



Permanent Mission of Pakistan to the UN
Geneva

Statement

Statement by Pakistan
On behalf of Asia Pacific Group
at the Sixty-Seventh Session of the Trade and Development Board
(Date: 01.09.2020)

(Agenda Item 6: Interdependence and development strategies in a globalized world)

Mr. President
Deputy Secretary-General,
Director of the Division on Globalization and Development Strategies,
Excellencies,
Ladies and gentlemen,

The Asia Pacific Group welcomes the report prepared by UNCTAD and commends the Division on Globalization and Development Strategies for presentation of its flagship **Trade and Development Report 2020**. The report makes some important recommendations for global recovery from COVID-19 pandemic. These recommendations need our serious consideration.

Mr. President,

2. This Great Lockdown, as the IMF calls it, has tipped the global economy into recession in 2020 on a scale not witnessed since the 1930s. Massive relief packages have been adopted, particularly by advanced economies. Given that developed countries had the fiscal space and resources to bailout their economies by injecting \$13 trillion, and the developing countries ability to respond to the crisis, on both the health and economic fronts, is limited by years of extreme poverty and high levels of debt distress, the course to recovery from COVID-19 pandemic would also be unequal across countries and regions. Developing countries will continue facing uncertainty with an upward trend in unemployment, disruptions in supply chains, further souring public and private debts. In this condition, the wrong policy steps – and ignoring the experience of the last decade – could trigger further shocks which would not only derail progress achieved so far but also could usher in a lost decade.

Mr. President,

3. The world needs a global recovery plan that can return even the most vulnerable countries to a stronger position than they were in before COVID-19. The urgent need for increased health spending along with declining tax revenues, combined with a collapse in export earnings and pending debt payments has exposed a \$2-3 trillion financing gap in the developing world which the international community has, so far, failed to address. In the absence of a radical policy shift and effective coordination at the international level, there is a very serious danger that developing countries will descend into another lost decade ending any hope of realizing the ambition of the 2030 Agenda for Sustainable Development.

Mr. President,

4. This year's Trade and Development Report argues that the global economic crisis caused by Covid-19 throws up a stark choice: continue misguided policy choices or collectively chart a new path that leads from recovery to a more resilient, more equal and more environmentally sustainable world in line with the ambition of the 2030 Agenda for Sustainable Development. Key to success will be tackling a series of pre-existing conditions that were threatening the health of the global economy even before the pandemic hit. The Group echoes the following recommendations to be mainstreamed in the UN development discourse and in relevant decision and resolution of UNGA, the Second Committee, the ECOSOC and other relevant forums.

- A sustainable, equitable recovery from the Covid-19 recession will depend upon reducing inequalities. Adapting the rules, norms and institutions to ensure that the gains from economic activities are more fairly distributed.
- “**Reglobalise**” on free market principles. Only renewed trade and capital flows will put the global economy on the path to recovery and resilient growth.
- Expanding the use of **Special Drawing Rights** (SDRs) to support national development strategies in developing countries through a truly internationally governed reserve system.
- A **Global Debt Authority** to stop a repeat liquidity crisis from turning into serial sovereign defaults.
- Financial support for boosting the health emergency response to COVID-19 in developing countries through a **Marshall Plan** for Health Recovery funded through increased official development assistance (ODA) commitments, on a scale to build resilience and boost recovery.

5. **Mr. President,** We believe that building a better world is a matter of conviction and collective action.

I thank you.
