



STATEMENT BY HIS EXCELLENCY, MR. YUOSEF HUSSAIN KAMAL, MINISTER OF FINANCE OF THE STATE OF QATAR, ON BEHALF OF THE GROUP OF 77 AND CHINA, AT THE SPECIAL HIGH-LEVEL MEETING OF THE ECONOMIC AND SOCIAL COUNCIL WITH THE BRETTON WOODS INSTITUTIONS, THE WORLD TRADE ORGANIZATION, AND THE UNITED NATIONS CONFERENCE AND TRADE AND DEVELOPMENT (New York, 26 April 2004)

Mr. President,

1. The Group of 77 appreciates the opportunity to participate in the special high-level meeting of the Economic and Social Council with the Bretton Woods Institutions, the World Trade Organization, and the United Nations Conference and Trade and Development (UNCTAD). The Group in particular welcomes the participation of UNCTAD as a fully-fledged stakeholder.

2. According to the latest world economic outlook, prospects for global economic growth have improved especially in the current year. In spite of this, the fundamental challenges remain the same as at the last meeting: how to eliminate poverty and ensure that developing countries participate effectively in this global economic recovery and prosperity. Clearly, the efforts of developing countries to improve their lot in the world economy have not been met with commensurate economic performance and reward. The topic of our debate today: coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus, is very opportune against this background.

3. We contend that the process of globalization is a reality and a challenge that will continue to occupy the collective intellectual energy of the international community because of its failure to respond to the particular needs of developing countries. The economic disparities between developed and developing countries that continue to increase must force us to question the fairness and sustainability of the international economic system in its present form.

4. The unfortunate implication of this assessment is that we have as yet failed to adopt the new approaches and policies that can make globalization and the phenomenal growth of global prosperity that occurred in the last three decades a shared opportunity in which developing countries benefit. This constitutes a threat both to the livelihood of billions of peoples and to international peace and security. In this connection, we support the establishment by the Secretary-General of the Panel on Threats, Challenges and Change as yet a tangible demonstration of the leadership the United Nations can provide on this issue.

5. Today we focus on the themes of investment, trade, finance and the participation of developing countries in the world economic decision making process. In particular, we want to identify the set of policies and actions in these areas that are required to make the effective and beneficial participation of developing countries possible. This in itself is not a new debate. The new dimension, we hope, arises from our belief that present economic and political realities have imbued us with the wisdom to act resolutely.

6. First of all, we must treat the challenges of development as a coherent whole if we are to foster sustainability. We cannot continue to assert that we support the development efforts of developing countries by providing them aid and at the same time deny the same countries market access on practical and beneficial terms. Neither can we continue to say liberalization is good for growth and development but in practice implement it selectively. The situation where developing countries have moved far ahead of the international community in liberalization while the developed countries proceed selectively and sometimes at a very slow pace is not supportive of global growth and development. We must match liberalization in the movement of capital with liberalization in trade and in the movement of natural persons.

7. In undertaking all these we must recognize the burden that the imperative to ensure a balance among the three pillars of sustainable development, namely economic growth, social responsibility and environmental sustainability impose on the meager resources of developing countries.

8. The role of multilateralism and the need to enhance the voice and participation of developing countries in global economic decision making are important in the pursuit of the aspirations of developing countries of the economic policy space they require to break the stranglehold of poverty and develop. We therefore urge urgent action in strengthening the role of developing countries in global economic decision making. We attach particular importance

to our participation in the work of the WTO, the World Bank and the International Monetary Fund. We are keenly following the on-going consultations on the capacity of developing countries for effective representation and involvement in the work of these institutions, including providing leadership at the highest levels of the institutions.

9. Negotiating the right policy mix and the type of interventions that are urgently required on the part of the international community and the process of implementing the compacts that the international community has thus far managed to agree on, which at times fell far short of the minimum needed to respond to the situation of developing countries, continues to be a sore point and the justification for our continued engagement. We require urgent action in the area of trade, investment and financial flows.

10. In trade the most urgent action relate to the plight of commodity dependent developing countries. This situation cannot be allowed to continue. The question of market access for products of export interest to developing countries is another high priority. At the same time, harmful subsidies, especially agricultural subsidies, and other policies of developed countries that distort trade and bar market access must be dismantled. In the meantime, and as a result of the enormous imbalance in the world economy, the developing countries need all the technical and financial support to build their capacity to trade. Special and differential treatment should be viewed as an essential component of the multilateral trading system in recognition of the changing realities of world trade and globalization. The Group of G77 and China continues to support the Doha round, but we insist that it must be given genuine development content. It is in this area that we expect developed countries to demonstrate real good will. We have been steadfast in our support of an open, rule-based multilateral trading system for the promotion of global trade and the eradication of poverty worldwide. This must be reciprocated by developed countries adopting policies that allow us to participate beneficially in world trade.

11. Attracting foreign direct investment holds one of the keys for unlocking the productive potential of developing countries by affording them the opportunity to diversify their production, to adapt new technologies and to acquire a critical growth in productivity as a prerequisite for growth and sustainable development. In order for our policies to succeed, we need to be complemented by support from our development partners to improve on both our social and physical infrastructures as well as by market access provisions. There will therefore be need for governments to work together with the private sector to forge mutually supportive arrangements that make finance, trade and investment true instruments for poverty eradication.

12. In pursuing all these initiatives and because of the dire economic and social conditions that persist in developing countries, we will continue to depend on official development assistance. This matter is most crucial for the weakest economies in our fold. We welcome the many initiatives that were announced in Monterrey. We call for the full and speedy implementation of those initiatives. The biggest problem with aid over the years was that it was either inadequate or too late. Improving the effectiveness of aid requires that it be provided in a timely manner, that it is used in areas where its catalytic role can be maximized and that it is not encumbered by unnecessary conditions. At the same time we need lasting solutions to the problems of external indebtedness. The solution to the debt overhang lies in partly in giving aid on more concessional basis and partly on ensuring that developing countries can participate effectively in international trade. External debt relief should be explicitly linked to the achievement of the goals and targets of the Millennium Declaration.

Thank you, Mr. President.