

## Global Leaders Forum

Charting a New Development Course in a Changing World

60<sup>th</sup> Anniversary of UN Trade and Development (UNCTAD)

High-level session

Palais des Nations, Geneva, Switzerland

13 June 2024

CONCEPT NOTE

### Making industrial policy work for trade and development

The COVID-19 pandemic brought back a resurgence of industrial policy to many countries and regions where it had once been long rejected. Most of this new industrial policy is focused on renewable energies, environmental protection, and digital strategies. As such, and if well-directed, this industrial policy revival can become an important tool to get back on track towards the 2030 Sustainable Development Goals.

There are, however, some important risks that need to be considered. First, much of this new industrial policy is being promoted by way of subsidies, and this may further widen inter country inequalities in a context where much of the developing world is in debt distress and therefore under no condition to compete in a subsidy race. Second, there is the need to balance a potential return to industrial policy to ensure that it does not transform into a veiled return to protectionism, especially when it comes to climate change where the important trend of declining renewable energy costs may come into risk due to higher tariffs at the border. And third, in a context where the WTO still has no appellate body, there is a major risk that far from meeting this green industrial policy revival with a much-needed update to WTO rules related to subsidies and investment treaties, this resurgence will take place under an unruly gray-zone where zero-sum, geopolitical, and asymmetric power relations proliferate.

This session will highlight the need for a new narrative on trade, industrial policies, and development that would rebuild trust among countries and work collectively towards sustainable and inclusive economic transformation of developing countries. The high-level panelists will exchange views on crucial trade and industrial policy elements, such as subsidies, critical minerals, new trade arrangements for just transition, and competition policy vis-à-vis industrial policies, from the sustainable development perspective. A policy brief will be made available as a background note for the session.

As a possible outcome, the session's discussion will be reflected in this year's UN Secretary-General's report to the General Assembly (GA) 2nd Committee on International Trade and Development. The UNCTAD member states will further elaborate on it under the item on trade at the 71st session of the TDB (16-27 September), both to contribute as substantive and concrete inputs to the GA 2nd committee resolution on international trade and commodities to be negotiated in October-November 2024.

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