

**63<sup>rd</sup> Executive Session of the Trade and Development Board**

**Geneva, 27-29 September 2016**

**Agenda Item 4: Trade and Development Report 2016**

**Pakistan Statement on behalf of the Asia-Pacific Group delivered by  
Syed Atif Raza, Second Secretary**

Mr. President,

I have the honour to deliver this statement on behalf of Asia-Pacific. We associate ourselves with the statement made by Argentina on behalf of the Group of 77 and China.

We would like to thank the Secretariat, in particular Mr. Kozul and his team, for their outstanding research in producing Trade and Development Report, 2016 that seeks to present an independent and analytical expose of the state of world trade and development.

We note with concern the Report's conclusion that the world economy remains in fragile state in 2016 with yet another dip in growth rate as compared to 2014. Interconnected world economic system has rendered the effect of mediocre performance in the developed countries being reflected in the less than impressive growth in the developing countries. Continued weak demand in developed economies coupled with slowdown in international trade have a negative effect for the entire global economy particularly for the developing countries. It is a matter of concern that this trend is set to continue in the near future as well.

Mr. President,

Developing Asia remains the fastest growing region, with an expected growth rate similar to that of 2015 – at around 5 per cent. Some of the large developing economies in our region have the capacity to escape the worst of the adverse external environment due to their expanding domestic markets and a combination of sufficient foreign reserves and an effective use of their policy space. South East Asia is likely to maintain a growth rate above 4 per cent, based mostly on domestic consumption and investment demand. Region's stock markets are performing better than their counterparts in other regions. However, developing countries in general have become increasingly vulnerable to volatile global financial markets, especially in Asia. In our

region, as in other developed and developing regions, the investment-to-profit ratio tends to decline.

It is also encouraging to note that industrialization and productivity growth has been more resilient in Asia than in other developing regions. The share of manufacturing in total value added and employment remained relatively high in most Asian Countries. Several Asian countries were able to expand simultaneously employment and productivity in their manufacturing. Many Asian countries show a clear and positive association between global value chain (GVC) participation and industrialization, as opposed to the general trend for developing countries.

Mr. President,

Notwithstanding the positive indicators mentioned above, several challenges remain. One of the biggest obstacles is continuing security challenges confronted by several countries in the region. Some of the region's economies have lost as much as 5% of their GDP annually due to the worsened security situation. High unemployment rates, pockets of poverty particularly extreme poverty, development gaps especially in rural areas, integration with global economic system, environmental degradation and impact of climate change are some of the persistent challenges that continue to stall further progress in the region. A holistic approach is thus required to address these persistent and emerging challenges in order for developing countries to realize the ambitious 2030 Agenda.

Mr. President,

The report rightly highlights that government attention is required to help raise productivity in the rural economy in parallel with developing manufacturing activities in urban agglomerates, strengthening integration and creating linkages among those activities. Complementary policies will also be needed to safeguard livelihoods that would be jeopardized by unfettered competition.

We also share the view that, in the spirit of Nairobi Mafakiano, agreed conclusions to the Trade and Development Report would be a necessary step forward.

I thank you.