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Chair: Mr. Diallo (Senegal)
later: Ms. Brown (Vice-Chair) (Jamaica)

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The meeting was called to order at 10.05 a.m.

Agenda item 17: Macroeconomic policy questions

(continued) (A/C.2/68/3 and A/C.2/68/5)

(a) International trade and development (A/68/205, A/68/218, A/68/15 (Part I), A/68/15 (Part I)/Add.1, A/68/15 (Part I)/Corr.1, A/68/15 (Part II), A/68/15 (Part II)/Corr.1, A/68/15 (Part III) and A/68/15 (Part IV))

(c) External debt sustainability and development (A/68/203)

(d) Commodities (A/68/204)

1. **Mr. Wibowo** (President of the Trade and Development Board, United Nations Conference on Trade and Development (UNCTAD)), introducing the reports of the Trade and Development Board (A/68/15, Parts I to IV), said that the debates at the sixtieth session of the Trade and Development Board in September had provided extremely useful insights on how to advance the concept of development-centred and inclusive globalization in different policy areas.

2. The theme of the high-level segment had been “Beyond the curve: UNCTAD and new patterns of growth for trade and development”. Panellists had considered factors that would enable developing countries to achieve sustainable growth, failures of past and present development models, and trends in technology and intellectual property rights. It had been suggested that UNCTAD should continue its research on a new global development model, while taking into account the framework of globalization and the need to give countries of the South a greater say.

3. During the deliberations on interdependence, new patterns in global growth and their implications for development policy had been discussed, as had the need for greater balance between strategies focusing on global trade and those emphasizing domestic and regional demand.

4. In discussing the contribution of UNCTAD to the implementation of the Istanbul Programme of Action for the Least Developed Countries, participants had emphasized the need to gear national policies of the least developed countries and international support from development partners towards enabling at least half of those countries to graduate from least developed country status by 2020. There was strong consensus regarding the importance of productive

capacity-building for sustained and inclusive economic growth and poverty reduction, and the essential role of the private sector had been highlighted.

5. The discussion on economic development in Africa had focused on intra-African trade and unlocking private sector dynamism. The Board had reacted favourably to the concept of developmental regionalism and proposed that UNCTAD should intensify its trade-related capacity-building programmes to enhance the capacities of both government and the private sector in Africa and support members of the Group of African States in negotiating economic partnership agreements. Other recommendations had called for UNCTAD to play a role in the New Asia-Africa Strategic Partnership and facilitate the sharing of experiences and best practices between Asia and Africa.

6. During the segment on the evolution of the international trading system and its trends from a development perspective, the Board had recognized the importance of international trade in goods and services as a catalyst for poverty eradication and sustainable development, and the need for international trade to be mainstreamed into the design of the post-2015 development agenda. Many participants had suggested that quantitative targets on trade might need to be accompanied by qualitative assessments. Furthermore, UNCTAD should continuously monitor the evolving trading system and trade policy to help Member States formulate national and international policies.

7. Following a presentation by the UNCTAD secretariat on key findings and recommendations of the World Investment Report 2013, the discussion had centred on the opportunities offered by global value chains and the importance of policies to make global value chains work for development.

8. The report on UNCTAD assistance to the Palestinian people highlighted issues affecting the Palestinian economy. Almost all participants had expressed concern over those issues, commended the tangible assistance provided by UNCTAD in the area of capacity-building and called for the strengthening of UNCTAD technical cooperation in favour of the Palestinian people.

9. Participants had observed that the follow-up to major United Nations conferences and summits should be integrated fully into the three pillars of work of UNCTAD and given adequate consideration by the

Trade and Development Board. Preparation of the post-2015 development framework was regarded as one of the most important current multilateral processes, to which UNCTAD should make a major contribution through a critical assessment of experiences associated with the Millennium Development Goals (MDGs), and the identification of key indicators for inclusion in the new framework.

10. Turning to the follow-up to the report of the Joint Inspection Unit and the agreed conclusions of the twenty-sixth special session of the Trade and Development Board, he said that the secretariat had been requested to enhance the management and administration of UNCTAD through the implementation of the workplan presented. The Board expected to receive a comprehensive progress report at its sixty-first session as well as updates prior to that session.

11. The fiftieth anniversary of the creation of UNCTAD would coincide with several international processes, including the review of the MDGs. Efforts would be made to ensure that UNCTAD contributed as expected to that review and to the elaboration of the post-2015 development agenda. Stressing that the global economic system should be based on mutual respect and responsibility of all stakeholders, he said that a candid evaluation of lessons learned was required to ensure that the new development agenda was sustainable. The fourteenth session of the United Nations Conference on Trade and Development in 2016 would provide an opportunity for Member States to participate in the first major event to implement the new development agenda. In that connection, he called on the Committee to formally endorse and accept the offer of Peru to host that event.

12. **Mr. Valles** (Director of the Division on International Trade in Goods and Services, and Commodities, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on international trade and development (A/68/205), said that, in terms of trade and output, developing countries had grown faster than developed countries over the previous two decades as a result of dynamic growth in South-South trade, increased exports of manufactured goods and expansion of trade in services. However, not all developing countries had benefited from trade to the same extent, while 23 countries had registered an annual export growth of over 10 per cent between 2000

and 2012, twice as many had experienced export contraction. The least developed countries and countries in sub-Saharan Africa remained marginalized within the global trading system and vulnerable to fluctuations in commodity prices. Furthermore, the economic dividends of growth were inequitably shared within developing countries, leading to widening income inequalities.

13. To ensure that the economic benefits of trade were widely and equitably shared among and within countries, States had to adapt to new transformative forces of international trade and production, including the increased prevalence of global value chains, the growing importance of services in trade and the global economy, and the evolution of new technologies leading to the increasing trade of goods and services through the digital highway. Efforts must also be made to ascertain how better to harness the potential of commodity development and trade.

14. Introducing the report of the Secretary-General on world commodity trends and prospects (A/68/204), he said that high volatility of commodity prices had been caused not only because of supply- and demand-related issues but also as a result of the financialization of commodities, low interest rates and loose monetary policy in major economies. The international community had adopted a number of initiatives aimed at addressing the negative effects of excessive price volatility on poor economies and vulnerable groups.

15. Multilateral and regional trade negotiations in recent decades had substantially reduced tariff rates for most products. To an even larger degree, non-tariff measures remained major determinants in restricting market entry. Through the Transparency in Trade Initiative, UNCTAD was collecting data from all over the world to assess the impact of non-tariff measures and help to formulate appropriate policy responses.

16. The multilateral trading system continued to enjoy legitimacy and continued to grow, with 31 countries having acceded to the World Trade Organization (WTO) since 1995. However, despite its successes, there was a need to develop an open, equitable, rules-based, predictable and non-discriminatory system. Conclusion of the Doha Round remained a major challenge, particularly in view of the increased level of policy attention being given to approaches outside of the multilateral trading system, such as plurilateral approaches and the increased prevalence of

regional trade agreements, which might constitute a risk for more vulnerable developing countries. Efforts must be made to secure convergence between multilateral and regional processes.

17. Trade must be viewed as an enabler or major catalyst for the achievement of sustainable development objectives, and must be firmly anchored in the post-2015 development agenda. It must be supported by a coherent and integrated strategic development framework, and efforts must be made to align trade liberalization approaches with inclusive development imperatives. The United Nations system, and UNCTAD in particular, could play an important role in strengthening the multilateral trading system by facilitating consensus on new and emerging issues relating to trade. Different cooperative frameworks UNCTAD had put in place with other partners were based on a soft law-making approach to consensus-building and had already proven successful. Alongside effective national strategies and policies, such cooperative frameworks could be instrumental in creating an enabling environment for trade and sustainable development.

18. **Ms. Cortez** (Chief, Committee for Development Policy Secretariat, Department of Economic and Social Affairs), introducing the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/68/218), said that the report contained the replies of 18 Member States and two international organizations to the note verbale issued by the Secretariat requesting pertinent information. Member States had manifested their disagreement with the imposition of unilateral economic measures as an instrument of political and economic coercion, and expressed concern about the negative impact of such measures on the socioeconomic development of the affected countries.

19. The international organizations had indicated that unilateral sanctions adversely affected the populations of affected countries, in particular the most vulnerable groups, and hampered trade flows and their potential contribution to development.

20. **Ms. Li Yuefen** (Head of the Debt and Development Finance Branch, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on external debt sustainability and development

(A/68/203), said that five years after the global and financial crisis, the economic recovery remained very slow. Public and, in some cases, private debt as well as unemployment rates remained high. Although advanced economies had stopped contracting, the imports of those countries had continued to fall. Global demands remained weak and the volatility of capital flows in some major emerging economies had caused financial instability. In addition, official development assistance (ODA) had fallen for the second consecutive year.

21. Turning to the debt situation globally, she said that although debt indicators had worsened for the developing countries as a group, those countries had proved to be resilient to the global crisis, and debt was proving to be manageable for the great majority of them. The ratio of debt to gross domestic product (GDP) for Eastern Europe and Central Asian countries had continued to increase. Total debt stocks in 2012 had continued to increase in sub-Saharan Africa, Latin America and the Caribbean and East Asia and the Pacific. As of April 2013, two least developed countries were in debt distress, and 11 were at high risk of debt distress.

22. Looking ahead, she said that as interest rates began to normalize, the costs of long-term debt would rise, and developing countries with access to international bond markets would face particular challenges. Those countries must pay attention to their current account balance and to the management of financial and monetary policies. Noting that UNCTAD could play an important role in reforming the international financial architecture with a view to reducing the frequency and severity of the debt crisis, she said that it had established a working group consisting of various multilateral organizations and prominent legal and economic experts to examine options for a debt workout mechanism. UNCTAD had also been promoting the Principles of Responsible Sovereign Lending and Borrowing, which had been endorsed by 12 countries. The audit conducted by Norway on the basis of those principles had marked the beginning of their implementation.

23. **Mr. Daunivalu** (Fiji), speaking on behalf of the Group of 77 and China, said that if trade was to have a positive effect on development, it must be conducted fairly, with an emphasis on the development dimension and the support of an enabling environment at the national and international levels. In order to ensure the

effective functioning of the multilateral trading system, WTO must undertake institutional reforms to address its structural bias, unfair rules and the substantial asymmetries in the negotiating power between developed and developing countries. Furthermore, the Doha Round must be concluded in a timely manner and its development aspect must be respected. He hoped that the Ninth WTO Ministerial Conference would result in a tangible outcome that addressed the long-standing concerns of developing countries.

24. The Group of 77 and China reiterated the importance of debt relief, including debt cancellation and restructuring. Noting the significance of sovereign debt management for developing countries, he said that the time was ripe for the creation of a debt restructuring and international debt resolution mechanism coordinated by the United Nations. The Group of 77 and China recognized work of UNCTAD in that area and called on all Member States to contribute meaningfully to the discussions on the creation of such a mechanism.

25. High price volatility that hampered international trade in commodities had been exacerbated by the financialization of commodities and macroeconomic policies such as the depreciation of currencies, low interest rates and loose monetary policies. The Group of 77 and China called upon all countries to refrain from the use of trade-distorting policies that increased volatility, and urged relevant international organizations to strengthen their coordination with a view to finding an effective solution.

26. In conclusion, he said that the Group of 77 and China remained opposed to the imposition of unilateral economic measures as an instrument of political and economic coercion against developing countries. Such action was not in accordance with the Charter of the United Nations, international law or the rules-based multilateral trading system, and undermined the sovereign equality of States.

27. **Mr. Rattray** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that small, vulnerable economies had been particularly affected by the global economic and financial crisis. Tourism and the volume of remittances had declined, exports had weakened, the debt burden and unemployment had increased, and the already precarious fiscal position of the countries in the region had deteriorated further, particularly in the Caribbean area. Those factors,

coupled with a significant reduction in the availability of financial resources for developing countries, had exacerbated the inherent vulnerabilities of the countries of the region and made it more difficult for Governments to advance development agendas or allocate sufficient resources for the achievement of internationally agreed development goals, including the Millennium Development Goals, to which CARICOM countries remained committed.

28. Noting the importance of addressing debt sustainability in discussions on development, he said that CARICOM was one of the most highly indebted regions in the world. Its debt-to-GDP ratios had worsened since the onset of the global financial crisis. Indebtedness was an obstacle to private investment and financing for development. The situation was exacerbated by the fact that Caribbean countries no longer qualified for concessional borrowing. Consideration must be given to the question of debt sustainability in relation to middle-income developing countries, and, in particular, how characterization as a middle-income country could obscure persistent development challenges. CARICOM would support the establishment of a working group, under the aegis of the General Assembly, to continue to explore options for improved approaches to debt restructuring.

29. The systemic imbalances preventing many developing countries, including CARICOM countries, from benefiting fully from the multilateral trading system must be addressed in the post-2015 development agenda. While CARICOM countries were supportive of the ongoing efforts within the context of the Doha Round to strengthen the rules-based multilateral trading system, trade policy alone could not engender transformational shifts. A wide range of complementary policies within a coherent and integrated strategic development framework was also required. To that end, countries of the region must focus on diversifying, and on building economic resilience, including by producing goods and services that were competitive in global markets.

30. **Mr. León González** (Cuba), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the central role of the General Assembly in the area of macroeconomic policy must be further strengthened. Despite the progress made in creating an enabling environment and narrowing the gap between some developed and developing countries, much remained to be done with

regard to strengthening the international financial architecture and ensuring that all Member States were represented fairly in international financial institutions. In that connection, he highlighted the importance of the fulfilment of all ODA commitments by developed countries and the establishment of an official monitoring mechanism within the Economic and Social Council. He also called on all countries to promote and contribute to the discussions on options for an effective, equitable, durable, independent and development-oriented debt restructuring and international debt resolution mechanism.

31. Development should remain the central focus of the Doha Round, and the negotiations should respect the principles of the single undertaking, transparency and inclusiveness. Discriminatory and protectionist policies that obstructed development efforts, such as regulations restricting the entry of new exporters, the use of agricultural export subsidies as well as unjustified technical import restrictions, and unilateral coercive measures against developing countries, were of particular concern. Continued efforts should be made to address the most trade-distorting measures, agree on binding commitments to reduce export subsidies and preserve special and differential treatment for all developing countries.

32. Noting the importance of a solid global economic and financial foundation, he said that the international financial architecture must be constructed so as to promote financial stability and the sufficient flow of financial resources for the development of developing countries. It must also provide for the involvement of those countries in decision-making and address structural failures, particularly with regard to regulation and supervision, while recognizing the effect on developing countries of the rules and economic decisions of developed countries.

33. The General Assembly was the most appropriate forum for examining and responding to the global crises. He called for a follow-up conference to the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009. A United Nations conference on financing for development should also be held to build upon and update the Monterrey Consensus, taking into account the emerging challenges of sustainable development, and to contribute to the elaboration of the post-2015 development agenda.

34. *Ms. Brown (Jamaica), Vice-Chair, took the Chair.*

35. **Mr. Haniff** (Malaysia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that Association members had continued their robust economic performance in 2012. ASEAN economies as a whole had grown by 5.7 per cent as a result of resilient domestic demand, strong macroeconomic fundamentals, and ongoing structural reforms. ASEAN had also managed to maintain its level of foreign direct investment (FDI) at a time when global FDI inflows, including to most developing economies, had significantly declined.

36. The financial and economic crisis had highlighted the need to strengthen multilateral economic surveillance, particularly with regard to finance, policy spillover effects and cross-border linkages. To that end, the ASEAN Plus Three Macroeconomic Research Office had been established to ensure stronger regional coordination, cooperation and surveillance. ASEAN had also deepened surveillance discussions on policy management of large capital flows and inflationary pressures under the improved Economic Review and Policy Dialogue.

37. Recognizing the importance of fiscal soundness for sustainable economic development, he said that ASEAN continued to accelerate and deepen economic structural reforms, and promote domestic demand, employment, trade and investment. Progress on deepening integration among all ASEAN members had been reviewed at the 45th ASEAN Economic Ministers' Meeting in August. Measures to strengthen further partnerships between ASEAN and other economies had also been discussed. As part of the strategy to support the integration of developing countries into regional value chains, ASEAN member States had accelerated their engagement in regional trade agreements. Noting that the ASEAN-China free trade agreement was the world's largest regional trade agreement, he said that between 2003 and 2008, trade between ASEAN and China had risen from \$59.6 billion to \$192.5 billion.

38. ASEAN remained committed to a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. It called on WTO and UNCTAD to monitor protectionist policies and assess the impact of such policies on developing countries. The developed countries should demonstrate the necessary flexibility and political will by breaking the

current Doha Round impasse. ASEAN looked forward to the Ninth WTO Ministerial Conference to be held in Bali in December.

39. ASEAN was deeply concerned that financial turbulence in the advanced economies would have a highly detrimental impact on the international development agenda and the achievement of the MDGs by 2015. Moreover, the sovereign debt crises in Europe could adversely impact the mobilization of resources for development.

40. By 2015, ASEAN aimed to achieve a single market and production base, which would entail progressive liberalization of its financial services sector, as well as integration of its capital markets. Efforts in that regard were progressing well, with the blueprint for the ASEAN Economic Community standing at 79.4 per cent as of July 2013. The ASEAN Infrastructure Fund would become operational during the current year and initial projects for the credit guarantee and investment facility would be launched.

41. To address the negative effects of the excessive price volatility of world commodities, ASEAN had adopted several initiatives to establish regional physical grain reserves. The ASEAN Plus Three Emergency Rice Reserve established in 2011 had been significantly expanded with the addition of China, Japan and the Republic of Korea. The reserve now sought to act as a tool for stabilizing rice prices in the region, rather than simply as an emergency reserve.

42. Global economic governance should be strengthened, as should the role of the United Nations, to ensure its continuing relevance. The work undertaken by regional groups such as ASEAN and other financial institutions and organizations and the work of the United Nations were mutually reinforcing. It was imperative to work together for sustained, inclusive and equitable economic growth.

43. **Mr. Back** (Australia), speaking on behalf of the Cairns Group, said that agriculture was of great importance to development. Global imbalances and distortions in world agricultural trade must be addressed, not only to improve market efficiencies and create more effective price signals for farmers and agricultural investors, but also as a means of contributing to greater food security.

44. With the world population projected to increase to 9 billion by 2050, agricultural production would

have to increase by 70 per cent; however, the growth in food production would not necessarily occur in the areas of population growth. Trade would therefore play a critical role in meeting the nutritional needs of those populations.

45. Trade policy reform was vital to addressing food security, particularly as distortions and imbalances in agriculture continued to be so much greater than those affecting industrial goods. Agricultural trade reform must tackle the issue of volatility and take into account the development goals of all States, particularly the most vulnerable. With a view to achieving tangible results at the Ninth WTO Ministerial Conference in Bali, the international community should engage constructively in discussions on three key agricultural issues — export competition, tariff rate quota administration, and public stockholding for food security.

46. **Mr. Khitchadeth** (Lao People's Democratic Republic), speaking on behalf of the Group of Landlocked Developing Countries, said that despite the welcome progress made in integrating landlocked developing countries into the regional and global economic system under the Almaty Programme of Action, those countries' share of world trade had stood at only 1.1 per cent in 2011. Trade facilitation was therefore of significance for the landlocked developing countries and he underscored the importance of an agreement setting out a number of binding commitments to provide for the expedited movement, release and clearance of goods.

47. The international community, including the United Nations and other relevant international organizations, should provide support to enable landlocked and transit developing countries to implement trade facilitation measures effectively and participate fully in multilateral trade negotiations. Efforts must be made to break the current deadlock in the Doha Round and promote a successful development-friendly conclusion that focused on the needs of the landlocked developing countries and recognized the principle of special and differential treatment. He hoped that the Ninth WTO Ministerial Conference to be held in December would deliver positive results.

48. Noting the value of a non-discriminatory, balanced and rules-based multilateral trading system that promoted growth and sustainable development, he

urged the developed countries to honour their commitments outlined in the Monterrey Consensus and Doha Declaration. He also underscored the paramount role of FDI in accelerating development and poverty reduction.

49. The geographical disadvantages of landlocked developing countries needed to be taken into account during the WTO accession process. Those countries should enjoy special and differential treatment as prescribed in the General Agreement on Tariffs and Trade and in all WTO agreements. The Group appreciated the support of WTO members, which had culminated in the accession of the Lao People's Democratic Republic and Tajikistan earlier in the year.

50. **Mr. Eshanta** (Libya) said that non-discriminatory and open international trade, which was essential for economic and social progress and the achievement of sustainable development goals, faced a number of obstacles associated with the Doha Round impasse. He called on Governments to bring the Round to a successful conclusion, and reaffirmed the importance of access to international markets for developing countries.

51. External debt greatly hampered the efforts of developing countries to achieve the MDGs and was one of the main obstacles to development in some countries, particularly those that were heavily indebted. Consideration should therefore be given to debt restructuring to allow countries that were unable to honour their debt commitments to focus on achieving the MDGs and the new sustainable development goals.

52. As commodities accounted for a large part of the exports of developing countries, fluctuations in commodity prices had a huge impact on the performance of those countries. The international community and relevant international organizations must take into account market needs in developing countries and provide for appropriate measures for the consolidation of exports.

53. **Mr. Kadir** (Malaysia) said that the international economy had still not recovered from the 2008 downturn. Noting that the Central Bank of Malaysia had revised down its forecast for total growth in 2013, he said that recovery was uneven and the prospects of sustaining it over the long-term were fragile. The international community should continue to strengthen coordination and cooperation and implement effective fiscal measures in a comprehensive manner in order to

stabilize global financial markets, promote global economic growth and restore confidence. Foreign direct investment — on which his country, as a progressive developing nation, relied to strengthen its capital markets and national development efforts — appeared to be declining. Furthermore, Asian currencies had depreciated against other major currencies in recent weeks. Decisive policy actions were urgently required to ensure sustained but gradual adjustment, liquidity and easy monetary policy.

54. Malaysia concurred in principle with the international community's decision that further progress had to be made by relevant institutions to support an enhanced framework for policy coordination. It called for the expeditious implementation of efforts to strengthen the international financial architecture, with a focus on enhancing further the economies of developing countries. The Islamic financial system, which was based on the need for stability, prevention of excessive risk and speculation, as well as ethical principles, continued to experience rapid growth and should be given proper consideration in the process of reforming the international financial system. Accordingly, Malaysia looked forward to the effective and early implementation of reforms of the international financial system and Bretton Woods institutions with the inclusion of elements of the Islamic financial system.

55. **Mr. Momen** (Bangladesh) said that increased trade could boost the economy and assist in addressing the greatest global challenge identified at the United Nations Conference on Sustainable Development (Rio+20), namely, poverty eradication. However, trade was an area in which the least developed countries were significantly lagging behind. Although the number of least developed countries had increased from 25 in 1971 to 49 in 2013, their total share of global trade had increased from 1 per cent to 1.2 per cent over the same period. If trade was to act as an engine for development, the least developed countries must receive duty-free and quota-free access for all of their products in all developed and developing countries. Such access must also be accompanied by simple, transparent and predictable rules of origin. He called on developed countries that had not fulfilled their existing commitments in that regard to do so immediately and encouraged all Member States to work towards a meaningful outcome

at the Ninth WTO Ministerial Conference to be held in December. The World Bank, International Monetary Fund (IMF) and WTO should work together in a coherent manner to ensure that global credit, interest rates and other trade-related costs were affordable for the least developed countries, particularly in the event of an international financial crisis.

56. His country's national strategy paper on the new development agenda accorded due importance to trade, which played a pivotal role in poverty eradication. Noting that Goal 8 on developing a global partnership for development had been less than successful, he appealed to the international community to work together to ensure that trade was a major component of international cooperation in the post-2015 development agenda.

57. **Mr. Ja'afari** (Syrian Arab Republic) said that, although trade was a major engine for development, barriers in the global trading system caused primarily by the failure of developed countries to fulfil their international political and moral commitments were preventing developing countries from acceding to WTO and reaping the benefits of free trade.

58. The unilateral economic measures being imposed on States by developed countries as a means of economic and political coercion were detrimental to the establishment of a transparent, non-discriminatory and equitable trade system and were preventing the achievement of the MDGs. The report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries contained a detailed reply from the Syrian Arab Republic concerning the impact of the unilateral economic measures being imposed on it, in particular by participants in the so-called "Friends of Syria" conference (A/68/218, annex I). The arbitrary and indiscriminate measures had adversely affected the economy and had exacerbated the Syrian crisis and the suffering of the Syrian people. Such measures, which violated human rights, the Charter of the United Nations and international trade rules, could not be justified. He underscored the importance of efforts to put an immediate end to policies imposing unilateral economic measures as a means of economic, political and financial coercion against developing countries, and called on the United Nations to highlight the negative impact of such measures.

59. **Ms. Bubanja** (Serbia) said that the share of the Eastern European and Central Asian debt as a percentage of the total external debt of developing countries was the highest of all regions. Serbia's debt-to-GDP ratio was higher than the region's average and was likely to continue to increase as a result of the difficult economic situation in the country and in Western Europe. Her Government had taken bold steps to reduce public consumption and promote fiscal soundness, including by introducing measures to cut spending, increase budget revenues and reduce subsidies to large public companies. It was also planning to introduce a new set of regulations shortly as part of the efforts to reform legislation and institutions, with a view to enhancing further Serbia's macroeconomic and business stability. Although active efforts were being made to attract FDI, the return on FDI in terms of economic growth was significantly lower the return on domestic investment. Accordingly, sound domestic investment was necessary for higher GDP growth, which might, in the current circumstances, mean raising the debt ceiling.

60. Acknowledging that the funds raised by issuing debt should be invested in projects with a high private or social return, she said that the decline in ODA levels was particularly worrisome for countries with high debt levels. Serbia supported the development of an agreed rule-based approach to sovereign debt workouts to increase predictability and noted that UNCTAD had taken the lead in that direction with its project on a debt work out mechanism.

61. Serbia expected that the remaining issues preventing it from becoming a member of WTO would be resolved in the coming months, and that it would join the organization the following year. WTO membership and the free trade agreements Serbia had concluded with the Russian Federation and Turkey would make her country more attractive for business development and FDI.

62. Although it was anticipated that some macroeconomic indicators, such as external debt, would continue to deteriorate in the coming years, Serbia was building solid foundations through its ongoing reforms to reverse those trends and promote the country as a destination with high economic and business potential.

63. **Ms. Choudhry** (India) said that trade and investment, and an open, rules-based, transparent and

non-discriminatory and equitable trading system, could play an important role in restoring global growth and must be firmly anchored in the post-2015 development agenda. Noting with concern the sharp decrease in global trade volume in 2012, she said that the continued fragility of the global economic recovery and weak demand in developed countries remained an obstacle to robust growth in international trade. Efforts must therefore be made to implement policies aimed at boosting demand and creating jobs, including in large developing countries.

64. She emphasized the importance of strengthening WTO and called on States to demonstrate the necessary political will to reinvigorate the Doha Development Round and deliver an outcome at the Ninth WTO Ministerial Conference that was fair, balanced and equitable and had development at its core. To that end, barriers preventing developing countries from participating fully in global trade must be removed, as should trade-distorting subsidies in the agricultural sector in developed countries. The decision of the Group of 20 (G-20) leaders to extend their standstill commitment to resist protectionism until 2016 must be part of a commitment to show credible progress with respect to the Doha Round.

65. **Ms. Peterson** (Canada) said that her statement would also address issues relating to financing for development (agenda item 18) and the international financial system and development (agenda item 17 (b)), consistent with Canada's view of the need for continued efforts to streamline the agenda of the Second Committee.

66. Political will, strong leadership and decisive actions were imperative to strengthen the recovery of the global economy, restore market confidence, foster financial stability and strengthen growth prospects. Noting that all countries must honour their reform commitments, she said that efforts to reduce poverty, achieve economic growth and promote sustainable development should build on the solid foundation of the financing for development framework established by the Monterrey Consensus and the Doha Declaration. All actors, including the private sector, must be involved in discussions on how to enhance the coherence, effectiveness and efficiency of development financing in the future. As domestic resources would continue to constitute the most important source of development financing, the involvement of the public sector was essential to fostering good governance and

creating the secure and well-paid jobs necessary to eradicate poverty. The potential of public-private partnerships must also be explored. Her country was committed to increasing its engagement with and support of the private sector in developing countries.

67. There was a limit to what Member States could do on their own to address the mobilization of international resources for development and the decline in official development assistance. The Global Partnership for Effective Development Cooperation provided for the engagement of the full range of development partners. Canada looked forward to participating in the first ministerial-level meeting of the Global Partnership to be held in Mexico in 2014.

68. Noting the importance of free and open trade for economic growth and poverty reduction, she said that Canada was committed to moving the WTO trade liberalization agenda forward, including by exploring new pathways such as alternative negotiating approaches, and would work towards a successful outcome of the Ninth WTO Ministerial Conference. Canada welcomed the extension until 2016 of the G-20 standstill commitment to resist protectionist pressures. Efforts must also be made to address "supply-side" constraints faced by developing countries.

69. High public debt and sustainability concerns in some advanced and emerging economies posed significant challenges to the global economy. Canada welcomed the ongoing efforts of IMF and the World Bank to improve debt management practices. It also supported efforts to further strengthen the international financial architecture, including the ongoing IMF quota reforms to better align the voice and representation of countries with their relative economic weight, while protecting the poorest and most vulnerable countries. It remained committed to completing the current round of reforms by the January 2014 deadline.

70. **Mr. McLay** (New Zealand) said that, as a small trading nation, New Zealand's economic prosperity depended largely on its ability to reach beyond its borders for trade and investment opportunities. Noting the negative impact on development of trade-distorting subsidies and protectionism, he said that it was regrettable that agreement had not yet been reached in the Doha Round, particularly since 2013 was the year that WTO ministers had agreed to eliminate comprehensively the use of trade-distorting agricultural subsidies. His country was committed to supporting a

positive outcome at the Ninth WTO Ministerial Conference to be held in December. His delegation welcomed the resolve of the Asia-Pacific Economic Cooperation (APEC) and the G-20 to ensure a successful outcome in Bali and agreed with the comments just made by the representative of India in that connection.

71. The Monterrey Consensus and the Doha Declaration, which New Zealand strongly supported, should continue to guide collective efforts to eradicate poverty, achieve sustained economic growth and promote sustainable development. The sixth High-level Dialogue on Financing for Development had provided an opportunity to consider incorporation of those issues in the post-2015 development agenda.

72. Unsustainable public debt, which could adversely affect national growth and the global recovery, was a concern for many developed and developing countries. The recent thematic debate on the role of credit rating agencies in the international financial system had helped to improve collective understanding and highlighted the significant scope that existed for sharing best practices and experience in managing relationships with credit rating agencies.

73. **Mr. Pisarevich** (Belarus) said that measures must be taken at the global, regional and national level to address problems in international trade caused primarily by the global financial and economic crisis and its consequences. To that end, it was important to build a multilateral trading system that worked in the interests of all States, without exception, and was open, transparent, rules-based and non-discriminatory. Such a system would increase access to international markets for developing countries and countries with economies in transition, and facilitate their full integration into the world economy and their accession to WTO. The United Nations should redouble its efforts to assist countries, such as his own, on which unilateral economic and trade sanctions had been imposed without justification.

74. Efforts must be made to ensure that regional trade agreements, which were increasing in number owing to the failure to conclude the Doha Round, complemented the international trade system, rather than undermined it. Belarus, for its part, was actively involved in regional trade cooperation with Kazakhstan and the Russian Federation within the framework of a common economic space.

75. **Ms. Wang Hongbo** (China) said that the world economy was recovering slowly, with the economies of some developed countries still weak, and the growth of emerging economies having slowed. Highlighting the importance for the world economy of international trade, she said that the global community must build a fair, just and open trading system that promoted the liberalization and facilitation of trade and investment, resisted all forms of protectionism and sought to promote a global partnership based on win-win cooperation.

76. While the development and growth of global value chains would help to promote an optimum distribution of resources and economic development, the intensified competition they brought posed difficulties for a large number of developing countries. More should therefore be done to help those countries upgrade their industries with a view to integration into global value chains.

77. Highlighting the value of a multilateral trading system, she said that efforts should be made by all parties to advance the Doha Round. China hoped that an early harvest agreement would be reached at the Ninth WTO Ministerial Conference, which would boost the confidence of all parties. While WTO lay at the core of the multilateral trading system, China hoped that UNCTAD would play a greater role in international trade and development, particularly in assisting developing countries.

78. The external debt of developing countries had become more unsustainable in the aftermath of the global financial crisis and constituted a major obstacle to the efforts of those countries to promote economic growth and achieve the MDGs. Efforts must be made to tackle the sovereign debt crisis and enable developing countries to reduce their levels of indebtedness. To that end, developed countries should honour their debt reduction commitments, increase capital investment, scale up assistance and implement responsible macroeconomic policies. International monetary institutions should increase their funding support and technical assistance for capacity-building in developing countries. The issue of external debt should be considered within the framework of the post-2015 development agenda.

79. China took seriously its international obligations to provide assistance and considered that debt relief must be based on respect for the leadership and

development strategies of recipient countries. Her country had always attached great importance to the debt sustainability of developing countries, and endeavoured to find solutions when recipient countries experienced repayment difficulties. To that end, her Government had cancelled debts incurred by loans to heavily indebted poor countries and had signed debt relief protocols with 50 countries.

80. The regulation of the commodity market should be strengthened and excessive speculation restricted to prevent irrational and excessive price fluctuations. China welcomed the important contribution of UNCTAD in the area of commodities, and stood ready to join the international community in efforts to mitigate the adverse impact of excessive fluctuations of commodity prices on developing countries with a view to promoting the balanced and sustained development of those countries.

81. **Mr. Warraich** (Pakistan) said that the establishment of a rules-based, open and non-discriminatory international trading system would help to mitigate the decline in international trade growth. Pakistan looked forward to the success of the Ninth WTO Ministerial Conference, which would bring parties a step closer to the successful conclusion of all issues relevant to the Doha Round. She highlighted the need to focus on the development aspect of the Round. Efforts must also be made to ensure that the increasing number of plurilateral and regional trading arrangements did not weaken the multilateral trading system, constitute an additional burden for smaller trading countries, or hinder the flow of international trade benefits to those countries.

82. Global value chains had become a reality in the international trading system. Efforts must be made, through the provision of investment, technology and the sharing of best practices, to build capacity in those countries that had yet to benefit from them. Attention should be given to debt relief for countries that were not part of current initiatives, and to the establishment of an international rules-based debt restructuring mechanism to tackle the debt problems faced by States, including developed countries.

83. Lastly, given the importance of commodities for the advancement of developing countries, the international community should support the efforts of those countries to integrate local producers into international supply chains. Trade facilitation for the

international movement of agriculture commodities would be key.

84. **Mr. de Aguiar Patriota** (Brazil) said that the global economic crisis had significantly affected international trade and development opportunities. The weak and uneven recovery in developed country markets had led to a reduction in the rate of annual growth of international trade flows. The situation was aggravated by an increase in protectionist measures, including expansionary monetary policies and monetary easing, notably by developed countries. Many developing countries had therefore been left with no other alternative than to resort to their right to utilize fully policy space consistent with their WTO commitments.

85. Noting the continued implementation by developed countries of schemes that damaged the exports of developing countries, such as tariffs, import quotas and technical barriers, he said that more must be done to fight protectionism in all its forms. That included measures that were not even regulated by WTO agreements. The Ninth WTO Ministerial Conference would provide an invaluable opportunity to move towards an ambitious, equitable, balanced and development-centred conclusion of the Doha Round. To that end, concrete results must be achieved in the areas of agricultural export subsidies and special and differential treatment.

86. Downward economic pressure on the global economy had serious consequences for sovereign debt sustainability. Particular attention in that regard should be given to the heavily indebted poor countries.

87. Welcoming the Secretary-General's report on unilateral economic measures as a means of economic and political coercion against developing countries (A/68/218), he said that the trade policy autonomy of Member States should not be subjected to any limitations or undue economic and financial pressures through sanctions, which would ultimately affect the development potential of countries and the well-being of their populations.

The meeting rose at 1.05 p.m.