

**Statement by H.E. Ambassador Mustafa Osman Ismail Elamin
Permanent Representative of Sudan,
On behalf of the African Group
Trade and development report, Sixty-Fifth Session (Part II) of Trade and
Development Board, Geneva, 1–4 October 2018.**

**Mr. President,
Dr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Excellencies,
Distinguished delegates.**

Mr. President,

I have the honor to deliver this statement on behalf of the African Group. The Group fully associates itself to the statement delivered by the distinguished Ambassador of Pakistan on behalf of G.77 and China.

We congratulate the UNCTAD Secretariat for producing its flagship Trade and Development Report for 2018 (TDR 2018) entitled “**Power, Platforms and the free trade delusion**”. We believe that this report is an important input for member states and will certainly facilitate an informal debate on the global economic situation.

Mr. President,

As it stated in the report, the world economy remains uncertain a decade after the 2008 financial crisis, with trade wars a symptom of a deeper malaise. Even though the economy has picked up since early 2017, growth remains spasmodic, and many countries are operating below potential.

In Africa, with external official development assistance sharply lower, and greater appetite for debt to finance infrastructure and social sectors, many African governments have turned to international capital markets to meet their financing needs. As a consequence debt has been deeply increased in several countries. As mentioned in the report, the number of low-income developing economies facing significant debt challenges has increased from 22 to 35, with countries in sub-Saharan Africa accounting for most of this increase.

As the report highlighted, starting from 2000 debt relief programmes had substantially reduced the debt burden of African countries, but since then, countries have accumulated new debt and a number of African countries are currently being identified as being debt-distressed. With international interest rates set to rise, the health of these economies could deteriorate quickly.

Mr. President,

Digital innovations and technological changes are having a profound impact on our daily lives. Collectively, as a fourth industrial revolution, they are changing the geography of production and the contours of work. The challenges faced by developing countries in ensuring digital infrastructure are evident from the still large gaps in most developing countries. Fixed broadband subscriptions in developing countries are still less than one quarter of the number in developed countries in per capita terms, while in least developed countries (LDCs) the number has barely increased and the penetration rate is less than 1 per cent. Mobile-broadband subscriptions were around 78 per 100 population in the United States and Europe in 2016, but only 20 per cent in Africa.

Nowadays, there is a huge potential for digital impact in Africa, but to achieve that, African countries have to put in place the foundations of a digital economy mainly digital infrastructure, literacy and skills, financial services, platforms, and digital entrepreneurship and innovation.

The African Group concurs with the TDR's conclusion that a precondition for developing countries to be able to grasp the rising opportunities in the digital world is the building of their digital infrastructure as well as digital capabilities. However, given the speedy digitization of manufacturing production and exports in the developed world, the rise of monopolistic practices by lead firms and digital platforms across GVCs and the growing digital divide, it may be extremely difficult for developing countries, especially LDCs, to leapfrog into digital industrialization on their own.

Mr. President,

The TDR argues that realizing the potential benefits from a digital world will be difficult, and that ensuring those benefits will be more difficult still. It requires ambitious policies in a wide range of areas that must be employed in a coherent way. Digital preparedness in many developing countries will require international support and cooperation; UNCTAD's eTrade For All initiative provides one possible model for such partnerships.

Another area of regional digital cooperation is digital innovations and technology. The African Group believe that there is a huge need to helping Africa build its Digital Economy, and encourage public and private sectors, regional organizations and development partners to support Africa's efforts to take advantage of the technologies of the digital transformation to accelerate sustainable development and inclusive growth in conformity with the 2063 AU Agenda.

The Group is of the view that this is an area where South–South cooperation can greatly contribute. Development banks like the New Development Bank, the Asian Development Bank and the African Development Bank can play an important role in financially supporting and encouraging African countries to develop software and digital technologies for use at the regional level.

Mr. President,

African countries participation in international trade is still at only around 3%, and African economies have relatively limited product and market diversification, so it will be difficult for Africa to fully realize its growth and development potentials.

Moreover, African countries continue to face several challenges, in terms of productive capacity, food and energy security; volatility in commodity prices; and climate change and other environmental problems.

We believe that in order for our continent to be able to grasp the rising opportunities in the digital world it is important, as it is highlighted by the TDR, to rethink trade and investment agreements as one necessary step and also to foster South–South digital cooperation at the regional level. Last but not least digital cooperation at the regional level can be added to the ongoing regional integration initiatives in the South, including in Africa.

Thank you.