



Statement by His Excellency Mr. Diego Aulestia Valencia
Ambassador and Permanent Representative of Ecuador
Chairman of the Group of 77 and China
at the Sixty-eighth executive session of the
Trade and Development Board

Tuesday, 1 October 2019

Item 3 – Investment for development

Mr. President, H.E Mr. Michael Gaffey (Ireland),
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Mr. James Zhan, Director, Division on Investment and Enterprise,
Mr. Miguel Bautista, Secretary of the Trade and Development Board
Members of the Panel
Excellencies,
Ladies and Gentlemen,

I have the honor to deliver this statement on behalf of the Group of 77 and China.

1. The Group would like to thank the panelist for their insights on the relations among special economic zones functioning under an adequate policy framework and industrial development. We would like to highlight the experience on specialized hubs in Ethiopia. Policies should be adapted to the reality of each country, the role of the state is highly relevant, particularly in the definition of a sound set of rules. The Group of G77 and China Would like to recognize the importance environmental issues are gaining in the area of investment as mentioned by the panelist from Colombia.
2. Logistics and connectivity constitute a challenge but at the same time an opportunity for developing countries. We would like to recognize the work done by Morocco in that field. Well managed Special Economic Zones can boost the linkage between economic activities and science, this is at the same time a crucial role to create indigenous technology, and bridge the technological divides as China has been doing.
3. The Group of 77 and China recognizes the work done by UNCTAD and particularly by the Division on Investment and Enterprise. The 2019 edition of the World Investment Report has made a useful contribution to the ongoing policy debate on Special Economic Zones– used by many countries as a key tool for industrial development and for the attraction of foreign direct investment.
4. The Group of 77 and China would like to recognize the role global foreign direct investment can play in the attainment of the Sustainable Development Goals and Agenda 2030– as highlighted again in the SDG Investment Trends Monitor launched by the Division last week. At the same time, we acknowledge the importance that several member States assign to defining exceptions for issues related to national security, critical infrastructure, core technologies and in general sensitive business assets. The role played by the State in setting up the playing field for investors is very important. In this regard, we recognize the work UNCTAD, and particularly the Investment Division, has done

through its Investment Policy Framework for Sustainable Development, its Investment Policy Reviews, and its support in the modernization process of International Investment Agreements.

5. According to the World Investment Report, in 2018 FDI flows to Africa rose by 11 per cent, in Asia there was a sustained growth of 4% while in Latin America and the Caribbean FDI fell by 6%. The Report showed how these results took place in the context of a global decline in FDI and a long-term downward trend. The Group of 77 and China expresses its concern regarding the effect the reduction of global foreign direct investment.

6. The Group of 77 and China welcomes policy initiatives aimed at ensuring that a larger portion of investment is directly linked to the attainment of the Sustainable Development Goals and Agenda 2030 to further the accomplishment of one of the most important elements of the International Agenda. The policy packages in UNCTAD's new SDG Investment Trends Monitor are a helpful contribution to the debate.

7. The Group of 77 and China recognizes the research and analysis behind the World Investment Report and the critical view over the utilization of Special Economic Zones as a policy instrument to attract investments. The Group would like to highlight the important role that overall national policy frameworks can play in attracting investors. Special Economic Zones can be a source of innovation and contribute to the industrialization and structural transformation of developing economies, but to achieve these objectives it is important that any initiatives is framed within overall development strategies.

8. The Group of 77 and China commends the Investment Division for its work in the field of investment from a development perspective. As stipulated in the SDG Investment Trends Monitor, investment is not keeping up with and time is running out. There is a climate emergency and we have to harness all the means at our disposal to promote development while reducing the negative impact of climate change. The Group of 77 and China firmly believes that UNCTAD's work in the area of investment and enterprise development plays a critical role in helping us bridge the gap and foster increased investment for sustainable development.

9. Finally, on a different note, we are glad that finally today, after expressing in the past our intention of knowing more about the eminent people advisory group, we have received more information about this initiative. I should mention however our disappointment since the Director of the Division in his role as senior advisor to the Secretary General and in charge of this process, could have shared before with the members of UNCTAD the details of this initiative.

Thank you.