



European Union

Statement

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

67th Executive Session of the Trade and Development Board

4 – 6 February 2019

**Reopened Agenda Item 3 from TDB65 (part II)¹ – Interdependence and
development strategies in a globalized world**

**Statement by the European Union Delegation to the UN and other
international organisations in Geneva**

Geneva, 4 February 2019

- CHECK AGAINST DELIVERY –

¹ According to TD/B/65(2)/4, Para. 3 & 59.

Mr President, Secretary General, Excellencies, distinguished Delegates,

I have the honour of speaking on behalf of the European Union and its Member States.

We would like to come back to the "Trade and Development Report 2018: Power, Platforms, and the Free Trade Delusion", which was published in September 2018.

Due to the late publication of the report, which was only made available to Member States on 19 September, 7 working days before the beginning of 65th TDB, it was not feasible to comment on the substance of the report at the October session of the TDB.

We have to recall as a **matter of procedural priority** the need for timely delivery of documentation, reflected in the decision of the 65th session of the TDB to call again for timely delivery, complemented by the commitment of the Secretariat to suggest postponing all agenda items with delayed documentation. This has also been confirmed by the recent OIOS report on ISS's procedures.

As a **general remark** we note the overall critical tone and judgmental language of the report as well as the liberty that was taken to define its scope. It is not clear, for example, why it is relevant to analyse "Trade dynamics after the Second World War" going back to the 1950s and 1980s in a report which, according to its title, covers trade and development trends in 2018. The EU is of the opinion that there is little added value in complementing existing academic research of the past economic crises with UNCTAD's report. We believe that the analysis should focus on the present situation and be substantiated by concrete examples which are unfortunately rare in the report.

We also note with concern that the content of the report itself adopts a different tone from the Overview which was made available a few weeks earlier. We understand that this might be due to internal divergence of views within the UNCTAD Secretariat on the content of the report and we would recommend that a coherent approach is adopted in the future.

Leaving procedural and general considerations aside, let me focus on the report's findings, especially those concerning "economic development in digital world".

Firstly, we note numerous critical references in the report to the work on digital questions which takes place in other fora, in particular the WTO. For example, a warning against "*a premature commitment to rules with long-term impacts (...) driven by narrow business interests*" (quotation): In our assessment, this recommendation oversteps UNCTAD's mandate by taking a position on issues which pertain to the domain of sovereign States, who decide whether or not to commit in any international agreements.

Secondly, while the analysis of the digital economy covers both opportunities and risks related to digital technologies, the report is not balanced. Much more emphasis is put on vaguely defined threats, while concrete positive examples of how digital technologies empower citizens and businesses around the world are missing.

Thirdly, when it comes to data-related questions, which are indeed the crucial question in the digital economy, the report goes quite far in proposing solutions to developing countries

without a broad analysis of impacts. Calling for "data sovereignty" is a good example of this unbalanced approach. While it might seem appealing for governments to have more control over data, it is very questionable how developing countries could successfully engage in cross-border e-commerce if data cannot leave the country.

Chair,

The European Union has a long tradition of regulating digital markets within our Digital Single Market Strategy and has a lot of valuable experience to be shared with countries around the world that embark on the "digital transformation" train, many of them being developing countries. We are keen to engage with UNCTAD as exemplified by our active participation and support to the eCommerce Weeks in 2017 and 2018 (in Geneva and Nairobi).

We encourage UNCTAD to fulfill its role as a neutral and constructive facilitator of discussions on digital issues among Member States by providing a forum for sharing expertise, best practices and encouraging capacity building. However, it is unfortunately not the first time that the TDR is marred by ideological bias and provocative wording, which is harmful to the broader credibility of UNCTAD's work. In the future, we encourage UNCTAD to strengthen its internal review of publications to ensure their objectivity and accuracy, so as to ensure the highest standards of peer-reviewed policy research on trade and development-related issues.

Thank you for your attention.