



**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**

Monday, 30 September 2019

**Item 4 – Economic development in Africa: Made in Africa – rules of origin
for enhanced intra-African trade**

Mr. President, H.E Mr. Michael Gaffey (Ireland),
Mr. Mukhisa Kituyi, Secretary General of UNCTAD,
Director of the Division for Africa, LDCs and Special Programmes, Mr. Paul Akiwumi,
Excellencies,
Ladies and Gentlemen,

I have the honor to deliver this statement on behalf of the Group of 77 and China. The Group welcomes the Eurasian Economic Union Group and its aim to continue working in favour of development.

1. The Group of 77 and China recognizes the commitment of the President of this Board, His Excellency Ambassador Michael Gaffey. Mr. President, we are confident that with your guidance we will hold fruitful discussions during the forthcoming sessions. We also take this opportunity to thank the Secretariat for the preparation of this 68th Executive Session and particularly the research behind the reports we will discuss about.
2. The Economic Development in Africa Report 2019 addresses a very concrete trade-related issue: rules of origin for enhanced intra-African trade. The Group of 77 and China recognizes the importance of regional integration, particularly when its aim is to transform trade into a tool for development. We would like to salute the efforts made by African countries to strengthen their intra-regional trade as a means to enhance the economic integration of the continent.
3. The Group of 77 and China congratulates once again the Division for Africa, Least Developed Countries and Special Programs for the work it has successfully completed. The content of this particular report is a very concrete contribution to the efforts made by African countries to build up successful integration mechanisms. We would like to encourage the division to continue with their invaluable work.
4. Regional integration plays a fundamental role to sustain many South-South Cooperation initiatives. The Group of 77 and China recognizes the role UNCTAD plays in supporting the creation of a more integrated and cooperative Africa. In addition, we would like to encourage the UNCTAD to promote the exchange of best practices especially among developing countries in order to seek better understanding on how to effectively implement the SDGs in a manner that is in line with the individual development priorities of developing countries.

5. The Group of 77 and China would like to recognize the effort made to establish the link between the very particular issue of rules of origin on one hand, and structural transformation and diversification on the other. Adequate rules of origin within Africa are an instrument that will lead to an effective implementation of preferential trade liberalization and which can also contribute to strengthening the African Continental Free Trade Area. The report clearly states the need to avoid overly restrictive rules of origin. At the same time however, they should be part of an integral, coherent public policy with explicit developmental goals.

6. Non-tariff measures constitute a challenge to the possibilities trade can bring to development. Trade facilitation can help economies harness their comparative advantages. However, it is clear that structural transformation is required in order to derive long term benefits from global trade, mainly through value added to exports.

7. The Group of 77 and China considers that a better comparator for trade dynamics among a set of developing countries are trade dynamics among another set of developing countries. For example, the report presented refers to intraregional trade in the American continent as accounting for 47% of total trade. However, perhaps a more appropriate way to look at it would be to include only members of the Latin American Integration Association (best known for its Spanish acronym ALADI). In this case, intra-regional trade would account for only 13% of total trade in the first semester of 2019. For the future, we would recommend precaution in the unit of analysis since the result can be misleading.

8. Finally, on another issue, we listened with interest to the words of the Secretary-General regarding the Eminent Persons Group. The Group of 77 members would appreciate to have further details on the composition of this Group and their schedule of meetings.

Thank you.