

Statement by Pakistan in the Sixth Committee on the Report of the United Nations Commission on International Trade Law on the work of its fifty-seventh session (Agenda item 77)

79th Session of the General Assembly

14 October 2024

Thank you Mr. Chair,

Pakistan commends the United Nations Commission on International Trade Law (UNCITRAL) for its work during its 57th session, held in New York this year. We also acknowledge the comprehensive insights outlined in the report A/79/17, which reflect the continued dedication of UNCITRAL to advancing international trade law.

2. We appreciate UNCITRAL for its invaluable contributions, which have been instrumental in driving forward the harmonization of international trade law. The legislative work of the Commission plays a vital role in supporting the Sustainable Development Goals (SDGs), fostering fair and stable legal frameworks that promote balanced, sustainable development across the globe.

3. We recognize the vital role of the UNCITRAL Secretariat in supporting the Commission and its working groups. We encourage the Secretariat to continue its efforts to disseminate and raise awareness of UNCITRAL texts while providing valuable assistance to States in their implementation.

Mr. Chair,

4. Pakistan welcomes the significant progress achieved during the 57th session, particularly the finalization and adoption of key instruments including, (i) the UNCITRAL/UNIDROIT Model Law on Warehouse Receipts; (ii) the Statute of the Advisory Centre on International Investment Dispute Resolution; (iii) the UNCITRAL Model Clauses on Specialized Express Dispute Resolution and; (iv) and the UNCITRAL Model Law on Automated Contracting.

5. We also take note of the future work agreed upon by the Commission during its 57th session, which includes the new mandate for Working Group II to address the recognition and enforcement of electronic arbitral awards, the upcoming colloquium on the relevance of UNCITRAL instruments for climate action in Vienna, and the review of new asset types under the UNCITRAL Model Law on Secured Transactions. Additionally, the Secretariat will conduct a stocktaking of UNCITRAL texts on electronic commerce in collaboration with organizations like ESCAP and UNCTAD. We expect that these initiatives

will significantly enhance the effectiveness and relevance of UNCITRAL's work.

Mr. Chair,

6. Pakistan also recognize the critical importance of the UNCITRAL Working Groups. With respect to Working Group I, Pakistan acknowledges the need to reduce the legal barriers faced by micro, small, and medium-sized enterprises (MSMEs) throughout their life cycle. This is especially significant for developing economies, where MSMEs serve as key drivers of economic growth and development.

7. Regarding UNCITRAL's Working Group III, which has been leading the efforts on Investor-State Dispute Settlement (ISDS) reform since 2017, Pakistan welcomes the progress made toward establishing the Advisory Centre on International Investment Dispute Resolution. Once operational, this Centre will offer essential legal services, including training and representation, to bolster the capacity of States, particularly developing economies, in managing investment disputes. We are hopeful that the Advisory Centre will play a vital role in providing legal counsel on critical issues such as the regulation of third-party funding, the right of States to regulate foreign investments, counterclaims by States, and the assessment of damages in arbitral awards, ensuring they are based on actual investments and their fair market value.

8. We also note the positive developments in Working Group III's mandate to further equip the Secretariat with tools to prevent and mitigate disputes. The preparation of a toolkit, compiling the practices of various States, will be invaluable in this regard. Additionally, we appreciate the ongoing work on the draft statute for a standing mechanism to resolve international investment disputes.

Mr. Chair,

9. In light of the ongoing work of Working Group III on ISDS reform, my delegation underscores the importance of prioritizing discussions on the issue of damages. In recent years, substantial damages awarded against States have prompted critiques of the investment arbitration system, with concerns that it favors investors and burdens developing countries. To uphold the legitimacy of the ISDS system, reforms must balance the rights and obligations of both States and investors.

10. Last year, on the sidelines of the 56th session of UNCITRAL in Vienna, Pakistan organized a side event titled "Quantum of Damages in Investor-State Dispute Settlement: Perspectives of Developing Countries." We believe this topic warrants further exploration and may be considered for inclusion in the Commission's formal agenda of substantive work.

11. My delegation emphasizes that future work on ISDS reform should prioritize the limited resources and technical challenges faced by developing States, which affect their participation in discussions. The effectiveness and credibility of any reforms hinge on the active involvement of all member States, particularly both developed and developing countries. The role of the UNCITRAL Secretariat continues to remain crucial in providing essential insights and perspectives on the direction and substance of these potential reforms.

I thank you, Mr. Chair.