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UN General Assembly

CANZ talking points, 20 May 2008

Review session on Chapter III - 'International trade as an engine for development'

Preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

Delivered by Dr Dean Bialek
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Permanent Mission of Australia to the United Nations

(Check against delivery)

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- I have the honour to speak today on behalf of the **CANZ Group**, comprising the delegations of Canada, New Zealand and Australia.
 - **Trade is undoubtedly a valuable tool for development:** while not a solution for all challenges faced by developing countries, it has the potential to generate economic activity as well as alleviate poverty
 - Trade provides an important means by which developing countries can harness globalisation to drive their own development
 - Trade also provides access to a wider range of goods, services, technologies, and knowledge than would otherwise be available. It can also stimulate the private sector, create jobs and improve working conditions, as well as directly foster increased private capital flows and foreign exchange earnings
 - When undertaken in a supportive policy framework, trade can drive sustainable development and poverty alleviation.
 - Developing country governments are ultimately responsible to ensure **sound policies and institutions** that create the **enabling environment** for trade, investment and business activity, and the concomitant employment opportunities these will bring.
 - But in order for developing countries to take advantage of the opportunities provided by international trade, **they need access to markets**
 - Distortions in global markets remain, particularly in the agricultural sector.
 - Developing countries have been forced to compete with heavily subsidised exports from the developed world, denying opportunities for developing countries to expand agricultural exports to the world market

- Distortions have also contributed to declining investment in developing countries' agriculture, resulting in slowing productivity and output growth, which have been key factors contributing to current local food shortages
- Trade reform is fundamental to achieving global food security, and when combined with policies to lift agricultural productivity and improve food distribution, will do much more to improve food security than subsidies or other trade-restrictive practices.
- Generous **market access and liberal rules of origin** are key components for facilitating imports from developing countries, in particular LDCs
 - Developing countries stand to gain not only from fundamental reform in the agricultural sector, but also from commercially significant improvements in market access for goods and services, and binding rules for trade facilitation that could reduce administrative delays at borders
 - Growth opportunities could be further enhanced by stronger trade rules, leading to increased transparency, predictability, and stability of the trading system
 - Barriers to South-South trade remain high, and according to the World Bank, South-South liberalisation has the potential to deliver gains equal to those of North-South liberalisation
 - LDCs also require duty-free and quota-free market access from all developed countries, as well as those developing countries in a position to do so.
- Enhanced market access on its own is insufficient to enable many of the poorest countries to benefit from trade – countries and communities must also have the capacity to take advantage of opportunities in the global marketplace
 - **Trade capacity-building** is crucial for enabling developing countries to reap the benefits and positive impacts of international trade and to manage any challenges, through effective and informed negotiation, improved implementation of trade agreements and better understanding of the intricacies of overseas markets
 - CANZ strongly supports enhanced **Aid for Trade**, which is important for financing crucial trade-related technical assistance, trade-related infrastructure, and for developing domestic productive capacity
 - Multilateral assistance will also be required to help commodity-dependent developing countries to diversify their economies.
- In conclusion, the CANZ group asks you to join with us and commit to working towards a successful conclusion of the **WTO Doha Round** in 2008
 - A successful round will need to deliver a package of reforms on agriculture, industrial products and services, and will need to address comprehensively the needs and concerns of developing countries.
 - There has been good progress in the last 3 months and WTO Members have shown a commitment to working towards an ambitious outcome.
 - We note in this regard the commentary yesterday suggesting that current high food prices offer a significant opportunity by making cuts in agricultural domestic support more politically palatable.

- Securing a deal, particularly one that improves agricultural market access and dramatically reduces distorting subsidies, will significantly improve the global trading environment and stimulate the global economy.
- Major economies have a moral responsibility to ensure that their own policies assist, rather than hinder, developing countries' participation in the multilateral trading system.