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General Debate

Statement by the Minister of Financial Services, the Commonwealth of the Bahamas

Tuesday, 19 July 2016

Speaker: Honourable C. V. Hope Strachan

*Not checked against delivery**

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**REMARKS BY
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MINISTER OF FINANCIAL SERVICES
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UNCTAD XIV

**19th July, 2016
Nairobi Kenya**

Mr. Chairman, Excellences, Ladies and Gentlemen, firstly I wish to express deep appreciation to the Government and people of Kenya for their warm hospitality and excellent arrangements for UNCTAD XIV.

Mr. Chairman, the United Nations Conference on Trade and Development was created in 1964 as the focal point of the United Nations system, responsible for trade and development issues. Since its foundation more than 50 years ago, UNCTAD has been a key partner supporting developing countries in meeting their development objectives. The Organization's quadrennial conference provides a forum for open and constructive dialogue on such critical issues as trade, finance, investment and technology which are critical for the sustainable development of developing countries. UNCTAD supports developing countries in accessing the benefits of a globalized economy more fairly and effectively, equipping such countries through its technical cooperation initiatives. The Organization's quadrennial conferences also serve an important political function in that they

allow intergovernmental consensus building on issues affecting the state of the world economy and development policies. Member States make assessments of current trade and development issues, discuss policy options and formulate global policy responses. These conferences set the organization's mandate and work priorities for the next four years.

Mr. Chairman, The Bahamas like other members of the Group of 77 and China, believes that UNCTAD remains the important focal point in the UN system for Trade and Development. It provides an invaluable forum for discussion, co-operation and collaboration of the important issues of trade, finance, investment and technology critical for the sustainable development and economic wellbeing of developing countries.

2015 was a landmark year for the international community and the international development agenda. Member States adopted the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Action Agenda for the Third International Conference on Financing for Development, the United Nations 2030 Sustainable Development Goals and at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change held in Paris France in December 2015, inked an historic agreement. These are all important initiatives which impact developing member states of UNCTAD.

Mr. Chairman, the report of the UNCTAD Secretary General makes clear that while progress has been made in some areas, the need for “collective action to tackle cross- border challenges is at an all-time high”. We meet at UNCTAD XIV at a time when Governments are seeking to operationalize the 17 Sustainable Development Goals under the 2030 Agenda for sustainable development and to discuss the opportunities and challenges of implementing those goals. The theme of UNCTAD XIV is therefore appropriate “From decision to action: Moving towards an inclusive and equitable global economic environment for trade and development”.

As a small island developing state (SIDS) climate change has significant economic and social implications. This was made clear in 2015 when Hurricane Joaquin devastated the livelihood of thousands of residents. The vulnerabilities of the country's geographical location and low topography were clearly exposed. Additionally, as a small developing archipelago, the country faces peculiar developmental challenges including replicating infrastructure on twenty two inhabited islands, regardless of size or population.

Our vulnerabilities not only relate to our geographical and topographical structure, but also to our economic structure. The fact that banking and financial services represent 15% of our GDP, de-risking and the loss of correspondent banking relationships are a threat to our economic stability. This recent phenomenon is a result of external pressures associated with the changing global financial regulatory environment. This is not only true for The Bahamas but also for many countries within the Caribbean region. While the Caribbean seems to be the most severely affected region, other jurisdictions are also being affected. The potential negative impact on the economies of affected countries warrant studies by UNCTAD to understand the effect on international trade, sustainable development and the global economy. The Bahamas as a financial service centre understands the issues associated with tax avoidance and tax evasion and the need for transparency and cooperation globally in such matters.

As an archipelagic state, whose economy is also significantly supported by inter island and international shipping, we recognize the inherent value of UNCTAD's work in the maritime sector. This work provides member states with guidance to make transport more efficient and cost effective. The provision of capacity building and technical assistance in this area to developing countries, will further enhance trading opportunities for all.

Mr. Chairman, while each country has primary responsibility for its own economic and social development, the support of an enabling international environment is integral to the success of national efforts. In the case of The

Bahamas and many other developing countries, access to foreign markets and attracting foreign direct investment is critical for sustainable development. Foreign direct investment, public private partnerships and the transfer of technology which often accompany such initiatives, are crucial for trade and sustainable developmental policies. The Bahamas supports other G77 and China members who believe that UNCTAD should be strengthened to enable it to effectively deliver on the trade and development goals of developing countries, informed by our needs, vulnerabilities, national development strategies, macroeconomic policies and the realities with which we are faced.

Mr. Chair, there some developing countries like The Bahamas excluded from eligibility for concessional loans and grants from bilateral and multilateral sources by reason of perceived high per capita income. The need for the development of transparent measures of progress on sustainable development which go beyond the per capita income model as a measure of development is essential. UNCTAD's work on productive capacity and vulnerability indices is critical.

Additionally, it is important that countries which are presently negotiating membership into the World Trade Organization, have access technical assistance and capacity building support to assist in their integration into the multilateral trading system.

Mr. Chairman, let us use this opportunity to cooperate and collaborate to arrive at a text which supports trade and sustainable development and the inclusion of all.
