



2021

UNITED NATIONS CONFERENCE ON

TRADE AND DEVELOPMENT ANNUAL REPORT

HIGHLIGHTS

Reducing inequality



UNITED NATIONS



Foreword

There are moments in history that divide time in *before* and *after*. They confront us with the hard truths about ourselves and the world we have built. COVID-19 is one of these moments.

The pandemic has exposed the cracks and limits of our development path, including the glaring inequalities we have for too long tolerated. This crisis comes on top of the imminent threat of climate change and environmental degradation, and a digital revolution which has left many behind.

It is at these moments where the difference between before and after depends critically on our actions. Thus, in 2021, UNCTAD worked relentlessly to support its member States to unleash the power of trade, investment, finance and technology to foster an inclusive and sustainable recovery and future. We provided timely research and policy options to counter the crisis, increase development finance, promote a transformative approach to climate adaptation, close the digital divide and build productive capacity. We were on the ground to reduce the adverse effects of the crisis. For example, trade facilitation thanks to ASYCUDA kept trade flowing, ships moving and people safe. And we offered a forum where member States could debate ideas and share experiences.

Despite the pandemic, we successfully held UNCTAD15 with Barbados - the first time a small island developing state hosted the UN's global trade meeting. To match the scale of the moment, member States gave us a strong mandate: The Bridgetown Covenant.

I was honoured to join UNCTAD as its first woman Secretary-General at such a crucial moment. I will lead bold actions towards recovery, and calls for tackling the uneven access to vaccines, the debt crisis, the climate emergency and gender inequality. We know, where there is inequality, there is fragility, and we cannot afford another lost decade for the developing world.

There is only one way to face the ongoing challenges: together. We continue joining forces with multiple partners and members of the UN family to maximize our ability to deliver.

There are signs of recovery, but the recovery is uneven and insufficient. This report highlights the best of UNCTAD efforts to ensure that we do not go back to the world of before, but to an after that is faithful to our institutional creed: prosperity for all.

A handwritten signature in black ink that reads "Rebeca Grynspan". The signature is written in a cursive, flowing style.

Rebeca Grynspan,
Secretary-General of UNCTAD

Trade and development trends from 2021



Global merchandise trade exceeded its pre-COVID-19 level by **↑ 15%**, but services recovery fell short, according to nowcasts in UNCTAD's Handbook of Statistics for 2021, published in December.



The value of world trade continued its strong recovery from the COVID-19 pandemic, hitting **an all-time quarterly high of \$5.6 trillion** in the third quarter of 2021, according to UNCTAD's Global Trade Update published in November.



An UNCTAD technical note published in November showed that **COVID-19 boosted trade in goods** related to international information and communications technology (ICT), as the share of ICT goods in merchandise imports **surged from around 13% in 2019 to nearly 16% in 2020** – the greatest annual increase since records began in 2000.



Annual climate adaptation costs in developing countries could reach **\$300 billion in 2030** and, if mitigation targets are breached, as much as **\$500 billion by 2050**, according to the second part of UNCTAD's Trade and Development Report 2021 published in October.



The ocean economy could offer a \$2.5 trillion export opportunity, according to a UNCTAD report published in October. Key ocean-based industries include coastal and marine tourism, marine high technology and maritime transport services.



UNCTAD's Commodities and Development Report 2021 published in July revealed that about **64% of developing economies rely on exporting primary goods**, and most **risk continuing down a path of commodity dependence** unless they embrace technology-enabled structural transformation.



The value of sustainability-related investment products amounted to **\$3.2 trillion in 2020**, up more than **↑ 80% from 2019**, showing that the capital market is increasingly aligning itself with sustainable development, despite volatile markets in 2020, according to UNCTAD's World Investment Report 2021 published in June.



The crash in international tourism due to the COVID-19 pandemic may have caused a loss of more than **↓ \$4 trillion to the global GDP for the years 2020 and 2021**, according to an UNCTAD report published in June.



The dramatic rise in e-commerce amid movement restrictions induced by COVID-19 increased online retail sales' share of total **retail sales from 16% to 19% in 2020**, according to UNCTAD estimates published in May.



Frontier technologies, such as big data, 5G and robotics, represent a **\$350 billion market**, which could grow to over **↑ \$3.2 trillion by 2025**, UNCTAD's Technology and Innovation Report 2021 predicted in February.

Key events



World Investment Forum

The 7th World Investment Forum, the largest global platform for investment and development, took place in October under the theme “Investing in sustainable recovery”.

The forum tackled issues arising from the new industrial revolution, the sustainability imperative, the realignment of economic governance and efforts for greater economic resilience.

Organized in partnership with more than 80 international and regional entities, the forum featured about 100 high-profile events, including the world leaders investment summits, ministerial round tables, prestigious UN award ceremonies, as well as the launching of global initiatives for investment in development.

UNCTAD research shows that the COVID-19 pandemic has reversed the achievements made between 2015 and 2019 in terms of investment in the goals. To get the UN Sustainable Development Goals (SDGs) back on track, the world requires more investment into SDG sectors, particularly in developing countries, to generate sustainable impact.



UN Trade Forum

Transforming global trade is crucial to ensuring a better recovery from the COVID-19 crisis. To ensure that, the UN Trade Forum held in June explored ways to harness trade for a greener, more sustainable recovery.

Discussions at the forum revolved around how trade policies and rules can better support green development and circular economy solutions; and how gains from trade can reach the most vulnerable groups, including women, the youth and migrant workers.



Raúl Prebisch Lecture

Esther Duflo, the first female economist to win the Nobel Prize and professor at the Massachusetts Institute of Technology, delivered the 17th Raúl Prebisch Lecture in June. The lecture entitled “Good economics for hard times” examined how countries can better address pressing socioeconomic challenges, and ensure an inclusive recovery from the COVID-19 pandemic.

The world-renowned economist said only a concerted global vaccination campaign to contain COVID-19 worldwide, backed by sufficient resources from rich countries, would prove that developed and developing nations have joint stewardship of their shared destiny and can tackle other pressing problems together.

UNCTAD’s Raúl Prebisch Lecture series, which began in 1982, tackles trade and development issues, as well as other topics of global concerns.



461

staff
members

195

member
States



73+

million regular
budget for 2021

6

UNCTAD

facts and figures



46+

million technical
cooperation expenditure



58

years promoting
development



204

projects
in 70 countries



Historic quadrennial conference adopts strong declaration

UNCTAD's historic 15th quadrennial conference (UNCTAD15) held under the theme "From inequality and vulnerability to prosperity for all" and hosted by Barbados in October adopted a strong declaration to promote inclusive and resilient economic recovery in developing countries.

Throughout the five-day conference opened by UN Secretary-General António Guterres, alongside Barbadian Prime Minister Mia Amor Mottley, Kenyan President Uhuru Kenyatta and UNCTAD Secretary-General Rebeca Grynspan, world leaders, economists and heads of UN agencies and global financial institutions called for a new development model, with socioeconomic transformation and sustainability at its centre.

UNCTAD's 195 member States adopted the Bridgetown Covenant, which outlines a roadmap for transforming economies through economic diversification; addressing unsustainable debt burdens in developing countries; making economies more sustainable and resilient; improving how development is financed; and reimagining how multilateralism will function in the future.

For the first time in history, women steered the conference, with Secretary-General Grynspan as head of UNCTAD and Prime Minister Mottley as president of UNCTAD15.

It was also the first time that the UN's key global conference on trade and development took place in a small island developing state, in a virtual format with events in Barbados, Geneva and 16 developing countries. About 5,300 participants connected from more than 140 countries.



UNCTAD15 forums

Global Commodities Forum

The Global Commodities Forum convened in September under the theme “Strengthening resilience in commodity-dependent countries”. The forum tackled the many facets of commodity dependence and the vulnerabilities of countries whose economies rely on primary goods’ exports. It offered a unique platform to debate issues at the intersection of commodities and development, including food security, access to water, energy transition and international cooperation.

Youth Forum

The Youth Forum held in September under the theme “Pull up: Change Di Riddim”, with participants aged 18 to 30, focused on innovation, inclusion and youth empowerment for developmental transformation. More than 300 young delegates from over 70 countries engaged in interactive dialogues and prepared a Youth Declaration that was presented to UNCTAD15, serving as a springboard for youth diplomacy to grow into a legitimate force and shape the trade and development agenda in the years to come.

Civil Society Forum

At the forum held in September, civil society representatives shared their views on items on the provisional agenda of the UNCTAD15 conference, built consensus and finalized a Civil Society Declaration that was later presented to UNCTAD15. Forum participants called for the re-energizing and refocusing of development efforts to make prosperity obtainable by all.

Gender and Development Forum

The Gender and Development Forum held in September featured some events led by Barbados and others by UNCTAD. The latter focused on the role trade can play in shaping gender-responsive economies and societies. The forum examined ways in which the COVID-19 pandemic disproportionately affected women, as a key step to building back better, and urged more efforts for women’s economic empowerment to safeguard decades of hard-won progress in the fight against gender inequalities.

Creative Industries and Trade Digitization Forum

The Creative Industries and Trade Digitization Forum held in September looked at major trends and impacts of digital transformation on the creative economy and analysed how to harness its benefits for trade and development. The forum discussed measures to rebuild the creative sector after COVID-19, the future of work, the role of e-commerce platforms as well as building digital capacity, among other issues.





Digital Economy Report 2021

UNCTAD called on countries to make digital data flow for the benefit of all and urged a new global governance approach as the data-driven digital economy continues to surge, with global internet protocol traffic – a proxy for data flows – forecast to more than triple between 2017 and 2022. The report warned that power imbalances and inequalities among countries and platforms could stall the growing digital economy as major digital giants reinforce their dominance in the global data value chain.



Economic Development in Africa Report 2021

The report entitled “Reaping the Potential Benefits of the African Continental Free Trade Area (AfCFTA) for Inclusive Growth” said the AfCFTA can deliver considerable inclusive economic growth for the continent, but needs measures to boost productivity and expand opportunities. Economic growth can only be inclusive if it reduces both poverty and inequality. The report outlined the actions required to support inclusive economic growth on the continent.



Least Developed Countries Report 2021

The year 2021 marked 50 years of the establishment of the least developed countries (LDCs) category, which currently comprises 46 nations. The report warned that due to the COVID-19 pandemic, LDCs saw the worst growth performance in three decades on key development dimensions regarding poverty, education, nutrition and health. It underscored the urgency of boosting productive capacities in LDCs to help them respond to, and recover from, the pandemic and advance towards sustainable development.

MAJOR REPORTS



Review of Maritime Transport 2021

With over 80% of the volume of international trade in goods carried by sea, UNCTAD warned that high freight rates threaten the recovery of the global economy from the COVID-19 crisis. The report predicted that the current surge in container freight rates, if sustained, could increase global import price levels by 11% and consumer price levels by 1.5% by 2023. The report flagged the urgent need to unblock supply chain disruptions, as well as address port constraints and terminal inefficiencies.



Trade and Development Report 2021

In the second part of the report, UNCTAD called for a transformative approach to climate adaptation, with green industrial policies to drive growth and job creation along more resilient and greener value chains. In the first part, UNCTAD forecast that the global economy would grow by 5.3% – the fastest in nearly 50 years – with the help of policy interventions and vaccine roll-out in advance economies. The recovery, however, looked uneven across geographical, income and sectoral lines.



World Investment Report 2021

The report showed that global investment flows plunged globally by 35% in 2020, to \$1 trillion from \$1.5 trillion the previous year. Lockdowns caused by the COVID-19 pandemic around the world slowed down existing investment projects, and the prospects of a recession led multinational enterprises to reassess new projects. The fall was heavily skewed towards developed economies, where foreign direct investment fell by 58%, in part due to corporate restructuring and intrafirm financial flows.

Capacity-building

ASYCUDA marks 40 years of keeping international trade flowing

In 2021, the Automated System for Customs Data (ASYCUDA) programme marked 40 years of keeping international trade flowing globally. The programme has assisted 126 countries and territories over the past four decades to improve their import and export processes, and supported COVID-19 responses. It's UNCTAD's largest technical assistance programme.

Amid the pandemic, ASYCUDA has demonstrated flexibility and innovation, providing excellent value to user countries. Its flagship software, ASYCUDAWorld, is currently used in 100 countries and territories, including 39 least developed countries, 34 small island developing states and 21 landlocked developing countries.

Five years of consumer protection work at UNCTAD

In 2021, UNCTAD marked five years of conducting consumer protection work, having hosted the first meeting of the Intergovernmental Group of Experts (IGE) on Consumer Protection in 2016. This followed the UN General Assembly's decision of 2015 to revise the UN guidelines for consumer protection and entrust UNCTAD with the mandate to serve as the focal point on consumer protection issues within the UN system.

The issues discussed in the five annual IGE meetings held from 2016 to 2021 are a testament of the relevance of this global consensus building platform. During this time, delegates exchanged experiences and agreed on ways forward to address the challenges of the digital economy and how to deliver dispute resolution and redress to consumers, empowering consumers for sustainable consumption, protecting the needs of the vulnerable and disadvantaged, ensuring that products are safe and strengthening cross-border, regional and international cooperation.

UNCTAD also undertook research, policy analysis, data collection, and provided technical assistance to developing countries in Central Africa, Latin America, Middle East and Northern Africa and South East Asia.

New e-learning platform for national trade facilitation committees

National trade facilitation committees (NTFCs) in developing countries are important platforms for institutional coordination and stakeholders' consultation with the private and public sectors to drive trade facilitation reforms.

As part of its empowerment programme for NTFCs, in February UNCTAD launched an e-learning platform to enable remote capacity-building for the committees during the COVID-19 pandemic. Funded by the United Kingdom, the platform has learning modules covering topics such as trade facilitation and development, gender perspectives on trade facilitation reforms, trade facilitation indexes and reports, among others.

Through the platform, UNCTAD delivered nearly 200 webinars to more than 1,000 participants in 26 countries across Asia, Africa and Latin America during the year.

Rebeca Grynspan makes history as first woman secretary-general of UNCTAD



In September, Rebeca Grynspan took up her new role as secretary-general of UNCTAD for a four-year term. She is the first woman and Central American to serve as UNCTAD chief.

Ms. Grynspan is a renowned advocate of human development, who has helped to focus the world's attention on relevant issues such as the reduction of inequality and poverty, gender equality, South-South cooperation as a tool for development, and the achievement of the UN Sustainable Development Goals, among others.

She has had a career spanning many years in several high-level positions. Prior to her UNCTAD appointment, she was the secretary-general of the Ibero-American Conference from 2014 to 2021 and the first woman to lead the organization.

She's also a former under secretary-general of the UN and associate administrator of the UN Development Programme, and a former regional director for Latin America and the Caribbean for the organization.

Prior to joining the UN, she served as vice president of Costa Rica from 1994 to 1998. She was also minister of housing, minister coordinator of economic and social affairs and deputy finance minister.

In addition, she was a member of the High-Level Panel on Financing for Development.



How COVID-19 triggered the digital and e-commerce turning point

The COVID-19 pandemic has spurred a surge in the digital and e-commerce sectors. UNCTAD's "eTrade for all" initiative showed that e-commerce's share of global retail trade reached 17% in 2020, 3% higher than pre-pandemic levels.

However, the growth is uneven. While the world's leading digital platforms capitalize on the pandemic-induced e-commerce boom, such opportunities have not yet benefitted many consumers and businesses in developing countries.

For e-commerce to be more inclusive, UNCTAD called for measures to improve the digital and trading infrastructure, facilitate digital payments and establish appropriate legal and regulatory frameworks for online transactions and security.

TOP STORIES



Shipping during COVID-19: Why container freight rates surged

Around 80% of the goods we consume – including clothes, medicines and food – are carried by ships.

In 2021 there was a surge in container freight costs, especially on trade routes to developing regions such as South America and Western Africa.

The spike was linked not only to increasing demand for container shipping during the COVID-19 pandemic, but also to port labour shortages, ship carrying capacity constraints and pandemic-related restrictions.

UNCTAD examined the complex factors behind the unprecedented shortage of containers that hampered trade's recovery, and how to avoid a similar situation in the future.



Global foreign direct investment fell by 42% in 2020, outlook remained weak

In January, UNCTAD published its first investment trends monitor of the year.

It indicated that global foreign direct investment (FDI) had collapsed by 42% in 2020, falling to an estimated \$859 billion – the lowest level since the 1990s.

Developed countries saw a steeper decline in FDI, down by 69% to an estimated \$229 billion. Developing economies, on the other hand, experienced FDI flow decreases of 12% to an estimated \$616 billion, but still accounted for 72% of global FDI – the highest share on record.

Communication and external relations: Growing from strength to strength

UNCTAD's communications and external relations activities grew from strength to strength in 2021, generating impressive results.

Readership of news on our website increased by 172%, with more readers relying on us for the latest information, data and analysis on trade and development issues as the COVID-19 crisis evolved. The number of visitors to our website rose by 47.2%.

Our social media reach also expanded. On Twitter, our impressions - the number of times our messages were seen - grew by 17.2%, while our engagement rate rose by 12.5%. On LinkedIn, our followers increased by 28.5%.

We also enhanced our engagement with the media, resulting in a 10% increase in the number of journalists joining our online newsroom and a whopping 230% jump in the number of press clippings mentioning UNCTAD.

[DOWNLOAD RESULTS](#)

01 News



+172%

2021
READERSHIP UP
Average monthly readers (**154k**)

02 Social Media



+17.2%

2021
IMPRESSIONS UP
Increase in Tweet impressions (**10.6 million**)

03 Website



+47.2%

2021
TRAFFIC UP
Growth in traffic (**4.6 million sessions**)

04 Media



+23%

INCREASE IN PRESS RELEASES
2021: **49**
2020: 40



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