



Statement of Mr. LI Yong
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at the

Opening Session of the
15th Session of the General Conference

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Lima, Peru

Your Excellency, President Humala,
Mr. Secretary-General,
Distinguished Ministers,
Madame President of the General Conference,
Honourable guests,
Excellencies, Ladies and Gentlemen,
Colleagues and friends,

Today is a historic day. A day to remember.

After almost 40 years, several hundred delegates, from all over the world, have come back to Lima, to the 15th session of the General Conference, to discuss what matters to them. What matters to their countries. To discuss our world's industrial future.

This is the second time that Lima hosts a UNIDO General Conference. At the Conference held here in 1975, you decided that the share of industrial production should be increased in developing countries. And you decided for UNIDO to be converted into a specialized agency. We are happy that both objectives were achieved.

At this conference today, you will again help shape the global framework, under which we will create the industrial future for generations to come. A future in which we will have increased our shared prosperity.

Today, you will adopt a global declaration – the *Lima Declaration* – that will shape this next era of globalization. The era of *inclusive and sustainable industrial development*.

Of course, none of this would have been possible without the generous support of the Government of Peru.

Let me therefore start with wholehearted thanks, particularly to you, President Humala.

I congratulate you, and your ministers –

Ms. Gladys Triveño, Minister of Production;

Ms. Eda Rivas, Minister of Foreign Relations; and

Ms. Magali Silva, Minister of Foreign Commerce and Tourism –

and their teams for organizing, together with UNIDO, the first General Conference held outside Vienna for 20 years.

And I cannot think of a better place to hold this Conference than Peru, where you have embarked on a successful path of economic diversification and industrial transformation, to create jobs and reduce income inequality.

Mr. President: Your country's leadership in convening the world for advancing its industrial development and industrial cooperation is indeed remarkable.

I would also like to pay my tribute to my dear friends, Mr. Campos, Mr. Magariños, and Mr. Yumkella. Thank you for joining us today.

Excellencies, Ladies and Gentlemen,

Since my election to the post of Director General of UNIDO in June this year, I have had the privilege of visiting many of your countries. I have talked to many of you personally – leaders in government and business. We discussed how to advance the wellbeing of all people in an inclusive and sustainable manner. How to create the necessary jobs for the millions that are still excluded from decent employment.

During the past few days here in Lima, leaders of the least-developed countries debated and agreed on how we can create substantial employment opportunities for their peoples by diversifying their economies and developing labour-intensive industries.

At the same time, the ministers of industry of Latin America deliberated over how their economies can become better interlinked, to create flourishing industries throughout the continent.

When I visited Addis Ababa earlier this year, I was informed that the African Union leaders had decided that industrialization would be a priority in their development plan of the next 50 years.

And in June, more than seventy middle-income countries adopted an industry-centred declaration in Costa Rica. They understood that an expansion of industry also increases the demand for more and improved primary goods from agriculture, forestry, fishing and mining, as well as the demand for banking, insurance, communications, trade and transport services.

We see the same story in countries of the “North” – with a prime example being the European Union and its plans for growing advanced industries.

The entire world wants – and needs – to grow its industries.

Industry is at the core of any development path.

In order to eradicate poverty, and to achieve higher levels of prosperity for all peoples, we will need to accelerate economic growth, driven by industrial development in all our countries. We need to do more to advance the industrialization of all countries, so they can create decent jobs and opportunities for all of their people.

As delegations in New York debate the formulation of the next development agenda after the MDGs – the post-2015 agenda – I therefore argue that we need to have a global goal that is based on *inclusive and sustainable industrial development*.

And I am not alone. Amongst the diplomatic community in New York, more than 25 Ambassadors have formed a group of “Friends of Inclusive and Sustainable Industrial Development”, to bring the message to the negotiations on the future post-2015 development agenda, including the Sustainable Development Goals.

Mr. Secretary-General, let me reassure you in this context that UNIDO will remain a strong partner for you in the implementation of all your global initiatives in the post-2015 development landscape.

I believe that UNIDO’s new vision of *inclusive and sustainable industrial development* is consistent with your vision of sustainable development.

Of course, we have always participated actively in system-wide UN initiatives – as a core member of the Global Compact; in the implementation of “Delivering as One”; and in many other important programmes advancing system-wide coherence. We are also a strong partner of your Sustainable Energy for All initiative.

I will make sure that you and all our partners in the United Nations system will continue to find a trusted and loyal partner in UNIDO.

Excellencies, Ladies and Gentlemen,

The story of globalization over the past decades and even centuries is one that has been shaped by technological, economic and social advancements. Many countries have reaped the rewards of a global success story. How was this success possible?

Whether we look at the early advancements in European countries or the United States over two hundred years ago, followed by Japan, and later such countries as the Republic of Korea and the many “tigers” and “dragons” that achieved rapid growth in more recent times – it was *industrial development* that shaped their success.

Let me tell you that over the past 30 years, I have witnessed a tremendous change in the world, not least because of enormous changes in my own country. I saw how industrialization – and the related structural change in our economies – helped greatly in pulling large sections of the population out of poverty. We opened up a very, very poor country with a big population to the world in the 1980s. You can't imagine that in 1978 GDP per capita at current prices was US\$228. And now, after more than 30 years of opening-up reforms, last year's GDP per capita was over US\$6,000.

What was the driving force? It was industry.

And we can see that as industrialization proceeds, the quality of jobs improves even more. Besides having higher wages, more advanced manufacturing jobs typically provided better benefits and security for the workers. I believe that on this basis, prosperity can be shared throughout society, providing a new backbone and stabilizer for our global economy.

We cannot and must not deny such progress to those who are still struggling, who have so far been left behind. Nobody should be left behind. We need to create more shared prosperity in and among all our countries and societies.

And we all need to work on this together – governments, the private sector, civil society and the United Nations. To find the right solutions, we particularly need to work on the constructive inclusion of women and youth – through their economic empowerment; through entrepreneurship development in all countries. Industrial development must become *inclusive*.

History also teaches us that industrial development needs to happen within an environmentally *sustainable* framework. We cannot deny that our industries cause major emissions and have an important environmental footprint. Indeed, there is no country in the world that is not struggling with the issues of waste management, water purification and emission reduction – it remains a major learning process for all of us.

We therefore need to realize that there is no alternative to the rapid reform of our industrial processes towards sustainability. We must increase our energy efficiency. We must reduce our emissions. We must use our scarce resources more efficiently and effectively. And we must advance our cleaner production abilities.

We do not need to choose between industrial growth and sustainability. Both can – and must – go hand-in-hand, with the right choice of technologies.

There are many good examples to build on and success stories to share. Many countries have achieved higher levels of sustainable development in all its dimensions – economic, social and environmental – for the benefit of their people. We should learn from those who succeeded, study their ideas and policies, and intensify our efforts to fully eradicate extreme poverty within the next generation.

We must create *Shared Prosperity*.

Excellencies, Ladies and Gentlemen,

To achieve all this in our current era of globalization requires new approaches that harness globally available knowledge and innovation. Knowledge exchange and technology transfer – both on North-South and South-South axes, and through triangular cooperation – can positively influence success in reaching this goal.

UNIDO has done a lot for convening the right partners and governments to exchange knowledge in all fields of industrialization: Be it for the development of agro-industries; for ensuring a better energy future; for advancing green industries; or for advancing the specific industrial agenda of groups of countries with similar interests and needs.

All these conferences and platforms have resulted in important programmes and partnerships.

These kinds of partnerships – multi-sector partnerships – should indeed be expanded because they are critical for promoting industrial development. Industrialization is not about building one or two factories, or just a stand-alone assembly line for making shoes or shirts.

Industrialization is a holistic structural transformation from a lower level of development to a higher level.

We must create *Networks for Prosperity*.

Excellencies, Ladies and Gentlemen,

The global financial crisis has taught us many lessons. One is the realization that industry is a key component to making economies less vulnerable to rapid changes in economic conditions and more resilient to confronting related shocks. In all countries, including the traditionally industrialized ones.

Our world is more interdependent than ever in history. It is more important than ever that we work together, to eradicate poverty on our planet within the next generation.

To achieve this, we will need new strategies for all countries towards an overarching goal of *inclusive and sustainable industrial development*.

To achieve this, we will need a strong UNIDO, to support all its member countries in achieving *inclusive and sustainable industrial development*.

This strength should come from the Organization's effective and efficient implementation of the guidance you are giving us through the Lima Declaration, as adopted by you during this General Conference.

But for achieving this, we need to make sure that UNIDO has the necessary means – political support, financial endowments, and adequate human resources.

We must make UNIDO a strong *Partner for Prosperity*.

Excellencies, Ladies and Gentlemen,

Today is a historic day. A day to remember.

The day when your vision – enshrined in the Lima Declaration – determines this important agenda for the future: *Inclusive and sustainable industrial development*.

It is here where you will shape the future operations, strength and direction of UNIDO.

It is here where you will determine the shape of the next era of globalization, and the path to our common future.

I count on your engagement, support and leadership.

Thank you very much.