

As of 27 September 2016

Statement by H.E. Ms. Rhoda M. Jackson
Ambassador, Permanent Representative of the Commonwealth of the Bahamas
on behalf of the Group of Latin America and the Caribbean at the
Sixty-third Executive Session of the Trade and Development Board

Item 4 - Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth
Geneva, 27 September 2016

Mr. President, Ambassador Alfredo Suescum (Panama),
Mr. Joakim Reiter, Deputy Secretary-General of UNCTAD,
Directors,
Ambassadors,
Ladies and gentlemen,

1. Mr. President, GRULAC welcomes the ***2016 Trade and Development Report: Structural Transformation for Inclusive and Sustained Growth*** and recognizes the work of the UNCTAD Secretariat in the preparation of the Report.
2. The Report's reflection on the status of global economic recovery and the slowing rates of growth are noteworthy. The deterioration of international conditions in 2015, including a negative shock in terms of trade has led to the adoption of restrictive fiscal policies and currency depreciations that has prolonged the stagnation of Latin American and Caribbean countries for a second year in a row, with most of its major economies amidst a recessionary period in 2016. While Mexico and the economies of Central America and the Caribbean will maintain their growth levels of 2015, countries due to their limited exposure to the fall in commodities prices, the bigger economies in South America are experiencing a fall in their consumption and investment levels. The investment rates in the region have been relatively low for some decades caused by the premature deindustrialization observed in several Latin American countries since the 1980s.
3. One of the Key messages of the TDR 2016 is the need for Latin American and Caribbean economies to reinforce the profitability-investment relationship, so that corporations reinvest their profits in expanding productive capacity and employment. Also countries should profit from the rent generated in the exploitation of natural resources to finance infrastructure and productive diversification with a long term view, avoiding pro-cyclical impacts and real appreciation of national currencies. A macroeconomic policy that sustains aggregate demand, fosters investment and keeps a stable and competitive real exchange rate is a requirement for an effective implementation of industrial policies. These, in turn, should aim to promote the substitution of imported inputs for domestically-produced ones in global-value-chains, so as to develop internal productive capacity.

4. GRULAC notes with interest the call for further commercial regional integration, given that most of the exports with medium-and-high technological content go to other countries of Latin America and the Caribbean. A strengthening of domestic and regional markets is in order for that goal.
5. GRULAC understands that these issues have to be discussed in the United Nations, and particularly in this forum, as UNCTAD is the focal point of the global debate on economic development.
6. GRULAC would also like to thank the Secretariat for the excellent quality of the Report, and recognize its relevance as one of the main outputs of UNCTAD's research and analytical work. The group stresses the importance of prioritizing funds for the timely publication and distribution of this flagship report in all official languages, as well as an appropriate discussion at the Trade and Development Board.
7. GRULAC will continue with our commitment to support UNCTAD in its work.
8. The Group of Latin American and Caribbean Countries which belong to the G77 and China associates itself with the statement made by Argentina on behalf of the G77 and China. Thank you.