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**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR BYRON BLAKE, PERMANENT MISSION OF ANTIGUA AND
BARBUDA TO THE UNITED NATIONS ON "INTERNATIONAL TRADE AS AN
ENGINE FOR DEVELOPMENT"**

New York, 19 May 2008

Co-Chairs,

1. I have the honour to speak on behalf of the Group of 77 and China in this interactive debate on Section III of Chapter 2 of the Monterrey Consensus on "International Trade as an Engine for Development".

2. The Monterrey Consensus not only identified "International Trade as an Engine for Development" but posited that "in many cases it (trade) is the single most important external source of development financing." In the context of Financing for Development, the logical expectation was that developing countries, in need of such financing, would have opportunity to increase earnings from their exports and possibly make savings in their expenditures on imports.

Co-Chairs,

3. The international trade regime in place in 2002 was highly unfavourable to developing countries and unlikely to be an engine for their development. It had to be changed. Leaders, therefore, reaffirmed a commitment to ensure that trade plays its full part in promoting economic growth, employment and development for all. To that end, leaders welcomed the decisions of the WTO in the November 2001 Doha Ministerial Meeting to place "the needs and interests of developing countries at the heart of its work programme" and committed themselves to the implementation of those decisions.

Co-Chairs,

4. Those commitments of world leaders gave the developing countries hope and encouraged their acceptance of the Monterrey Consensus package. But, after 7 years, they have not been delivered. Except for the least developed countries, developed countries have neither enhanced access to their markets nor reduced their relatively high tariffs and absolutely high tariff peaks, their use of non-tariff protective measures or the level of subsidies and other support to their producers. The Doha Development Round Negotiations is deadlocked essentially due to differences among the developed countries; there is a lack of focus on the development component in the negotiations and there is now the prospect that one of the dominant parties might not even have negotiating authority to commit. This situation will create grave difficulties for leaders of developing countries in the Doha Meeting. To provide confidence that trade will, indeed, provide financing for development the Doha Round must be completed with urgency, and

inter alia adhere to the development mandate of the 1 August 2004 WTO Council decision; establish fair rules and disciplines for agriculture, address the trade related needs and concerns of small vulnerable economies, landlocked and transit developing countries; and enhance the development related aspects of the TRIMS and TRIPS agreements.

Co-Chairs,

5. Global trade has increased since the Monterrey Conference; the trade between developed and developing countries has increased at a faster rate than overall trade and the trade balance is increasingly in favour of developing countries. Trade among developing countries, (South-South trade), has increased even faster than overall trade and the trade between developed and developing countries. A number of developing countries, on all continents, have benefited from the increases in trade and several developing countries have been taking action, including establishing bilateral or regional trade agreements and other special agreements as well as increasing investments with other developing countries.

6. These positive statistics, however, hide more than they reveal. A more detailed analysis would indicate that the positive trade performance is due in large measure to the performance of a relatively small number of countries and of commodities and services; the goods trade is dominated by a few developing countries; and that the escalating prices of some commodities which help explain the growth are creating major difficulties for many developing countries, which are experiencing significant negative trade balances and many, particular net food and net energy importing developing countries, are experiencing food and energy shortages. Further, there are already signs that exports of some of the faster growing developing countries are likely to come under increasing protectionist pressures in some developed country markets.

7. Increased competition in national, regional and international markets, loss of preferential market access and increased cost of transportation are also creating additional difficulties for many developing countries.

Co-Chairs,

8. The increased ODA which was envisaged in the Monterrey Consensus to assist developing countries in building new production infrastructure, retrain and reorient entrepreneurs and workers, diversify production and markets and generally build new export bases has not materialized. ODA for development purposes has actually fallen.

9. Developed countries have been emphasising a strategy based on "Aid for Trade" to assist developing countries which lose market. In reality, resources for "Aid for Trade" are small, are drawn from existing resources, often come with significant conditionalities, are externally driven and often a sweetener in trade negotiations. In the context of financing for development, this concept could only make sense if it were new and additional aid to build new export trade capacity----"AID for Export Trade Capacity Building" not "AID To Compensate for Trade"

Co-Chairs,

10. The sustained participation of the broad range of developing countries in international export trade will depend critically on a coherent and conducive international environment. This was anticipated in the Monterrey Consensus. There is, however, still little coherence in the international architecture and governance structure for trade, finance and development and no discernible activity towards that end. In this regard, the G-77...

Co-Chairs,

11. Trade; the situation of Africa, the LDCs, SIDS and Landlocked Developing Countries; and the current food, energy and financial crises with their dire implications for developing countries, in particular net food and energy importing developing countries demand urgent attention These issues must be addressed in Doha.

Co-Chairs,

12. In closing let me indicate some of the confidence building measures and expectations of developing countries of trade in the decisions which will emerge from Doha -

- A clear and unequivocal commitment to a speedy and conclusive conclusion of the Doha Development Round;
- Call for arrangement for speedy and conclusiveness in the Doha Development Round of Negotiations with real content for development including the provision of policy space, the removal of conditions, which make it difficult to encourage forward and backward linkages, encouragement of value-added and skill and technology based production and provisions for special and differential treatment for developing countries in particular developing countries with particular development challenges such as the least developed countries, the small island developing economies, the landlocked developing countries, the transit states and countries in Africa.
- A bold relook at commodities fundamental arrangements stabilization and for enhancing development,
- Real, additional and fast disbursing support without condition for adjustment to trade shocks and disruptions, for exporting trade capacity building,
- Call for realistic costing of the benefits and costs of the outcome of any new Trade Agreement,
- Measures to address the tendency for the terms of trade to work against developing countries,
- Trade capacity building,
- Fundamental view of relook at the existing legal framework for international trade,
- Access to technology: IPRS TRIMS, TRIPS.