


The South Centre Monthly is a monthly update which provides a snapshot of the publications and social media activities of the South Centre

PUBLICATIONS

Policy Briefs

Policy Brief 60, May 2019: Exploding Public and Private Debt, Declining ODA and FDI, Lower World GDP and Trade Growth – Developing Countries Facing a Conundrum



SOUTH CENTRE

POLICY BRIEF

No. 60 May 2019

**Exploding Public and Private Debt, Declining ODA and FDI,
Lower World GDP and Trade Growth – Developing Countries
Facing a Conundrum**

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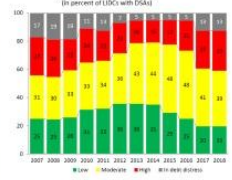
April was a month for some international institutions to publish data and forecasts to revise or confirm their economic projections made at the beginning of the year. So far, it has been bad news after bad news. The International Monetary Fund (IMF) has repeatedly cut its projections for world gross domestic product (GDP) growth of 2019. The World Bank and IMF revealed further worsened accumulation of public and private debt. The Organisation for Economic Co-operation and Development (OECD) reported declining official development assistance (ODA). The World Trade Organization (WTO) worried about decelerating international trade and intensified trade tension. The United Nations Conference on Trade and Development (UNCTAD) highlighted consecutive drops of foreign direct investment (FDI) flows. When so many dark clouds are gathering together at the same time, one can only say that the world economic prospects for 2019 are indeed gloomy. A closer examination of the performance of developing countries in these datasets would clearly show the economic conundrum that developing countries are facing.

The most dangerous sign for the world economy is the rising levels of public and private debt, and debt sustainability challenges for developing countries. For low-income countries (LICs), over 40 percent of them are facing a high risk of debt distress or are in debt distress, compared to less than 30% in 2012. Countries having low risk of debt distress were reduced to around 20% in 2018 from more than 35% in 2012. Public debt as a percentage of GDP in this group of countries increased from an average of 35% in 2012 to 47% in 2018. For emerging and middle-income countries, the debt situation is no better. Their

government debt-to-GDP ratio kept rising and averaged almost 51 percent of GDP in 2018, which is unprecedented since the early 1980s. 20% of the countries had debt ratios exceeding 70 percent of GDP, which means they are in high risk of debt distress.¹

Geographically speaking, the sub-Saharan region has a high concentration of countries with severe debt challenges - 16 countries were classified in 2018 as having either a high risk of debt distress (Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Ethiopia, Ghana,

**Evolution of Risk of Debt Distress
(in percent of LICs with Total)**



Year	Low	Moderate	High	Total
2007	35	15	5	55
2008	35	15	5	55
2009	35	15	5	55
2010	35	15	5	55
2011	35	15	5	55
2012	35	15	5	55
2013	35	15	5	55
2014	35	15	5	55
2015	35	15	5	55
2016	35	15	5	55
2017	35	15	5	55
2018	20	25	55	100

Note: LICs=low income developing countries
DMS=debt sustainability analyses
Source: World Bank and IMF data base. Credit: World Bank.

Abstract

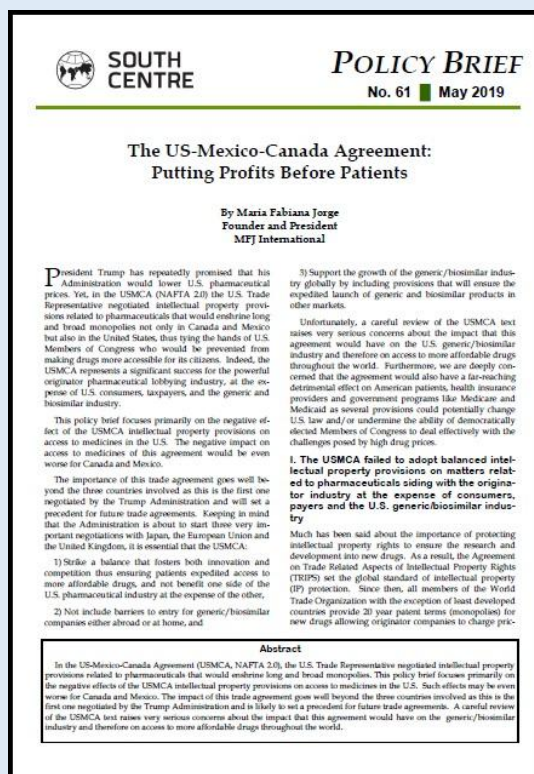
Recently international institutions repeatedly cut the projections for world gross domestic product (GDP) growth of 2019, revealed further worsened accumulation of debt, reported declining official development assistance (ODA), highlighted consecutive drops of foreign direct investment (FDI) flows and showed decelerated international trade and intensified trade tension. A closer examination of the performance of developing countries in these datasets shows clearly the economic conundrum that developing countries are facing. The most dangerous sign is the rising levels of public and private debt, and debt sustainability challenges for developing countries. It is worrisome that over 40 percent of low income countries are facing a high risk of debt distress or are in debt distress. The cloudy patches over the world economy are gathering together and getting darker. It seems a storm is coming soon for those developing countries which are facing a combination of weak economic fundamentals. Yet, there seems to be limited room for policy makers to take actions as downward pressure is coming from different directions at the same time and creating constraints which would make policy measures ineffective or feeble. In some cases, policy tools used to limit negative effects of one problem could trigger negative impact on other problem(s) in hand.

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from different directions at the same time and creating constraints which would make policy measures ineffective or feeble. In some cases, policy tools used to limit negative effects of one problem could trigger negative impact on other problem(s) in hand.

Available from: <https://www.southcentre.int/policy-brief-60-may-2019/>

Policy Brief 61, May 2019: The US-Mexico-Canada Agreement: Putting Profits Before Patients



In the US-Mexico-Canada Agreement (USMCA, NAFTA 2.0), the U.S. Trade Representative negotiated intellectual property provisions related to pharmaceuticals that would enshrine long and broad monopolies. This policy brief focuses primarily on the negative effects of the USMCA intellectual property provisions on access to medicines in the U.S. Such effects may be even worse for Canada and Mexico. The impact of this trade agreement goes well beyond the three countries involved as this is the first one negotiated by the Trump Administration and is likely to set a precedent for future trade agreements. A careful review of the USMCA text raises very serious concerns about the impact that this agreement would have on the generic/biosimilar industry and therefore on access to more affordable drugs throughout the world.

Available from: <https://www.southcentre.int/policy-brief-61-may-2019/>

SOUTHNEWS No. 252, 2 May 2019: The Board and Council of the South Centre Hold Meetings in Geneva



The South Centre recently held its 42nd meeting of the Board of the South Centre and 20th meeting of the Council of Representatives of the South Centre. The meetings took place on 29-30 April 2019 in Geneva. Below is a brief description as well as highlights of the meetings.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=60cab962fb>

SOUTHNEWS No. 253, 8 May 2019: Acceso a medicamentos y vías jurídicas que afectan la competencia en mercados farmacéuticos de Suramérica

This article (reproduced in Spanish) has been published by the South American Institute of Government in Health (ISAGS) on the use in Latin America of the flexibilities of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) to improve access to affordable medicines, an area in which the South Centre is providing analytical support, training and technical assistance (<https://ipaccessmeds.southcentre.int/>).

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=7b97511f79>

SOUTHNEWS No. 254, 23 May 2019: South Centre Statement at the Meeting of the Non-Aligned Movement (NAM) Health Ministers



Photo credit: Permanent Mission of Venezuela to the United Nations in Geneva

Dr. Carlos M. Correa, Executive Director of the South Centre, stressed the need to preserve the World Health Organization (WHO) as a public, independent agency that effectively addresses the health problems of developing countries, at the Non-Aligned Movement (NAM) Health Ministers Meeting held on the occasion of the 72nd World Health Assembly. Below is the statement (in English and Spanish) of the South Centre delivered at the Palais des Nations, Geneva on 21 May 2019.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=1283e0b714>

SOUTHNEWS No. 255, 27 May 2019: Declaration of the XII Ministerial Meeting of the Ministers of Health of the Non-Aligned Movement (NAM) “Universal Health Coverage: Leave no one behind”

The Non-Aligned Movement (NAM) Health Ministers noted that making progress on Universal Health Coverage (UHC) is critical to address goal number 3 and other goals in the 2030 Agenda, and called for intensified cooperation and support to achieve such objectives. Below is the declaration adopted on occasion of the 72nd World Health Assembly on 21 May 2019.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=b1ea894240>

SOUTHNEWS No. 256, 28 May 2019: South Centre Statement on Access to Biosimilars/Biogenic Medicines at the WHA 72



The revision of the guidelines on similar therapeutic products mandated by Resolution WHA67.21 is crucial for promoting the availability of and access to biosimilars. The reduction in prices ensuing from the introduction of these products has become essential to address public health needs in developed and developing countries. The WHO Document A72/59 under consideration by the WHA 72 (agenda item 21.3) states in paragraph 80 that “WHO expert committees have approved guidance on (...) biotherapeutics, including an update of the 2009 similar biotherapeutic products guidelines”. This statement is not accurate, as the guidelines were not updated as mandated by Resolution WHA67.21. Below is the South Centre statement in relation to this issue.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=18a20ad4fd>

SOUTHNEWS No. 257, 29 May 2019: Intergovernmental meeting on the implementation of the BAPA+40 outcome document convened in Geneva



The South Centre, United Nations Conference for Trade and Development (UNCTAD) and International Labour Organization (ILO) co-organized a meeting on 23 May 2019 in Geneva to discuss the outcome of the United Nations Second High-level Conference on South-South Cooperation (BAPA+40) held in March 2019. It was the first public intergovernmental meeting organized post-BAPA+40 to deliberate issues related to the implementation of the BAPA+40 outcome document and served as an opportunity to discuss the main actions to further promote South-South Cooperation (SSC) as well as triangular cooperation (TrC) for the purpose of the attainment of the 2030 Agenda for Sustainable Development.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=18c7457b33>

SouthViews

SouthViews No. 179, 3 May 2019: 2030 Sustainable Development Agenda with Focus on Education Goal - SDG 4 by Kishore Singh

Sustainable Development Goal (SDG) 4 to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” of the 2030 Agenda for Sustainable Development must be considered bearing in mind the right to education as an internationally recognized right as well as the right to development. Below is the keynote presentation by Kishore Singh, former United Nations Special Rapporteur on the Right to Education, at the Asian High-level Forum on Human Rights on the occasion of the 70th Anniversary of the Universal Declaration of Human Rights.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=ffadc6babb>

SouthViews No. 180, 20 May 2019: Colombia's Biogenerics Regulation A Preliminary Court Decision in favour of Public Health by Carolina Gómez

The Council of State of Colombia's recent ruling on the abbreviated pathway for marketing authorization of biogenerics is a valuable step towards acceptance and uptake of biogenerics, favoring public health, access and market competition.

Available from: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=98d2b094a7>

Social Media

Twitter Highlights:

Top Tweet earned 3,636 impressions

Key outcome **#WHA72** is new resolution on price transparency of health products A72/CONF/2Rev1. Short of ambition of majority of members. Yet countries can go further, implement natl. policies for disclosure of real costs of R&D, clinical trials & amount of **#publicinvestment** @WHO pic.twitter.com/ROb3T1aeZ2



25 24

Top mention earned 258 engagements



Carina Vance Mafla

@CarinaVanceEC · May 3

Agradezco la confianza del Consejo de Representantes del @South_Centre. Será un honor aportar a su misión representando a Latinoamérica y el Caribe en su Consejo Directivo.

SouthNews: The Board and Council of the South Centre Hold Meetings in Geneva: mailchi.mp/southcentre/so...

4 28 76

[View Tweet](#)

MAY 2019 SUMMARY

Tweets
46

Tweet impressions
73.9K

Profile visits
8,473

Mentions
95

New followers
52

South Centre @South_Centre · May 1



The expanding dominance of the #digitaleconomy creates challenges on the allocation of #taxingrights for developing countries. The @South_Centre peer exchange meeting in #NY was an opportunity to identify opportunities and solutions that serve #developingcountries interests.



2 10



South Centre @South_Centre · May 8

Dr. Carlos Correa, Exec. Dir. @South_Centre was pleased to meet Amb. Ms. Socorro Flores Liera, Permanent Mission of #Mexico to UN Geneva, to discuss #socioeconomicpolicies put in place by new Mexican govt. to achieve #SDGs & role of intl. regime to support the country's efforts.



Socorro Flores Liera, Carlos Maria Correa and Misión de México ONU

1 6

South Centre @South_Centre · May 6



Record sea level rise, exceptionally high land & ocean temperatures over the last four years are part of a #warmingtrend since beginning of this century & expected to continue - @WMO Statement on the State of the #GlobalClimate in 2018. #ClimateAction See



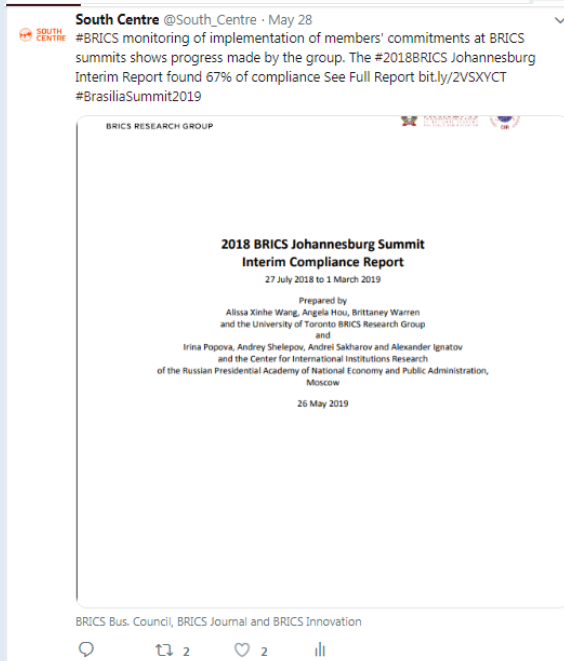
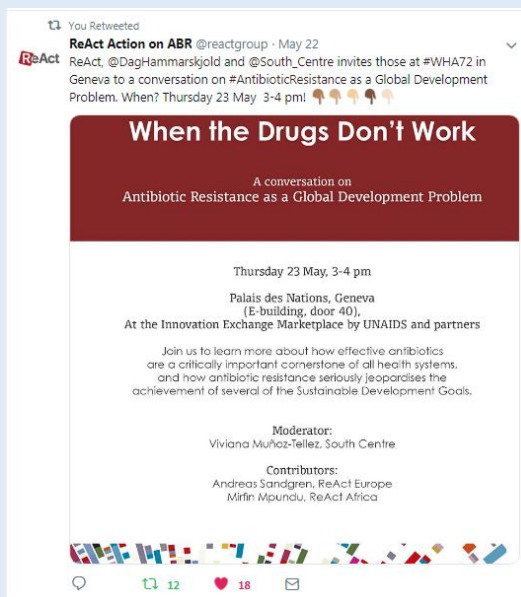
State of the Climate in 2018 shows accelerating cli...

The physical signs and socio-economic impacts of climate change are accelerating as record greenhouse gas concentrations drive global temperatures towards l... public.wmo.int

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