



**STATEMENT ON BEHALF OF GROUP OF 77 AND CHINA BY MS. FARHAT  
AYESHA OF ISLAMIC REPUBLIC OF PAKISTAN ON "INDUSTRIAL  
DEVELOPMENT" IN THE FIFTEENTH SESSION OF COMMISSION ON  
SUSTAINABLE DEVELOPMENT (CSD-15) (New York, 1 May 2007)**

**Mr. Chairman, Excellencies, ladies and gentlemen,**

It is my pleasure to make this contribution on behalf of Group of 77 and China to our discussion on Industrial Development.

Sustained Industrial development is crucial for eradicating poverty and promoting sustained economic growth and sustainable development. Happily some developing countries have achieved significant economic growth rates in recent years, largely owing to rapid industrial development. These countries are well on their way to achieving the MDGs. Many, on the other hand, are still caught in the poverty trap and for whom MDGs remain an elusive dream.

The three over arching objectives of sustainable development i.e. protecting natural resources, eradicating poverty, and changing unsustainable production and consumption patterns are equally relevant to industrial development. The additional factor that we deem critical in this respect is the need for enhanced corporate, environmental and social responsibility. We believe that the policies at national and international levels should be geared towards advancing industrial development. Importantly, countries should have the right to decide their own industrial development strategies based on the level, rate and pace of their development as well as capacity.

**Mr. Chairman,**

Developing countries have made some important achievements, of course not without serious efforts and high costs, in pursuit of sustainable industrial development. Nevertheless, they are still faced with formidable tasks of developing their economies, eradicating poverty and protecting the environment. Our endeavours for industrial development are faced with numerous challenges including lack of access to energy, poor basic infrastructure, and industrial pollution.

The optimal utilization of trade as the engine of growth and its potential to contribute for industrial development is severely constrained by both supply side and demand side constraints in developing countries. We are also faced with serious infrastructural impediments, due to limited capacities in terms of institutions and human resources and insufficient human skills. There is limited capacity of strengthening regulations, codes, and standards at national levels.

On the demand side, trade market access continues to be negated by tariff and non-tariff barriers and residual bias in tariff structures. On the supply side, major constraints are lack or absence of infrastructure, limited productive capacities, inadequate financial inflows including FDI, limited research and development, education, innovation, and diversification. Problems of outdated, industrial technologies and production methodologies hamper quick improvements. There is need for minimization of wastes and conservation of natural resources.

**Mr. Chairman,**

In addition to the policy recommendations already suggested by the G-77 so far, we may submit our further proposals in the coming days. However, the Group would like to re-submit the following

policy options for endorsement by CSD-15, which in our view are important to cope with the challenges faced by the world in achieving the goals of industrial development:

**First**, at the national level, Governments, taking into account their respective national priorities and circumstances, should be encouraged, with the support of the international community, to consider, as appropriate:

1. Fostering close cooperation between government and other relevant stakeholders;

1. Supporting national actions and measures of the developing countries for the expansion of energy services in rural and remote areas in particular to the poor.

**Second**, the Commission should encourage cooperation on industrial development issues, including technological, financial and technical assistance, taking into account each region's specific needs and characteristics, aimed at:

A. Strengthening cooperation in infrastructure, financial resources, technology, including between R&D institutions;

B. Enhancing capacity-building, including through human resources development and institutional strengthening, as well as involvement of all relevant stakeholders in the work for industrial development.

**Third**, international cooperation is of vital importance to sustainable industrial development, with a focus on the following actions:

1. Improving market access for products of importance to developing countries and work toward a successful completion of the Doha Round of WTO;

1. Concrete measures should be taken by developed countries to eliminate tariff and non-tariff barriers on imports from developing countries, including the removal of tariff escalations and tariff peaks on exports from developing countries, thus to enable developing countries to make full use of their comparative advantages;

1. Supporting the transfer of technology on favorable terms to developing countries and provide assistance to strengthen the productive capacity of developing countries by scaling up the technical and financial resource flows for basic infrastructure and facilitating foreign direct investment;

1. Promoting corporate environmental and social responsibility and accountability, taking into account the Declaration on Fundamental Principles and Rights at Work of the ILO, bearing in mind labor rights of migrant workers from developing countries, and the exchange of best practices in the context of sustainable development, including, as appropriate, through multi-

stakeholder dialogue, such as through the CSD, and other initiatives;

**Mr. Chairman,**

We strongly support the following policy options, as suggested by G-77 during the IPM, which are now contained in the Chairman's draft negotiation text:

**First**, developing and strengthening the productive capacity of developing countries by scaling up the technical and financial resource flows for basic infrastructure and to support national and regional projects.

**Second**, there is need for more sustainable use of natural resources in industry in an effort to reduce negative environmental impacts while reducing costs and increasing competitiveness.

**Third**, South-South cooperation, North-South cooperation as well as triangular cooperation and regional cooperation in terms of trade, investment, technology and knowledge transfer is of growing importance and should be promoted.

**Fourth**, strengthening programs of technical and financial support to Small and Medium-sized Enterprises (SMEs).

**Fifth**, intensify outreach activities including campaigns for education and awareness raising, building on local cultural values to change consumer behavior toward more sustainable lifestyles.

**Sixth**, it is essential to promote the practice of responsible entrepreneurship within more sectors, particularly among SME. Corporate environmental and social responsibility and accountability, as stipulated in JPOI should be enhanced, and;

**Seventh**, developed countries should translate their commitments into actions on capacity building and transfer of environmentally sound as well as energy-saving technologies on favorable terms, under direct or indirect government control to the developing countries.

**Mr. Chairman,**

We need to build sound national political, social and macroeconomic policies for domestic enabling environment conducive to industrial development. We can achieve our objectives by fostering close cooperation between government, industry, trade unions and civil society. Promotion of sustainable consumption and production patterns, with the developed countries taking the lead, are vital for industrial development.

I thank you.