



Statement by Pakistan at the
70th Annual Session of the Trade and Development Board (TDB)
(22 June 2023)

Agenda item 8: Evolution of the international trading system and its trends from a development perspective

Mr. President,
Excellencies,
Distinguished delegates,

First and foremost, we align ourselves with the statements delivered by Tanzania on behalf of G-77 and China as well as Thailand on behalf of the Asia Pacific Group.

We welcome the inclusion of the agenda item on the international trading system during this session and hope for more regular discussions at UNCTAD on this issue of critical importance.

International trade has long been recognized as a catalyst for inclusive economic growth, reducing poverty, raising standards of life and fostering global cooperation. Since the conclusion of the Uruguay Round, the share of developing countries in global trade rose from less than a quarter in 1995 to more than 40 percent in 2021. Growth was observed predominantly in South-South trade. Successive trade liberalization reduced Most-Favoured Nations (MFN) tariff rates and new policy areas were brought under the purview of the international trading system including Trade in Services, the Agreement on Agriculture, and Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Since the Uruguay Round, however, progress in the evolution of the international trade regime has come to a standstill. The current trend-lines are marked by increasing resort to protectionism by developed countries, including high-cost technical barriers, voluntary export restraints and subsidies to local industries which threaten to further marginalize developing countries' trading prospects. Over 3500 new non-tariff measures were introduced in 2021. The disproportionate increase in Non-Tariff Barriers is concerning. It restricts the market access of the Global South and impedes their ability to meaningfully participate in the global economy. For trade to yield gains for all, an open, equitable and fair international trading system is essential.

The challenge of having a just and equitable trade regime is further compounded by transformations in the global trade landscape since the Uruguay round. Firstly, the polycrises of COVID-19 pandemic, geopolitical conflicts, and climate change have distorted the international trade regime. These distortions have disrupted supply chains, hindered market access, and adversely affected the economies of developing countries. Secondly, major global

transformations in the energy and digital technology sectors have altered the context in which trade is carried out. Due to the cross-sectoral permeation of digital technology, technological and digital divides, if not bridged, will continue to aggravate the economic divide.

New technological, economic and geopolitical dynamics demand that trade rule books are updated. While fairness in the rule-making on trade matters should be reflected in international trade regime discussions, we would like to offer three key policy areas for further deliberation:

Firstly, an agreed mechanism for technical assistance and technology sharing with developing countries to help them transition towards e-commerce and digital economy. This could also extend to digital divides in skills, awareness, lack of appropriate supporting policies and adequate regulatory framework.

Secondly, collaboration on trade facilitation in mandating elimination of tariff and non-tariff barriers in environment-friendly goods and services for a just economic transition, particularly for green and low carbon technologies relevant to commerce.

Thirdly, rising debt levels in least developed countries intensify the lack of financial and technical capital to address these challenges. Mobilization of adequate financial resources for ensuring access to finance for the suggested transformations is vital.

Mr. President,

My delegation is of the view that trade integration should not be confined to trade liberalization but be part of a broader development strategy promoting technological specialization, economies of scale, mutual economic interdependence and manage connections between regional and global governance. We are committed to working with our global partners to create an inclusive trade regime that benefits all nations.

I thank you.