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Chair: Mr. Cardi (Italy)
later: Mr. Iziraren (Vice-Chair)..... (Morocco)

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The meeting was called to order at 10.10 a.m.

Agenda item 17: Macroeconomic policy questions

(a) International trade and development (A/69/15 (Part I), A/69/15 (Part II), A/69/15 (Part III), A/69/15 (Part IV), A/69/179 and A/69/392; A/C.2/69/2)

1. **Ms. Menéndez Pérez** (President of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD)), introducing the reports of the Trade and Development Board (A/69/15, Parts I, II, III and IV), said that panellists and participants in the high-level segment of the sixty-first session of the Board had emphasized that increasing inequality within and between countries had been a feature of the world economy since the early 1980s. They had examined the challenges that inclusive and sustainable growth faced and had noted that some countries were reversing the trend of increasing inequality with targeted policies. Reducing inequality should be an integral part of the post-2015 development agenda, and identifying the right strategies to improve income and wealth distribution must be a priority.

2. Deliberations on interdependence had focused on the global economic situation and the fragility of the recovery from the crisis, with wide agreement on the need to stimulate global demand. The participants had evaluated the failure of fiscal austerity, wage restraint and monetary expansion policies in developed countries to provide a solid basis for demand expansion and the contribution of that failure to the financial instability affecting developing countries. Sovereign debt had attracted particular attention, with several delegations supporting the proposal to establish an international sovereign debt restructuring mechanism.

3. Speakers had recognized that the increased ambition of the post-2015 development agenda, combined with a less favourable external economic environment, required greater policy and fiscal space. Many of them had agreed that multilateral efforts were crucial to maintaining and eventually enlarging the space in which to apply industrial policies and curb tax avoidance practices by transnational corporations and wealthy individuals.

4. Several delegations had expressed concern about the continued weak, fragile economic performance of the least developed countries and the likelihood of continued slow growth at least through 2015, owing mainly to their weak productive capacities and the continued need for structural transformation in their economies. Stakeholders, particularly the least developed countries and their development and trading partners, were urged to redouble efforts towards the full and effective implementation of the actions and commitments contained in the Istanbul Programme of Action.

5. The Board had expressed its appreciation of the UNCTAD analysis and policy recommendations on the need for African countries to increase the quantity, productivity and quality of investment to strategic and priority sectors of the economy. The recommendations for overseas development assistance to serve as a catalyst to increase investment in Africa and for greater international cooperation to stem illicit capital flight from the continent had been the object of particular attention. In the context of the post-2015 development agenda, the Board had called on UNCTAD to support African countries. The Board had urged developed and emerging developing countries to assist UNCTAD in implementing the outcomes of its research on Africa through technical cooperation projects and missions to the continent to help strengthen the managerial capacities of African policy-makers and leaders.

6. In the context of the evolution of the international trading system and trends from a development perspective, there had been a focus on trade in agriculture and its important role in poverty eradication, inclusive and sustainable development, employment and rural livelihoods. Participants had highlighted the importance of international trade in goods and services as an enabling factor for sustainable development. Speakers had noted that international trading was not limited to multilateral trade, and that regional and plurilateral trading agreements must also be accounted for. The participants had observed that a fair, predictable and equitable trading system was essential and should remain central to sustainable development, that stalemates in multilateral trade negotiations should not interfere with the development of the international trading system and that a soft-rules-making approach might be helpful in finding solutions to pressing trade matters. Participants had

urged greater complementarity between the Doha Development Agenda negotiations and the elaboration of the post-2015 development agenda.

7. The previous consensus on the importance of the role of UNCTAD in assisting the Palestinian people in the secretariat's areas of competency had been reinforced in the context of deliberations on the report on UNCTAD assistance to the Palestinian people (TD/B/60/3). The sensitive political context notwithstanding, statements at the session had commended the support given by the secretariat to the Palestinian people, expressed appreciation of the analysis and findings in the report and shared concerns expressed therein on deteriorating conditions. Speakers had stressed the need for extrabudgetary resources to maintain and enhance UNCTAD support to the Palestinian people.

8. The Board had discussed financing needs for the implementation of the sustainable development goals, an action plan put forward by the UNCTAD secretariat for mobilizing and channelling investments to achieve that purpose, and related policy options at the national and international levels. Delegations had welcomed the policy recommendations for further technical assistance to developing countries to help them maximize the benefits and minimize the risks of investment in the sustainable development goals. They had commended the plan's focus on encouraging the role of businesses in achieving sustainable development goals. They had noted the importance of the contribution of the private sector to financing the implementation of the sustainable development goals and necessary domestic reforms, while emphasizing the continued leadership role of the public sector, including through official development assistance (ODA).

9. Delegations had requested the UNCTAD secretariat to continue its analytical research and capacity-building activities on investment in sustainable development and had noted the importance of monitoring trends in foreign direct investment (FDI) and providing concrete support for devising policies to attract and benefit from FDI.

10. The 2014 World Investment Forum had provided a good opportunity to continue the discussion about investing in the sustainable development goals and bringing together representatives of Government and business, including Heads of State, executives of

global companies and stock exchanges, representatives of private equity and sovereign wealth funds and international investment agreement negotiators.

11. The Board had evaluated the progress made in strengthening UNCTAD through measures to enhance management and administration and had commended the commitment of the Secretary-General of UNCTAD in that regard. Delegations had underscored the need for regular updates on measures to create a culture of continuous improvement in the secretariat. It was also necessary to enable UNCTAD to contribute more directly and effectively to the broader work of the United Nations on development, inter alia, by strengthening synergies and complementarities in its activities.

12. **Ms. Mashayekhi** (Head of the Trade Negotiations and Commercial Diplomacy Branch, United Nations Conference on Trade and Development) said that trade was instrumental for growth and development. It provided the means to overcome constraints posed by small domestic markets and allowed access to larger external markets, skills, technology and capital, thereby enabling better use to be made of productive resources to catalyse structural transformation. The critical role of trade as a key enabler of inclusive and sustainable development must be fully articulated in the sustainable development goals.

13. The emerging post-2015 development agenda embraced a cross-cutting approach that included a stand-alone goal on global partnership as well as individual implementation measures under each of the proposed sustainable development goals. Trade-related issues featured in many of them.

14. She wished to encourage Member States to take a comprehensive view of the role trade could play in delivering sustainable development provided that the right conditions were in place. One key condition was the existence of fair, predictable, equitable and functioning multilateral trade rules. At the international level, greater coherence with the larger multilateral system could lead to progress in the Doha Round. At the national level, the coherence of trade policies with other public policies could be significant in catalysing the positive effects of trade for broad-based development. Coherence was therefore needed between trade, social, employment, financial, technological, health, energy, education, environmental and migration

policies. It was for that reason that she had worked over the past year to ensure that trade and development-related issues played a central role in the preparatory discussions on the sustainable development goals in New York. New York colleagues and members of the Open Working Group on Sustainable Development Goals had asked UNCTAD to facilitate work on the means of sustainable development goals implementation, of which its trade work was a major component.

15. During the past two decades, international trade had undergone transformations in size, structure and patterns, opening up new opportunities and challenges. Technical advances, the falling cost of trade, a generally open trading environment and global value chains had all contributed to a fivefold expansion of world trade in goods and services from 1990 to 2013. The share of developing countries in world merchandise exports had risen from 24 per cent to 45 per cent in the same period.

16. The rapid expansion of developing countries' exports had been driven by the growing importance of their manufactured goods since the late 1990s, with the expansion and deepening of trade within regional and global value chains and a corresponding rise in South-South trade. Trade in global value chains had allowed some countries, particularly in the Asian region, to specialize in specific tasks performed in a certain segment of the production networks, thereby opening up opportunities for fast-track industrialization. Owing to the global value chain phenomenon, trade in intermediate products accounted for over 50 per cent of world trade.

17. The increased prevalence of services had been crucial to sustaining growth in world trade. Services were pivotal for trade under global value chains and accounted for as much as 45 per cent of the value of world merchandise exports, as various services were increasingly used as inputs to the production and exports of goods. Modern export-oriented services involving information and communications technologies and services sectors that were supported by information technologies had demonstrated strong economies of scale and absorbed highly skilled labour.

18. While such transformations had benefited many developing countries, they had also created policy challenges that must be addressed in order to harness the power of trade to spur growth and development and

make them inclusive and sustainable. For example, it was important for countries to consider value addition strategies and the sophistication of endogenous productive capacities, particularly in services, to avoid ending up specializing in low-skill, labour-intensive activities without the ability to upgrade. To benefit from a promising services economy and trade required building endogenous productive capacities, human capital and the right regulatory environment. For commodity-dependent countries, rising commodity prices might accentuate traditional specialization patterns and discourage efforts at economic diversification.

19. Trade dynamism had yet to regain the rapid growth trajectories of the years preceding the global economic crisis. It currently reflected the continued stagnation in import demand, mainly in developed economies. That seemed to suggest that the transmission of efficiency gains still required conscious policy efforts to support structural shifts towards robust and broad-based productive capacities, with the possibility of diversification, technological upgrading and job creation.

20. In that context, the international trading system could provide an overarching enabling environment for trade to play a catalytic role in fostering sustainable development. A fair, predictable multilateral trading system was a global public good wherein trade could function as a key development enabler.

21. The prolonged negotiations and recurrent setbacks in the Doha Round prior to the World Trade Organization (WTO) Ministerial Conference in Bali had affected the credibility of the multilateral trading system, with the increase in alternative regional and plurilateral negotiating processes further accentuating that perception. The negotiated outcome delivered in Bali had therefore been important in regenerating confidence in the multilateral trading system, thereby enabling work to resume on various aspects of the Doha Round negotiations.

22. The Agreement on Trade Facilitation was particularly important, as it was the first multilateral agreement negotiated under WTO and would serve to clarify and improve customs procedures. By some estimates, the comprehensive implementation of all measures in the agreement would reduce trade costs by 10 per cent in advanced economies and by between 13 and 15 per cent in the developing countries. To

avoid possible implementation difficulties, the Agreement contained a completely new form of special and differentiated treatment, with developing countries themselves designating commitments that they would implement according to various implementation schedules. Such outstanding issues as defining the post-Bali work programme to conclude the Doha Round were likely to be put on hold.

23. The implementation of the Bali package was at stake, but so were the credibility and strength of the multilateral system. Work following the Ministerial Meeting in Bali had sought to establish a balanced approach to agriculture and non-agricultural market access and services, while reaffirming the centrality of the development dimension and focusing on the definition of deliverables. There was potential for WTO members to adjust their negotiating approaches and address emerging trade-policy-related issues that were increasingly affecting the trade and development prospects of developing countries, such as the increased level and volatility of prices for food and agricultural commodities, together with rural livelihood concerns.

24. The current difficulties should not detract from the multilateral trading system's role as a global public good. Existing WTO rules continued to guard against protectionism and discrimination in international trade. Countries continued to rely on the WTO dispute settlement mechanism to solve problems with other countries. With Yemen as the most recent member of WTO, the multilateral trading system continued to move towards universality.

25. While the nature of the multilateral trading system was not being called into question, it was certainly true that the system faced challenges in reinforcing its relevance and credibility by delivering outcomes in the Doha Round and by strengthening its architecture to better respond to changing economic realities and global challenges. Various issues related to the multilateral trade system had been proposed for the future agenda. For example, there had been a call for further trade liberalization owing to the increased prevalence of trade within global value chains. That must be weighed against the fact that tariff and industrial policies were still used in developing countries to build productive capacity, trigger structural transformation and promote upgrading within global value chains.

26. Another suggestion was that the WTO rules should be updated to reflect more accurately the increased interaction of trade with broader public policies. New trade disputes had emerged from such interaction, such as the relationship between trade on the one hand and green growth and climate change on the other; between trade and food security; between trade and energy; and between trade and exchange rates. Careful reflection was needed on how the multilateral trading system could be made more responsive to the emerging concerns of developing countries, and how its negotiating function could be strengthened in the presence of parallel plurilateral and regional negotiating processes.

27. UNCTAD strongly supported better integration into the global economy for its member States, particularly the developing and least developed countries. The integration and competitiveness of developing countries could be achieved not only through their treaty commitments but also through complementary support from UNCTAD to take advantage of available market access.

28. The increased prevalence of regional trade agreements was an important new development. As of June, some 585 notifications had been submitted to WTO, of which 379 were in force. As of 2012, each of the developed countries had preferential access to 23 countries on average, and about 60 per cent of their trade was covered by some regional trade agreements.

29. The new regional trade agreements differed qualitatively from previous ones in scope, composition and depth. They were oriented towards a deeper and comprehensive integration, with a strong regulatory focus to provide a viable platform for regional value chains by ensuring a trading environment that was free of duties and non-tariff barriers. They encompassed a range of behind-the-border regulatory measures, including investment, competition policy, capital movement, intellectual property rights and government procurement.

30. The emergence of so-called mega-regional trade agreements, which often covered a substantial proportion of world trade and gross domestic product (GDP), had had a profound systemic effect. By inducing deeper liberalization and cutting-edge regulatory harmonization, they could further affect incentives for multilateralism. However, there was the risk that smaller and more vulnerable developing

countries would be left out, as they must face the challenge of ensuring adequate content, pace and sequence in their own liberalization and of balancing market opening objectives with the flexibility to design and implement measures to build essential productive capacities.

31. Convergence between the multilateral trading system and the regional trade agreements was required to ensure an optimal mix of both arrangements that would create an enabling environment for sustainable development. There was a need for strong multilateral oversight and effective discipline, including by setting minimum standards for regional regulatory provisions.

32. **Ms. Richards** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that the report of the Secretary-General on international trade and development (A/69/179) highlighted the fact that the dynamism that had characterized international trade prior to the global economic crisis had not yet returned. In addition, the report addressed the negligible expansion in the volume of trade in recent years, with 2013 registering one of the weakest rates since 2000. It was to be hoped that the forecast of the current accelerated growth continuing into 2015 would be borne out.

33. CARICOM member States remained committed to trade liberalization and had continued to deepen intraregional trade through the CARICOM Single Market and Economy, which had put in place a regime for trade in goods and services, the free movement of capital, the right of establishment and the free movement of people within the Community. The openness of CARICOM had made its members particularly vulnerable to the vagaries of the global economy, including the continuing repercussions of the global economic crisis. The member States of CARICOM were mindful of their vulnerability to a range of economic and environmental shocks that could erode their development gains. Any bilateral, regional or international trade agreement into which CARICOM or its member States entered must include a strong development component.

34. Aid for Trade was a useful mechanism for advancing a holistic approach to competitiveness and trade development that went beyond market access. In that connection, CARICOM had adopted the Caribbean Community Regional Aid for Trade Strategy as part of the region's efforts to strengthen its capacity to

participate in the multilateral trading system. Effective insertion into the multilateral system required not only market access but also capacity-building, infrastructure development and strengthened engagement between Governments, the private sector and development partners.

35. Despite the challenges, CARICOM remained convinced that an open, inclusive, transparent and non-discriminatory, rules-based multilateral trading system with a strong development component was fundamental to the overall achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). That belief would guide the elaboration of a transformative post-2015 development agenda that was beneficial to the citizens of CARICOM member States.

36. Taking into account the central role of trade as a means of implementation would increase prospects for success in shaping and implementing the post-2015 development agenda. CARICOM therefore welcomed the inclusion of trade-related targets in the proposed sustainable development goals and looked forward to further discussions on trade at the third International Conference on Financing for Development in 2015. In proceeding with the post-2015 processes, it was important to remain mindful of the unfinished business of the Doha Development Round. While the conclusion of the Bali package had been a noteworthy achievement, much work remained to be done, both with regard to full implementation of the agreements reached in Bali and the conclusion of negotiations in areas such as trade in services and the work programme for small vulnerable economies.

37. **Mr. Griffin** (Australia), speaking on behalf of the Cairns Group of 20 agricultural exporting countries, said that agricultural trade reform was unfinished business. At a meeting during the Bali Ministerial Conference, Cairns Group ministers had discussed the international trade policy environment, the Doha Round agriculture negotiations, the shared desire of the Cairns Group States to continue agricultural trade policy reform efforts, and the development dimension of agriculture reform and food security.

38. The Cairns Group had pointed out on numerous occasions the importance of agriculture for development. In many developing countries, a significant proportion of the population was still dependent to a large extent on agriculture as a source

of income. The Cairns Group wished to address the global imbalances and distortions in world agricultural trade, whether in areas of market access, in domestic support or in export competition. It was important to address those distortions, not only to create further market efficiencies and more effective price signals for farmers and investors in agriculture, but also as a means of contributing to greater food security.

39. According to the estimates of the Food and Agriculture Organization, the global population would increase to 9 billion people by 2050, and agricultural production would therefore need to increase by 70 per cent. That must be achieved sustainably, in the context of growing economic, environmental and social pressures. The growth in food production to meet that demand would not necessarily occur in the places where the population was projected to grow. For that reason, trade would play a critical role in addressing nutritional needs. More investment in agriculture was needed in places where food insecurity challenges were prevalent.

40. Because trade policy reform was crucial in addressing food security, the Cairns Group had pursued reforms through the Doha agriculture negotiations. It was a matter of concern that the imbalances and distortions in agriculture remained much greater than those for industrial goods.

41. The international community and the members of the Cairns Group wanted WTO to deliver in specific terms, so that agricultural trade reform progressed in a way that took into account the development goals of all members, but particularly the most vulnerable. The Bali outcomes were an important step in that regard. The Cairns Group would continue to prioritize its efforts to eliminate export subsidies, which were extremely damaging for developing countries. It was unacceptable that trade-distorting measures should continue to target agricultural products more than half a century after their elimination for industrial products.

42. **Mr. Haniff** (Malaysia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that economic activity had slowed in developing nations in early 2014 owing to the continuing financial and economic crisis, which had had a severe impact on export revenues, trade barriers, trade finance and investment. In 2013, ASEAN economies had grown as a whole by 5.1 per cent. Growth was expected to soften to 4.7 per cent in 2014, owing to domestic adjustments

in certain ASEAN member States. Nonetheless, growth-supporting measures in China, easing of domestic adjustment in large middle-income economies within ASEAN and increased global demand for exports had contributed to the strengthening of economic activity in the region. FDI had increased in 2013 to \$122.4 billion from \$114.3 billion in 2012, but ASEAN nonetheless remained vigilant against downside risks such as further contraction of external demand, tighter global financing conditions, higher oil prices and volatile global capital flows.

43. In the face of the current global uncertainty, ASEAN stressed the importance of promoting fiscal soundness for sustainable economic development. In that regard, ASEAN continued to accelerate and deepen economic structural reforms, promote domestic demand and employment, resist protectionism and further promote trade and investment. At a recent meeting, ASEAN economic ministers had reviewed progress on integration between and among all ASEAN member States on trade in goods, services and investment. They had also discussed regional cooperation in relation to small and medium-sized enterprises, intellectual property, competition policy, consumer protection and public-private sector engagement. Regular consultations had taken place between the economic ministers of ASEAN and their counterparts from all ASEAN dialogue partners, with a view to further strengthening partnerships and promoting the full integration of ASEAN into the global economy.

44. As of July 2014, implementation of the ASEAN Economic Community blueprint had been more than 80 per cent, with full completion expected by the end of 2015. As that date approached, the strategy to support the integration of developing countries into regional value chains was to consolidate and expand the existing regional integration initiatives. The members of ASEAN had also embarked on a post-2015 vision of deepened economic integration. They had accelerated their engagement in regional trade agreements. The ASEAN-China free trade area was the world's largest regional trade agreement, comprising one third of the world's population.

45. ASEAN reaffirmed its commitment to upholding a universal, rules-based, open, non-discriminatory and equitable multilateral trading system and called on WTO and other relevant bodies, including UNCTAD,

to continue monitoring protectionist policies and to assess their impact on developing countries. In that regard, the members of ASEAN stressed the importance of implementing all aspects of the Bali package in a balanced manner, through an inclusive negotiating process and taking into account the priorities of developing nations. The importance of strengthening global economic governance could not be overemphasized. It was important to work together and coordinate efforts to encourage sustained, inclusive and equitable economic growth.

46. **Mr. Zinsou** (Benin), speaking on behalf of the Group of Least Developed Countries, said that the integration of the least developed countries into a dramatically expanded international trading system had not yielded significant results. The 48 countries in the Group accounted for 12 per cent of the total world population and had contributed 1.11 per cent of global merchandise trade in 2011. The rate of expansion of their trade had decelerated significantly in 2012, with a total value of exports of goods and services equal to \$232.7 billion. That represented an increase of only 7 per cent, compared to the 24 per cent increase recorded in 2011. While in 1960 their export share had been 2.5 per cent, their current share was not even close to the 2020 target of 2 per cent. The majority of developed countries extended full or virtually full market access to the least developed countries, but the duty-free, quota-free access stipulated in the Doha Development Agenda had yet to be fully implemented. The interests and difficulties of the least developed countries should be placed at the centre of the Doha Development Agenda with a view to integrating them into the multilateral trading system.

47. Market access provisions for the least developed countries must be further improved and made more predictable and sustainable through the elimination of the remaining tariff and non-tariff barriers, the simplification of the rules of origin, the expansion of product coverage and the simplification of administrative procedures in relation to various market access arrangements. Developed countries that had not already done so were encouraged to provide immediate, predictable, duty-free and quota-free market access on a lasting basis to all products originating from all the least developed countries, even before the conclusion of the Doha Round. There should be a clearly defined time frame and procedure for achieving 100 per cent market access for those

countries.. The least developed countries called for the full implementation of the ministerial decision on duty-free and quota-free market access for least developed countries, which was part of the Bali package.

48. The rules of origin needed to be significantly reformed. The present rules had been drawn up in the 1970s and had changed little since then, whereas the commercial world had changed a great deal. The rules were based on the premise that beneficiary countries should be encouraged to build up their own industries, which had not happened; rather there had been a trend towards the globalization of production. Rules of origin had failed to adapt to that trend. Member States were therefore urged to implement the Bali preferential rules of origin for least developed countries and develop their frameworks in line with the decision, to further enable the least developed countries to make meaningful use of the preferences afforded to them.

49. The services sector had huge potential. Commercial services, however, accounted for only 10 per cent of the total exports of least developed countries, approximately half the global average, and the share of services in total exports was lower than a decade ago. It was a matter of great concern that the category of service provider, where least developed countries enjoyed a comparative advantage, was subject to various restrictions when access was sought to other countries. Member States were therefore asked to support the entry into force of the Bali ministerial decision on operationalization of the waiver concerning preferential treatment to services and service suppliers of least developed countries. The least developed countries could be helped to expand their export base in services if commercially meaningful preferences were granted to their services and service suppliers. Information in that regard should be provided annually to the Council for Trade in Services. All market access barriers, including domestic regulatory and administrative barriers and other measures that might impede current or potential services exports from the least developed countries, should be removed.

50. The least developed countries were facing huge costs associated with the burden of adjustment, mostly as the result of preference erosion, loss of tariff revenue and loss of employment. Some 83.4 per cent of their exports enjoyed duty-free, quota-free access in developed markets. However, as 79.7 per cent of the exports of other developing countries received duty-

free treatment, they were not currently enjoying preferential treatment compared to their competitors and should be compensated for the erosion of preferences.

51. The least developed countries were being increasingly marginalized in South-South trade. To counteract imbalances, the developed world should extend commercially meaningful duty-free and quota-free market access to the exports of those countries. The elimination of trade barriers was not sufficient. They faced daunting export challenges, primarily due to high export concentration. The share of total Aid for Trade flows had fallen 2 per cent in 2012 to \$13.1 billion, or 24 per cent of the total. The least developed countries should receive at least half of the Aid for Trade, which would serve to support them in building their supply and export capacities, including infrastructure, industrialization, institutional development and export diversification. Increased contributions, on a multi-year basis, to the trust fund of the Enhanced Integrated Framework were critically important.

52. Agriculture, which was an essential component of the economies of least developed countries, was affected by the trade-distorting support measures of developed countries. The Bali ministerial decision on a monitoring mechanism for special and differential treatment should be operationalized in an effective way to strengthen the effectiveness of implementation of the special and differential provisions of multilateral WTO agreements, ministerial and General Council decisions.

53. The least developed countries needed full access to modern technology and know-how at an affordable price. The current international intellectual property regime contributed to a further widening of knowledge asymmetry between those and other countries. It was necessary to have an intellectual property regime that truly assisted the least developed countries in achieving their development goals. In that regard, the decision by the WTO Council to extend the transition period under Trade-Related Aspects of Intellectual Property Rights (TRIPS) article 66.1 until July 2021 was a positive step. Member States must agree on the parameters, including the definition of technology transfer, as well as the improved format for reporting under article 66.2 of the TRIPS Agreement.

54. WTO members should refrain from raising non-trade issues in negotiations with acceding least developed countries. In that regard a binding mechanism to accelerate their accession was called for, on the basis of the agreed guidelines adopted in 2002, thereby allowing acceding countries to fulfil commitments that were commensurate with their level of development.

55. **Mr Al-Kuwari** (Qatar) said that the future of trade and development was of particular importance to his country. Qatar had hosted the thirteenth session of the United Nations Conference on Trade and Development, of which he had served as President. That session had resulted in the Doha Mandate, which, supplemented by the Doha Manar, its political declaration, served as the guide for UNCTAD in its work. The session had demonstrated that agreement could be reached and differences bridged even during the most difficult times, and that development remained a priority for the global community.

56. On the fiftieth anniversary of UNCTAD, it was important to remember that, while in terms of international trade the world was very different from the way it had been in 1964, flux, change and challenge remained very much part of the multilateral landscape. Strong political will and consensus were needed to achieve success in a politically and economically complex environment. Qatar had hosted the thirty-eighth session of the World Heritage Committee in June 2014, sending a strong message on the importance of making connections between culture and sustainable development. On that occasion, the State of Qatar had donated \$10 million to the World Heritage Fund on an emergency basis.

57. UNCTAD could, through its traditional role as an incubator of ideas and a safe place for the frank and candid exchange of views and exploration of solutions, build the momentum needed to advance in the face of systemic obstacles and complications. However, in recent years, the language of multilateralism had grown confrontational. A new culture of multilateral relations was needed, particularly in economic matters. Economic development was organically tied to cultural development, as was evident from the literature of the United Nations Educational, Scientific and Cultural Organization, especially as it related to safeguarding tangible and intangible cultural heritage. Intangible heritage was not about abstract concepts, but about a sum of daily practices deeply rooted in time and

directly connected to material and intellectual daily life. Safeguarding intangible heritage was a direct contribution to boosting local communities' standard of living. Accordingly, Qatar had listed the art of falconry in the List of Intangible Cultural Heritage in Need of Urgent Safeguarding. The new culture of development must be one of engagement, empathy and respect for otherness and must accommodate all sides in order to build a joint sense of ownership. Otherness referred to all human beings, including both young and old. The needs of the other included education. The State of Qatar had therefore launched an education initiative that sought to answer the question of how to ensure that children, including those in remote and impoverished communities, could achieve their basic human right to primary schooling.

58. His Government intended to support a series of initiatives designed to change the negotiating culture in UNCTAD and to strengthen its deliverables through cooperation rather than confrontation, through understanding and compassion, rather than through dogmatism and aggression.

59. **Mr. Riadi** (Indonesia) said that, in the years since the 2007-2008 financial crisis, countries had had to adapt to lower growth, economic stagnation and high unemployment, which had made it extremely difficult to maintain economic sustainability. Indonesia had revised its expected GDP growth for the coming year and then had had to make further adjustments, given the prospect of a higher fiscal deficit.

60. Despite a number of positive economic indicators for the Asia-Pacific region provided by the Asian Development Bank, certain factors could dampen prospects for regional growth and trade. First, energy consumption in the region represented two fifths of the world energy supply and was expected to rise. Without a sustainable energy solution, future trade and economic growth would suffer.

61. Secondly, corruption was a significant factor. The absence of transparent and predictable business practices curtailed vigorous trade. A large number of developing economies in the region had very poor corruption ratings. For Indonesia, combating and eliminating corrupt practices at all levels, which included taking severe legal action against offenders, had been a top priority. Despite the difficulties of implementing such measures in a country consisting of 17,000 islands, offices in the provinces had been

tasked with working to improve the investment climate and licensing process.

62. Thirdly, lack of improved export financing mechanisms and reliable commodity data remained an obstacle in the South-South trading system. Financing for South-South trade should be included as one of the issues to be discussed further at the third International Conference on Financing for Development, in Addis Ababa in 2015.

63. **Mr. Kadir** (Malaysia) said that the slow growth in international trade in goods and services in 2013, the lowest since 2002, had clearly pointed to the continuing effects of the global economic crisis. Only in 2014 had there been some traction, with developing countries' exports expanding more quickly than those of developed countries. It was time to boost the ability of developing countries to engage in international trade and the role of WTO in ensuring economic growth through a liberalized, transparent and predictable global trading environment.

64. Malaysia's total trade had expanded by 4.2 per cent in September 2013 compared to the same month in 2012, owing mainly to higher trade with regional and global partners, such as the ASEAN countries, China, Germany and the United States. The country's global exports had risen 5.6 per cent, and exports to ASEAN had increased by 6.3 per cent for the same period, owing mainly to higher exports of electrical and electronic products, crude petroleum, machinery, appliances and parts, and metal and chemical products. Total imports had increased by 2.8 per cent compared to the same period in 2012.

65. The expeditious conclusion of the Doha Round would help to reduce protectionist measures and contribute significantly to more equitable and inclusive growth. The ninth Ministerial Conference of WTO had moved in the right direction. A more focused discussion was needed to ensure concrete outcomes at the next ministerial conference.

66. Trade and international financial system reform should be high on the international agenda, to complement the goals and targets of the post-2015 development agenda. Those two issues were most closely correlated with a nation's wealth and had a direct impact on its ability to eradicate poverty.

67. **Mr. Narang** (India) said that international trade was particularly vital in the context of the fragile

global recovery and halting growth prospects in most major economies. Trade and investment and an open, rules-based, transparent and non-discriminatory trading system could play an important role in restoring global growth. As deliberations on the post-2015 development agenda went forward, the full potential of international trade as an engine for growth and tool for sustainable development should be unleashed.

68. The recent trend of increased fragmentation in favour of regional and plurilateral processes was a challenge to the centrality and credibility of the multilateral trading system. The international trading regime must be made more equitable and development-oriented for developing countries to benefit from international trade. Collective political will was necessary to make timely corrections to imbalances in the system and its rules, in order to ensure the impartial functioning of WTO in the interests of all its members, not just a select few.

69. While there was an urgent need to conclude the Doha Round, it must be clear that the Round was not about the perpetuation of structural flaws in global trade, especially in agriculture, nor was it about negotiating livelihood security and the subsistence of hundreds of millions of farmers. Rather, it was about creating new opportunities and economic growth for developing countries in all sectors and aiding the efforts of developing countries to provide food security and end poverty.

70. His Government was committed to the decisions taken in Bali, including the one on trade facilitation. India was a signatory to all the Bali decisions and had no intention of going back on them. It was, however, concerned about uneven progress on them. There was a strong focus on trade facilitation, but similar commitment was lacking on the other Bali decisions, especially the one on food security. Food security was central to poverty eradication and sustainable development and was at least as urgent as the other issues. Paradoxically, while food security was a priority in the post-2015 development agenda and was prominent among the sustainable development goals, there was reluctance to address the issue as part of global trade rules. A permanent solution was required, with changes in WTO rules, if necessary. It must be dealt with in the same time frame as the other decisions taken in Bali. The Bali outcomes had been negotiated as a package and must be concluded as such. Developing countries such as India must have the

freedom to use food reserves to feed their poor without the threat of sanctions.

71. **Mr. Mellouk** (Morocco) said that the Agreement on Trade Facilitation concluded in Bali, the first such agreement since the founding of WTO, was historic. It was crucial to implement the Bali package and end the current impasse, which could affect the credibility of the multilateral trade system. There must be progress on other issues related to the Doha Development Agenda as well. Development issues must remain a priority. Aid to Trade should also be stressed, to enable developing countries to tap their trade potential and foster sustainable, inclusive development.

72. Trade was crucial to achieving the Millennium Development Goals, and that was why concluding the Doha negotiations was so important. Trade was a decisive factor in growth and development and must be a basic pillar of the post-2015 development agenda. Improved market access for developing countries' exports was one way in which trade could provide funds for development projects.

73. The participation of developing countries in world trade was on an upward trend. From 24 per cent in 1990, the share of the South in world merchandise exports had increased to 45 per cent in 2013. South-South trade had increased greatly and had represented 59 per cent of developing countries' exports in 2013. It currently represented a quarter of world merchandise exports thanks to certain regional hubs, especially in Asia.

74. Africa continued to benefit less than it should from world trade and South-South trade, owing to limited production and export capacities and to trade barriers erected by its traditional partners. In the post-2015 development framework, in which trade should play an important role, Africa required priority treatment in order to be able to rise to the challenge of building the infrastructure and making the structural changes that would enable it to create productive capacity. It would then be able to make best use of its existing capacities, especially in natural resources, and participate in global value chains.

75. **Mr. Kassaye** (Ethiopia) said that it was imperative for the development dimension of the Doha Round to be fully realized, thereby providing developing countries, especially the least developed countries, with the required policy space to benefit fully from the Bali package. For developing countries

to take full advantage of the Agreement on Trade Facilitation, they must receive financial and technical assistance from the developed countries.

76. It was necessary to find sustainable solutions to the challenges faced by the landlocked developing countries, particularly in gaining access to international markets. Those countries usually paid the highest transport and transit costs and were in need of continued international support from the United Nations system and WTO to overcome their structural challenges. Ethiopia, the Chair of the Enhanced Integrated Framework, firmly believed that building trade capacity was crucial for export promotion and diversification. There should be continued support to enhance the impact of Aid for Trade.

77. The national development plan of Ethiopia focused on integrating the country into the multilateral trading system. The Government of Ethiopia was working tirelessly to achieve that objective by improving efficiency and competitiveness in the trading sector, strengthening domestic and foreign investment and trade, establishing a favourable environment for productive investors and strengthening the transparency, fairness and accountability of the legal framework for trade activities.

78. Ethiopia, which had started the process of accession to WTO in 2003, regarded the improved WTO guidelines, adopted in 2012 to streamline accession for the poorest countries, as critical in providing a simpler framework for countries such as Ethiopia to accede. Acceding developing countries must receive technical assistance before, during and after the accession process, based on their needs and demands.

79. South-South cooperation had become one of the most dynamic components of international trade. Some developing countries had provided a significant degree of duty-free, quota-free market access so that least developed countries could benefit from that growing opportunity. The African least developed countries had increasingly benefited from commercial exchanges with countries in the South. The extension through 2019 of the waiver concerning preferential treatment for least developed countries was very welcome.

80. Issues such as implementing common regulatory frameworks, developing productive capacities and building regional infrastructures must receive the necessary priority. The least developed countries had to

overcome multifaceted development challenges related to trade. Their participation in regional and international markets must be strengthened, so that they could achieve the next set of development goals.

81. **Ms. Alshamsi** (United Arab Emirates) said that solutions and resources that contributed to the reform of the international trade system were important. Multilateralism and the needs of developing countries, especially the least developed countries, should be the focus, and special preferential treatment should be given to those countries. Her Government supported the inclusion of trade in the post-2015 development agenda. To take advantage of international trade as part of the implementation of sustainable development goals, it was necessary to strengthen capacities in developing countries, so that they could set policies to boost trade. That would require a favourable and equitable international environment in which ODA technology-transfer commitments were consistently met.

82. There was an urgent need to reform the international financial regime and to increase the participation of developing countries within its framework.

83. Her Government welcomed the Bali package and called for redoubled efforts to follow up on the decisions taken in Bali. It was important to resume the Doha cycle of negotiations and reach an agreement on outstanding issues. The Group of 20 should attach major importance to promoting international trade through the adoption of measures to increase investment and promote job prospects and trade and development to reach equitable, inclusive economic development.

84. External trade was an essential source of income for her country. International multilateral trade was of major importance, and protectionism must be opposed. The United Arab Emirates had acceded to the General Agreement on Tariffs and Trade (GATT) and to several other international instruments. In recent years, the Government had cooperated with countries in Africa in international projects to achieve development on the continent and had hosted the 2014 African Global Business Forum to promote trade and investment prospects in Africa. The United Arab Emirates would also host the 2020 World Expo, marking the first time it had been held in the Middle East.

85. Her Government had adopted economic, social and environmental policies to establish a conducive environment for sustainable development and growth and had been working to provide the necessary infrastructure for FDI, including logistical and management services and anti-corruption measures. There were several free trade zones in the United Arab Emirates. The Emirates would also host an international investment forum that brought together investors interested in developing new creative projects and international-level decision-makers to discuss financial and economic challenges and exchange expertise.

86. **Mr. Imakando** (Zambia) said that his country participated in international trade through its involvement in multilateral, regional and bilateral arrangements, benefiting thereby from various market access opportunities. However, while the role of developing countries in international trade had increased, as had South-South cooperation, Zambia, like many other least developed countries, continued to face a number of supply-side constraints that impeded its ability to make full use of preferential trade arrangements. The challenges it faced included inadequate infrastructure, low productivity that inhibited production in the quantities required by international markets and an inability to produce goods that met international standards.

87. To address those constraints, his Government had begun implementing measures to create an enabling environment by building productive capacities to enhance competitiveness and making the regulatory regime more streamlined, transparent and focused on legitimate regulatory purposes. The Government had also prioritized the promotion of product value chains to enhance competitiveness. That involved the full range of economic activities required to take a product from conception through the various phases of production and, eventually, commercialization. In that regard, he welcomed the support of UNCTAD, which was collaborating with other multilateral donor agencies in implementing the Enhanced Integrated Framework in developing countries. Zambia was implementing the Framework programme to mainstream trade into national development plans and strategies; ensure the coordinated delivery of trade-related technical assistance and capacity-building activities; and build trade capacity by addressing critical supply-side constraints.

88. Zambia would continue to support programmes that stressed enhancing domestic capacities through the promotion of value addition and beneficiation of natural resources in order to accelerate the eradication of poverty and become a genuine development and trade partner, as opposed to a mere supplier of raw materials.

89. **Ms. Suthimanus** (Thailand) said that the multilateral trading system was a major enabler of inclusive and sustainable development, and that there should therefore be strengthened coherence between trade and development policies.

90. The promotion of free trade remained the cornerstone of her Government's trade and development policy. Its long-term economic reforms in Thailand focused on sustainable development, and it was making continuous efforts to ensure effective implementation of its international commitments with regard to free trade and sustainable development.

91. She welcomed the inclusion of trade-related means of implementation in the proposed sustainable development goals. The trading system could not be considered in isolation but should be looked at in combination with other financing and means of implementation options that could deliver collectively on post-2015 objectives.

92. Continuous, collective global efforts could result in a universal, fair, rule-based, open, pro-development, non-discriminatory, inclusive and equitable multilateral trading system that enhanced the promotion of sustainable and inclusive growth and provided the right environment for job creation and decent work for all. There should be cooperation in existing multilateral forums, especially towards a timely, successful Doha Development Agenda. All WTO members were urged to expedite their internal processes to implement the entire Bali package and the Agreement on Trade Facilitation in particular.

93. There must be a balance between commercial interests and multilateral efforts to extend the needed support to poorer countries, especially those that were developing or least developed. Developing countries must receive special and differential treatment so that they could retain adequate policy space for social and economic development.

94. Thailand reaffirmed its strong support for the work that UNCTAD, the International Monetary Fund,

the Department of Economic and Social Affairs and other United Nations agencies performed with a view to ensuring that the international trading system contributed to inclusive, equitable and sustainable development.

95. **Ms. Wang Hongbo** (China) said, according to forecasts by the United Nations and WTO, the world economic recovery would continue slowly in 2014 and 2015. Banks and the real economies of a number of countries remained fragile, public debt in many countries continued to rise, and economic development still faced many uncertainties. Inequality was intensifying, and the development gap separating countries had yet to be closed. In a time of transition for the international development agenda, global economic governance must be improved without delay.

96. The restructuring of the international economic and trade systems was picking up speed, with the rise in huge regional trade agreements becoming the focus of attention. Priority in trade negotiations had shifted from trade in goods to investment protection and services trade, from tangible products to digital ones, from customs measures to domestic regulatory measures, and from lower standards to higher ones. Those trends, while offering opportunities for countries to integrate into the world economy, presented challenges to the integrity and effectiveness of the multilateral trade system and put some economies at risk of exclusion from the global value chain.

97. Her Government took an open and inclusive approach to the rapid development of various forms of regional and bilateral economic and trade cooperation. However, it was of the view that multilateral cooperation was the main channel for promoting the growth of trade, reducing poverty and achieving economic development and could not be replaced by any regional or bilateral trade arrangements. The Bali package had boosted confidence in the multilateral trade system.

98. The integration of the world economy was the current world trend. All regional and bilateral economic and trade arrangements should operate in a spirit of openness, inclusiveness and transparency and on the basis of the principles advocated by WTO, complementing and enhancing the multilateral trade system rather than replacing or contravening it.

99. UNCTAD had played a remarkable role in the economic and social development of developing

countries. It had the arduous tasks of promoting the attainment of the MDGs and participating in the formulation and implementation of the post-2015 development agenda. UNCTAD was expected to further strengthen its core functions in the field of trade and development, take note of innovative development, promptly identify major risks in the world economy and assist developing countries, especially African and least developed countries, in coping with various development challenges.

100. **Mr. Momen** (Bangladesh) said that trade created links with sectors, economies, nations and cultures. Its links with infrastructure development, the emergence of a skilled labour force and entrepreneurs, job creation and innovation, as well as its overall contribution to the eradication of poverty, were significant.

101. Unfortunately, during the past four decades, the least developed countries' total share in global trade had been hovering around the dismal figure of 1 per cent. In 1971, there had been only 25 least developed countries, with a share of global trade of around 1 per cent, whereas 43 years later, despite a wealth of programmes, discussions and advocacy measures, the number of least developed countries had increased to 48 and their share in global trade was still around 1 per cent.

102. The global community had not ignored the plight of the least developed countries. The WTO ministerial meetings duly covered the issues of least developed countries and had taken decisions that provided for priority treatment for them. All the least developed countries must be granted duty-free, quota-free market access for all their products in all developed countries. Most of the developed countries had fulfilled the commitments made at the WTO Ministerial Meeting in Hong Kong, and several developing countries had also provided duty-free, quota-free access to least developed countries. Duty-free and quota-free market access must be accompanied by preferential rules of origin that were simple, transparent and predictable and contributed to facilitating market access.

103. The reason why exports from the least developed countries were not on the rise included such obstacles to trade as stringent rules-of-origin regimes and various non-tariff barriers that prevented those countries from exploiting the duty-free access offered by trade partners. Their fledgling export sectors were also constrained by certification issues, including

sanitary and standards requirements, some of which were in the non-government sector. Trade restrictiveness arising from non-tariff measures was about double the restrictiveness arising from tariffs.

104. The global community must work together to ensure that trade was a major component of international cooperation for the least developed countries in the post-2015 development agenda. International and bilateral trade regimes that were friendly to those countries were necessary if inclusive sustainable development for all was to be achieved.

105. **Ms. Zvereva** (Russian Federation) said that trade was a highly important tool for ensuring economic growth, job creation and sustainable development. Her Government therefore supported efforts towards a just and balanced international trade system based on the compliance of all participants with decisions taken in intergovernmental bodies. It welcomed the Bali package, including the Agreement on Trade Facilitation and the decisions on development, agriculture and global supply chains, and reiterated its opposition to trade protectionism. It was important to have a system of preferences that reflected the legitimate national interests of various countries.

106. The Eurasian Economic Community, which comprised the Russian Federation, Belarus and Kazakhstan and would begin operation in 2015, was a significant contribution to the establishment of an inclusive economic area. The Community had also recently welcomed Armenia. Almost all barriers to trade in goods would be removed within the Community, and a single market for services, labour and capital had been established. The common Eurasian market would operate under universal, transparent and clear rules based on WTO principles. The practical benefits of integration were clear. In three years, the volume of trade in the Customs Union of the Eurasian Economic Community had increased by 50 per cent, exceeding 64 billion dollars.

107. Her Government consistently championed the elimination of barriers to investment and trade and the establishment of lasting investment partnerships and coordinated economic regulatory activity. It was actively working to improve the investment climate in the Russian Federation, particularly by enhancing business conditions in the regions. The Russian regions were becoming a source of best practices for ways of working with investors that were applied

internationally as well as nationally. According to UNCTAD, the Russian Federation ranked third in the world for attracting FDI.

108. With its unique informational and analytical capacities, UNCTAD was needed as never before. Its mandate and universality should be preserved. Her delegation fully supported the establishment of a working relationship between the Eurasian Economic Commission and UNCTAD.

109. **Ms. Yeshmagambetova** (Kazakhstan) said that the growing global financial debt crisis was a cause for grave concern. Against a background of recovery in developed countries, the competitiveness of emerging economies was declining. Experts were predicting a possible reduction in investments of 50 per cent or more in developing countries. Moreover, steadily growing income inequalities and increasing gaps in the quality of life between rich and poor were aggravating tensions.

110. Her Government had consistently advocated a comprehensive and inclusive approach to international economic problems, particularly in the area of trade. The Head of State of Kazakhstan had stressed the need for a paradigm shift in international cooperation, which would involve concrete steps to eliminate protectionist barriers, open markets and increase trade. Changing national needs and priorities required the creation of an enabling international environment and conditions for fair and open trade. Countries needed freedom and autonomy in the implementation of policy, so that trade would flourish and the benefits of development would be equitably distributed between and within countries. That was an issue of particular significance for Kazakhstan, as a landlocked country.

111. Kazakhstan was working actively to become a member of WTO in order to achieve access to world markets for its local products. It was important to remember the role of access to the sea in the national progress of the world's developed economies. The ability to use sea transport routes was the engine of trade and economic development for the developed States. Landlocked developing countries faced a major barrier to achieving a high level of trade development. The creation of a value chain was crucial for developing countries, and for that reason a new State programme for innovative industrial development to diversify the economy and build high-tech industry had recently been adopted in Kazakhstan.

112. Those issues had been discussed in depth at the fourth Ministerial Conference of the Landlocked Developing Countries, held in September 2012 in Almaty. In its outcome, the Conference had proposed that landlocked developing countries should be granted facilitated accession to WTO and trade preferences. According to UNCTAD, the lack of a sea coast made the export trade far more expensive for that group of countries.

113. **Mr. Zelnor** (Brazil) said that, as the world economy slowly recovered from the crisis of 2008, a broader international approach to macroeconomic policies, rules and practices for trade was required. It must be more socially sensitive, be fairer to developing countries and provide greater stability. The United Nations must focus not only on growth but also on poverty eradication, social inclusion, better distribution of wealth and more sustainable patterns of consumption and production.

114. In 2015, the international community's determination to agree on a transformative set of universal goals would be measured against its capacity to deliver on correspondingly ambitious means of implementation for the post-2015 development agenda. The third International Conference on Financing for Development would provide ample opportunity to discuss macroeconomic policies and trade as key enablers of development, in line with the relevant provisions of the Monterrey and Doha frameworks, bearing in mind the United Nations Conference on Sustainable Development (Rio+ 20) consensus and the activity of the Open Working Group. Universality of goals must be tempered with the fundamental principle of common but differentiated responsibilities. The Open Working Group recognized trade as a means of implementation of sustainable development, to the extent that rules and practices were multilaterally agreed, fair and development-oriented, as required by the Doha Mandate. A stable, rules-based, multilateral, transparent trading system with adequate special and differentiated treatment provisions was needed, to give the developing countries the policy space they required to align their development policies with national priorities.

115. Since the crisis, however, the major trading partners had turned away from the multilateral trading system, ignoring the built-in WTO provisions for safeguarding the public interest and differentiating among countries based on their level of development.

There was a worrisome trend of additional rules specific to large trade blocs. That ran counter to a fairer multilateral system with special and differential provisions for developing countries that needed them. The pattern of regional rulemaking for regionally managed trade could lead to disruption later on. It was difficult to see how a scheme of trade negotiations by blocs of nations, outside the multilateral framework, could be compatible and supportive of a global and integrative economy and difficult to understand how the special interests and needs of less developed countries and economies could be accounted for in that process. The world was experiencing a proliferation of bilateral, regional and plurilateral agreements that created layers of rules, preferences and disguised protectionisms. Such an approach weakened the most-favoured-nation principle and prevented developing countries from effectively using the rules created with their participation over the course of many years, in such critical areas as intellectual property rights, services and government procurement.

116. The international community must recommit to the multilateral trading system represented by the WTO and its agreements as the main basis for discussing and promoting global trade and settling disputes. In December 2013 in Bali, members of WTO had agreed on a package to achieve limited but substantive results, including in the areas of trade facilitation and public stockholding for net-food-importing countries. That could provide a reinvigorating push for the conclusion of the Doha Round itself. It was imperative to overcome the stalemate in Geneva on the implementation of the Bali package, so that member States could turn their attention to the preparation of a broader Bali work programme dealing with the remainder of the Doha Development Agenda.

117. The international community must continue to intensify efforts to fight protectionism in all its forms. Tariff barriers, such as tariff peaks and especially tariff escalation, must be exposed for the harm they caused to developing countries' efforts to add value to their exports. Agricultural export subsidies slated for elimination in 2013 had outlived their envisaged existence. Non-tariff protections, such as technical barriers and sanitary and phytosanitary measures, must be applied in accordance with multilaterally agreed standards and, in the case of agriculture, on a solid scientific basis. Finally, there was a need to continue the serious and structured discussion of the negative

effects of international trade caused by the loose fiscal policies adopted by some developed partners, which had impacted the competitiveness of exports from developing countries and resulted in their relative de-industrialization. The compounded effects of those measures created obstacles for developing countries to move higher up global value chains and undermined the promotion of positive social, economic and structural transformation. Macroeconomic policies and trade were the quintessential means of implementation for the ambitious, transformative and universal post-2015 development agenda. They must be fair, multilateral and respectful of common but differentiated responsibilities and not run counter to the reality of a globally integrated financial system and economy.

118. **Mr. Hajilari** (Islamic Republic of Iran) said that sustainable development, reforms to the international financial system and cooperation on finance and technology could not take place in the absence of an international enabling environment. The issue of trade must also be addressed, for trade was a powerful driver and enabler of growth that created employment opportunities and lifted people out of poverty. The capacity for achieving sustained growth, social inclusiveness and environmental sustainability was closely linked to enhancing balanced productive development strategies, including through a universal, fair, rules-based, open, pro-development, non-discriminatory, inclusive and equitable multilateral trading system.

119. It was also important to facilitate accession to the existing trading system. The process of accession to WTO should be accelerated without political impediment and made expeditious and transparent for developing countries, in full compliance with WTO rules. That would contribute to the rapid and full integration of developing countries into the multilateral trading system.

120. Trade barriers and trade-distorting subsidies in developed countries, restricted access to trade finance, and the reduction in trade growth, due primarily to the ongoing impact of the global financial and economic crisis, had been matters of serious concern for the developing countries in recent years. The Ministers of the Group of 77 and China had recently reaffirmed their firm rejection of the imposition of laws and regulations with extraterritorial impact, as well as all other forms of coercive economic measures, including

unilateral sanctions against developing countries, and had reiterated the urgent need to eliminate them immediately. They had stressed that such actions not only undermined the principles enshrined in international law and the Charter of the United Nations, but also severely threatened freedom of trade and investment. They had called upon the international community to adopt urgent and effective measures to eliminate the use of unilateral, coercive economic measures against developing countries.

121. **Mr. Bredel** (United Nations Industrial Development Organization) said that international trade had become an indispensable engine for sustainable and inclusive development. Effective integration into regional and global markets promised greatly expanded demand for goods from countries with small economies. Integration into those markets also fostered job creation and income generation.

122. To achieve growth through trade, developing countries must be able to develop competitive industrial supply capacities to produce and trade and to ensure conformity of their products to the requirements of international markets. Trade capacity-building was critically important in that context, especially for least developed countries and landlocked developed countries. It supported efforts to enter global value chains and reap their benefits, which could include technological upgrading and knowledge spillovers. A quality infrastructure system, built on metrology, standardization and accreditation, was a key component of trade capacity-building and would ultimately harmonize compliance requirements, foster transparency and the standardization of trade procedures and simplify trade flows.

123. As a result of the fifteenth session of its General Conference, in Lima in 2013, the United Nations Industrial Development Organization (UNIDO) had refocused its mandate to promote inclusive and sustainable industrial development. The mandate aimed to harness the full potential of industrialization for sustainable development and lasting prosperity for all. Trade capacity-building was one of the cornerstones of the work of UNIDO as part of the new vision and an integral feature of virtually all its technical cooperation programmes.

124. UNIDO was working closely with its partners to ensure full coordination among providers of trade-related assistance. It was a fully committed

implementing partner of the Enhanced Integrated Framework and participated as an observer at its Board meetings. It was also an active member of the United Nations Inter-Agency Cluster on Trade and Productive Capacity. The Cluster had proved essential in coordinating the collective efforts of the United Nations system, especially at the country level. UNIDO was supporting the creation of a trust fund to finance Cluster activities. The next edition of the United Nations Inter-Agency Resource Guide on Trade Capacity-Building, which was the most recent contribution of UNIDO to the Aid-for-Trade initiative, would be published shortly.

125. Inclusive and sustainable industrialization was key to integrating the economic, social and environmental dimensions of sustainable development. Assisting Member States to integrate into the multilateral trading system through trade capacity-building was a primary vehicle for social inclusiveness, environmental sustainability and economic competitiveness.

The meeting rose at 12:45 p.m.