary commodity exports. We acknowledge the importance of investments in infrastructure that could boost growth and productivity in the medium-to-long term, and we emphasize the importance for countries to explore different ways of financing them such as borrowing from domestic and international markets, FDI and PPPs.

Turning to sovereign debt issues, in the Addis Ababa Action Agenda, Heads of State and other representatives recognized that debtors and creditors must work together to prevent and resolve unsustainable debt situations. In Addis, leaders reaffirmed the importance of debt restructurings being timely, orderly, effective, fair, and negotiated in good faith.

We want to state clearly and unequivocally that we take the issues that surround sovereign debt very seriously. Our firm view, however, is that a detailed, technical discussion of sovereign debt restructuring and mechanisms belongs primarily in bodies such as the IMF, that have a

relevant mandate and the expertise and that have demonstrated a comparative advantage in addressing these issues. In the event of debt distress, the Paris Club serves as the international community's primary existing forum for sovereign debt workouts. We view expansion of the Paris Club, and closer collaboration with it by other states, as an important step the international community can take toward debt sustainability.

We do believe that there is important technical capacity building work to be done by UNCTAD and others. We continue to support UNCTAD's work through Debt Management and Financial Analysis System, as well as the World Bank's Debt Management Performance Assessment and Debt Management Facility, the Commonwealth Secretariat's Debt Recording and Management System, the IMF's technical assistance, and the OECD's Debt Management Workshops and Center which provide important support to developing countries.

Finally, the report states that one of the limitations of the current international financial system is its relative inability to provide desired levels of international finance for development and for long-term investments. As a conclusion it calls for additional official development assistance. The 2030 Agenda for Sustainable Development will require that we use a full range of financing options to fund our ambitious agenda. In Addis, we recognized that ODA's use will increasingly be directed towards functions where it can be a catalyst in unlocking private sector resources or in helping developing countries raise their own revenues. "Blended" streams such as risk guarantees or public-private partnerships are examples of the former – the Addis Tax Initiative an example of the latter.

We recognize that no country can sustainably fuel its economy on external assistance alone, however. JZ members continue to be committed to using their resources, where conditions allow, to support developing countries to better mobilize and effectively use their domestic resources and attract domestic and foreign private investment to finance their own development and reduce their dependence on foreign aid.

Mr. President, JZ looks forward to further discussion on the topics raised in the Trade and Development Board which are critical to promote global economic development.