

[CHECK AGAINST DELIVERY]

Eighth Session of the General Assembly Open Working Group on Sustainable Development Goals (3-7 February 2014)

Statement by Michael Schöll, Chairman of the 46th Session of the United Nations Commission on International Trade Law (Friday, 7th February 2014)

Thank you, Mr Co-Chair, distinguished delegates,

The **United Nations Commission on International Trade Law** is the core legal body in the UN system in the field of international trade law and lead UN agency in the context of the promotion of the rule of law in commercial relations. It has been specializing in commercial law reform worldwide for over 40 years.

We are grateful for the opportunity to react to previous interventions, as the OWG is discussing the role of the rule of law for sustainable development.

Multinational corporations and market economy have been blamed for many shortcomings in today's societies. But they are also drivers of innovation; they create jobs and are the source of finance for State budgets. In many States, private companies proved to be more effective than state authorities in delivering basic services to the public. If today's **main development challenges** such as joblessness, youth unemployment and the shortcomings of a large informal economy are to be successfully addressed, States must regulate businesses in a way that encourages entrepreneurship while maintaining equal access to opportunities and ensuring social peace.

An **important tool** for States to do so **is through commercial law making**. Recent research suggests that outdated commercial laws and divergences arising from the laws of different States in matters of international commerce constitute an important obstacle to cross-border trade.

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They also **undermine the confidence** that is prerequisite for economic activity and investment to thrive. Economic actors need to be able to trust that state authorities are **committed to modern legal standards** in commercial relations. In standards that achieve efficiency and oversight in public spending and that curb unlawful cross-border transactions.

Any failure of a State to do so not only stifles economic activity and growth, it also **crushes the hope of people** in a sustainable future, in a society that is resilient to conflicts and crises, and that is based on the rule of law and good governance.

It is crucial to recognize that commercial law is a powerful **driving force** in addressing sustainable development challenges. It is commercial law through which **national and international policies** are implemented into practice. Commercial law is the **language** understood by both corporations and consumers. That is why modern commercial laws, **a sound regulatory framework for businesses**, investment and trade, and respective institutions, are a key condition if the contribution of the private sector to sustainable development is to be fully realized.

The doors are open for States to engage in **international fora** (such as UNCITRAL) that are active in building the required capacity in States. If this OWG looks for a **transformative change**, increasing the attention of States to commercial law area is one of them.

UNCITRAL would like to make sure that the **contribution of commercial law to the rule of law** is duly taken into account in the work of the OWG and that it would come clearly across in any post-2015 development agenda.

Thank you, Mr Co-Chair.