



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA DELIVERED BY MR THULANI NYEMBE, REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, ON MACROECONOMIC POLICY QUESTIONS AT THE SECOND COMMITTEE OF THE UN GENERAL ASSEMBLY (New York, 26 October 2015)

Mr. Chairman

I have the honour to deliver this statement on behalf of the Group of 77 and China.

Mr Chairman

All of the 4 sub-items under discussion are the Group of 77 and China's key deliverables in ensuring a strengthened international cooperation on trade, the international financial system, external debt sustainability, and commodities. In this regard the Group of 77 and China acknowledges the Secretary-General's reports on International Trade; Unilateral Economic Measures as a Means of Political and Economic Coercion Against Developing Countries; International Financial System, External Debt Sustainability and Commodities.

The Group of 77 and China recognizes the importance of the international trade system which should not only address the needs and challenges of developing countries but also call for the implementation of the principle of special and differential treatment of developing countries as outlined in the outcomes of both the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, as well as the 2030 Agenda for Sustainable Development.

For the existing multilateral trading system to fully harness the potential of trade, it is important that practices such as trade barriers, unilateral trade actions, trade-distorting export subsidies and all other trade distorting measures, particularly in sectors of special export interests to developing countries, including in agriculture, are urgently eliminated. The Duty-free and-quota-free (DFQF) market access could generate significant resources for financing the development of LDCs. Both tariff and non-tariff barriers are major challenges for developing countries especially the LDCs. The Group of 77 and China would therefore like to call for the timely implementation of DFQF market access to developed countries, and developing countries declaring in a position to do so, on a lasting basis for all products from all LDCs, and also for developing simple and transparent rules of origin applicable to imports from least developed countries, in accordance with the guidelines adopted by WTO Members at the Bali Ministerial Meeting in 2013.

The Group of 77 and China still maintains that, for the existing multilateral trading system to be relevant, it is important that it upholds a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable trading system that encourages long-term investment in productive capacities and contributes to sustainable development, inclusive growth and job creation, especially for developing countries.

In this regard, the Group of 77 and China would also emphasize the need to respect the policy space for developing countries, in addition to their increased participation in the formulation of their respective development strategies, in expressing their national interests and differing needs, which should not be curtailed by global rules and disciplines in the process of integration into the global

economy.

Mr Chairman

The World Trade Organisation (WTO) has therefore become even more relevant as the only rules-based multilateral trading organisation that governs the conduct of international trade flows in the context of the implementation of Addis Ababa Action Agenda and 2030 Agenda Sustainable Development. Accordingly, the urgent need for harmonized norms and standards of the WTO becomes even more paramount so to be able to ensure its effectiveness and relevance in benefitting all countries, particularly developing countries.

The Group of 77 and China is of the view that addressing issues of reform within the WTO is a prerequisite for all other changes in the multilateral trading system. With the endorsement of the Addis Ababa Action Agenda and the 2030 Agenda, there is a need to urgently conclude the Doha Round, to achieve concrete outcomes in agriculture, increasing market access and Aid for Trade, as important components of measures that will assist developing countries in taking advantage of the opportunities offered by the international trading system, as well as the need for an open, transparent, inclusive, non-discriminatory and fair trading system. The Group also calls for facilitating the accession to the WTO by developing countries, and the integration of developing countries MSMEs into the global value chains. Capacity building and technical assistance should be strengthened for the LDCs acceding to the WTO to facilitate their accession process, based on their level and needs of economic development.

The Group hopes that the upcoming 10th WTO Ministerial Conference in Nairobi, Kenya, in December this year will serve this purpose which the Group sees as legitimate and right. It is the Group's further resolve for the outcome of the Conference to address the longstanding systemic issues which include, inter alia, market access for developing countries, trade barriers and trade distorting subsidies in developed countries, restricted access to trade finance and reduced investment in production diversification and in the promotion of exports.

Since two-thirds of the WTO membership is developing countries, advancing a more development-friendly multilateral trading system is critical to ensuring that trade opportunities are made available on an equitable basis and that new trade rules do not subvert the development financing prospects of developing countries.

Mr Chairman

The Group of 77 and China has always stressed the importance of debt relief, including debt cancellation and debt restructuring for achieving sustainable development. Debt restructuring processes should have as their core element a determination of real payment capacity so that they may not compromise national growth perspectives.

The G77 and China acknowledge that many countries, including many developing countries, remain vulnerable to debt crises, and some are in the midst of crises. In this regard we recognize the urgent need to address the debt sustainability challenges facing many LDCs and SIDS, and the need to ensure debt sustainability to the smooth transition of countries that graduate from LDC status.

The Group of 77 and China welcomes the work carried out by the Ad Hoc Committee on Sovereign Debt Restructuring Mechanism which led to the adoption of United Nations General Assembly Resolution 69/319 on the Basic Principles on Sovereign Debt Restructuring Processes.

As we look ahead, we further reiterate the urgent need for the international community to constructively cooperate and work together with the UN and the International Financial Institutions on the discussions directed to enhance transparency, supervision, regulation and good governance of the international financial system, in order to promote international stability as well as to examine options for an effective, equitable, durable, independent and development-oriented debt restructuring and international debt resolution options.

The Group is pleased that the voluntary implementation of the nine Basic Principles on Sovereign Debt Restructuring will be in accordance with national policies and circumstances.

Mr Chairman

The recent trends in commodity prices have shown that there is excessive price volatility in the global markets which have adverse effects on developing countries. The factors that contribute to engendering high commodity price volatility, as identified in the Secretary-General's report A/70/184, include traditional supply and demand factors such as the weather, demographic changes and changes in the consumption patterns in emerging economies.

Many commodity-dependent developing countries and economies in transition continue to be highly vulnerable to commodity price fluctuations. We recognize the need to continue efforts to improve the regulation, efficiency, responsiveness, functioning and transparency of commodity markets nationally, regionally and internationally, in order to address excessive commodity price volatility.

The Group of 77 and China is concerned that macroeconomic policies such as the depreciation of currencies in major economies have also contributed to the fuelling of excessive commodity price volatility. Low interest rates and loose monetary policies adopted by major central banks also play a role in exacerbating price volatility. It is therefore imperative that countries refrain from using trade-distorting policies that could fuel speculative practices, hoarding, and panic-buying, which in turn increase volatility in the commodity markets.

In conclusion, the general debate on Macro-economic policy questions provides Member States with a unique opportunity to call for real transformative changes to the way we address global development challenges, especially within the prospects of implementing the Addis Ababa Action Agenda as well as the 2030 Agenda for Sustainable Development. Structural changes are urgently needed in order to create an enabling international environment in support of development. We need to advance towards a more development-friendly multilateral trading system, strengthen the international financial architecture, and ensure fair and equitable representation of developing countries in leadership positions, decision-making and norm-setting at international financial institutions.

I thank you.