

Asia Pacific Group

Geneva
Statement of the Asia Pacific Group (APG)
at the 75th Executive Session of the Trade and Development Board

Agenda Item 2- Interdependence and development strategies in a globalized world (Trade and Development Report 2023: Growth, Debt and Climate – Realigning the Global Financial Architecture.)

President of the Trade and Development Board,
Secretary-General of UNCTAD Madame Rebeca Grynspan,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

1. I have the honour to deliver this statement on behalf of Asia Pacific Group.
2. At the outset, the Asia-Pacific Group of UNCTAD aligns itself with the statement made by Cambodia on behalf of the Group of 77 and China. The group thanks the Secretariat, especially the team at the Division on Globalization and Development Strategies for *the TDR 2023*.

Mr. President,

3. Sluggish global growth, following the spiralling impacts of Covid-19 pandemic, compounds the difficulty of meeting critical needs such as food security, social protection, and climate adaptation, in particular for developing countries.
4. We find it alarming that despite repeated clarion calls, the international financial system has only delivered a fraction of the financing needed to meet the agreed climate and development targets to guarantee a sustainable future for all. The widening gap in annual investment needed by developing countries to achieve the SDGs currently stands at \$4 trillion per year, almost double what it was in 2015 when the SDGs were adopted.

Mr. President,

5. TDR rightly pointed out that a vicious cycle has emerged between higher energy and food production costs, more inflation pressures and subsequent financial tightening. Stricter financial conditions are eroding the buying power of currencies in developing countries and increasing the import costs of food and energy, reducing financial capacity and increasing the costs of servicing debt.
6. We also take note of the finding of TDR that for most developing countries, inflationary pressures are not simply the outcome of internal growth dynamics but of their asymmetric and unstable integration in the global economy. The group shares the concerns reflected in the TDR on the challenges international trading system is facing and reiterates that effective policies must be given serious consideration so that the developing countries can be fully benefitted from trade in their development efforts.
7. In this backdrop, we find TDR's observation that to help address the crushing burden of debt servicing and the threat of spreading debt crises, in particular for developing countries, reforms are needed to the rules and practices of the global financial architecture timely and relevant. We also take note of the TDR's recommendation to establish a mechanism to resolve sovereign debt workouts based on the participation of all developing countries with consensus on procedures, incentives, and deterrents.
8. For a timely achievement of SDGs, financing is one of the most critical factors. Unfortunately, however, the international financial infrastructure including the MDBs is barely aligned with the SDGs, nor can it respond to the financial needs of developing countries especially during crises. Today, we urgently need an international financial architecture that will help developing countries receive concessional, low-cost, low-interest-rate funds, with minimum conditionalities.
9. The APG reiterates that there is a need to increase ODA. The Special Drawing Rights should be used in a larger scale, more permanent practice, and fairer manner. Greater leveraging of multilateral capital can better support developing countries with comprehensive social programmes.

Mr. President,

10. Development strategies in a globalized world must be developed through the cohesion of policies, coordination of works, and complementarities of practices. This is especially vital in the areas of financing for development particularly trade, ODA, debt sustainability, climate financing and promotion of a circular economy. These are the issues the APG Group wishes to focus on this year, and we seek UNCTAD's support in all three pillars, whether it be consensus-building, research and analysis, and technical cooperation.

11. In this regard, the APG looks forward to closely working with UNCTAD members in realising concrete proposals and technical cooperation which would lead to the realization of Trade and Development agenda.

12. Before I conclude, I would like to express the APG's appreciation for Mr Kozul Wright for his knowledge and insightful observations on global economy and the challenges of the developing countries. We also thank him for his commitment to development. We wish you a happy, healthy and peaceful time ahead.

13. I thank you, Mr. President.

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