

**Statement by Dr. Mukhisa Kituyi, Secretary-General of UNCTAD
on the Occasion of the Signing of the Host Country Agreement for the
Fifteenth session of the United Nations Conference on Trade and Development
(UNCTAD 15)**

5 August 2020

On behalf of UNCTAD, I first wish to also take this opportunity and add our voices to consoling the family, friends, the Caribbean region as well as the government of Barbados for the loss its former Prime Minister, Owen Seymour Arthur.

While Arthur, will be remembered for his great development advocacy, his significant economic reforms nationally as well as his efforts to seek unity through CARICOM, at UNCTAD, we will remember him for his tireless support and contribution as the chair of the Global Trade and Development Commission in preparation for UNCTAD XV, which always put the needs of the developing countries and the SIDS at the top of the agenda.

UNCTAD 15 is a first opportunity for the development community to align Agenda 2030 with the global “new normal” emerging from the Covid epidemic. As the first major UN conference of the “decade for action” to achieve the SDGs, it therefore must address the massive unmet trade, finance, investment and technology needs of developing countries struggling to meet the Covid challenge. We have estimated that developing countries need \$2.5 trillion in immediate resources to begin meeting the challenge of the pandemic. And that is beyond the outstanding SDG investment gap: even before Covid, for example, LDCs alone needed annual investments of \$120 billion to achieve the SDG targets.

The pandemic has led to economic standstill, closed borders and a severe retrenchment in cross-border economic activity – this has effectively paralyzed trade as an engine for sustainable prosperity. Compounded with “pre-existing” lack of trust in multilateralism, the global trading system has been woefully unprepared for this global health crisis. Key increases in demand for our work reflect this: facilitation of trade and transport, support to the digital transition in developing countries, and the looming need for international liquidity & relief from debt vulnerabilities have all surged to the top of many countries’ agendas.

The Covid crisis has hit the most vulnerable countries and people hardest, at a time when they already were not doing well. Some 70 million more people living in LDCs will be pushed into extreme poverty over this year, increasing the global poverty headcount ratio for the first time in two decades. And the most vulnerable extends beyond the poorest to include SIDS, women, MSMEs among others. For example, the services industry, especially travel and tourism, have been among the hardest hit. As Barbados knows to well, these sectors are the lifeline of SIDS, and are disproportionately sources of employment for women and for small businesses, all of whom are imperiled by the present pandemic’s economic fallout.

COVID-19 has been a litmus test for a globalized and interdependent world economy, and the verdict it has delivered is clear. The pandemic and its fallout have exposed existential challenges to the very tenets of globalization and will have a lasting impact on future efforts by developing countries to gainfully benefit from the global economy.

After a decade of stagnant trade and investment, Covid-19 will be the inflection point catalyzing a transformation of international production towards more re-shoring, regionalization, and resilience beyond the pandemic. The “next normal” will bring shorter supply chains, greater digitalization and a lighter global production footprint. It will mean a shift from “just in time” logistics to “just in case” resilience, and increased focus on the sustainability of private finance, on the blue economy, on biodiversity as a source of comparative advantage, and on changes in consumer tastes towards the local and the greener. And the de-globalizing trend underpinning this shift also raises the stakes for South-South cooperation, including regional integration ambitions, like AfCFTA. It also raises the stakes for international private-public cooperation, for example, on issues such as combatting illicit financial flows and illicit trade.

Covid-19 has starkly revealed that we must transform global approaches to trade and development, if we are to chart a sustainable course to a better recovery. But rather than “building back better” as some have called for, we need to re-build entirely from the ground up, because for too many, going back to business as usual is anathema to sustaining prosperity. As the number of COVID-19 cases continues its rise in the developing world, the global economy enters a synchronized recession unseen since the Second World War; today developing countries the world over need the galvanized attention of the international community. An UNCTAD conference offers just the type of focused attention needed.

UNCTAD 15 will shape the ambitions for a better recovery. Countries have realized the devastating limits of current development practices. This gives us a window of opportunity to build the political will towards the systemic changes needed for truly better recovery, despite the current steep obstacles to international solidarity. From a trade and development perspective, a better recovery must be green, resilient, just and digital – but it must also be for all peoples and all countries, not just those who can afford it.

UNCTAD conferences have generated ambitious solutions and rebuilt goodwill among nations in the past. UNCTAD 15 in Barbados must be such a conference. It must offer hope for vulnerable SIDS facing lost tourism and travel revenues; it must offer feasible instruments to African countries and LDCs looking to develop their productive capacities; it must offer a path forward on debt forgiveness and digital cooperation, especially for middle-income countries. It must also offer solutions to the trade and development challenges facing other global processes next year, such as LDC-V and the WTO MC12.

It is my firm belief that with Barbados as host country, and with the resolute commitment of all of our membership we can achieve a path forward on all these challenges next April in Bridgetown. I offer my sincere thanks to HE Prime Minister Mia Amor Mottley and the capable officials of her government who have worked so closely with my team to make today’s signing possible, even amidst the difficult challenges we all currently face. We look forward to continue working together with you to ensure that UNCTAD 15 delivers on its promise and harnesses its potential for the benefit of all UNCTAD Member States.