

STATEMENT BY DR. E.M. SUDARSANA NATCHIAPPAN, MEMBER OF PARLIAMENT
AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 47 –
MACROECONOMIC POLICY QUESTIONS [A] INTERNATIONAL TRADE AND
DEVELOPMENT AT THE SECOND COMMITTEE OF THE 63RD SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY ON NOVEMBER 05, 2008



Mr. Chairman,

We thank the Secretary-General and the United Nations Conference on Trade and Development [UNCTAD] for the report on "International Trade and Development". We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Mr. Chairman,

International trade can play an important role in promoting economic growth and development. For developing countries, greater market access to developed country markets is crucial in their efforts towards poverty eradication and achievement of the development goals. Enhanced trade is particularly relevant in the context of the ongoing crises and expected global economic slowdown. However, developing countries can truly benefit from trade only if the international trading regime is more equitable and development oriented.

In this regard, we must ask ourselves why the current trading system has not delivered for the poor, and has instead exacerbated the inequitable growth patterns. Our efforts at enhancing international trade must be undertaken with this perspective in mind. Trade must link exports to employment generation and to the overall domestic economy in developing countries. We must support value addition in developing countries, instead of perpetuating the role of developing countries as providers of raw materials. Restrictions on products of interest to developing countries must be eliminated.

Mr. Chairman,

We are disappointed that we have had to take a pause in the WTO negotiations earlier this year, and we welcome the recent resumption of the multilateral process in Geneva. India stands committed to constructively engage to move the Doha Development Round to an early and successful conclusion that will have the development dimension at the core of the trade negotiations.

However, we must be clear that the Doha round of trade negotiations is about the Doha Development Agenda. This Round is not about the perpetuation of structural flaws in global trade, especially in agriculture. This Round is not about developing countries opening their markets for developed countries for their subsidised agricultural products. This Round is not about negotiating livelihood security and subsistence of hundreds of millions of farmers. Instead, this Round is about opening new markets for developing countries especially in developed countries. This Round is about creating new opportunities and economic growth for developing countries in all sectors including Industries and Services. This Round is about extracting LDCs and vulnerable economies from the stranglehold of poverty.

Attempts by many of our developed partners to include issues like a restrictive "anti-concentration" clause, mandatory "Sectorals" in Non-agricultural Market Access [NAMA], avoidance of commitments on eliminating cotton subsidies, etc., go against the mandate of the Hong Kong Ministerial Declaration and the spirit of the Doha Development Agenda. We are also concerned with the late attempts to increase demands on developing countries in the context of the modalities negotiations.

Mr. Chairman,

Progress on negotiations in agriculture remains a key issue at the Doha Development round. We agree with the report of the Secretariat that massive agricultural subsidies in developed countries have distorted international markets and weakened agricultural production in developing countries. As recent developments have demonstrated, such policies have severely impacted food

security in developing countries and have played a significant part in the global food crisis. The energy crisis has further increased input costs for agricultural production. It is imperative for progress in this area in the trade negotiations. However, the livelihood security of subsistence and marginal farmers in the developing world cannot be compromised, and commercial interests cannot take primacy over these. We urge developed countries to demonstrate flexibility towards genuine reduction and elimination of agricultural subsidies.

Industrial development is also a key component of achieving the development goals. It is important that nascent industrial development in developing countries is not harmed and that they do not face de-industrialization. NAMA negotiations must be in line with these objectives.

Services, particularly Mode 4, is another area which is of interest to developing countries. However, administrative and procedural requirements by developed countries pose significant barriers, apart from other market access restrictions. We stress the need for developed countries to ensure liberalized, commercially meaningful and effective market access in Mode 4. This would create a win-win situation by bringing tangible benefits to both developing and developed countries.

Mr. Chairman,

Technology can play a crucial role in development efforts. A fairer Intellectual Property Rights regime is required, which would facilitate transfer of technology to developing countries at concessional and preferential rates. This is particularly relevant for sectors like public health and for climate change technologies. In this regard, we stress the need for accelerating work on the development-related mandate concerning Trade-related Aspects of Intellectual Property Rights [TRIPS], including measures to make it fully supportive of the objectives of the Convention on Biological Diversity.

Mr. Chairman,

The international community also needs to take proactive steps to assist developing countries, particularly Least Developed Countries and other vulnerable economies, to remove supply side constraints so as to benefit from international trade opportunities. We must effectively operationalize "Aid for Trade", and address preference erosion issues. I am happy to inform that despite being a developing country, India has unilaterally announced, earlier this year, a scheme to grant duty-free and preferential access to products from all LDCs. The tariff lines covered under this scheme span 92.5% of global exports of all LDCs, and 94% of India's total tariff lines. We also provide assistance to numerous other developing countries, particularly in Africa, through our technical assistance

programme. Nevertheless, efforts by fellow developing countries like India can only complement the requisite efforts by our developed partners.

Before concluding, Mr. Chairman, I would like to reiterate our support to UNCTAD, which has a key role in supporting developing countries. We thank Ghana for successfully hosting UNCTAD XII and support the focus of the Accra Accord on measures to make globalization pro-development.

Thank you, Mr. Chairman.

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