



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 3- Investment for Development***

1 October 2019

Mr. President, H.E. Ambassador Michael Gafey President of the Trade and Development Board (Ireland),

Mr. James Zhan, Director, Division on Investment and Enterprise
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.

Mr. President

The Asia-Pacific Group thanks Director James Zhan for the presentation of the 2019 World Investment Report, and commend the UNCTAD Secretariat, especially the division on Investment and Enterprise, for the work conducted to draft this year's report entitled: "Special Economic Zones". We would also like to thank the panellists for their elaborate and insightful presentations that revealed different aspects of successful management of special economic and scientific zones.

On the key messages of the report Mr. President, we note the continuation of the trend of decline in global foreign direct investment flows, for the third consecutive year by 13%, due mainly to sharp drop in the FDI flows to developed countries.

The flows to developing countries, however, remained stable with rise in flows to Africa (by 11%) and Asia (by 4%) and decline in Latin America and the Caribbean (by 6%). The increase of the developing countries' share in the global FDI should not disguise the fact that the rise in FDI to developing countries has seen little improvement in 2018. It is also worth noticing that according to new and innovative data presented by the report, significant part of FDI between developing countries is ultimately owned by developed countries.

We also note the increase in Greenfield project announcements by 41%, the bulk of which is in Asia. The report predicts that the favourable economic outlook and ongoing efforts to improve the investment climate in many economies in the continent will help increase FDI flows in the future.

Mr. President,

The FDI trend, according to the report, has shown anaemic growth. This is a matter of concern, as the FDI is a prime source of finance for developing countries and a major source of financing the 2030 Agenda. In that regard, we believe that UNCATD can help to explore further the implications of the aforementioned facts on the quantity and quality of financing of the SDGs.

The Asia-Pacific Group emphasises the importance of conducive international environment for growth of investment in achieving the SDGs for the developing countries. On the other hand, we recognise the importance of national investment policy measures in creating business environment conducive to foreign investment, while improving the quality of those investments to address development needs of the developing countries in line with the Sustainable Development Goals. In this regard, UNCTAD can provide an effective assistance by conducting research and studies on the implications of different measure, helping countries in developing new model investment treaties, and provide guiding principles to shape future treaty making.

In addition, we believe that there are no one-size-fit-all investment policies. Therefore, UNCTAD should continue promoting the exchange of best practices especially among developing countries in order to seek better understanding on how to effectively implement the SDGs such that it is in line with the development priorities of that particular country.

Special Economic Zones, as the report highlights, can be an important tool for the developing countries to achieve development goals, through attracting foreign investment, fostering technical exchange, creating jobs, improve international and regional cooperation, and boosting trade. The realisation of those goals is not automatic, though, the report prescribes ways in which authorities can better design and utilise (SEZ)s. Our hope is that UNCTAD can build on the findings of the report to deliver targeted advice to policymakers and enhance its assistance programs to developing countries to help those countries to plan effective and successful (SEZ)s.

I thank you Mr. President.