

**Statement of the Director General Mr. LI Yong during the handover ceremony of the Group of 77 on 22 January 2014**

Excellencies, Colleagues and Friends,

First of all, I am pleased to address this handover ceremony of the Group of 77 also honoured to be here with you to start this year, which marks the 50<sup>th</sup> anniversary of the establishment of the Group, to be celebrated in June this year.

Allow me to congratulate you Ambassador Azeez on your election as the Chairman of the Group. I also wish to thank Ambassador Elamin for his commendable leadership as Chairman of the Group, all the best for his future, we will indeed miss him here in Vienna.

Excellencies, Colleagues and Friends,

I would like to express gratitude for your continuous support before, during and after my election as Director General. I had the opportunity to address the G-77 in New York last November and interact with its members, as the continuous dialogue with Member States is of highest importance. Since my election as Director General of UNIDO in June last year, I have visited many of your countries. I have talked to many of your leaders – in government and business. We discussed, what matters most to them: How to advance the well-being of their people in an inclusive and sustainable manner. How to create the necessary jobs for the millions that are still excluded from decent employment.

The G-77 are a very diverse group and the development challenges differ from country to country. However, the need to achieve industrial development unites all of them: for instance, Least-developed and vulnerable countries can find substantial employment opportunities by shifting from agriculture to labour-intensive industries. Middle-income countries can grow jobs by shifting towards more technologically advanced industries, and expanding the services surrounding them. Also, with industry expanding, the demand for more and improved primary goods from agriculture, forestry, fishing and mining is growing.

Excellencies, Colleagues and Friends,

We need to ensure that industrial development takes place both in an inclusive and sustainable manner. This brings me to further elaborate my own vision of ISID. What do I mean by that?

First, we cannot and must not deny progress to those who are still struggling, who have so far been left behind. There should be equal opportunity for all peoples to create industries, to create manufacturing activities. All countries should have this kind of opportunity, and the benefits produced or generated by this process of *inclusive* industrial development should create shared prosperity.

Second, history taught us that industrial development needs to happen within an environmentally *sustainable* framework. We cannot deny that our industries cause major emissions and have a global environmental footprint. We do not need to choose between industrial growth and sustainability. Both can go hand-in hand, with the right choice of technologies.

Ultimately, ISID is not about building one or two factories, or a standalone assembly line for making shoes or shirts. Industrialization is a holistic transformation from a lower level of development to a higher level. To achieve ISID we all need to work together – governments, the private sector, civil society and the United Nations. Industrial development must become inclusive also in this sense of the word. We need to forge effective partnerships for knowledge exchange and technology transfer.

Besides traditional North-South cooperation, South-South cooperation is and will remain an important complement to the huge scaling up of investments required for infrastructure and industrial growth. We must, therefore, create the necessary enabling policies and institutional environment to allow for more South-South knowledge exchange so that we can all learn from each other's experiences and create more opportunities for investment, joint ventures and trade.

Excellencies, Colleagues and Friends,

As you are all aware, during the 15<sup>th</sup> General Conference in Lima, we have adopted the second Lima Declaration, which constitutes a landmark document for decades to come: making of inclusive and sustainable industrial development a priority for UNIDO. This conference was a historic event, with a new spirit to UNIDO, a spirit of inclusive and sustainable industrial development, a spirit of partnership and cooperation, a spirit that makes us aspire for a better and more prosperous tomorrow.

Allow me to refer to the Minister of Social Welfare, Women and Poverty Alleviation of Fiji, Dr. Luveni, in her statement on behalf of the G-77 and China at the 15<sup>th</sup> General Conference in Lima, recognized that poverty eradication remains the greatest global challenge today and an indispensable requirement of sustainable development. The G-77 Heads of State and Government have reaffirmed the central imperative of poverty eradication in the post-2015 development agenda at the Special Event on the Millennium Development Goals held in New York last September. Thus, the post-2015 development agenda is to reinforce the international community's commitment to poverty eradication through, among others, ISID.

The biggest challenge of our time is still how to eradicate poverty globally and how to make poverty eradication irreversible. We cannot achieve poverty eradication without sustained economic growth and without addressing the issue how developing can restructure their economies. History has shown us that countries that have achieved sustained economic growth and job creation have done so through industrialization.

Talking about the international development agenda, allow me to say that I am convinced that ISID provides a concrete space where the three dimensions of sustainable development – economic, social and environmental – can be integrated not just in theory, but in practice. Integrating these three dimensions in the pursuit of poverty eradication is the key challenge facing the international community as we are about to formulate a set of Sustainable Development Goals (SDGs) and the Post-2015 development agenda.

Excellencies, Colleagues and Friends,

Let me also say that we at UNIDO are looking forward for a strengthened regular and fruitful cooperation. Let me assure you that UNIDO's full support to the Group not only in the formulation of the Post-2015 development agenda, but also in providing technical cooperation and policy advisory services. The common goal remains the same: Achieving inclusive and sustainable industrial development. The ultimate objective must be to have a goal on sustained, inclusive and sustainable industrial development in this agenda.

Finally, I wish to assure you of UNIDO's full commitment to continue hosting the G-77 Chapter, which has been established in UNIDO 1998, thus facilitating the work of the Group.

I thank you very much for your kind attention.