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Item 9: Investment for development: Towards a new generation of investment policies for inclusive growth and sustainable development

General statements by regional groups
Speaker: Paraguay on behalf of the LLDCs Group

Monday, 24 September 2012

Not checked against delivery *

<u>Statement by the Delegation of Paraguay on behalf of the Group of Landlocked Developing Countries (LLDCs)</u>

59th Session of the Trade and Development Board

Item 9: Investment and Enterprise for Development

24th September 2012, Geneva.

Thank you Mr. President. On behalf of the Group of Landlocked Developing Countries (LLDCs), I would like to welcome UNCTAD's World Investment Report (WIR) 2012, which highlights important trends and policy developments affecting countries in our group.

We also recognize UNCTAD on the successful World Investment Forum (WIF) III, held from 20-23 April 2012 in Doha, Qatar, back to back with the UNCTAD XIII Conference We welcome UNCTAD's new Investment Policy Framework for Sustainable Development (IPFSD), which – we believe – will constitutes an important contribution for the consideration of investment policies that effectively address environmental and social issues and help foster sustainable and inclusive growth and development.

2. Mr. President, the WIR 2012 states that FDI inflows to our Group grew to a record high level of $35 billion in 2011. This is a positive data, nevertheless it has to be point out that it is concentrated in a few countries and in extractives industries. It may not contribute to fight vulnerabilities and it cannot be considered, as an indicator of the lack of attractiveness of many of our members to investment. LLDCs only counts for 2% of the world investment flow.

In relation to the 2011 global inflows, the FDI inflows to our Group have been stagnated around 2 per cent. Furthermore, the Report notes that 12 of 31 LLDCs recorded declines in inflows, of which 5 experienced falls for the second year.

FDI inflows to three largest recipients accounted for 60 per cent of the 2011 FDI inflows to our Group. Inflows to 15 African LLDCs rose by 6 per cent to a record high of $7.4 billion, but the rate of growth was much modest compared to Asian LLDCs.

We support UNCTAD's initiatives for improving data and methodology. In this sense, the introduction of the FDI Contribution Index could be an interesting new analytical tool. Yet, it should contribute to help our goals of having more development friendly investment.

Mr. President, LLDCs attaches particular importance to the Investment Policy Reviews, thirteen countries in our Group have benefitted from it, including follow-up activities to support the implementation of the recommendations. Some of the most recent beneficiary countries include Burundi, Burkina Faso, Ethiopia, Mongolia, the Republic of Moldova and Rwanda. To distribute the benefits of foreign investment more evenly, we request UNCTAD to strengthen its technical assistance activities by targeting actions at underperforming countries in our Group. Investment guides to LLDCs are also a valuable tool; therefore we hope this work can be done to our countries who request so.

LLDCs consider that the international community should find ways of promoting investment in the less attractive countries and sectors that enhance development.

We call for support of the international community to ease investment flows to the less advantage countries. We notice that investment is also a way of experiencing transfer technology to create our technological base.

Thank you