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General Debate

Statement by the Deputy Minister of Economy and Secretary of State for Trade of
Portugal

Tuesday, 19 July 2016

Speaker: H.E. Mr. Paulo Ferreira

*Not checked against delivery**

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**Statement of H.E. the Deputy Minister of Economy and Secretary of State for Trade,
Mr. Paulo Ferreira, to the 14th Ministerial Conference of the United Nations Conference
on Trade and Development (UNCTAD)**

Nairobi, July 19th 2016

Mr. President

Mr. Secretary-General of UNCTAD

Distinguished fellow Ministers and Delegates

Ladies and Gentlemen

Allow me firstly to warmly thank the Kenyan authorities for hosting this 14th session of the United Nations Conference on Trade and Development and for their hospitality. We are pleased that this important ministerial meeting takes place in Africa, a continent that lies in the heart of the work developed by this organization.

The world has dramatically changed since the 13th session of UNCTAD took place in Qatar, four years ago. The global economic and financial crisis has had a severe impact in both developed and developing countries and, even though we are witnessing important signs of recovery, the world economy still remains quite volatile and uncertain. Additionally, current high unemployment rates raise serious concerns worldwide. Trade growth, despite picking up strongly in 2010 and 2011 in the aftermath of the disruption caused by the financial crisis, has been unusually weak since then and is expected to remain modest in the years to come.

This context brings significant challenges, which can only be overcome with collective, joint venues of action engaging each and every one of us.

Trade is not an end in itself – it is rather a means for countries, businesses and consumers to achieve sustainable and inclusive growth.

A strong and fair multilateral trading system is essential to stimulate sustainable economic growth, with clear benefits on employment and improvement of people's living conditions. UNCTAD, with a mandate based on consensus-building, policy dialogue, research and technical assistance, is extremely well placed to positively contribute to this aim, particularly assisting/working with the most vulnerable countries.

The blatant strategic alignment between UNCTAD and WTO is of utmost importance, given the role of the latter as the trade negotiating *forum par excellence* that embodies the value of the multilateral trading system and a longstanding commitment in a strengthened rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system.

In fact, it is high time to remind ourselves again of the importance of keeping markets open towards a fair and free trade system, while fighting protectionist measures. Trade liberalization has allowed for a sharp decrease in importance of tariffs and for an accelerated opening of the markets. However, companies, Micro, Small and Medium Enterprises in particular, still need to deal with burdensome red-tape costs. Despite our progressive and steady integration in global value chains, administrative and bureaucratic barriers still persist at our borders, burdening and penalizing traders and, thus, preventing WTO members to maximize the potential huge gains and benefits emerging from international trade.

In this regard, we cannot emphasize enough the importance of the Trade Facilitation Agreement, the first multilateral agreement ever negotiated in the WTO context, adopted three years ago in Bali, which is expected to inject up to a trillion dollars in the world economy. Its quick implementation would be extremely relevant, particularly for developing and least developed countries, as it has an estimated positive impact of USD

68 billion a year, by reducing the cost of trading and facilitating the flow of goods across borders.

The reinforcement of regional integration schemes in complementing the global trading system is also significantly relevant. Besides contributing to increase intraregional trade and investment flows, they can also stimulate the efforts of developing countries to diversify their economies and improve their productive capacities.

Foreign Direct Investment (FDI) is, likewise, a crucial means to foster development and economic growth, given its potential role as catalyzer of productive capacities and job creation in recipient countries. The attractiveness of FDI (as well as the spill-overs effects on local private capital) is conditioned, nevertheless, by a stable and predictable enabling business-friendly environment, at the regulatory, infrastructure and human capital levels. The recently published “World Investment Report” mentions a strong recovery of Global foreign direct investment (FDI) flows - the highest level since the global economic and financial crisis of 2008–2009. While global FDI recovery is very relevant, it is also important that direct investments flow into developing economies. In this context, Portugal is one of the Top 10 investor economies, by FDI stock, between 2009 and 2014 in the Least Developed Countries.

The current development financing architecture has been evolving over the last years incorporating the opportunities that arise from the involvement of different actors, relevant stakeholders, other than traditional donor countries. This should open the door for an enhanced cooperation with them (with the private sector having a pivotal role) aiming at joint complementary efforts converging to a more effective support in the field.

Mr. Secretary-General,

This is the first time that the UN meets at the Ministerial level, after the international community gave very important steps with three important agreements: the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, and the Paris Agreement on Climate Change, which together forge a new global framework that lays out the conditions for an ambitious, universal and transformative plan of action over the

next years with the goal of shifting the world onto a sustainable and resilient path, leaving no one behind.

I would also like to recall the decisions taken here in Nairobi, in December last, during the World Trade Organization 10th Ministerial, namely on Agriculture, Cotton and on LDC issues - on preferential rules of Origin for LDCs; on the implementation of preferential treatment in favour of services and service suppliers of LDC and increasing LDC Participation in Services Trade.

The theme of this Conference could not, then, be more appropriate: “from decision to action”, so we can move forward towards an inclusive and equitable global economic environment for trade and development. Accordingly, we think UNCTAD can and should play an important role in promoting that outcome by acting, in line with its mandate, in those areas where it has comparative advantages and is able to provide added-value.

In particular, Portugal believes that, based on its long-standing expertise in capacity building, policy dialogue and research analysis, UNCTAD can make a valuable contribution to the implementation and monitoring of the Sustainable Development Goals, particularly by providing support to developing countries in reaching specific targets across the relevant SDGs.

Under the Strategic Concept for Portuguese Cooperation for 2014-2020, Portugal has set poverty eradication and sustainable development as the main goal of its Cooperation Policy, with full respect for human rights, democracy and the rule of law in partner countries. We are therefore ready and willing to cooperate with UNCTAD and partner countries in promoting the conditions that enable trade to perform its role as key driver of development, while emphasizing that trade is also vital in helping to support productive employment and decent work, women’s empowerment and food security, as well as inequality reduction, and contribute to achieving the SDGs.

When setting the future agenda, we should take into account the pivotal role that competition policy plays in ensuring competitiveness, growth and development. Competition enhances productivity, competitiveness and efficiency, contributing to

economic growth and welfare of consumers, through lower prices, better quality and more choice of goods and services. Effective competition in the markets ensures that all consumers, including the most vulnerable, have access to goods and services at lower prices.

Public policies need to strike a balance between pursuing economic growth and development while duly protecting consumers and empowering them to play an active role in the markets, using the behavioral insights to draft the best suited measures to an increasingly complex and interactive marketplace. Due to the increase of digital economy, Governments must take into account the challenges faced by consumers in the online environment: “free” services acquired in exchange for consumer data; online platforms that enable consumer-to-consumer transactions; the increasing role of digital content products and mobile devices and new payment mechanisms.

To this end, increased market transparency is vital and consumers should be empowered through education and awareness programs providing them the knowledge and skills to access and use digital technology, and to clearly understand their rights and obligations, in order to make informed choices.

Regarding consumer protection, the revision of the United Nations Guidelines for Consumer Protection provided a valuable opportunity to enhance the regulatory environment for Member Countries and for both businesses, in particular SME, and consumers, and to improve indeed the level of protection afforded to consumers. The approval of the revised UNGCP by the General Assembly at the end of 2015 was the successful outcome of UNCTAD’S work in the area of consumer protection and is fully in line with UNCTAD’S work on competition law and policy and consumer welfare in a globalized Economy.

On the other hand, the creation of a IGE (intergovernmental group of experts) on consumer protection law and policy, to which Portugal is strongly committed, allows us a unique opportunity to discuss consumer law and policy at the international level: we will be able to jointly work towards an effective protection for consumers at the national,

regional and international levels, aiming for a high level of consumer protection but also for business competitiveness, mainly for SME.

Our objective during these days is to set a clear work agenda over the next four years. An agenda defining priorities which should reflect the needs of the developing countries, resource constraints of all actors and the opportunities emerging from an open and fair multilateral trade system. An agenda that is in line with the need to strengthen UNCTAD's results-based management, as well as the organisation's efficiency across its three main pillars. An agenda engaging all actors towards delivering its main objectives in an integrated and coherent way.

To this end, we do believe that cooperation between UNCTAD and other international institutions should be further strengthened, namely the International Labour Organisation, the OECD, as well as international financial institutions, knowledge and academic institutions.

Portugal has been a strong enthusiast, together with the European Union, of international institutions' initiatives focused on the most vulnerable countries, in particular, African countries, least developed countries, landlocked developing countries and small island developing states. We are looking forward for a fruitful and successful UNCTAD XIV which will pave the way to confirm the UNCTAD as a pivotal actor in the promotion of trade and development in benefit of the most vulnerable countries and of the world as a whole.

Thank you very much.

Nairobi, July 19th 2016