GROUP OF 77 & CHINA
G E N E V A

Statement by Iraq on behalf of the Asia-Pacific Group
Trade and Development Board
Sixty-Eighth Executive Session
Delivered by First Secretary Mahmoud Alatiyyah
Item 2 – Interdependence and development strategies in a globalized world

1 October 2019

Madam Chair,
Dr. Richard Kozul- Wright, Director of the Division on Globlization and Development Stratigies,
Excellences, Distinguished Colleagues,

I have the honor to deliver this statement on behalf of the Asia-Pacific Group. The Group would like to associate itself with the statement delivered by Ecuador on behalf of the Group of 77 & China,

We thank Dr. Richard Kozul-Wright for the elaborate presentation of the 2019 Trade and Development Report entitled: "Financing a Global Green New Deal" and commend the UNCTAD Secretariat, especially the Division on Globalization and Development Strategies for their efforts in drafting the report. We would also like to thank the two distinguished panellists for their insightful presentations.
This year edition of the Trade and Development Report provided a thorough analysis of the status of the world economy and set the rationale for policy responses on national, regional and global levels. While we concur with the findings of the report, we would like to highlight the following points:

The Asia-Pacific Group is alarmed by the continuation and expansion of trade war between major economic players. The unilateral tariff increases did not help the weakening global demand. Escalation of these measures could prove very harmful to global trade if combined with a further slowdown in investment.

There is a growing awareness that fulfilling the 2030 Agenda requires bridging technological gap between developed and developing countries. Lifting barriers against technology transfer is crucial in enabling developing countries to build human resource capacities and exploit their economic potential.

We concur with the report that volatility of currencies and commodity markets are adding on the pressure on developing countries to achieve economic stability required to invest in development projects and infrastructure. Financial insecurity, economic polarization and environmental degradation are closely interconnected and mutually reinforcing, in ways that can give rise to vicious cycles of economic, social and environmental breakdown.

The report identifies four macrostructural challenges that have gone largely unattended since the Global Financial Crises, the falling income share of labour; the erosion of public spending; the weakening of productive investment; and the unsustainable increases in carbon dioxide in the atmosphere. The Report, also, observes a gap in financing the SDGs that are already behind schedule.

As a response to the current global economic and environmental challenges, the report suggests a "Green New Deal". This new green deal is a coordinated investment push, especially towards decarbonisation of the economy, both by investing directly (through public sector entities) and by boosting private investment in more productive and sustainable economic activities. We concur with the report that that wave of green investment would be a major source of income and employment growth, contributing to global macroeconomic recovery.

We share the believe that for the Suggested "Green New Deal" to be effective, two preconditions should exist, first, governments are allowed the policy space to use all policy instruments at their disposal, and secondly the establishment of a framework for International coordination to counteract the disruptive influence of capital mobility, contain current-account imbalances and support the transition to a low-carbon economy, especially in developing countries.

Madam Chair,

The Asia-Pacific Group share the concern expressed by the report about the growing threat of high level of indebtedness in the developing economies. High levels of debt, especially in foreign currencies, increase economic vulnerabilities and compromise the ability of governments to invest in infrastructures and productive capacity. This issue, we believe, requires global solutions by scaling up public international development finance, including through development assistance and debt restructuring and relief.

On the national level, we emphasise the importance of the role of governments in regulating the financial and banking sector, in keeping global financial stability, avoiding harmful practices that jeopardise the achievement of the SDGs, and adopting legislations providing for comprehensive capital controls. In order for the governments and regulating bodies to be able to play this role, the policymakers need to have the space to build appropriate public institutions to direct domestic credit creation towards productive investment, as well as sustained efforts by the international community to recover public control of the management of international credit and to redirect public finance towards development-friendly goals.

The Developing Countries can and should leverage the power of credit creation (and debt financing) at the regional (including South–South) levels. The report referred to many good examples of development-driven financial institutions in developing countries that made loans much larger that established international institutions.

Madam Chair,

The Illicit Financial flows remain a significant loophole in developing countries efforts to achieve their developmental goals. The report estimates that (IFF) deprive developing countries of $50 billion to $200 billion a year in fiscal revenues. On the other hand, the under-taxation of foreign investors and (MNEs), especially in digital sector, is another drain on fiscal resources for all economies. We believe that a coordinated international action to tackle these issues is required.

Finally, we hope that this report analysis, findings and recommended policies help concentrate the efforts to combat many social and economic challenges facing the developing countries in their efforts to achieve their developmental goals.

I thank you Madam Chair.