

Trade and investment are essential for sustainable development – DG Azevêdo

Speaking at a Workshop on Investment Facilitation for Development on 10 July 2017 at the WTO, Director-General Roberto Azevêdo said that combining trade, aid and investment can help countries foster development, diversify their export capacity and better integrate into the global economy. The event was organized by the Friends of Investment Facilitation for Development (FIFD) – representing 11 WTO members — and gathered experts from international organizations, non-governmental organizations, the private sector and academia. This is what he said:

Ambassador Zhang Xiangchen,
Excellencies,
Ladies and gentlemen,

Good afternoon.

Let me start by congratulating the Friends of Investment Facilitation for Development for organizing this event. I am glad to see this excellent initiative evolving.

I'm sorry I couldn't join you for the whole session, but let me assure you that the Secretariat has been keeping me informed. I hear that you have had some very interesting discussions today.

The fact that you chose to hold this meeting in tandem with the Global Aid for Trade Review is very significant.

It helps to bring these discussions to life. And it helps to underline that trade, aid, and investment are necessary, and complementary, elements in promoting sustainable development.

It is clear that developing countries need more investment and more trade – as well as more aid. These elements are essential to successfully connect to global markets, leverage the digital economy, and fast-forward development.

UNCTAD estimates that developing countries will require an additional 2.5 trillion dollars each year to meet the Sustainable Development Goals. And half of this amount will need to come from private investors.

Despite this clear need, the recent World Investment Report found that FDI inflows fell by 2 per cent last year. And flows to developing economies were especially hard hit, falling by 14 per cent.

Aid functions as a catalyst for investment and trade growth in developing countries. This is something that the Aid for Trade initiative has often highlighted. Aid can help to build the infrastructure and institutions that are essential for developing countries to connect to the global marketplace – which in turn opens the door to more trade and more investment.

So, there are important and positive linkages here.

Against this background, I'd like to share a few thoughts, which I hope might serve as additional takeaways from today's event.

First, it is encouraging to see many developing countries interested in exploring ways to facilitate and expand investment flows to promote sustainable development. And it is very important that these talks remain development-oriented.

They should seek to leverage investment as a development issue – helping to create jobs, attract technology and build export capacity, to support developing countries' integration into the global economy.

So I hope you will continue to prioritize this development focus in your conversations.

The second takeaway is the value of listening to the concerns of the private sector.

Your role as WTO members is to design economic policies and shared rules that are responsive to the real, practical needs of the people on the ground.

To ensure that this is the case, we need to hear from the users of the system.

This means understanding what's working, what isn't, and what changes need to be made so that investment flows can have a positive influence on development.

It is clear to me that the private sector sees huge investment potential in developing countries – but there are also ground-level bottlenecks that need to be addressed.

I understand that this meeting has heard how the private sector supports efforts to facilitate investment – not by changing countries' investment policies, but by ensuring that these policies are implemented more transparently, predictably and efficiently.

And you have heard how this can be a 'win-win' proposition for investors and economies alike – as demonstrated by the fact that many developing countries are already taking steps to facilitate investment. For example, many are implementing electronic single windows or acting to cut administrative red tape.

It's important to ensure that we take on board a multitude of perspectives.

So this brings me to my third point...

These conversations need to be inclusive and informed.

Up until recently, deliberations on investment and trade were taking place across multiple and overlapping fora. They involved some WTO members but not others; they engaged large economies, but not always their smaller counterparts.

This is why I think the 'Friends of Investment Facilitation for Development' is so welcome. It provides an open and informal dialogue to consider whether – and how – the WTO might better contribute to facilitating investment flows.

I don't know where these discussions will lead, or what conclusions members will reach – it's still early days. What I do know is that – as in most elements of life – talking, listening and learning is the best way to make informed decisions.

The real value of this workshop and the broader dialogue lies in a simple and yet complex objective – sharing ideas, exchanging insights, and learning together.

So I hope you feel that you have taken a step forward today.

I hope you will continue to work in the spirit of openness and inclusiveness that has defined your conversations so far.

And I hope that, in this way, we will seize all of the tools available to us in the search for stronger growth and more sustainable development.

Thank you. And keep going!