

United Nations Conference on Trade and Development

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Opening remarks

Mr. Pedro Manuel Moreno

Deputy Secretary-General
UNCTAD

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD

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Toward the SDG Summit 2023:

High-impact trade initiatives for accelerating the SDGs

8 May 2023, Room XXVI, Palais des Nations

Opening Statement

Pedro Manuel Moreno

Deputy Secretary-General of UNCTAD

Excellencies,
Distinguished delegates,
Ladies and gentlemen,
Dear friends,

Not so long ago, eight years to be precise, the world summarised its aspirations in 17 Sustainable Development Goals. It was a historical moment, full of determination and commitment.

The multiple shocks we have faced, from Covid-19 to the war in Ukraine or the constant threat of climate change, have eroded the momentum and diverted action to achieve the SDGs.

But the bleak situation does not mean that we should give up our aspirations. Rather the opposite, it means that we need determined action to change course.

This is why UN Secretary-General Guterres urged Heads of State and Government to deliver a “Rescue Plan for People and Planet” at the 2023 SDG Summit in September.

This is why he called on G20 nations to agree on a new SDG Stimulus Plan to address short-term urgencies and long-term sustainable development finance needs.

And this is also why we are here today. Because everybody in this room believes that trade, as an engine of prosperity, can do more to help achieving the 2030 Agenda.

But we do not only need more trade. We need better trade: more inclusive trade, more sustainable trade.

The UN Trade Forum is a space to explore options to harness the power of trade, in the direction we want.

In this edition, the forum centres on four areas of opportunity to create the trading systems we need.

We need more trade:

For this, we need first of all a trading system that is more resilient.

A credible and coherent trading system of global trade rules brings stability and resilience and is central for attracting investment. This is crucial for developing countries.

However, the recent crises have revealed the system’s vulnerabilities and imbalances.

We must support a strong and more inclusive World Trade Organization to reinvigorate trade negotiations and development. And we need such a system to also deal with climate change and geopolitical uncertainty.

There are also important means at regional level to boost trade. *A major opportunity offer South-South partnerships.*

South-South trade has been growing fast, in fact faster than the world average. In 2021, South-South trade has soared to more than 5.3 trillion US dollars, from 600 billion in 1995.

Let me put this figure into perspective. It means that that the global south traded more with itself than with the developed world.

The Global System of Trade Preferences among Developing Countries – the so-called GSTP – is a big opportunity to further enhance South-South trade. With its 42 members, it represents a 16 trillion US dollar market with a four billion population.

Beyond, expanding trade, GSTP can foster better trade.

South-South trade enhances export diversification and structural transformation in developing countries. In fact, in 2021, South-South trade accounted for nearly 60 per cent of high-tech exports of developing countries.

The GSTP was created in 1988 and negotiated within UNCTAD.

It aimed at increasing trade primarily through preferential tariff reductions. But the scheme has been used marginally.

There is now a window of opportunity for the GSTP. With Brazil's recent ratification, only one more member needs to ratify so that the scheme comes into force.

Then, trade must become more inclusive.

Trade does not automatically create equal opportunities for all. We must ensure it does.

To level the playing field and ensure that benefits are shared, governments need to maintain a competitive and fair business environment. This is why the effective enforcement of competition law and policy is so important. This is now particularly the case for the digital economy.

Digitalization is a defining feature of our time.

The ability to participate in trade depends increasingly on digital skills, infrastructure and frameworks. The COVID-19 pandemic has further accelerated this trend.

But not everybody has gained from digitalization.

There are urban-rural and gender gaps in access to and use of digital technologies. If not addressed, they will not reduce, but grow. For instance, from a gender perspective, digital technologies and e-commerce must become more gender-inclusive, with digital platforms more adapted and accessible to women's businesses and needs.

And we need more sustainable trade.

With climate change, there is no choice. We must ensure trade helps protecting our planet.

We need to ensure that production, trade and consumption are sustainable. Competition and consumer protection policies can be powerful tools for this, also promoting resource efficiency, and reducing waste.

Here, I want to highlight a particular opportunity: *Protecting and harnessing the ocean economy.*

As Secretary-General Grynspan said at the Ocean's Forum last year, "We live on earth, but our life critically depends on our oceans."

The value of the ocean economy, in terms of tradable ocean goods and services, is at least 2.5 trillion dollars per year.

And trade could not have expanded as much without our oceans. Today, over 80 per cent of global trade in volume is carried by sea. But with climate change and increasing CO₂ emissions, the ocean economy is at risk.

This calls for the decarbonizing of shipping, and adaptation policies for coastal and port infrastructure to boost resilience and secure connectivity.

We also need to expand the coverage of the current WTO agreement on fisheries subsidies to include subsidies contributing to overcapacity and overfishing. And we need mitigation and adaptation technologies for transitioning out of fossil fuels and energy intensive ocean-based activities. Technology transfer plays therein a critical role.

But at the end, resources matter. My last point is on trade finance.

Participating in trade requires finance. Multilateral development banks have made significant efforts to help developing-country traders through guarantees and loans to keep trade moving in the poorest countries. But it is not enough. The international community must promote more private-sector capital to make trade finance available to developing countries.

Dear friends,

We have an opportunity in September to reignite the hope, optimism and enthusiasm that characterized the adoption of the 2030 Agenda in 2015.

With the UN Trade Forum, we want to provide actionable, high-impact recommendations on trade for the SDGs Summit so that trade becomes the engines the SDGs need.

UNCTAD remains committed to providing the data and analysis policymakers need to take informed decisions and ensure trade growth benefits all people and the planet.

I look forward to your ideas and concrete proposals. They are needed now more than ever.

Thank you.