

**MS. AMINA MOHAMMED  
DEPUTY SECRETARY-GENERAL**

-----

**Productive capacities for the new decade**

Excellencies,  
Ladies and gentlemen,

It is a pleasure to address the United Nations Trade and Development Board.

The COVID-19 pandemic has spread less rapidly and less severely in Least Developed Countries than in the rest of the world.

I commend LDCs for the early and effective health response adopted by many despite their limited resources.

But the fall in Foreign Direct Investment and remittances is hitting LDCs hard.

Almost half are at high risk of, or already in, debt distress.

Weak growth is projected.

In the short run, UNCTAD estimated an additional 32 million people in LDCs will fall into extreme poverty. The long-run impacts of the pandemic, whose full effects are not yet known, will have important consequences on productive capacity building and development in the LDCs.

Although the Debt Service Suspension Initiative has alleviated financial pressures in some LDCs, it is clearly insufficient.

Meanwhile, in their fiscal responses, developed countries have spent nearly 580 times more per capita than LDCs.

Overall, LDCs' vulnerabilities arise from their structural challenges and their underdeveloped production systems. International support can and should fortify the building blocks that promote productive capacity development and structural transformation by adding value to goods and services. This means promoting a shift towards higher value-added economic activities and facilitating employment creation in these sectors.

Enhancing productive capacities in the LDCs could go a long way to strengthen graduation prospects and support these countries in achieving the 2030 Agenda and prosperity for all.

If policy makers do not address unbalanced growth, weak macroeconomic fundamentals, shaky structural transformation and limited productive capacities, the LDCs will continue to fall behind other developing countries.

The international community must take bold steps to ensure that LDCs can recover quickly and develop more fully, in line with the Sustainable Development Goals and their own national development ambitions.

Let us make the most of the opportunity presented to us by UNCTAD's 15<sup>th</sup> ministerial conference this coming October.

This is an important event for developing countries and can make an essential contribution to the LDC5 process.

The new Programme of Action to be adopted at LDC5 must catalyze ambitious action across the Decade of Action to achieve the SDGs.

Productive capacities are key parts of the picture – crucial for reducing poverty, creating, ensuring inclusive growth and promoting environmental sustainability.

We must also address new and emerging challenges – including the climate crisis, support to graduation and after graduation, access to digital technologies, and building resilience to future health shocks.

The success of our efforts will depend heavily on coherence across trade, financial, economic and social policies.

I invite you to work together with renewed energy to ensure that the new Programme of Action brings the change that people in LDCs have been waiting for.

Thank you.