

Role of Advanced Technologies in Overcoming COVID-19 Disruptions in International Trade

Elisabeth Tuerk, Director of the Economic Cooperation and Trade Division (ECTD)

Opening Remarks

Distinguished guests and colleagues, delegates, experts, ladies and gentlemen, Ms. Probert, Mr. Quintarelli - good afternoon. Welcome to this online conference on the role of advanced technologies in overcoming COVID-19 disruptions in international trade.

Today, we have convened in this virtual forum to discuss how advanced technologies can help us overcome trade disruptions caused by the ongoing pandemic. I am glad to see that this event is bringing together more than 100 participants from around the world, including experts from the private sector, international organizations, NGOs, academia and – importantly – delegations from our member States.

I trust that we will have a fruitful discussion about how advanced technologies can help foster trade flows and overcome new barriers to trade, specifically within the overall objective of harnessing trade for the SDGs and for a sustainable post-COVID economic recovery.

The COVID-19 pandemic has affected us in many ways. Let me start by reminding us of the worrisome news related to the global economy.

According to the World Bank's Global Economic Prospect report issued in June 2020, we will face the worst recession in decades. Advanced economies are projected to shrink by 7%. The effects of this shrink will spill over to emerging markets and developing economies (EMDEs), which are forecasted to contract by 2.5% in 2020.¹

Turning our attention to jobs – the latest ILO report on the status of working hours around the world refers to a decline of 10.7% relative to the last quarter of 2019, which is equivalent to 305 million full-time jobs.²

In investment, according to UNCTAD's 2020 World Investment Report (WIR), global foreign direct investment (FDI) flows are forecast to shrink by up to 40% in 2020. Also in transition economies – and this includes UNECE's 17 programme countries in the Western Balkans, Central Asia, and the Caucasus – in addition to the Russian Federation, FDI inflows were hit hard by the economic downturn caused by COVID-19. FDI flows to this region of the world are projected to decline substantially by around 38% in 2020.³

International trade has witnessed unavoidable declines. Border closedowns and other preventive measures broke established supply chains. This in turn created shortages of goods that we expected to be always available on the shelves of our local shops: sanitizing products, protective equipment such as masks – but also pasta and toilet paper.

COVID-19 has also changed our way of life.

Things we took for granted were taken away. Our lifestyles were challenged. The status quo was broken. Public spaces were closed, social distancing turned mainstream, working from home became mandatory, and travel restrictions were imposed. In sum, we were forced to adjust and rethink our way of life.

¹ <https://www.worldbank.org/en/publication/global-economic-prospects>

² https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_745963.pdf

³ https://unctad.org/en/PublicationsLibrary/wir2020_en.pdf

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I understand that your meeting today will discuss the opportunities – and also the challenges – that advanced technologies can bring in response to this ongoing pandemic.

Technological development in the last several decades has been faster than ever. From modernized infrastructure to breakthroughs in scientific knowledge and technical applications, advanced technologies provides a foundation of existing tools that can assist us in fighting the COVID-19 infection curve and re-booting the global economy, putting it back on a sustainable track.

In Geneva, there is much discussion about the Swiss COVID-19 app, or the contact tracing system. But advanced technologies are used and implemented in many sectors. As noted in UNCTAD's 2020 World Investment Report, technology trends of the new industrial revolution (NIR) are shaping international production in many ways, including through robotics-enabled automation, enhanced supply chain digitalization and additive manufacturing such as 3D printing. These are only three – but key - examples. Each of these technologies will have distinct effects on the length, geographical distribution, and governance of global value chains.

The message is clear: advance technologies bring great opportunities! However, they also bring challenges.

If we look at advanced technologies from the perspective of international production, challenges include divestment, relocations, and investment diversion, leading to job loss and industrial restructuring. There are also persistent challenges in many other areas of policy making, including privacy, national security and others, including the very practical challenges to harvesting the benefits of innovative technologies. One needs to find the right tools and usage and successfully implement them. Many economic operators are working in a climate of uncertainty.

We know that things will change – but we do not know how, when, and where. This means that we need to rethink the way we govern, interact, and set the rules of the game.

So, where do UNECE and UN/CEFACT come in?

The standards that UNECE and UN/CEFACT issue and the dialogue that we are opening help to understand and effectively implement the technologies available to us right now. I trust that today's meeting will look into these UN/CEFACT contributions and produce concrete outcomes and action points to reap the benefits that our UN/CEFACT tools can offer for facing today's COVID-19 challenge and related trade disruptions.

I am therefore very pleased that we have with us the Chair of UN/CEFACT, Ms. Sue Probert, and the Chair of the Advisory Group on Advance Technology (AGAT), Mr. Stefano Quintarelli. Many thanks to both of you!

To conclude, COVID-19 has disrupted billions of lives and endangered the global economy. UN Secretary-General António Guterres has stressed that the post-COVID-19 recovery must lead to a different economy – a sustainable one that is more resilient to future shocks.

We need to build back better! And advanced technologies can help. They can help us achieve SDG 8 (Decent Work and Economic Growth), SDG 12 (Sustainable Consumption and Production), and SDG 17 (Partnerships for the Goals). I am confident that this conference today will be one concrete step in this direction.

Thank you for your attention, and for contributing to this joint endeavour.