



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. MR. MOURAD BENMEHIDI, PERMANENT REPRESENTATIVE OF ALGERIA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, AT THE SPECIAL HIGH LEVEL MEETING OF ECOSOC WITH THE BRETTON WOODS INSTITUTIONS, THE WORLD TRADE ORGANIZATION, AND THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, DURING THE THEMATIC DEBATE OF THE WHOLE ON THEME 1: "PROMOTING SUSTAINED, INCLUSIVE AND EQUITABLE GROWTH, JOB CREATION, PRODUCTIVE INVESTMENT AND TRADE" (New York, 12 March 2012)**

Mr. President,

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

The Group welcomes the ongoing fruitful dialogue between the United Nations and the Bretton Woods institutions, WTO and UNCTAD which offers a valuable opportunity to strengthen the relationship between these institutions.

Promoting sustained, inclusive and equitable growth, job creation, productive investment and trade is indeed a very vast theme that encompasses the main interrelated components of the development paradigm.

The G77 and China holds the view that sustained poverty reduction requires inclusive growth that allows people to contribute to and benefit from the economic and social progress this growth generates. In order to result into sustainable development and poverty elimination, growth must be self-sustained. That requires a continued increase in production and productivity which in turn depends on the diversification of the economies of developing countries away from agriculture and commodities to manufacturing and the production of services.

For growth to be sustained in the long run, it should be broad-based on several sectors and not only on the primary sector or the commodities sector; hence the crucial role played by structural transformation and economic diversification. Many developing countries remain unable to give effect to this structural conversion. They are trapped in the cycle of commodities and raw materials exports with little or no value added, a practice that does not generate the desired level of income and saving that could be allocated to investment in the diversification of the economy.

In order to contribute to poverty reduction and the creation of productive employment, growth must not only be sustainable but also inclusive, equitable and provide equality of opportunity for all. Growth is not an end in itself but is a necessary, if not sufficient, condition for broader development and it contributes significantly to the achievement of other important objectives such as poverty alleviation, the provision of social services and the provision of resources needed for investment in social and physical infrastructures.

The G77 and China holds the view that it is vital to set out and support policy measures at the national, regional and global level to ensure that the benefits of growth are enjoyed by all sections of society, particularly the poorest and the most vulnerable. Moreover, it has been clearly asserted by scholars and experts that there is a very strong correlation between high level of inequality and limited progress on the MDGs.

Mr. President,

Sustainable growth of developing economies remains closely dependant on the global economic conjuncture. These recent years, the state of the global economy has rarely been less conducive to growth and development. The ongoing economic and financial crisis is now coupled with a serious debt crisis in some developed countries. The current global fall out holds the potential of further aggravating poverty and threatens the achievement of the MDGs by 2015.

A situation which has created additional challenges for developing countries to maintain and further build on the modest gains achieved in the decade prior to the crisis. The G77 and China is of the view that the global economy faces systemic problems that have to be addressed, particularly through the reform of the architecture of the global financial system.

A successful pursuit of sustained, equitable and inclusive growth needs the support of a conducive and enabling external environment and support from the partners.

The drastic measures taken by developed countries to curb the effects of the crisis has had an adverse impact on developing economies. The fiscal restraint measures led a number of industrialized countries to envisage the reduction of the official development aid in the first place. Yet official development assistance is an investment that benefits, ultimately, the entire international community, including developed countries themselves. The Summit on the Millennium Development Goals of 2010 has rightly reiterated the critical importance of meeting the commitments made in terms of official development assistance.

Mr. President,

The main prerequisite for sustainable growth in developing countries is a reliable mechanism for financing of productive investment. To mobilize resources for productive investment, it is normal that developing countries consider primarily their domestic resources. However, in the case of many developing countries these resources are barely or not sufficient to cover even the most basic human needs.

Very few developing economies can domestically generate sufficient resources to meet both their current and immediate social needs and the need for productive investment in growth and development in the longer term. Many developing countries remain totally dependent on external assistance.

Foreign direct investment is a vital complement to national development efforts and contributes to the financing of economic growth over the long term. It can also be a vehicle for the transfer of technology and knowledge and contribute to job creation and the increase of productivity.

However, in addition to favorable domestic policies, foreign direct investment requires local economic opportunities that often lack in developing countries, particularly African countries, the least developed countries and other countries in particular situations. Moreover, although many developing countries have created very favorable and attractive conditions, foreign direct investment has not followed, due mainly to the lack of economic opportunities.

In this context, international commitments in terms of ODA must be fulfilled for at present aid delivery is still short of the target of 0.7% of GDP and 0.15 to 0.20% to LDC's.

Mr. President,

The G77 and China believes that international trade can be an engine for development and sustained economic growth. Due to the global financial and economic crisis, the decline in trade has had a severe impact on developing countries through the fall in exports and loss of export revenues, restricted access to trade finance and reduced investment in production diversification and in the promotion of exports.

In order to fully harness the potential of trade, it is important for the international community to strive to attain a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly for developing countries.

The G77 and China strongly emphasizes the necessity of a timely conclusion of the Doha Round of multilateral trade negotiations which fully respect its development mandate and take into account the needs and priorities of developing countries. The successful outcome of which would help to ensure growth in global trade, prevent protectionist measures, in particular in developed countries, and create new market access opportunities for developing countries.

Our development partners are called upon to implement effective trade-related technical assistance and capacity building to developing countries, particularly the least developed among them. We also call upon them to provide adequate support for the Enhanced Integrated Framework in order to address the supply-side and trade related infrastructure and productive capacity constraints to assist those countries to increase their exports and the value added and to enhance sustained growth and employment so as to lift more people out of poverty.

I thank you, Mr. President.