

## Opening statements for Co-chairs

### Opening remarks by Co-chair H.E. Dr. Mohamed Muizzu, President of the Republic of Maldives (three minutes)

- To facilitate deliberations at this Interactive Dialogue, the UN system guided by the three co-leads, UNCTAD, UNIDO and UNCDF, prepared a background note which has been circulated. My Co-chair and I would like to extend our sincere gratitude for preparing such an informative document to guide our deliberations. The main objective of the session is to collectively reflect on the challenges and opportunities to accelerate sustainable economic growth in SIDS and to seek realistic and implementable solutions to their challenges.
- Needless to say that SIDS are a heterogeneous group, with diverse geographic, demographic, and economic characteristics. These features made them vulnerable to multiple shocks – be they economic, financial, environmental or climate change related. Consequently, their shares in global output, trade and FDI flows are miniscule. Besides, SIDS are also among the most heavily indebted economies in the world, measured by standard debt sustainability criteria. At the same time, they are the most open economies in the world with the average trade-GDP ratio exceeding 100%.
- Moreover, while SIDS heavily rely on international trade, particularly imports, they also face challenges of heavily concentrated export

destinations. Just three countries (the United States, China, and Australia) absorb the bulk of their exports and sources of substantial amounts of their imports. Structurally, SIDS suffer from a lack of economic diversification. They largely depend on the services sector, including tourism, financial services, food services and real estate with services dominating their GDP and exports.

- However, it is important to note that, in recent years, SIDS have achieved a lot despite all the challenges facing them. Their performance in the Human Development Index (HDI) remained solid and exemplary, exceeding the average performance of developing countries. Some of them have also achieved upper middle-income status and significant economic progress by enhancing the knowledge and technological intensity of their services sectors.

**Opening remarks by Co-chair 2, H.E. Mr. Anders Adlercreutz, Minister for European Affairs and Ownership Steering of Republic of Finland. (three minutes)**

- Moving forward, SIDS have significant potential in marine-based resources and blue economy, which if sustainably harnessed could change the socioeconomic dynamics of SIDS for the better. They are home to substantial biodiversity, controlling nearly 30% of all ocean areas through their Exclusive Economic Zones. Global estimates of the blue economy turnover are between USD 3 trillion and USD 6 trillion annually. And it is projected to grow further in the years ahead.
- The blue economy entails the exploitation, preservation, and regeneration of the marine environment in a sustainable manner. Within the context of the blue economy, SIDS should focus on sustainable fisheries and the innovative use of marine resources, using lessons learnt from existing global frameworks, including the UN Decade of Ocean Science for Sustainable Development, as a means of embedding national priorities in sustainable ocean planning and management.
- More importantly SIDS need a new development and partnership model. This should consider limitations in SIDS' economic and trade structures, ecological and environmental challenges, structural disadvantages to attract FDI, as well as SIDS' needs and aspirations for inclusive growth and sustainable development, characterized by full and productive employment and decent work for all. It is essential for SIDS' policymakers to kickstart a paradigm shift in development policy formulation and implementation away

from fragmented and short-term interventions, towards multi-sectoral and integrated programme-based approaches, which acknowledge the interdependence of policies and actions.

- Among these, modern, data-driven, evidence-based industrial policies will be essential to diversify SIDS' economies, build productive capacities in traditional and emerging sectors with high export potential, include SIDS in regional and global value chains, develop the domestic private sector and create jobs.
- Today's Interactive Dialogue on revitalizing SIDS' economies is a unique opportunity to advance towards the implementation of the Antigua & Barbuda Agenda for SIDS (ABAS) and we invite all participants to engage actively in the discussions.