

# **UNCTAD World Investment Forum 2018**

## **Digital Economy**

### **Opening statement by**

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Secretary General of ITU  
Excellencies  
Distinguished Delegates  
Ladies and Gentlemen

It gives me great pleasure to extend to you a very warm welcome to the World Investment Forum 2018.

The digital revolution has transformed the global economy, disrupting industries and changing the international trade landscape. At the same time, it has increased efficiency and created opportunities. It has even created new avenues for solving persistent development problems.

But the challenges ahead of us are great. Some 3.8 billion people are still to be connected. This digital divide — concentrated in the Asia Pacific and Africa — is caused by a lack of investment, poor capacity and structural problems.

UNCTAD, therefore, with its integrated approach to trade, investment and development, is working to help countries to increase investment and trade opportunities in the digital economy and gain from the digital revolution. eTrade for all, for example, aims to help developing countries and least-developed countries to unlock their potential in e-commerce. UNCTAD is also working to shed more light in how the digital economy is reshaping global and national investment through its research and technological assistance.

I would like to set out briefly, at the start of this session, why this theme is so important for the World Investment Forum — why it is a critical investment theme. I see investment and the digital economy as a two-way relationship: the digital economy has important implications for investment, and investment is crucial for digital development.

With the first, I mean that the adoption of digital technologies is transforming the international operations of multinationals, their patterns of investment, and the impact of foreign affiliates on host countries. Therefore, digitalization and its close relative, the fourth industrial revolution, has important implications for investment policymakers and their approach to strategically

promoting and facilitating foreign direct investment. Our latest World Investment Report describes how policymakers are reacting to this with investment policies as part of new, modernized industrial development strategies.

With the second relationship, I mean that digital development in all countries, and the participation of developing countries in the global digital economy, requires targeted investment policies. Although most countries have some form of national strategy for digital development, our survey last year showed that many do not adequately cover digital development beyond the buildup of telecom infrastructure. But there is much more to digital development. A comprehensive digital development strategy should cover investment in three major aspects, ie. digital infrastructure, digital firms, and digital adoption by firms across all industries. And all this needs an investment policy approach.

Today, we are honoured by the presence of an excellent panel of speakers. They play important roles in the digital economy development chain, investing in network, hardware, software, as well entrepreneurship, content and the digital ecosystem.

I am pleased to introduce H.E. Mr. Zhao Houlin, Secretary General of the ITU, for his opening statements.