

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



ROAD TO RECOVERY

annual report 2020
highlights



UNITED NATIONS



Foreword

The world looked completely different in 2020, which for many was a year of hardship and pain.

COVID-19 swept across the world like a hurricane, claiming lives and jobs, spawning a massive health crisis and dismantling economies. No part of the world was spared, showing our collective vulnerability and our interconnectedness.

The pandemic laid bare fractures and fault lines that have deepened across the global economy. From widening inequalities that have fuelled popular discontent with globalization to deepening digital and gender divides and uneven vulnerabilities to climate change, COVID-19 emphasized the reality that we cannot ensure prosperity for all without fixing the many fractures staring us in the face.

Despite the monumental disruptions caused by COVID-19, UNCTAD proved to be pandemic-proof by adapting to resource constraints, exercising flexibility, pulling out all the stops to deliver on our mandate using innovative approaches and providing maximum support to all stakeholders, with positive results.

We acted quickly. We shared best practices with member States as they struggled to keep economies afloat while taking measures to contain the impact of the pandemic. We worked with investment promotion agencies to determine where funds were needed the most. We reoriented the focus of our analytical work to offer insights on how to tackle the fallout from the pandemic.

UNCTAD issued timely and regular policy advice on trade, investment, debt management and other issues to guide global efforts to cushion against COVID-19's onslaught on economies. We convened numerous online meetings with governments and thought leaders, including across the UN system, and redesigned our projects to provide tailored solutions on the ground to blunt the impact of the pandemic.

After hardship comes relief, as the Swahili saying goes. The year ended on a hopeful note, with COVID-19 vaccines promising to bring back a sense of normalcy. As the world takes the first steps on the road to recovery from the pandemic, UNCTAD will amplify its efforts in supporting developing countries to build a better future, together.

Mukhisa Kituyi,
Secretary-General of UNCTAD

Trade and development trends from 2020



The value of global merchandise trade was predicted to **↓ 5.6% in 2020** compared with 2019. This is the biggest fall in merchandise trade since 2009, when **trade ↓ 22%**, according our analysis published in December in the Handbook of Statistics for 2020.



The coronavirus pandemic forever changed online shopping behaviour, according to a survey of about 3,700 consumers in nine emerging and developed economies, conducted by UNCTAD and its partners. It showed that **online purchases ↑ by 6 to 10% points** across most product categories.



The **services sector** was hit the hardest by the coronavirus pandemic, **↓ 15.4% in 2020** compared with 2019, the biggest decline in services trade since 1990, the Handbook of Statistics for 2020 showed.



COVID-19 devastated the shattered economy of the **Occupied Palestinian Territory**, whose pre-pandemic forecasts in 2020 and 2021 were already bleak, as **GDP per capita** was projected to **↓ 3% to 4.5%**, according to the UNCTAD report on its assistance to the Palestinian people, released in September.



Global foreign direct investment flows in the **first half of 2020** were **↓ 49%** compared with 2019, as lockdowns around the world slowed existing investment projects, reported UNCTAD's Global Investment Trends Monitor published in October.



In July, UNCTAD estimated that **the world's tourism sector** would **↓ to \$3.3 trillion** or **4.2% of global GDP** if it remained at a standstill for **12 months** due to the coronavirus pandemic.



Global trade recorded a **↑ 5%** in the **third quarter of 2020** compared with the same period in 2019, showed the second edition of the UNCTAD Global Trade Update published in October.



The coronavirus pandemic cut **global trade values** by **↓ 3%** in the **first quarter of 2020**, according to UNCTAD data published in a joint report by 36 international organizations in May.



The number of ships pulling into ports to unload and load containers **↑ rebounded in many parts of the world** in the **third quarter of 2020**, hinting to some recovery in global trade following the slowdown caused by the pandemic, according to UNCTAD calculations released in September.



The **global economy** loses more than **↓ \$2 trillion annually** due to smuggling, counterfeiting, trafficking of humans and wildlife and other forms of illicit trade, participants heard during the first-ever Illicit Trade Forum convened in February to address this alarming problem.

Forums



Stronger competition and consumer protection needed in the digital economy

COVID-19 pushed more economic activities online, raising concerns globally about competition and consumer protection in the digital economy.

When 104 nations convened online in October for the Eighth United Nations Conference on Competition and Consumer Protection, UNCTAD recommended key actions that governments should take to strengthen consumer protection and competition.

Participants called on member States to ensure effective consumer protection, promote and protect competition in the digital economy, and facilitate international cooperation between national authorities so they can deal more effectively with fraudulent and deceptive commercial practices and anticompetitive business practices in digital markets.

Science, technology and innovation policies crucial in COVID-19 recovery

Science, technology and innovation (STI) policies will play a key role not only in post-COVID-19 recovery plans, but also in the decade of action to deliver on the 2030 Agenda for Sustainable Development. This was a key message of the 23rd session of the UN's Commission on Science and Technology for Development (CSTD) held in June.

Member States discussed how to harness STI to accelerate progress on the SDGs and to address the pandemic. They shared their experiences of using STI in their COVID-19 responses by using data science and digital tools for tracking and tracing the virus and the local production of sanitizers and medical equipment such as ventilators.

Attendees expressed solidarity and reaffirmed the importance of supporting research and development and innovation activities as well as skills development.

Exploring post-coronavirus digital economy solutions

Digital solutions and policies to help the world recover better from the coronavirus crisis were in sharp focus during UNCTAD's eWeek event held in April and May.

The event shone a light on the critical role played by digital technologies in the response to the pandemic – from powering e-commerce to accelerating the development of a vaccine.

It also examined the significant development dimensions of the glaring digital divide, with only half of the world's 7.7 billion people online. The pandemic highlighted the urgency to close the divide as lockdowns showed that the internet is a necessity, not a luxury.



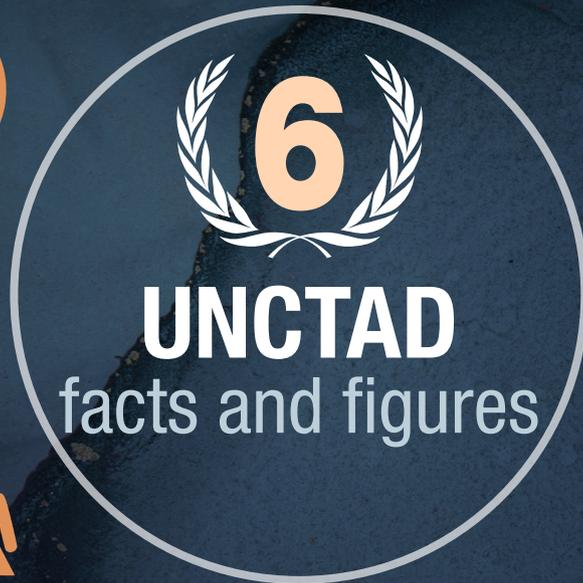
Membership
195
member States



Promoting
development
57
years



Regular budget
for 2020
68
million



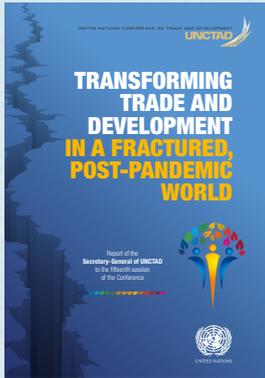
Staff members
394



Projects
191
in 73 countries



Technical cooperation
expenditure
31
million



Secretary-General's UNCTAD15 report to member States

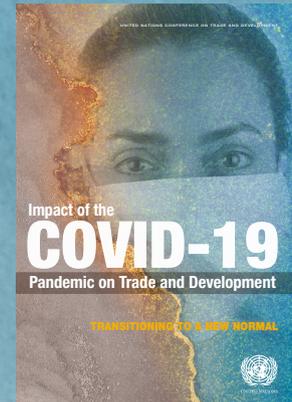
UNCTAD head Mukhisa Kituyi set down a roadmap for health, productivity, prosperity and fixing a fractured global economy scarred by the coronavirus pandemic ahead of the organization's 15th quadrennial conference slated for 3 to 8 October 2021 in Bridgetown, Barbados.

In his report, "Transforming trade and development in a fractured, post-pandemic world," released in December, Dr. Kituyi laid out the issues on which UNCTAD member States could find consensus and framed the discussion for UNCTAD15, where the organization's mandate will be updated and adapted.

He noted that the COVID-19 pandemic hit amid widening inequality, declining economic prospects, mounting vulnerabilities to climate change, and a weakened multilateralism.

Dr. Kituyi pointed to a route out of a fractured picture: expanding the transformative power of productive capacities of all could form the core of a new, more resilient multilateral consensus for accelerating achievement of the Sustainable Development Goals.

Member States



Policy pathway to COVID-19 recovery

UNCTAD spent the better part of 2020 analysing the impact of the COVID-19 crisis on trade and development – spanning all industries and sectors and touching on finance, debt, investment, consumer protection, environment, transport, trade, technology and development. In December, it presented to member States a final compilation of seven months of analysis and a set of policy takeaways to guide their post-pandemic decision-making.

Financing sustainable development in the COVID-19 era

UNCTAD supported member States' deliberations at the UN headquarters in New York on financing the 2030 Agenda for Sustainable Development in the era of COVID-19, under an initiative co-led by Canada and Jamaica, and joined by the UN Secretary-General António Guterres. The discussions tackled external finance and remittances, jobs and inclusive growth, debt sustainability and engagement of private sector creditors. Following discussions by heads of state, UNCTAD was mandated to lead a cluster on finance and technology.

Flagship reports

The Least Developed Countries Report 2020

UNCTAD warned that the COVID-19 economic crisis would worsen poverty in the world's 47 poorest nations or least developed countries (LDCs) and push as many as 32 million people in LDCs into extreme poverty, reversing years of painstaking development progress. We urged the international community to ramp up efforts to improve productive capacities in LDCs to help them cope with the fallout from the pandemic.



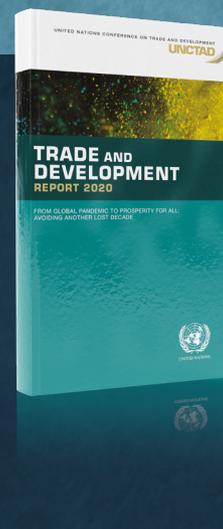
Review of Maritime Transport 2020

UNCTAD outlined how COVID-19 had both sent shockwaves through global maritime transport and laid the foundations for a transformed industry and associated supply chains. We projected that after an estimated 4.1% plunge in 2020 due to the unprecedented disruption caused by the pandemic, global maritime trade growth would return to a positive territory and expand by 4.8% in 2021, assuming world economic output recovers.



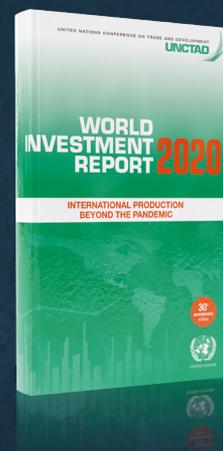
Trade and Development Report 2020

UNCTAD called for an ambitious global plan and multilateral measures to ensure a better recovery from COVID-19 and return even the most vulnerable countries to a stronger socioeconomic position than they were in before the pandemic. We warned that if austerity wins out again, then a “lost decade” would be unavoidable, spelling an end to the 2030 Agenda for Sustainable Development.



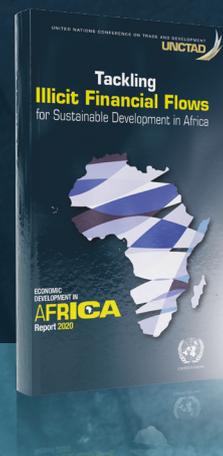
World Investment Report 2020

We revealed that global foreign direct investment flows slid by 13% in 2018, from \$1.5 trillion the previous year to \$1.3 trillion – the third consecutive annual decline.

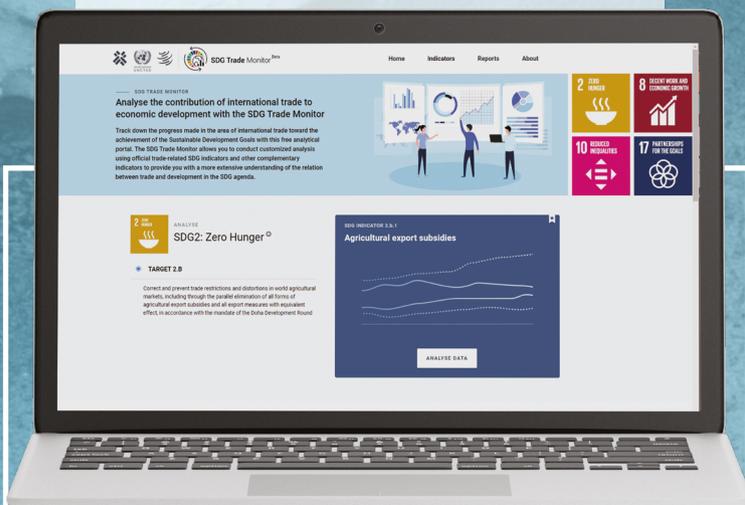


Economic Development in Africa Report 2020

UNCTAD forecast that global foreign direct investment flows would decrease by up to 40% in 2020, from their 2019 value of \$1.54 trillion, due to the COVID-19 pandemic. We noted that developing countries were hit the hardest by the steep plunge and investment flows were expected to slowly recover starting 2022.



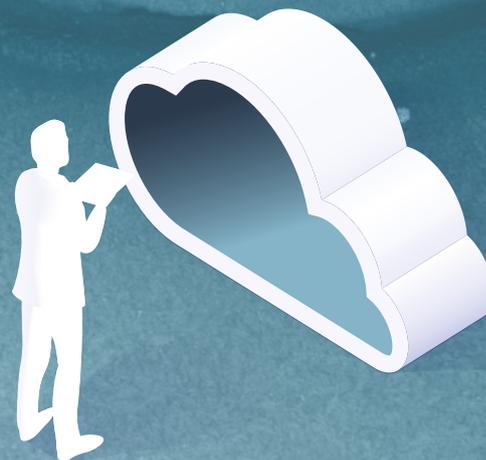
Innovation



New portal tracks trade's contribution to sustainable development

UNCTAD launched the SDG Trade Monitor in October to offer a one-stop shop for updated and disaggregated official data on global trade's contribution to the SDGs. The web-based database is a product of joint efforts with the International Trade Centre and the World Trade Organization.

The monitor allows users to conduct customized analysis to assess trade's contribution under the 2030 Agenda for Sustainable Development.



UNCTAD platform powers registration of over 25,000 businesses in Cameroon

Over 25,000 small and medium enterprises in Cameroon joined the formal sector by registering their operations through UNCTAD's eRegistrations online platform launched in the country in 2016.

The platform allowed residents of Douala, Yaoundé, Garoua and surrounding regions to conveniently register businesses and create jobs even amid the economic crisis caused by the COVID-19 pandemic.



Keeping global supply chains alive

UNCTAD and its partners highlighted the importance of shipping in the response to the pandemic, urging governments to keep ships moving, ports open and cross-border trade flowing, to ensure much-needed supplies reached their destinations.

We drew global attention to the plight of seafarers, many of whom had their service extended on board ships after many months at sea, unable to be replaced or repatriated after long tours of duty, due to COVID-19 restrictions.

Thanks to joint efforts by UNCTAD and its partners, in December, the UN General Assembly adopted a resolution calling on member States to designate seafarers and other marine personnel as key workers and to implement measures to allow stranded seafarers to be repatriated and others to join ships, and to ensure their unfettered access to medical care.

Advocating for landlocked developing countries

When borders around the globe close, every country suffers, but those without territorial access to the sea are affected in unique ways. As COVID-19 induced lockdowns globally, in June, UNCTAD and our partners advocated for special consideration for landlocked developing countries.

We urged governments to provide smooth transit transport to ensure people in landlocked developing countries had timely access to medical products and basic goods. This would help prevent economic and social conditions in these countries – often the poorest in their regions – from worsening.

Crisis package for developing countries

As the first wave of the pandemic raged in March, UNCTAD was among the first organizations to call for a crisis package for developing countries to turn expressions of international solidarity into meaningful global action.

UNCTAD called for a \$2.5 trillion package for these countries – \$1 trillion through the expanded use of special drawing rights, \$1 trillion through the cancellation of debts and \$500 billion in grants to fund a Marshall Plan for health recovery.

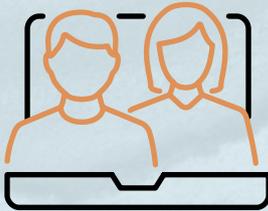
Calls for action



Outstanding communications and external relations results



Thanks to robust communications and external relations activities, in December, UNCTAD emerged **second out of 23 agencies** in the 2020 ranking of the Association of Accredited Media to UN Geneva for its sterling media outreach work.



Also, **readership of UNCTAD's news** on its website leapt 234%, showing increased public interest in the organization's work amid the COVID-19 crisis.

+234%



Outreach

Special Adviser for the Blue Economy

Swiss philanthropist, ocean conservation advocate and entrepreneur, Dona Bertarelli, became UNCTAD Special Adviser for the Blue Economy in June.

Ms. Bertarelli, the fastest woman to sail around the world, is helping UNCTAD promote a sustainable blue economy, to ensure the responsible and regenerative use of the ocean, seas and coasts for economic growth, while preserving the health of the ocean ecosystem.

UNCTAD's approach to a sustainable blue economy includes these pillars: economic growth, conservation and sustainable use of the ocean, inclusive social development, science and innovation, as well as sound ocean governance.



Empowering game-changing entrepreneurs

Afnan Kamel Ali, a Jordanian tech entrepreneur, won the 7th UNCTAD Empretec Women in Business Award in December for training more than 5,000 Arab youth through her Eureka Tech Academy, founded 10 years ago. UNCTAD awards the prize every two years as part of its Empretec programme, which has trained thousands of entrepreneurs over the past 30 years.

UNCTAD also conducted masterclasses to empower and build the skills of scores of women digital entrepreneurs in francophone Africa, East Africa and Southeast Asia as well as explore opportunities amid the COVID-19 crisis. They expressed their drive to make a positive impact in their communities and help them recover better from the economic blow of COVID-19.

In September, at the first-ever online UN General Assembly, UNCTAD's youthful African and Asian digital entrepreneurs and gamechangers outlined how to unlock the potential of young businesspeople during COVID-19 and help bridge the digital divide. At a session of the SDG Action Zone, they underscored the importance of agile business plans and sharing data and knowledge, collaborating and building consumer trust.

Promoting investment amid COVID-19

As the pandemic slowed investment globally, UNCTAD joined forces with investment promotion agencies to determine where investments were mostly needed. These agencies played a critical role in the COVID-19 response, showing agility and proactiveness in supporting the evolving needs of investors.

They offered online services and information to support recovery efforts and promote investment to restart economies. They used data to enhance their investment promotion and facilitation functions.

In December, UNCTAD awarded investment promotion agencies from Estonia, India and Rwanda for their responses to the COVID-19 crisis. Costa Rica won special recognition for mainstreaming gender in investment promotion.

The winners were announced during the 2020 Global Investment Promotion Conference, a satellite event of the World Investment Forum, organized by UNCTAD in partnership with the World Association of Investment Promotion Agencies.



UNCTAD/DOM/2021 (flyer)

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