

STATEMENT BY MR. PRASANNA ACHARYA, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 52[A]: MACROECONOMIC POLICY QUESTIONS: INTERNATIONAL TRADE & DEVELOPMENT AT THE SECOND COMMITTEE OF THE 62<sup>ND</sup> SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON OCTOBER 26, 2007

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 Pakistan on behalf of the Group of 77.

Mr. Chairman,

We share the Secretary-General's views on the importance of international trade as an engine of economic growth and development. Coupled with greater market access for developing countries, it is a crucial tool for developing countries in their efforts to eradicate poverty and to achieve the Millennium Development Goals. However, for developing countries to truly benefit from trade, the international trading regime must be made more equitable. Restrictions on market access by developed countries through tariffs, quotas and subsidies on products of interest to developing countries, which detract from guaranteeing a fair and level playing field for developing countries, must be eliminated. Trade must be made pro-poor by linking exports to poverty-sensitive sectors of developing countries, and by supporting value addition in those countries, instead of perpetuating the role of developing countries as providers of raw materials.

In this regard, the Secretary-General has correctly emphasized the imperative of the development dimension in achieving progress in the Doha round of trade negotiations. The need for adherence to this mandate remains critical in order to realize a non-discriminatory and equitable multilateral trading system that contributes to meeting the development aspirations of developing countries. The paradigm shift in the international trading system needs to be recognized, and interests and concerns of developing countries must be given due weightage.

Mr. Chairman,

Progress on negotiations in agriculture remains the core issue at the Doha round. It is unfair to compare the subsistence farmers in developing countries, who have no other means of livelihood, with the subsidized large-scale commercial farming in many developed countries. Such subsidies have significant implications on food security and rural development in developing countries. We urge developed countries to demonstrate flexibility towards genuine reduction and elimination of such subsidies.

Given the enormous impact of the agricultural sector on developing countries, it is also unfair to link negotiations on agriculture with those on non-agricultural market access [NAMA]. To ensure sustainability of development, it is important that nascent industrial development in developing countries is not harmed and we do not face de-industrialization. We must ensure that the enshrined principles of "less than full reciprocity" and "special and differential treatment" are fully respected.

With regard to services, we agree with the Secretary General that Mode 4 can significantly enhance world welfare. Unfortunately, this is an area where developed countries have made the minimum binding commitments, which is further reduced owing to a number of entry conditions, as well as administrative and procedural requirements. We stress the need to ensure liberalised, 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.

Technology plays a particularly key role in promoting development. Issues that affect humankind at large must be given special treatment. In this regard, we call for early action on the development-related mandate concerning Trade-related Aspects of Intellectual Property Rights [TRIPS] in the Doha Ministerial Declaration. We support flexibilities in the Agreement on TRIPS for public health concerns and stress the need to extend such flexibilities to climate-change technology transfer. We also support measures to make intellectual property rules fully supportive of the objectives of the Convention on Biological Diversity, particularly with regard to disclosure, prior informed consent and equitable benefit sharing. We need to consider setting up a special Committee of Experts in order to expedite action on these issues.

Mr. Chairman,

Promoting the benefits of trade must take into account the special needs of many developing countries, particularly Small Island Developing States, Landlocked Developing Countries and Least Developed Countries. Greater efforts must be made by the international community to build capacity, improve trade-related infrastructure and provide technical assistance, so that developing countries can remove supply side constraints and take advantage of international trade to promote development. There is urgent need to fully operationalise the "Aid for Trade" initiative. In order to address preference erosion, developed countries must implement their commitments to lower preferential rates to zero and, more importantly, enhance the utilization of Generalised System of Preference Schemes by rationalising rules of origin. Despite our constraints as a developing country, I am happy to reiterate that by the end of the year, LDC imports into India will face a zero tariff regime. I may add that we also provide assistance to numerous other developing countries, particularly in Africa, through our technical assistance programme.

Before concluding, Mr. Chairman, let me reiterate our support to UNCTAD. We believe UNCTAD has a critical role to play in providing support to developing countries, and there is a pressing need to enhance its resources. We also thank the Government of Ghana for offering to host UNCTAD XII, and look forward to its deliberations on trade policies, with particularly focus on globalization and development.

Thank you.

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