

**STATEMENT ON BEHALF OF THE GROUP OF LEAST  
DEVELOPED COUNTRIES  
DELIVERED BY MALAWI AS LDC COORDINATOR AT UNCTAD  
67<sup>TH</sup> FIRST SESSION OF THE TRADE AND DEVELOPMENT  
BOARD 02 JUL-03 JUL 2020  
AGENDA ITEM 3**

President of the Trade and Development Board,

Secretary-General of UNCTAD Mukhisa Kituyi,

Excellencies,

Distinguished delegates,

Ladies and gentlemen,

Mr President, Malawi takes the floor on behalf of the LDCs. At the outset, the Group would like to align itself with the statement delivered by the representative of Zambia on behalf of the Group of 77 and China.

The LDC group would like also to congratulate Ambassador Villegas of Argentina on his assumption of the leadership of the TDB and at the same juncture also would like to appreciate the successful leadership of Ambassador Gaffey of Ireland on his role as President of the board and setting the ball rolling towards Bridgetown.

Mr President the group would like also to convey its condolences to the people of Uganda and the delegation in Geneva on the passing of Ambassador Appr. The late Ambassador was also instrumental to the

groups aspirations and played a lot of roles in UNCTAD towards global development.

World Investment Report 2020 released in June showed that global foreign direct investment is set to drop by 40% in 2020, falling below USD1 trillion for the first time since 2005 and it is not expected to recover until 2022.

Mr President,

LDCs have been recording positive economic improvements though not all have witnessed inclusive growth as some are still facing difficulties emanating from structural and capacity constraints. In turn, such constraints reduce their ability to attract and retain much needed FDI to realize development objectives.

The LDCs, during pre-COVID19 era, were faced with a number of challenges such as overcoming the digital divide, suffering from increasing inequalities, commodity dependence and increasing dangers of debt distress. Some LDCs witnessed investment flows, particularly in Asia, leading to positive development outcomes. This can nevertheless be attributed to their proximity to the growth of the industrialization of the region, which is an opportunity that is not available to LDCs in Africa and to Island LDCs. However, according to a number of data available by UNCTAD in 2019, we do see certain

improvements. A number of LDCs had shown progress in terms of their productive capacities.

Mr President, remittances from the diaspora have seen an increase in most LDCs, providing much needed foreign exchange to finance development and stabilize their balances of payments... However, as we face the global pandemic in 2020, the gains made following the global recession of 2008-09 are in danger of being erased. During the 2008 global recession, the world did not experience an actual closure of its economic activities as experienced this year. Migrants from LDCs have been badly hit as they tend to work in informal and casual labor with no kind of insurance, social security or job security. As a result of the shutdown, many SMEs have closed altogether or declared bankruptcy due to the insurmountable liquidity problems and the uncertainty of a recovery of economic activity. This has drastically reduced remittances which eventually affect the recipient nations' ability to achieve development objectives.

Mr President,

COVID-19 continues to erode the basic gains made in reducing inequalities, as we have been informed in various virtual meetings taking place. Yet, most LDCs do not have capacities and infrastructure to effectively participate in the virtual global discussions and decisions that affect all. This also exposes the pervasive nature of the digital divide. The work programme of

UNCTAD and its work on eTrade readiness are therefore more important than ever. We hope that our partners will look at the challenges highlighted by UNCTAD in its exercises as they touch upon all LDCs and most developing countries.

On this same issue, Mr President, as LDCs we feel we need to reiterate our call for collaboration with the UN Technology Bank to help in financing eTrade readiness assessments and projects that will help bridge the digital divide and thereby reduce inequalities and contribute to the attainment of the SDGs.

Mr President, to list the effects of the pandemic in an exhaustive manner is likely not possible as the negatives are not only excessive, but also numerous and many are still misunderstood. Closed economies and sectors mean that already fragile economies are exposed to an array of still uncertain risks, such as lost of commodity markets, increased debt distress, risks of civil unrests, depreciation of currencies, loss of jobs, and rising cost of living. In some cases, delayed graduation will be expected as gains that have been made are in danger of being lost.

Mr President, we hope that in the future UNCTAD could also help LDCs to develop some kind of a finance mechanism that could be used as a source of revenue in which projects, surveys and risks could be mitigated before LDCs extend their bowl to development partners.

To conclude, the LDC group would like to thank UNCTAD for its continuous work in our group and our development partners for their ever tireless efforts to assist and help us achieve the SDGs.

I thank you, Mr. President.