

# UN HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

## POTENTIAL TALKING POINTS WTO DG DR. NGOZI OKONJO-IWEALA

6 JULY 2021, 15:00-16:00 (GENEVA TIME), UNHQ NEW YORK/HYBRID

- Thank you, Ambassador Akram, for inviting me to join this distinguished group.
- Excellencies, it is a pleasure to join you today. I am told it is the first time the WTO has been invited to address this High-Level Forum.
- The timing is appropriate. Trade played an important role in the historic development achievements and poverty reduction we saw during the thirty years before COVID-19. And trade will be at the centre of our efforts to end the pandemic.
- Trade is a necessary ingredient in building back a stronger and more inclusive global economy, and reviving progress towards the Sustainable Development Goals.
- COVID-19 has dealt severe blows to our shared pursuit of the 2030 agenda.
  - The World Bank projects that the pandemic will push 100 million people into extreme poverty by the end of this year, most of them in South Asia and sub-Saharan Africa.
  - Hunger and food insecurity are rising. The UN Secretary-General's report on the SDGs warns that as many as 132 million people may have been pushed into chronic hunger in 2020 because of the pandemic.
  - The ILO estimates a shortfall of 75 million jobs this year compared to the pre-pandemic trend.
- Reducing inequalities of all kinds is at the core of the SDGs. But the pandemic has widened inequalities inside households, within national economies, and across countries.
- At the global level, we see growing evidence of a K-shaped economic recovery.
- Countries' economic prospects are bifurcating in line with their access to vaccines and their fiscal and monetary capacity to provide economic relief and stimulus.
- Most advanced economies and a handful of others are moving ahead, while most emerging markets and developing economies are lagging behind.
- A stark illustration of the divergence comes from COVID-19 vaccination statistics.
- We are seeing a welcome acceleration in the global vaccine rollout. In June, 1.1 billion vaccine doses were administered worldwide - 44% more than in May. But vaccine inequity - vaccine injustice - is by some measures getting worse.
- Of those 1.1 billion doses in June, only 15 million - less than 1.4% - were administered in Africa.
- Measured in doses administered per capita, Africa's vaccination rate increased by only 11% between May and June, much less than the global average. In low-income countries, the vaccination rate actually dropped. This is primarily a story about insufficient vaccine availability.
- As of last Friday, people in low-income countries had received 1.3 doses per 100 residents, compared to nearly 83 doses per 100 in developed countries.

- In lower-middle-income countries – together home to nearly 3 billion people – only 3.2% of people are fully vaccinated.
  - These gaps are mirrored in the economy.
  - According to the World Bank, only one-third of emerging markets and developing economies are on track to regain pre-pandemic per capita income levels by next year, compared to 90% of advanced economies.
  - The IMF projects the global economy will grow by 6% this year, but only 3.4% in sub-Saharan Africa.
  - Economic divergence is visible in the trade data too. Global trade has rebounded strongly from the supply and demand shocks seen during the first half of last year. WTO economists forecast the volume of global merchandise trade will grow by 8% this year. But Asia, North America, and Europe are on track for much stronger trade recoveries than Africa and Latin America.
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- Agenda 2030 remains the right agenda for our times as we confront climate change and now COVID. Its ambitious economic, social, and environmental goals were and are what we need to reduce deprivation and expand opportunities for people everywhere, all within the carrying capacity of our planet.
  - But if we do not act - if we allow these trends I have been describing to continue – the SDGs will remain out of reach.
  - If we do not act, many developing countries could face a downward spiral of slow growth, social unrest, debt distress, reduced investment and production, and diminished trade, all fuelling further economic underperformance and political anger.
  - This would not be the more prosperous, more equitable, more sustainable future we imagined in 2015 when we came together to adopt the SDGs.
  - I want to point to two areas in which action at the WTO in the coming months could help put the SDGs back on track: vaccines, and fisheries subsidies.
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- Rapid, equitable vaccine rollout is a prerequisite for inclusive economic growth.
  - That is why I joined hands with my counterparts from the WHO, the IMF, and the World Bank to call for a \$50 billion dollar up front investment in vaccinating at least 40% of people in all countries by the end of this year, and 60% by the middle of 2022. [You have already heard about this from my brother Dr Tedros and my sister Kristalina.]
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- Trade is indispensable for ramping up the production of COVID-19 vaccines on the scale needed to end the pandemic.
  - I should note that trade has already been a force for good over the past year and a half. In 2020, the value of trade in medical supplies grew by 16%, even as the value of overall global merchandise trade shrank by more than 7%.

- Trade has also been a lifeline for access to food, thanks to restraint in the use of protectionist measures.
- Looking at vaccines in particular, they rely on trade, and complex international supply chains: Johnson & Johnson's vaccine uses inputs and components from 12 countries, a number that rises to over 15 for the Oxford/AstraZeneca vaccine, and 19 for the Pfizer/BioNTech and Moderna vaccines.
- To help the trading system contribute to the production increases we need, I have been urging WTO members to take action across three areas:
  - One, free up vaccine supply chains by lowering export restrictions and facilitating trade
  - Two, work with manufacturers to identify supply chain bottlenecks and ramp up investment in increased production, particularly in developing countries.
  - And three, find pragmatic solutions to issues around technology transfer, knowhow, and intellectual property, to assure developing countries of near-automaticity of access whilst still incentivizing research and innovation. I am excited that we will soon hear from Professor Michael Kremer, probably the world's leading expert on how to align incentives for universal access and cutting-edge innovation.
  
- In tandem with our efforts to revive growth and make it more inclusive, we must tackle pressing problems of the global commons.
- On climate change, COP26 will help determine whether we are on a path towards net-zero, with financing for a just green transition.
- And on the health of our oceans – SDG 14 – your governments have a chance next week to take an important step forward for the sustainability of marine fisheries, long-term food security and the livelihoods of millions of fisherwomen and men.
- Since 2001, WTO members have been in negotiations to curb harmful fisheries subsidies.
- Leaders and ministers have told me that they want to get a deal done this year. I agree – 20 years is enough!
- But in Geneva, where the negotiations are taking place, this political will has not translated into enough willingness to compromise.
- I have convened ministers for a virtual meeting on 15 July. This is an attempt to bridge key gaps and put us in a good position to finalize an agreement in time for our Twelfth Ministerial Conference – MC12, as we call it - in early December.
- I ask your ministers to bring new flexibility to next week's discussions.
- A WTO fisheries deal this year would make a material difference to global fish stocks – one-third of which are no longer within biologically sustainable levels.
- It would meet SDG target 14.6, albeit a few months behind schedule.

- And it would demonstrate that WTO members still take their founding objective of sustainable development seriously. It would show they are still capable of negotiating multilateral agreements and responding to global challenges.
- Good progress on fisheries this month would improve prospects for successfully advancing on other issues in the run-up to MC12, including health, agriculture, and empowering women and small businesses.
- The more the WTO is able to deliver results, the better it will do at providing predictability and certainty to international markets.
- This in turn will help us achieve the wider economic recovery we need, because open trade allows slow-growth economies to tap into faster recoveries elsewhere, in the ultimate interest of all.
- In closing, I ask you once again to engage constructively at the WTO. Working together, we can put people and the planet at the centre of world trade.
- Thank you.