LDC Ministerial and Business Executive Roundtable

Wednesday, 24 October 2018

Palais des Nations, Room XX
16:00–18:00 hours

AS PREPARED FOR DELIVERY

Opening Statement by the Secretary-General of UNCTAD

Excellencies,

Distinguished participants,

Ladies and Gentlemen,

Good afternoon!

I am very pleased to welcome all of you to this LDC Ministerial and Business Executive Roundtable. I am delighted to be joined by the co-chair, Ms. ‘Utoikamanu, the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States. Her office, UN OHRLLS, has been a key partner in organizing this session and I appreciate all the support of Ms. ‘Utoikamanu and her colleagues.

Excellencies,

Ladies and Gentlemen,

The theme of this roundtable is so important to the achievement of the Sustainable Development Goals, or SDGs. Developing countries, and especially the LDCs, face daunting investment shortfalls in order to achieve the Goals by 2030. Yet, as UNCTAD notes in an issues paper prepared for this meeting, in 2017, foreign direct investment (FDI) flows to the LDCs declined by 17 per cent, to US$26 billion, or just 4 per cent of inflows to all developing economies. Although Asian and Oceanian LDCs registered robust FDI growth, aggregate FDI flows to African LDCs and Haiti sank by 31 per cent. The value of greenfield FDI projects announced in 2017 plummeted by 43 per cent to a four-year low, as foreign investors, mostly from developing economies, scaled down their capital spending plans. This is particularly worrying, since greenfield project announcements are an indicator of future trends.

While these figures for last year are disconcerting, as we look ahead, there are some reasons for optimism. FDI to LDCs could see a recovery, pulled by the expected increase of greenfield investment in Africa. African LDCs stand to benefit from the African Continental Free Trade Area and its stimulus for investment flows to the region. At the same time, the outlook for regional FDI in ASEAN LDCs is positive, driven by multinational enterprises (MNEs) based there. Over the medium term, prospects depend on the extent of implementation of capital-intensive projects in the pipeline. Although the relative importance of announced greenfield FDI projects in the primary sector has been declining over the decade, investment activities by energy and mining MNEs in African LDCs will continue generating volatility in overall FDI flows to the LDCs.

As many of you here today are well familiar, LDCs face a number of challenges in attracting, facilitating, and retaining the investment required to meet the SDGs. Our issues paper this year highlights the decrease in investment rates of return, rapid urbanization, and the need for sound policies, investment promotion strategies, tools, and partnerships. Investment promotion agencies, or IPAs, can have a vital role in improving the perception and image of a location for investment. Moreover, investment facilitation efforts can further mitigate risks and complement promotion activities. As discussed during the Investment Promotion Conference yesterday, private investment can address urbanization-related problems. A range of partnerships, such as with outward investment agencies from home countries of FDI, as well as investment promotion related tools and instruments, can assist officials in targeting and attracting investment more effectively, particularly in SDG-related projects.

Excellencies,

Ladies and Gentlemen,

For decades, UNCTAD has been actively working to support LDCs. UNCTAD has a division dedicated to Africa and LDCs. In addition, other programmes at UNCTAD have assisted LDCs in the areas of trade, investment and enterprise development. To help attract investment for development, national investment policy reviews were undertaken and a range of capacity building programmes have been carried out to assist with investment portals and single windows, investment guides, the drafting of sustainable development-oriented treaties, the development of investment promotion strategies and the strengthening of IPAs. We are grateful to the donors that have made these activities possible.

However, more remains to be done. In nearly five decades, only five countries have graduated from LDC status. Concerted attention, efforts, and resources are essential to make meaningful progress towards achieving the SDGs and getting on the path towards graduating from LDC status.

Excellencies,

I am glad that ministers from so many LDCs are here today. I am also grateful to the business executives who will be sharing their perspectives. In our discussions of opportunities and challenges, I welcome your suggestions and inputs on how UNCTAD and the rest of the United Nations system can better contribute to mobilizing investment for the SDGs in the LDCs. Key messages from this session will be reflected in a Chairs' summary, which we will report to our Trade and Development Board and the United Nations General Assembly for consideration and follow up.

Thank you for being here. I look forward to a productive session.

Now I have the pleasure of turning the time over to my Co-Chair, Ms. 'Utoikamanu, to share her opening remarks.