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Chair: Ms. Brown (Vice-Chair) (Jamaica)

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In the absence of Mr. Diallo (Senegal), Ms. Brown (Jamaica), Vice-Chair, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 17: Macroeconomic policy questions
(continued) (A/C.2/68/3 and A/C.2/68/5)

(a) International trade and development

(continued) (A/68/15 (Part I), A/68/15 (Part I)/Corr.1, A/68/15 (Part I)/Add.1, A/68/15 (Part II), A/68/15 (Part II)/Corr.1, A/68/15 (Part III), A/68/15 (Part IV), A/68/205 and A/68/218)

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

(d) Commodities (continued) (A/68/204)

1. **Ms. Medvedeva** (Russian Federation) said that the Russian Federation supported a just and balanced system of international trade, in which expanding the system of regional and subregional free trade agreements was a priority.

2. Preferences reflecting the lawful national interests of particular countries were also important. The Russian Federation remained firmly opposed to trade protectionism and welcomed the recent extension by the Group of 20 (G-20) of the moratorium on protectionist measures, as well as the Group's commitment to increasing the transparency of regional trade agreements.

3. The Russian Federation favoured strengthening the World Trade Organization (WTO) and was working actively on a set of agreements which, if adopted, should break the stalemate in the Doha Development Round. The increase in membership would open up new markets.

4. The Russian Federation supported the central coordinating role of the United Nations Conference on Trade and Development (UNCTAD) in matters of development and commended the latter for its contributions to research on international trade, investment and information technologies.

5. The Russian Federation was actively involved in economic integration in the Commonwealth of Independent States, with the aim of developing effective cooperation to promote the unfettered movement of goods, services, capital and labour. Along with Kazakhstan and Belarus, it had formed the

Customs Union and the Common Economic Zone, which represented a market of 165 million people. Both organizations were in full compliance with WTO norms and principles.

6. The Customs Union and the Common Economic Zone had a unified regulatory system covering foreign trade, tariffs and customs, and coordinated policy for technical regulations and sanitary, veterinary and phytosanitary measures. Administrative barriers were being reduced, and trade had been streamlined with third parties as well as with members of the Customs Union. Trade among the members of the Customs Union had increased by 8.7 per cent in 2012.

7. Fluctuating commodity prices and speculation on agricultural and non-agricultural commodity markets were a threat to food security worldwide and were holding back economic development. Accordingly, joint actions to seek effective solutions should be taken within the context of multilateral trade agreements that reflected the interests of both producers and consumers. The Russian Federation continued to support predictable and stable commodity markets and development of the commodity export potential of developing countries, including least developed countries.

8. **Mr. Mashabane** (South Africa) said that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system should be upheld to tackle global economic imbalances and promote sustained and inclusive growth. Harmonizing the norms and standards of the World Trade Organization (WTO) was essential in order to ensure that it benefited all nations, especially developing countries. South Africa emphasized the need for a speedy conclusion to the Doha Round of trade negotiations and hoped that the upcoming WTO Ministerial Conference in Bali would resolve longstanding concerns relating to implementation issues, market access for 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.

9. His country stressed the importance of debt relief, including debt cancellation and debt restructuring. Debt relief initiatives should be reviewed to better understand why some countries still faced persistent debt problems after completion of the enhanced Heavily Indebted Poor Countries Initiative (HIPC).

South Africa was greatly concerned about the distorting role played by credit rating agencies and had therefore welcomed the recent thematic debate on “the role of credit rating agencies in the international financial system”.

10. South Africa was host to the first African Sovereign Debt Management Centre, which aimed to encourage cooperation among African debt managers and to support the development of sound practices in order to create stronger securities markets.

11. Recent trends in commodity prices had shown that there was excessive price volatility in the global markets. The situation had been exacerbated by the financialization of commodities, which had led to increased speculative investment. Macroeconomic policies such as the depreciation of currencies in major economies had further contributed to price volatility, as had the low interest rates and loose monetary policies adopted by central banks. It was therefore imperative that countries refrain from using trade-distorting policies that could fuel speculation, hoarding and panic-buying, which in turn increased commodity volatility.

12. **Mr. Charles** (Trinidad and Tobago) said that the international trade and development agenda was very important for small vulnerable developing countries. Effective use of trade as a development tool for developing countries and a successful conclusion to the Doha Round of trade negotiations were therefore highly important.

13. The multilateral trading system and the future operations of WTO must continue to take into consideration the development needs of small vulnerable economies and more attention must be paid to the peculiar situation of middle-income countries, such as his own, that were classified as high-income countries. His delegation was concerned that Aid for Trade flows to Trinidad and Tobago were decreasing. Per capita income was not a reliable indicator of vulnerability and the level of assistance required. Differences in economic size, levels of development, production competencies and resource endowment must be fully taken into account in the context of the special and differential treatment made available to small vulnerable economies.

14. Trinidad and Tobago was designing — with the assistance of the Inter-American Development Bank — a national Aid for Trade Strategy which was expected

to increase productive capacity and diversify export bases. However, the project would require sustained and focused funding from the international community as well as technical assistance.

15. His Government urged multilateral development banks to move forward on flexible, concessional and front-loaded assistance that would substantially assist developing countries with high levels of external debt. It also called for a review of the policies that prevented access of some highly indebted middle-income countries to existing debt relief initiatives and for more effective treatment of the debt challenges facing middle income countries, especially small island developing States, in future reports of the Secretary-General.

16. His Government believed that innovative forms of sovereign debt management should be pursued and it called on international organizations to aid in the evaluation and implementation of various instruments, including a tourism development levy, diaspora bonds and public-private partnerships aimed at managing sovereign debt.

17. **Ms. Al-Hadid** (Jordan) said that the global economy remained vulnerable to financial instability, rising commodity prices and the sovereign debt crisis. Total public debt in Jordan had increased in the first months of 2013, and the productive sector had stagnated, although return on investment in Government bonds was among the highest in the region. The global economic and financial crisis had left many countries unable to bear their debt burden, and there was a need for an international mechanism to address the issue. Sovereign debt restructuring would have a significant impact on financing for development, the post-2015 development agenda and the realization of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

18. Development should be an inextricable part of trade negotiations, as the two areas of action were closely connected. A commitment to strengthening the multilateral trading system and combating protectionism would ensure that Member States had equal opportunities to develop and market their goods and services. In the same way, any agreement on trade should include capacity-building measures for developing countries. The upcoming WTO Ministerial

Conference, should provide an opportunity to break the deadlock in the Doha round of trade negotiations.

19. **Ms. Robl** (United States of America) said that in addition to bilateral cooperation, all macroeconomic tools should be used to create avenues for trade and development, including broad engagement with the private sector. The United Nations had an important role to play monitoring the impact of macroeconomic trends on the most vulnerable countries. The United States supported collaboration with the United Nations, the World Bank, the International Monetary Fund (IMF) and the Group of 20 (G-20) to ensure that the global financial system was effective and inclusive.

20. As financing was a crucial tool for growth, access to functioning debt markets could enable developing countries to make the infrastructure investments essential for increased diversification and productive capacity. Although countries had unprecedented access to new sources of credit, it was essential that they manage their debt and mobilize domestic resources, for the latter often gave developing countries better access to external and domestic debt financing.

21. The United States was seeking to reduce commodity price volatility and consequently it supported any proposal that was designed to promote agricultural growth, facilitate reliable trade flows and mitigate commodity price volatility. Countries could help reduce food price volatility by sharing information regarding stocks and production, abstaining from export bans and making sparing use of export taxes and quotas. Her delegation believed that international trade could be a driver of sustainable development and prosperity and thereby help alleviate poverty, unemployment and underemployment. The collective ability to meet the Millennium Development Goals (MDGs) and set an effective post-2015 development agenda would depend on success in mobilizing a wide range of financial flows and recognizing the growing role of developing countries. As the role of private financial flows was crucial, the international community should be more aware of foreign direct investment (FDI), while respecting good governance, country ownership of development, accountability and transparency. Moreover, the composition of ODA had greatly changed; South-South and triangular cooperation presented encouraging additions to traditional resources.

22. **Mr. Han** (Singapore) said that, in the current complicated and uncertain global economic climate, no one country had all the answers. Accordingly, the G-20 remained a key forum for intergovernmental coordination; the Action Plan it had adopted at its recent summit in St. Petersburg was designed to boost economic growth and create quality jobs.

23. At the same time, Singapore believed that wider engagement among stakeholders, including outside the G-20, was necessary. It was of the view that the United Nations had a central role to play in the ongoing dialogue on global economic governance; that was why it was an active member of the Global Governance Group (3G).

24. Like many other countries, Singapore was working towards a more sustainable growth model with greater emphasis on social development and protection of the environment. The post-2015 development agenda must integrate the three main dimensions of sustainable development while balancing many different perspectives so as to garner the widest possible support. For that reason Singapore had welcomed the recent High-level Dialogue on Financing for Development, as well as the ongoing work of the Intergovernmental Committee of Experts on Sustainable Development Financing.

25. Singapore remained committed to keeping its borders open for trade and adhering to a rules-based trading system. Trade issues would play a key role in furthering the development agenda and should be addressed during the upcoming WTO Ministerial Conference in Bali.

26. **Mr. Ejinaka** (Nigeria) said that in order for countries to achieve their full development potential, a universal, rules-based, open, non-discriminatory and equitable international trading system was necessary; speedy conclusion of the Doha Round was thus highly important. Nigeria's trade policy had always rested on the integration of its economy into the global market system through progressive liberalization that enhanced competition among domestic industries, effective participation in multilateral trade negotiations, promotion of the transfer of appropriate technologies and support for regional integration and cooperation. To those ends, the Government had designed an inclusive economic transformation agenda that recognized trade and foreign direct investment (FDI) as key economic drivers of the economy.

27. South-South cooperation had expanded rapidly and could become an important source of ODA; nevertheless, ODA from traditional partners remained an important source of investment. Ongoing discussions on the post-2015 development agenda should not downplay the importance of ODA flows. International efforts should focus on curtailing illicit financial flows and other corrupt practices including cross-border tax evasion and transfer mispricing. Remittances from migrants and diaspora sources were of particular importance to developing countries as a source of financing for development. In view of that importance, global efforts at diversification of the financial sector, reduction of remittance costs, development of diaspora engagement programmes and macroeconomic policies to stimulate private investment should be pursued. The monopoly wielded by money transfer operators should be investigated and other relevant stakeholders should be allowed to provide remittances and financial services in developing countries, especially in rural areas.

28. Nigeria urged the international community to prevent States from adopting any unilateral measures not in accordance with international law and called for concrete initiatives aimed at bridging financial gaps through increased FDI, fulfilled ODA commitments and predictable and focused aid flows free from unrealistic conditionality. It also called on the international community to reform the governance structure of the international financial institutions by granting a greater representation and voice to African and other developing countries, based on sovereignty, equality and mutual respect.

29. Finally, he stressed the importance of ensuring respect for national ownership, strategies and sovereignty. Debt relief, including debt cancellation and debt restructuring, were tools of debt crisis prevention and were useful for mitigating the impact of the global financial crisis in developing countries. The international community must sustain the progress made under the HIPC Initiative and the Multilateral Debt Relief Initiative so as to continue reducing the debt vulnerability of developing countries.

30. **Mr. Chinyonga** (Zambia) reaffirmed Zambia's support for multilateralism as the core of the global trading system, while adding that bilateral and regional trading arrangements should also contribute in a complementary fashion. The Doha Round of trade negotiations should be brought to a successful

conclusion and the upcoming WTO Ministerial Conference should present a fruitful platform for further discussions.

31. Zambia called for the periodic review of the Debt Sustainability Framework for Low-Income Countries in an open and transparent manner with the participation of all stakeholders. Debt relief initiatives should be reviewed in order to understand why some countries continued to suffer debt problems even after completion of the HIPC Initiative. No single indicator should be used to make definitive judgements about a country's debt sustainability.

32. Multilateral financial institutions should be encouraged to continue providing flexible, concessional and front-loaded assistance to bridge the financing gap in developing countries. In conclusion, he called on the international community to continue providing financial and technical assistance for institutional capacity-building and to implement coordinated policies aimed at debt restructuring and debt management as that would contribute to sustainable development.

33. **Ms. Sujira** (Thailand) said that a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system would promote sustainable growth and create jobs and must be incorporated into the post-2015 development agenda. Her delegation was looking forward to the successful conclusion of the Doha Round and it urged all countries to show greater flexibility, and leadership during the upcoming WTO Ministerial Conference.

34. The coherence and consistency of the international financial system must be enhanced in order to prevent future economic and financial crises. Particular attention should be given to crisis-responsiveness, system stability and transparency; in that connection, the representation of developing countries in international financial institutions was crucial. She stressed that the United Nations Conference on Trade and Development (UNCTAD) had an important role to play in achieving global economic governance, providing technical assistance and ensuring the greater integration of developing countries in the world economy.

35. Ensuring debt sustainability must be a priority for the development agenda; Thailand supported the formulation of equitable and comprehensive solutions to reduce the burden of external debt while enabling

borrowing countries to work towards achieving the MDGs. It was also necessary to formulate a long-term international policy to address structural problems relating to commodities. Thailand welcomed the initiatives taken to address the impact of excessive price volatility and market uncertainty, such as the Agricultural Market Information System, the High-Level Task Force on the Global Food Security Crisis, the Global Agriculture and Food Security Programme and the Zero Hunger Challenge.

36. **Mr. Al Sada** (Qatar) said that his delegation remained committed to the establishment of a fair, rules-based, open, non-discriminatory multilateral trading system that would contribute to the realization of sustainable development, inclusive growth and the creation of employment, particularly in developing countries. Development did not follow automatically from trade; it required an equitable trading system. The WTO rules gave disproportionate power to developed countries, and were therefore in need of structural reform. The thirteenth session of the United Nations Conference on Trade and Development, which had been held in Doha, had played a valuable role by reducing trade restrictions on agriculture. Developing countries needed unrestricted access to global markets; the requirement to ensure a balance between the three pillars of sustainable development placed a considerable burden on their scarce resources.

37. The persistent deadlock in the Doha Round was a source of dismay for the developing countries. Developed countries must show good faith, flexibility and political will in order to remedy that situation. The ninth WTO Ministerial Conference would provide an opportunity for tangible progress. The Doha Round should result in practical, open, comprehensive and democratic measures to empower developing countries; it should put an end to trade barriers, ensure preferential treatment and capacity building for developing countries, and include a particular focus on agriculture.

38. The time had come to establish an effective, equitable and independent sovereign debt restructuring mechanism; the United Nations was the ideal forum for that process. Member States should refrain from distorting commodities markets and imposing coercive economic measures on developing countries.

39. **Mr. Dehghani** (Islamic Republic of Iran) said that trade was a vital tool to provide long-term

sustainable growth. In order to fully utilize its potential, it was important to uphold a universal, rules-based, open, non-discriminatory, depoliticized and equitable multilateral trading system that contributed to growth and development, especially for developing countries. National trade alone could not furnish the conditions necessary to achieve inclusive development, and different combinations of macroeconomic, industrial, service, technology and labour market policies were needed to ensure inclusive trade directed towards sustainable development.

40. As noted in the report of the Secretary-General (A/68/218), unilateral measures, especially broad trade embargoes, could have severe adverse consequences for human rights, people's welfare and the long-term growth prospects of the affected country. The Islamic Republic of Iran believed that the imposition of unilateral coercive economic measures as a means of exerting political and economic pressure on developing countries was a flagrant violation of international law and of the principles enshrined in the Charter of the United Nations, for it infringed upon a sovereign State's right to peace, development and security, breached the principle of peaceful coexistence, and constituted a threat to national stability, while encroaching upon the right to self-determination and freedom of trade and movement. Moreover, the effectiveness of economic sanctions was questionable as the civilian population often suffered the most. States were thus urged to refrain from applying any unilateral measures that hindered market access, investments, freedom of transit and the well-being of the civilian population. As a victim of economic sanctions, Iran strongly rejected unilateral sanctions.

41. **Ms. Pacheco** (Plurinational State of Bolivia) said that capitalism was experiencing a recurring crisis which manifested itself in the areas of climate change, finance, food, institutions, culture, ethics and spirituality. Addressing the impact of the crisis on developing countries required timely fulfilment of development commitments, including the commitment made by developed countries to allocate 0.7 per cent of their gross national income (GNI) to ODA, and between 0.15 and 0.20 per cent of their GNI to ODA for least developed countries. Likewise, the international financial system must be reformed so as to ensure full participation of developing countries, while respecting national sovereignty, common but

differentiated responsibilities and the diversity of development visions, models and goals.

42. Her delegation called for a conference on financing for development to be held before 2015 in order to address issues of debt relief, global and regional research systems, financing for development and the restructuring of international institutions. Nationally, Bolivia had adopted a New Economic, Social, Communitarian and Productive Model which had transformed a primarily export-based model into a process of industrialization and productive development thereby helping to reduce poverty, provide universal access to basic services and redistribute wealth. By continuing with its policy of internal demand stimulation, the country would be decreasingly reliant on external markets. Increased demand for basic services also revealed that per capita income had risen, the people's well-being had improved and the country's infrastructure had developed. A number of subsidies had been designed to tackle the specific needs of school dropouts, women and children, the elderly and the poor. In addition, Bolivia had established a productive mechanism to industrialize its natural resources and create added value on the markets. The country's net international reserves had reached an unprecedented high of US\$13,927 million in 2012. Most importantly, the Government had achieved those successes in a democratic environment that was friendly to national and foreign investment, with the active participation of all its people.

The meeting rose at 4.25 p.m.