بسم الله الرحمن الرحيم

Statement

By

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Before

The event: "*Unilateral Coercive Measures: Obstacle to Trade and Sustainable Development*"

On the sidelines of the UNCTAD16

Geneva, 21 October 2025

Distinguished Delegates

Excellencies,

Ladies and Gentlemen,

It is a great honour to address this timely side event on Unilateral Coercive Measures (UCMs) — a subject that lies at the intersection of law, economics, and human development, and which continues to have profound consequences on the global economic landscape.

Unilateral Coercive Measures, imposed outside the framework of the United Nations Charter and international law, have evolved into complex mechanisms of economic restriction that extend far beyond their stated political objectives. Their cumulative effects are felt across multiple sectors — trade, finance, investment, technology, and the real economy — and ultimately, they weigh heavily on the everyday lives of ordinary people.

Distinguished participants,

From an economic perspective, UCMs constrain national productive capacities and disrupt domestic economic planning. By restricting access to international markets, raw materials, intermediate goods, and technology, they weaken industrial sectors, reduce output, and contribute to a sustained decline in GDP growth. Empirical evidence shows that in several affected developing countries, the contraction in GDP has ranged from 6 to 30 percent in the years following the imposition of such measures.

From a trade perspective, UCMs fragment the global trading system, erode the principles of free, fair, and non-discriminatory trade, and create artificial barriers to exports and imports. Entire industries are excluded from global supply chains; access to maritime transport, insurance, and certification is often denied; and trade financing becomes exceedingly difficult. This leads to severe shortages of essential goods, including food, medicine, and industrial inputs, undermining the productive and social fabric of the affected economies.

From a financial perspective, UCMs target banking systems, currency transactions, and access to international payment mechanisms. The result is severe liquidity constraints, rising inflation, currency depreciation, and the paralysis of public and private finance. Affected countries find it increasingly difficult to service debt, attract capital inflows, or conduct even routine international transactions. This, in turn, heightens fiscal pressures and undermines macroeconomic stability.

Distinguished participants,

From an investment perspective, the climate of uncertainty created by UCMs deters both domestic and foreign investors. Risk premiums rise, international credit ratings fall, and investment projects are suspended or cancelled. The loss of investment inflows further constrains job creation and innovation, weakening long-term growth prospects and eroding social welfare.

From a technological perspective, UCMs hinder access to global research networks, digital infrastructure, and advanced technologies. They isolate entire economies from global innovation ecosystems, limit technology transfer, and deepen the digital divide. This prevents affected countries from participating effectively in the global digital economy, which is increasingly the driver of competitiveness and productivity.

Ultimately, these economic and financial consequences translate directly into the daily hardships of people. UCMs lead to rising unemployment, shortages of essential goods and medicines, inflationary pressures, and declining living standards. Families struggle to secure basic necessities, students face disruptions in education, and hospitals experience shortages in critical medical supplies. The human cost of such measures is immense and indisputable.

Distinguished participants,

Within the United Nations system, UNCTAD remains the unique politico-economic platform mandated to address these multidimensional impacts. Through its three interrelated pillars — consensus building, independent research and analysis, and technical cooperation — UNCTAD is uniquely positioned to appraise and reflect on the implications of UCMs for trade, finance, investment, technology, and sustainable development.

UNCTAD's analytical capacity enables it to quantify the real costs of UCMs on GDP, trade, and investment, to identify channels of transmission, and to propose concrete, evidence-based policy responses. Its consensus-building pillar provides a neutral forum for dialogue and collective reflection, where Member States can deliberate on the economic and developmental dimensions of UCMs within the framework of international law and multilateral cooperation.

It is therefore both logical and necessary that the outcome document of UNCTAD 16 include a dedicated operative paragraph mandating the Secretariat to systematically assess and report on the economic and developmental impacts of Unilateral Coercive Measures, and to support affected countries through policy advice, capacity-building, and targeted research.

Such an operative provision would not only strengthen UNCTAD's role as the principal development think tank of the United Nations but also reaffirm our collective commitment to fairness, universality, and multilateralism in international economic relations.

Excellencies,

As we are now in UNCTAD 16, its ripe time to ensure that this organization continues to fulfil its founding vision — to serve as a bridge between policy, research, and action; to stand for the rights of all nations to pursue development free from external constraint; and to advance a global economy based on inclusion, equity, and shared prosperity.

Thank you.