



**STATEMENT BY DR. CARLOS CORREA, EXECUTIVE DIRECTOR OF THE
SOUTH CENTRE, TO THE MINISTERS AND GOVERNORS MEETING OF THE
INTERGOVERNMENTAL GROUP OF TWENTY-FOUR (G24)**

14 October 2025, Washington, D.C.

2025 so far has marked the lowest level of global peace since World War II (WWII) and the continued rise of economic nationalism. There has been a significant increase of uncertainty, instability, inequality, exclusion, and fragmentation in the world. The political and economic turbulence and the abandoning of some pillars of the rules-based international order built since WWII highlight the importance of respecting international law and the United Nations (UN) Charter to maintain peace and economic stability.

In this context and in an environment of weak global economic growth and increasing financial stability risks, emerging and developing economies (EMDEs) face challenges growing in number and intensity. In particular, trade policy disruptions have sent shockwaves across the world, disrupting supply chain, worsening terms of trade in many countries, reducing trade revenue and hindering efforts to rebuild fiscal buffers. Since cascading crises had already exhausted much of the available policy space in many countries, much of the negative spillover of tariff hikes could not be absorbed, leading to further vulnerabilities.

Financial conditions tightened further as markets reacted negatively to the diminished growth prospects and increased uncertainties, leading to high borrowing costs which is the major reason for increasing debt vulnerabilities. Since 2020, developing regions have been borrowing at rates that are two to four times higher than those for the United States. Moreover, developing countries experienced a net resource outflow for the second year in a row. Public debt in developing countries has surged over the past decade. The debt-to-GDP ratio in many developing countries has climbed, reaching over 50% in many cases, and in some countries exceeded 100%. Debt distress is a major concern. Approximately two-thirds of low-income countries are now facing debt distress or a high risk of it. 3.3 billion people now live in countries where debt interest payments are greater than expenditures on health or education. In 2024, many viewed the debt vulnerabilities in developing countries as a short-term liquidity squeeze. In 2025, the perceptions have shifted to believe that many developing countries are grappling with debt sustainability issues.

Another challenge facing EMDEs is a sharp contraction of official development assistance (ODA), with simultaneous ODA from major donor countries cut. Followed by a decline of 7.1% in real terms in 2024, the ODA in 2025 has been marked by a continuous sharp downward trajectory while a growing proportion is spent to cover in-donor refugee costs. These changes have far-reaching consequences, especially in low-income economies.

The UN's Secretary-General, António Guterres, warned recently that "financing is the engine of development and right now, this engine is sputtering." Total external finance to developing countries remained significantly below the USD 9.24 trillion estimated to be required annually to

achieve the 2030 Agenda for Sustainable Development. The gap between development financing needs and available resources is getting wider and wider.

The South Centre welcomes the progress made in the international tax agenda during the year. The [*Compromiso de Sevilla*](#) marks a significant step for developing countries, including the commitment by countries to enhance the taxation of High-Net-Worth Individuals, the possible creation of a public Country-by-Country Reporting database -as advocated by the South Centre- and to curb Illicit Financial Flows (IFFs). It also reaffirmed countries' commitment to continue constructive engagement in the negotiations for a UN Framework Convention on International Tax Cooperation. The G24 can collectively champion the immediate and practical implementation of the commitments made in the *Compromiso de Sevilla*. The South Centre has continued to support these developments and to make proposals that have been part of the negotiations.

We welcome the appointment of the new members of the UN Tax Committee for 2025–2029 and urge that the Committee's work reflect the priorities of developing countries, including South Centre's proposals on various issues of key importance for those countries.

Finally, we welcome the growing recognition of the State of Palestine, a Member State of the South Centre. Together with most of the world, the South Centre wishes to express its strong support to Palestine and hope for an urgent and permanent ceasefire in Gaza.