



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. SENATOR DR. MOHAMMAD SAID, ISLAMIC REPUBLIC OF PAKISTAN, ON AGENDA ITEM 52 (A): INTERNATIONAL TRADE AND DEVELOPMENT, AT THE SECOND COMMITTEE OF THE 62ND UN GENERAL ASSEMBLY (New York, 25 October 2007)

Madam Chairperson,

Let me begin by thanking the Secretary General for his report on agenda item 52(a) and the Trade and Development Board for the reports on its various Sessions.

2. The Secretary General's Report (A/62/266) points out that during 2000-2005 export growth accounted for over 60 percent of GDP Growth for developing countries. This clearly highlights the key role that international trade can play as a powerful engine of economic growth and development.

3. Unfortunately, the continuing impasse in the Doha Round of Trade Negotiations has placed a big question mark on the capacity of the multilateral system to optimally deliver on its development potential. Most importantly, the deadlock in negotiations has undermined the capacity and endeavours of the developing countries to achieve the Internationally agreed Development Goals including MDGs. Besides, it has compromised our efforts to establish a universal rule based, open non-discriminatory and equitable multilateral trading system that contributes to economic growth and sustainable development.

4. The path to fully harness the development potential of trade has been long and difficult. Regrettably, the international trade regime has always been weighted against the developing countries. There is no mechanism for commodity price stabilization. Textiles and Agriculture were excluded for over 40 years from liberalization. Liberalization, till now, has taken place in areas where the rich are strong, not those where the poor can compete. Developing country products face discriminatory high and escalating tariff barriers.

Madam Chair,

5. The stalemate in the Doha Round is bad news for both the developed and the developing countries. It has placed a big question mark on the credibility of the multilateral trading system and the multilateral trade negotiating process, particularly in the context of the commitments made to the developing countries.

6. The objectives of liberalization of agriculture; reduction of high and discriminatory industrial tariffs; equitable liberalization of services, especially labour; are equally important for all countries. Yet, the onus for striking the so-called 'grand bargain' should not be placed on the developing countries. Answers need to be found on how development and trade goals can be reached within the context of continuing inequity and discriminatory constraints imposed by the present multilateral trading system. The development goals of the Doha Round should not be sacrificed for the sake of realizing an early but empty conclusion. The result must achieve tangible and significant trade benefits for the developing countries.

Madam Chair,

7. There is thus a need to clearly identify and achieve the development objectives of the Doha Round. The opportunity has so far been wasted even after exceeding the original deadline for the conclusion of the Round by three years. The key benchmarks for a successful and development oriented outcome of the Doha Round in our view are:

- One, liberalization in the agriculture sector is the key to the successful conclusion of the Doha Round.
- Two, the objectives in the non-agricultural market access negotiations should be to reduce or eliminate tariffs, including high tariffs, tariff escalation and non-tariff barriers, especially on products of export interest to developing countries, with special and differential treatment and "less than full reciprocity" in reduction commitments in favour of developing countries.
- Three, we hope that the plurilateral approach adopted to inject progress and dynamism in the services sector will produce the desired results, particularly commitments to liberalize labour services (Mode IV on temporary movement of natural persons). The enormous social and political issues require trade in liberalizing the movement of labour to be openly and honestly addressed in the relevant forums. The Secretary General's Report has also rightly recognized the immense potential that liberalization of Trade in Mode IV has in enhancing world welfare. Liberalization of labour services will help restore balance and reduce distortions in the international trade regime.
- Four, market access and trade liberalization often continues to be negated by non-tariff barriers, market access barriers and residual bias in tariff structures. The exports of developing countries are specially constrained by several arbitrary and abusive non-tariff measures, including sanitary and phyto sanitary and anti-dumping actions. It is essential to address each of these issues boldly and sincerely since they reduce the credibility of multilateral trade rules.
- Five, special and differential treatment and implementation issues continue to be essential to the development dimension of the round, as addressing imbalance in the multilateral trading system on a fast-track basis was part of the balance in the Doha mandate. We are concerned that the initial 88 agreements-specific special and differential treatment proposals have seen little progress in terms of making them more precise, effective and operational.
- Six, the objective of all Special and Differential treatment should be to ensure that weaker and non-competitive countries are not negatively affected by trade liberalization, especially in their effort to industrialize and build the capacity for production, especially raw material processing, and enlarged exports. In the Doha talks, and elsewhere, there has been a welcome focus on enabling the weaker economies to build the human, physical and institutional capacity for production and trade. We hope that the early operationalization of the Aid for Trade Initiative will generate the requisite additional resources to realize the long-awaited actions to assist in such capacity building. However, the Aid for Trade Initiative can bring meaningful benefits to the weaker economies if it is implemented in conjunction with greater market access for the exports of developing countries. The Initiative should not be treated as an alternative or substitute for market access to the developing countries. Moreover, capacity building will need to be promoted more comprehensively, as an objective of socio-economic development, not merely of enlarged exports and trade. As noted in the Secretary General's Report, the effective operationalization of the principles of special and differential treatment and "less than full reciprocity", supported by an ambitious and operational Aid for Trade, would be instrumental for rendering the trading system sensitive to the development aspirations of developing countries and ensuring their sustainable and beneficial participation in international trade.

Madam Chair,

8. Conscious steps are also required to establish a closer linkage between international trade and the achievement of the MDGs and other internationally agreed development goals. The UN and UNCTAD should help to develop more specific indicators and benchmarks to monitor progress in the contribution of trade to the achievement of the MDGs and IADGs. Such monitoring should record both positive results and negative impacts of trade regimes and liberalization. It will also be vital to monitor the impact of tariffs regimes, commodity prices and availability, special and differential treatment, non-tariff barriers and the impact of the TRIMs and TRIPs, including on the transfer and application of technologies required for development and industrialization.

9. The transfer and dissemination of knowledge, technology and know-how is essential for the sustained economic growth and sustainable development. The global IPR regime should facilitate this. A more comprehensive development review is therefore required of the TRIPs regime to make it development oriented. The review should lead to appropriate modifications in the regime to ensure that it helps and does not hinder development particularly through facilitating the access to and transfer of technology and knowledge to developing countries. In this regard, we are also concerned over the slow pace of ratification of the TRIPs amendment adopted in December 2005.

Madam Chair,

10. The Conference on Trade and Development - UNCTAD - has made invaluable contributions to identifying and advancing the goals of development through trade. UNCTAD must continue its tradition of producing high quality analysis, forecasts and recommendations to advancing the goals of fair and open trade designed to promote development. It requires the most qualified personnel to discharge this often challenging, and challenged, function and must be provided with adequate resources for effectively delivering on its mandated responsibilities.

11. The G-77 and China also stress the importance of facilitating the accession of all developing countries, in particular the LDCs that apply for membership in the World Trade Organization (WTO), without political impediments, in an expeditious and transparent manner and with full observance of the principles of special and differential treatment for developing countries.

12. In advancing the global trade agenda through Doha Round, the international community will also have to be particularly mindful of the special needs of and challenges faced by Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States.

Madam Chair,

13. In conclusion, let me on behalf of the Group of 77 and China call upon the developed countries to demonstrate the flexibility and political will required to break the current impasse in the Doha Round of trade negotiations and to work towards early resumption and timely completion of the Doha Round of trade negotiations, with the fullest realization of the development dimensions of the Doha Work Programme. In this context, it is important to recognize the mandates contained in the Doha Ministerial Declaration, the WTO General Council decision of August 1, 2004 and the Hong Kong Ministerial Declaration to meaningfully integrate the developing countries into the multilateral trading system.

14. The impasse in Geneva negotiations is too important to be ignored. Clearly, the process needs political propulsion to create a breakthrough. Our leaders at the 2005 Summit reaffirmed the need

for the United Nations to play a fundamental role in the promotion of international cooperation for development and the coherence, coordination and implementation of development goals and actions agreed upon by the international community. Living up to this expectation, the General Assembly must send a clear, succinct and strong message to WTO for an early and genuinely development oriented outcome of the Doha round. This is particularly important this year at the UN as we prepare for the mid-term review of Monterrey, which also recognized trade as an important source of financing for development.

I thank you, Madam Chair.

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