

U.S. Statement

**UNCTAD TRADE AND DEVELOPMENT BOARD  
INVESTMENT FOR DEVELOPMENT**

Geneva, 6 December 2016

Mr. President  
Excellencies  
Distinguished Delegates

I would like to begin by thanking Mr. Zhan for his informative remarks on the Investment Division's commendable work. Investment and entrepreneurship go hand in hand in the United States. Our entrepreneurship culture is possible because we have a system that creates incentives for innovation and rewards success. An essential backbone of the American entrepreneurial culture is a set of laws and policies that simplify, clarify, and make transparent the steps needed to start a business. UNCTAD's work has stressed the importance of building entrepreneurial infrastructure that crosses ministries, creates new work patterns, and provides the enabling environment to allow entrepreneurial successes. Protecting and enforcing intellectual property rights are part of that enabling environment. Transparent and predictable procedures and policies across all levels of government are also essential because entrepreneurs need to know what to expect and how to do business.

At a previous expert meeting on investment, UNCTAD highlighted the scarcity of large businesses in the developing world that can invest in research and development which fosters innovation. According to the UN Commission on International Trade Law, over 85% of the world's micro, small and medium sized enterprises (MSMEs) are in developing countries and of those about 90% operate in the extralegal or "informal" economy. Widespread informality means that businesses are not paying taxes, so governments lack funds to improve government services and infrastructure. Moreover, entrepreneurs often lack access to the national social safety nets. Employees in the informal sector often receive lower wages and have less job security. But this can change.

The private sector's power to invest in growth areas, create jobs, and offer employees opportunities to build their skillsets dwarfs the ability of official development assistance to do the same. We applaud UNCTAD's recent report to the G20 and work on investment facilitation strategies that aim to tackle, in a practical way, the basic obstacles to investment that could unleash this power in developing countries across the globe.

When addressing investment facilitation challenges and seeking greater transparency, one must consider the totality of the investment environment that an entrepreneur faces to register and operate their business. Investment facilitation involves a few basic tasks such as: cataloguing existing legal and regulatory requirements, simplifying and standardizing those requirements, publishing them, and automating the procedures for entrepreneurs to easily

comply with the regulations. Eliminating capital requirements for registering a small business is another key element of encouraging business formalization.

UNCTAD has done important work with several countries recently to help them through these basic steps. UNCTAD's tools such as "e-registration" and "e-regulation" are world class, and deserve particular commendation for ease of use, simplicity, and transparency.

I would also like to draw to your attention to another UNCTAD product, the Global Enterprise Registration Portal, [www.GER.co](http://www.GER.co), which is the world's first website with links to all business registration websites in the world and a rating of each website's user-friendliness. The mission of GER.co is to support the simplification of administrative procedures on a global scale, starting with business registration. By putting all of the world's business registration websites in one location, and offering ratings of the best registration portals, governments can learn from their peers, and improve their websites.

On the subject of implementation, we would like to encourage UNCTAD to focus on the fundamental methodologies of investment promotion and facilitation, i.e. harnessing the power of the private sector in the goals of national development, job creation, and the SDGs. More specifically, we would like to encourage UNCTAD and partner countries to consider ways to incentivize local organizations and firms to engage in the processes of improving investment facilitation.

Finally, in addition to exploring how UNCTAD programs on business facilitation can complement governments' own efforts in this space, we would urge UNCTAD to explore synergies with other international organizations working on policies or programs related to investment facilitation including the World Bank and OECD.

I thank you for your attention.