

**STATEMENT BY PAKISTAN**

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**Leader of the Pakistan delegation at the**  
**Eleventh Session of UNCTAD**  
**(São Paulo, 15 June 2004)**

Mr. President,  
Mr. Secretary General of UNCTAD,  
Ladies and Gentlemen,

It is a pleasure to participate in this important Conference in this great city of São Paulo. We thank Brazil for its warm welcome and hospitality. My delegation has been inspired by President Lula's eloquent advocacy of the cause of the developing countries.

2. The UNCTAD was created to promote development through trade. Throughout its existence, it has taken the lead in presenting perspectives of the poor and disadvantaged people. No less under the leadership of a brilliant Brazilian, Rubens Ricupero.

3. It is sad that despite the march of civilization and science and technology, our world is more unequal today than at the birth of this Organization. The rich are richer; the poor are

poorer. Over the past three decades, the gap between them has increased from 30 to 1 to 74 to 1. More than one-fourth of the world's people - over two billion - live in abject poverty - earning less than two dollars a day. Globalization must fulfill the needs of people not merely promote market efficiency. We must pursue cooperative rather than competitive development.

4. Economic and social transformations precipitated by globalization have overwhelmed the capacity of many developing economies to cope with their consequences. Many of the poorest countries continue to export capital due to high debt servicing and deteriorating terms of trade. Disparities of wealth and opportunities, within and between countries, large-scale migration, financial instability, and reverse capital flows from developing to developed countries, have led some to question whether global institutions; such as the IMF and WTO, have the ability to manage the economic and social challenges posed by globalization.

5. A global strategy to address these imbalances is reflected in the UN's Millennium Declaration, the Monterrey Consensus and the Doha Ministerial Declaration. What the world needs is a renewed political commitment to make globalization work for all. The UNCTAD is uniquely placed to take a lead in

this global endeavour. The final Declaration of our Conference - which has been almost agreed under the dynamic leadership of Ambassador Sha Zukang of China - will, we hope, generate such a global endeavour. We must achieve a 'Sao Paulo Consensus' on people-centered development.

6. Many of the low-income countries, including Pakistan, have adopted conscious policies for poverty reduction, good governance and open trade in response to the Millennium Declaration's goals and the decisions of Doha and Monterrey. Unfortunately, these have not been matched by the fulfillment of the promises of greater market access, larger financial assistance, debt relief and other agreed actions to redress the international imbalances in finance, trade and technology.

7. Clearly more rapid economic growth, trade and socio-economic equity cannot be realized without significantly larger investment in the developing countries. The \$ 300 billion FDI flows last year went to only a dozen more dynamic developing countries. A conscious effort is required through substantially higher ODA flows and innovative financing - private and public, national and international - to meet the financial needs of the poorer developing countries. The 0.7% target for ODA transfer

must be fulfilled. Generous debt write-off and relief must be part of any global development strategy. Conscious policies and mechanisms should be adopted to direct finance to those who cannot attract this in the market. It is also time to revisit and consider whether some of the innovative ideas considered in the past - a link between new SDRs and development; a compensatory trade financing facility; a revision of IMF quotas for the developing -countries could be revived.

8. Trade is the principal engine for growth and development. The Multilateral Trading System - and trade negotiations under the WTO - are preferable to bilateral and regional arrangements which often discriminate against the disadvantaged. But, we must put "development" into the Doha Round of trade negotiations. The development objectives of Doha Round are evident; they need to be explicitly stated at this time:

One, elimination of the gross inequalities in agricultural trade, particularly the \$ 350 billion in export and other agricultural subsidies. Brazil's successful challenge of cotton subsidies has confirmed that such support is contrary to the spirit and the letter of WTO Agreements;

Two, the elimination of tariff peaks and tariff escalation against the most competitive exports of the developing countries, such as textiles and clothing;

Three, ensuring that implementation of the TRIPS agreement does not compromise developmental objectives;

Four, greater discipline of anti-dumping actions to prevent circumvention of market access commitments;

Five, the operational application of Special and Differential treatment for the low-income countries;

Six, "market access" in the Movement of Natural Persons equal to that negotiated in financial and other service sectors;

Seven, a resolution of the outstanding "implementation" issues relating to the Uruguay Round agreements; and

Eight, examination of the linkages between trade and finance and trade and technology to facilitate development.

9. We are aware that these objectives will need to be negotiated and, some reciprocal concessions offered to our developed countries partners. However, acknowledgement by our partners of legitimacy and importance of these objectives will go a long way in reviving the support of the developing countries for a genuine the Doha Development Round. Some other confidence building measures would also be helpful in sustaining the momentum of the Doha negotiations. Such confidence building measures could include:

a moratorium on anti-dumping and dispute settlement actions against the least developed and low income countries;

a significant reduction, if not elimination, of cotton subsidies;

Initiation of a development - review of the TRIPS, TRIMS agreements;

Operational application of S&D provision in the TRIPS and TRIMS and anti-dumping agreements;  
and

a visible commitment to capacity-building in the developing countries, perhaps through the creation of an International Fund, under the joint auspices of the WTO, UNCTAD and the UNDP.

10. UNCTAD must not be inhibited from playing its traditional role in supporting the developing countries in realizing their development objectives in the WTO and other trade negotiations. Often, it is the only "think-tank" available to the poor.

Mr. President,

11. When it was established, UNCTAD was to serve as an agency dedicated to promoting development through free and fair trade. Despite the erosion in expectations and the limitations imposed on its capacity UNCTAD remains a guardian of the world's development conscience. Pakistan will continue to rely on UNCTAD to play a central role in projecting and promoting the

just quest for fairness, equity and equality for the poor and struggling peoples of the developing countries.

I thank you Sir.