



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA, BY PETER LE ROUX,
COUNSELLOR, PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED
NATIONS, ON AGENDA ITEM 51(a): TRADE AND DEVELOPMENT IN THE SECOND COMMITTEE
OF THE GENERAL ASSEMBLY (New York, 17 October 2006)**

Madame Chair

I have the honor to speak on behalf of the Group of 77 and China.

The Group of 77 and China's Foreign Ministers at their 30th Annual Meeting on 22 September 2006 expressed serious concern over the suspension of the WTO negotiations which jeopardizes the delivery on the development promises of the Doha Round for developing countries and called upon the developed countries to demonstrate flexibility and political will necessary for breaking the current impasse in the negotiations.

The Ministers also recognized the mandates contained in the Doha Ministerial Declaration, the WTO General Council decision of August 1, 2004 and the Hong Kong Ministerial Declaration and in this regard they called for a prompt resumption of the negotiations to place the needs and interests of developing countries, and in particular least developed countries, at the heart of the Doha Work Programme, which called for the successful and timely completion of the Doha round of trade negotiations with the fullest realization of the development dimensions of the Doha Work Programme.

As a result of the suspension in the trade negotiations the G77 and China notes with concern that it may result in further protectionist tendencies. We are also of the view that without a rules-based multilateral trading system, trade distorting policies, including distortions caused by subsidies in agricultural trade and non market access will persist unabated which would threaten the credibility of the rules based multilateral trading system, thereby jeopardizing the prospects of developing countries in generating additional export revenue and income from agricultural exports.

The G77 and China further notes with concern that developing country exporters are increasingly facing non-tariff barriers, especially trade-distorting technical barriers and standards that often go beyond international standards, which limits the effective entry of developing countries products into key markets. This is exacerbated by the difficulty in quantification and categorization of non-tariff barriers.

Madame Chair

There is generally a growing consensus that international trade can be a powerful engine of growth, development and poverty eradication in many countries, in particular developing countries. This view is based on a concept of comparative advantage and free and equitable trade that could provide benefits for developing countries from globalisation. In this regard the Group of 77 and China calls on developed countries to mainstream this principal into their trade policies.

This incoherence could be seen in several examples of the Uruguay Round Agreements. For example, the Agriculture Agreement reflected the double standards of developed countries, which called for developing countries to open-up their markets, while maintaining huge subsidies and high tariffs that depressed global prices and incomes of farmers in developing countries, and undermined the development potential of developing countries. In the area of industrial products, the developed countries retained high tariffs in particular areas in which most developing countries had a comparative advantage.

Furthermore, efforts of developing countries to add value to their agricultural products and to industrialize are discouraged by higher tariffs on manufactured goods. Ten years after Uruguay Round, developing countries are still waiting to see international trade as truly equitable, free and fair, with a Doha Round that really puts the interests and needs of developing countries at the heart of its work program.

It is therefore, imperative to address the fundamental issues in the trading system, such as inequality, where developed countries have continued to distort global trade through protecting their markets. This has stifled the development prospects of developing countries. In addition, the issues of unbalanced rules need to be addressed, where costs of implementing rules by developing countries have been far higher than the benefits, with benefits going mainly to the developed countries.

Many developing countries, least developed countries and small vulnerable economies remain marginalized from

international trade. Their share in world trade remains marginal in terms of goods and services. Their participation in international trade remains vulnerable owing to various factors including structural problems related to building competitive supply capabilities and diversification of production towards dynamic sectors.

In this regard, the World Trade Organisation is expected to play a facilitating role by establishing fair and balanced rules in a transparent, predictable, non-discriminatory manner that could help Member States to trade freely.

Trade can contribute to generating resources for development by stimulating production, promote exports, increase access to essential services and create jobs, thereby, enhancing income and welfare of developing countries. The Doha Round with its development content was intended to achieve this goal. The successful development-orientated outcome of the Doha Round will result in economic growth and poverty eradication.

Madame Chair

The Group of 77 and China once again stresses the importance of facilitating the accession of all developing countries, in particular the LDCs, that apply for membership in the World Trade Organisation consistent with its criteria and taking into account their development level, bearing in mind paragraph 21 of General Assembly resolution 55/182 and subsequent developments, and calls for the effective and faithful application of the WTO guidelines on accession by the LDCs.

In conclusion, the G77 and China calls for the resumption of trade negotiations, enhanced efforts and leadership by developed countries are needed to ensure that suspensions of the Round does not lead to lowering of ambitions in development dimension of the Round. As development is intended to be at the heart of the process, it needs to be fully and effectively integrated into the core areas of market access negotiations with the requisite flexibilities to provide policy space for developing countries.

I thank you.