

Comments of the Government of Japan

Review Session on Chapter III of the Monterrey Consensus

“International Trade as an engine for development”

General Assembly

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1. Doha Development Agenda

According to the Secretary General’s report A/62/266, export growth accounted for over 60 percent of GDP growth for developing countries and over 40 percent for the least developed countries between 2000 and 2005. These data amply testify that international trade is “an engine for development.”

Against this background, a successful and early conclusion of the Doha Development Agenda (DDA) is now more important than ever. Developing countries must be integrated into the multilateral trading system embodied by the WTO system as equal beneficiaries and participants. At this critical juncture, Japan will constructively participate in the Doha Round negotiations with a view to achieving a comprehensive and balanced outcome.

2. Aid-for-Trade

The goal of Aid for Trade is to assist developing countries in achieving economic growth by expanding trade. In this regard, the scope of aid should not be limited to a narrowly defined trade sector. Developing countries need to build supply-side capacity and trade-related infrastructure and establish market channels for their products. Developed countries, for their part, should avoid a one-size-fits-all approach to Aid for Trade and instead provide assistance that is aligned with partner countries’ strategies and priorities and respects national ownership.

Japan will continue to provide Aid for Trade through its “Development Initiative for Trade” launched prior to the Hong Kong Ministerial Conference in 2005. This comprehensive program is aimed at helping developing countries to boost exports by providing support at each of three different stages: “Produce,” “Sell,” and “Buy.” As part of this initiative, Japan is promoting the export of local goods through the “One Village, One Product” campaign with a view to revitalizing rural economies. In April last year, Japan also enhanced its duty-free and quota-free market access to LDCs by expanding coverage to 98 % of products, defined at the tariff line level, and well over 99 % in terms of import values.

3. Partnership, South-South Cooperation

According to the experiences in Asia, the enhancement of the competitiveness of developing countries and the increase and diversification of exports were made possible by shifting production bases from developed countries to developing countries. Foreign Direct Investments (FDIs) played a critical role in this regard and, thus, the improvement of an environment conducive to FDIs is crucial. Japan is taking a multi-layered approach to support these efforts. For example, most of the Economic Partnership Agreements that Japan has concluded include not only elements of a free trade agreement, but also provide rules on investment, intellectual property rights, competition policy and other issues. Japan's ODA also puts emphasis on infrastructure development, including electric power and port facilities, human resources development and legal and other institution building.

South-south cooperation in the field of trade and investment is also important. Over 80% of South-South trade is concentrated in Asia. Asia's success story attests to the benefit of South-South trade on economic growth. In this regard, Africa-Asia Business Forum is one of the major initiatives the TICAD process has taken with a view to promoting investment and trade between Africa and Asia. This Forum has provided companies in both Africa and Asia with opportunities to enter into business negotiations and has produced concrete results in fields such as agro-industry and construction.