

**Statement to be delivered by H.E. Mr. Masud Bin Momen, Permanent Representative of Bangladesh on behalf of the LDCs in the Second Committee on agenda item 17:**

**Macroeconomic policy questions:**

**(a) International trade and development**

**(b) International financial system and development**

**(c) External debt sustainability and development**

**Agenda item 18: Follow up to and implementation of the outcomes of the International Conferences on Financing for Development under UNHQs, New York, 20 October 2016**

Thank you, Mr. Chair.  
Good afternoon

I have the honour to deliver this statement on behalf of LDCs. The Group aligns itself with the statement made by Thailand on behalf of the G77 and China.

2. The Addis Ababa Action Agenda adopted last year recognized that least developed countries have enormous potential to further the global economic growth and prosperity while acknowledging that multiple structural challenges such as narrow production and export bases, stagnant trade and investment flows, diminishing productivity growth, weak land and natural resource governance, and widespread poverty, hunger and malnutrition continue to obstruct their growth. They need to invest hugely in combating new and emerging challenges, such as climate change, increased incidences of natural disasters and public health emergencies, conflicts, declining commodity prices and rising capital outflows.

3. It was encouraging to see that the Addis Agenda provides a guideline on how we can effectively implement the transformative 2030 Agenda for Sustainable Development, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction 2015–2030 with an acknowledgement that we deserve special attention. It also underlined the importance of strong synergy in the implementation of the recently adopted agendas and the Istanbul Programme of Action at all levels.

4. We welcome the launch of the Global Infrastructure Forum on 16 April during the 2016 Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group, the first meeting of the annual Economic and Social Council forum on financing for development follow-up held from 18 to 20 April 2016, and the initial meeting of the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals held on 6 and 7 June 2016. We call for a timely agreement on the modalities of future financing for development forums.

5. International trade is vitally important for LDCs to integrate themselves into the global economy. The 2030 Agenda for Sustainable Development puts significant emphasis on the role that the international trade can play in accelerating economic growth, addressing poverty and fostering sustainable development.

6. Trade already makes up a significant portion of the economies of LDCs. Their exports of goods and services grew by an annual average of 7.6% over the 2005-2015 period. The Group was able to increase their share in world exports of goods and commercial services from 0.7% in 2005 to 1.03% in 2014.

7. However, we are concerned that in 2015, LDC exports of goods and commercial services decreased by 20%. Their share stood at 0.9%. Hence, it fell below 1% for the first time since the crisis year of 2009. The current share of LDCs' trade is substantially below the IPoA target of 2 per cent set to be achieved by 2020. This reflects a big challenge that LDCs facing in tapping the opportunities offered by the international trade.

8. Appropriate measures need to be in place to achieve the IPoA target. Full implementation of the duty-free and quota-free market access for all products from all LDCs, simplified and transparent rules of origin, financial and technical support for trade capacity building and addressing non-tariff barriers are vitally important for LDCs.

9. Domestic resource is a sine qua non for self-sustained economic growth and development. Domestic resource mobilization will require greater reliance on domestic savings and investment, higher export earnings, and improved private capital flows, including foreign direct investment. In order to achieve this, LDCs as well as their development partners must adopt a comprehensive approach in the spirit of the Addis Agenda that optimizes the synergies between domestic resource mobilization, aid, trade, private capital inflows and debt relief.

10. We reiterate that official development assistance continues to be the largest and a critical source of external financing for the development of the least developed countries. We welcome the decision by the European Union, which reaffirms its collective commitment to achieve the 0.7 per cent of the official development assistance/gross national income target within the time frame of the 2030 Agenda and undertakes to meet collectively the target of 0.20 per cent of official development assistance/gross national income to least developed countries within the time frame of the 2030 Agenda. There was a significant forward moving at the Addis Agenda that encourages ODA providers to consider setting a target to provide at least 0.20 per cent of official development assistance/gross national income to least developed countries. These are some qualitative and quantitative changes in the decades-long target on official development assistance for the least developed countries. We call upon our development partners to fulfil these targets.

11. FDI is critical for the development of the LDCs. The Addis Agenda underscores the importance of implementing investment promotion regimes for the LDCs and providing financial and technical support to them. In this regard, we call upon Member States to undertake a decision at the 72<sup>nd</sup> session of the General Assembly to establish an international investment support centre for the least developed countries under the auspices of the United Nations to provide a one-stop arrangement to help stimulate foreign direct investment in the least developed countries.

**Mr. Chairman,**

12. The total external debt stock of LDCs has reached to \$242 billion in 2015. This has grown by 72 per cent in the past 15 years. The overall debt situation of LDCs has worsened since the onset of the financial crisis in 2008. Both debt to GDP and debt to export ratios have increased. Similarly, the ratio of debt service to GDP has also escalated.

13. Taking into account all these complexities and lack of comprehensiveness in the existing debt relief mechanisms, LDCs are consistently asking for full debt cancellation. If a country fulfils the criteria of being an LDC, it should be eligible for debt write-off. The Group therefore calls upon the international community to undertake necessary measure to write off all outstanding debt, both multilateral and bilateral, of all LDCs immediately. Debt relief must be additional to ODA as it is committed by the international community.

**Mr. Chairman,**

14. The Group of LDCs calls for strong coordination, coherence and consistency of the international monetary, financial and trading systems. The international financial system needs to be strengthened and they must support LDCs with increased share of their resource allocation. Universal recognition of LDCs is vitally important. We also call for ensuring adequate voice and participation of LDCs in the global economic and financial decision making processes.

I thank you all for your kind attention.