



**GROUP OF 77 & CHINA
G E N E V A**

**Statement by
His Excellency Mr. Nasir Ahmad Andisha
Ambassador and Permanent Representative of Afghanistan
Chairperson of the Group of 77 and China
at the Sixty-Eight Session of the Trade and Development Board**

**Agenda item 5: Technology and Innovation Report 2021: Catching Technological Waves –
Innovation with Equity
*Wednesday, 23 June 2021 (afternoon session)***

President of the Trade and Development Board Ambassador Maimuna Tarishi of Tanzania,
Acting Secretary-General of UNCTAD Madame Isabelle Durant,
Director of the Division on Technology and Logistics, Ms. Shamika Sirimanne,
Excellencies,
Ladies and Gentlemen,

1. The Group of 77 and China would like to start by thanking Director Sirimanne and the Secretariat, particularly the team responsible for this report within the Division on Technology and Logistics, for the preparation of this important contribution to our work. Our Group would also like to thank the panelists for their very interesting and thought-provoking presentations that enrich the discussion of this report. The pandemic indeed highlighted how technology and innovation proved to be a defining factor in how countries managed to deal with the fallout of the pandemic and to start their recovery quicker.

Madame President,

2. Frontier technologies have huge potential for improving people's lives and protecting the planet. However, as highlighted in UNCTAD's Technology and Innovation Report 2021, the use of these technologies needs to be steered with an inclusive development compass and an eye on unintended side effects.

3. The great divides that exist between countries started after the industrial revolution. Since then, every wave of progress was associated with sharper inequality. The result is that today the gap in the average income per capita between developed and developing countries is over \$40,000.

4. Many factors affect inequality, including the legacy of colonialism, epidemics, and globalization. An important one is the impact of technological revolutions. The Report notes that the world is at the peak of the "Age of ICT" and is starting a new paradigm, the Industry 4.0. The deployment of ICT resulted in an enormous concentration of wealth in the ownership of the major digital platforms. There are also persistent digital divides, as highlighted by the COVID-19 pandemic. How frontier technologies will affect inequalities between developed and developing countries will depend on national policies related to science, technology and innovation, but also industry, trade, and investment.

5. The Report presents a new Frontier Technology readiness index that our Group sees as a potentially useful tool to identify areas to further invest in preparing our people and firms for the new wave of technological change. The economies most ready for the equitable deployment of frontier technologies are in Northern America and Europe, while least-ready countries are in the developing

world. However, many developing countries are outliers – showing that policy efforts can deliver better performance than what per capita GDPs would seem to allow.

6. The Group of 77 and China welcomes the policy recommendations made in the Report about how developing countries can strategically position themselves to benefit from the new wave of technological change and minimize the risks of increasing inequality. A key recommendation is that developing countries need to adopt frontier technologies while continuing to seek to diversify their production bases by mastering existing technologies. Access to technology and a global economic environment that supports the strengthening of productive capacities in developing countries are key aspirations for the G77 in the context of our global dialogues with development partners.

7. The four areas for policy action are important and we feel they require due mention and discussion during this session. First, strengthening national innovation systems and build synergies between STI and other economic policies. The Group of 77 and China strongly agrees with this recommendation and strongly supports the strengthening of UNCTAD's work programme in this area to be able to contribute to its implementation. We urge donors to contribute funds to UNCTAD for this purpose.

8. Second, the report recommends aligning STI and industrial policy. New technologies can speed up industrialization and economic structural transformation. It is essential to align policies for STI and for industry. This would enable countries to benefit from multiple channels of technology diffusion, including FDI, trade. We also need to explore more development-friendly intellectual property rights regimes. Again, this is a timely recommendation, in particular in light of new realities and paradigm shifts brought about by the pandemic.

9. Third, the report recommends developing digital skills. Skills are needed at all levels from the basic ability to adopt new applications and products, to the higher-level programming and other skills to adapt imported technologies and create new ones. This is also a core element of the traditional position of our Group in relation to digitalization and the bridging the digital divide.

10. The fourth and last areas includes a recommendation to connect everyone focusing on the furthest behind and considering the gender impact of frontier technologies. Indeed, much greater digitalization and connectivity are needed. Country-wide access to electricity and ICT should aim to bridge all dimensions of the digital divides. Again, this is another area that we can support as a Group.

11. All in all, the analysis of the Technology and Innovation Report is very robust and results in a number of critical recommendations. The evidence presented on the role of frontier technologies in dealing with the current pandemic crisis, as well as on the deep inequalities that affect the ability of our countries to leverage technology for development, highlight the need to bring international cooperation in STI to a higher order of magnitude. Indeed, our Group believes that international cooperation is indispensable to narrow the technological divide and reduce inequality among countries. UNCTAD should play an active role in facilitating such cooperation.

12. Moreover, international cooperation is also needed to establish ethical frameworks and regulations for frontier technologies. The Report makes an important contribution by compiling and analyzing 167 ethical frameworks and regulations on artificial intelligence, showing the mismatches and the need for increasing coherence. It is paramount that we promote an inclusive debate, with a due participation of developing countries, on how new technologies affect people and society and on how they can promote the SDGs, and the United Nations is the natural forum for such discussions to take place. UNCTAD, in particular, thanks to the analytical capacity and broad mandate it possesses, should be an active player in that process.

I thank you, Madame President.