



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LUKE DAUNIVALU, DEPUTY PERMANENT REPRESENTATIVE OF FIJI TO THE UNITED NATIONS, ON AGENDA ITEM 17 (A), (C) AND (D):  
MACROECONOMIC POLICY QUESTIONS, AT THE SECOND COMMITTEE OF THE 68TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 24 October 2013)**

Mr. Chairman,

1. I have the honour to deliver this statement on behalf of the Group of 77 and China, which will touch on Agenda Item 17: (a), (c) and (d).

2. I would like to take this opportunity to acknowledge the report by the President of the Trade and Development Board and the Secretary-General's reports on International Trade; Unilateral Economic Measures as a Means of Political and Economic Coercion Against Developing Countries; External Debt and Commodities.

Mr. Chairman,

3. International trade is a catalyst for achieving socioeconomic objectives and development goals, including the MDGs. We recognize, however, that while international trade could be a useful tool for the attainment of development goals, we are cognizant that the trade and development nexus is not automatic. For trade to have a positive impact on development, it needs to be conducted in a fair manner with a strong emphasis on the development dimension of trade, assisted by an enabling environment at both the national and international levels.

4. In international trade, the World Trade Organization (WTO) is the only rules-based multilateral trade organisation that governs the conduct of international trade flows. The Group holds the view that in order to ensure effective functioning of the multilateral trading system, one that benefits all countries, particularly developing countries, the WTO must undertake serious institutional reforms. These reforms should focus on addressing the organisation's structural bias, unfair rules as well as the substantial power asymmetries in negotiations between developed and developing countries. To fully harness the potential of trade, it is important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to sustainable development, inclusive growth and job creation, particularly for developing countries.

5. The Group underscores the necessity of timely conclusion of the Doha Round of multilateral trade negotiations, which must fully respect its development mandate and take into account the needs and priorities of developing countries. We call for a balanced and tangible outcome at the upcoming WTO Ministerial Conference in Bali in December this year in favour of developing countries. The outcome should seriously address longstanding concerns relating to implementation issues, market access to 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.

Mr. Chairman,

6. The Group reiterates the importance of debt relief, including debt cancellation and debt

structuring, stressing the fact that no path can be construed or fostered when a country is faced with unsustainable debt overhang. Sovereign debt management has been an important issue for developing countries, particularly in view of the persistent economic and financial crisis, as well as due to the activities of venture funds. The speculative and profit-seeking nature of the venture funds hamper the debt-structuring efforts of developing countries and pose a serious risk to all future debt-restructuring processes for both developed and developing countries.

7. The Group stresses that times are ripe for the creation of a structured mechanism for resolving sovereign debt crises. We cannot have sovereign insolvency still operating in a legal vacuum in the 21st century. We believe the United Nations could be an ideal organisation for coordinating such a mechanism. We also recognize UNCTAD's long standing work on this subject and urge all State Members to promote and contribute meaningfully to the discussions within the United Nations and other appropriate forums with the objective of creating an effective, equitable, durable, independent and development-oriented debt restructuring and international debt resolution mechanism.

Mr. Chairman,

8. International trade in commodities is hampered by high price volatilities. The factors that contribute to engendering high commodity price volatility, as identified in the Secretary-General's report, include traditional supply and demand factors such as the weather, demographic and changes in the consumption patterns in emerging economies. However, price volatilities have been exacerbated by the financialisation of commodities which have resulted in increased speculative investment in commodity indices.

9. We also note with concern 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 the problem. In this regard, we call upon all countries to refrain from using trade-distorting policies that may fuel speculative practices, hoarding, and panic-buying, which increase volatility in the commodity markets. We also urge relevant international organizations to strengthen their coordination for finding effective solutions to the issue of excessive commodity price volatility.

Mr. Chairman,

10. In conclusion, the Group of 77 and China wishes to reiterate its opposition to the imposition of unilateral economic measures as an instrument of political and economic coercion against developing countries. Such a practice is not in accordance with the principles of the Charter of the United Nations, the norms of international law and the rules-based multilateral trading system, and undermines the sovereign equality of States.

I thank you, Mr. Chairman.