

**STATEMENT BY MALAWI ON BEHALF OF THE LEAST  
DEVELOPED COUNTRIES (LDCS)**

**70<sup>th</sup> EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT  
BOARD - 3 FEBRUARY 2021**

President of the Trade and Development Board Ambassador Federico Villegas,  
Secretary-General of UNCTAD Mukhisa Kituyi  
Deputy Secretary-General of UNCTAD Isabelle Durant,  
Director of the Division on Africa, Least Developed Countries and Special Programmes Paul Akiwumi,  
Excellencies,  
Ladies and gentlemen,

Mr. President,

The LDC Group wishes to align itself with the statement delivered by Afghanistan on behalf of the G77 and China.

**The Least Developed Countries Report 2020—Productive Capacities for A New Decade** prepared and produced by the Division for Africa in UNCTAD is an important document for the LDC Group and for policy makers in our respective capitals. In this regard the LDCs Group would like to thank UNCTAD, and in particular, Mr. Paul Akiwumi and his team in the Division for Africa for their hard work and extensive efforts in the preparation of this publication. The group would also like to further thank ALDC for the interesting presentation on the report and information on the Productive Capacities Index (PCI) that were shared this morning. These are both important inputs for the LDC Group's work.

Mr. President,

As the statement by the Group of 77 and China previously pointed out, the Report's findings show that at the beginning of the Covid-19 pandemic, most of the LDCs have been able to cope with

the adverse health impacts of the pandemic better than initially predicted. However, of late the second wave of the pandemic has really started to hit very hard the LDCs with rising infections and mortality rates. In this regard, the most vulnerable countries are, unfortunately, those that will bear the brunt of the medium and long-term impacts of the COVID-19 shock on trade, domestic production, and integration into the global economic system. These are mostly LDCs that are not well endowed in minerals, oil and other commodities and are landlocked. However, the LDC Group recognizes the need to create resilience through the building, maintenance, and utilization of productive capacities and this is well articulated in the report.

The LDC Group would also like to congratulate UNCTAD and ALDC on the extensive work carried out in the development of the PCI in response to the request of ECOSOC. Our Group support the view expressed by the G77 and China about the PCI being an innovative tool to measure and benchmark not only the overall level of productive capacities, but also their underlying determinants. The Group encourages UNCTAD to continue to provide support to LDCs to enhance the use and understanding of the PCI as a tool for benchmarking development progress in building, maintaining, and utilizing productive capacities.

Mr. President

The LDCs Group asks UNCTAD to continue to provide support to the LDCs in their preparatory processes for the Fifth United Nations Conference on the Least Developed Countries (UNLDC-5), which will take place in January 2022, and requests UNCTAD's support in preparing a new operating framework for the Programme of Action for the LDCs for the years 2021-2031. Given the crosscutting nature of productive capacities and their critical role in poverty alleviation, job creation, and structural transformation, the framework for the new programme of action should place productive capacities and stemming of illegal outflows of financial resources from LDCs at the center.

In conclusion, Mr. President,

Our Group supports the view previously expressed for such an approach should consider a paradigm shift in a range of important and inter-related policies ranging from social, economic, and financial policies to targeted sectorial initiatives, strengthened by crosscutting efforts to enhance infrastructure development and regional cooperation, including through strengthened International Support Measures for LDCs, including for those who will face post-graduation challenges after exclusion from the LDC category. Such an approach will require enhanced commitment from the public and private sector to implement the policies and strategies necessary for the LDCs to participate fully and thrive in the global economy over the next decade.

I thank you, Mr. President.