

**Statement by Mr. Aizaz Ahmad Chaudhry, Acting Permanent Representative of Pakistan to the United Nations on Agenda Item No: 50 (a): International Trade and Development (October 31, 2005)**

**Mr. Chairman,**

Let me begin by thanking the Secretary General for his report on agenda item 50(a) and the Trade and Development Board for the report on its Twenty-second Special Session.

2. Pakistan would like to associate itself with the statement made by the distinguished representative of Jamaica on behalf of the Group of 77 and China.

3. We are taking up this important agenda item for discussion at a time when the sixth WTO Ministerial Meeting in Hong Kong, China, scheduled for 13-18 December, 2005, is around the corner. Indeed, a crucial juncture for the multilateral trade negotiations and a unique opportunity to realize the much promised development dimension of the Doha Work Programme.

4. In our preparations for the 2005 World Summit this year, we have had extensive consultations on, among other things, the development dimension of trade and on framing an appropriate message for WTO in Geneva.

5. Earlier, in that context, the Secretary General's report "In Larger Freedom" clearly pointed out that the developing countries continued to be denied a level playing field in global trade on account of a "variety of tariffs, quotas and subsidies" used by the developed countries to restrict access to their markets and shelter their producers. The Doha round, the Secretary General noted, 'provided an opportunity to correct these anomalies' and together with the United Nations Millennium Project, recommended that the 'Doha round should fulfil its development promise and be completed no later than 2006'.

6. Many of our Heads of State and Government echoed similar strong sentiments in their national interventions at the World Summit including the bold proposal by President Bush to eliminate all tariffs, subsidies and other barriers.

7. The 2005 Summit also affirmed the goal of promoting the development dimension in the Doha Round and concluding it by 2006. Yet, the news from Geneva, to say the least, is not very promising. The record of the negotiations, this far, does not inspire confidence that the "development agenda" will find adequate reflection in their outcome. Only one, broadly phrased, framework agreement, for negotiations on Agriculture, has been adopted. Its elaboration is proving difficult. Its development content is uncertain.

8. Proposals for framework agreements in other areas – such as non-agriculture market access – also seek to impose quick liberalization on the developing countries without regard to their capacity to compete. The operationlization of S&D provisions and promises continues to be delayed and deflected. There is also resistance to correcting the anti-development implications of some of the previous agreements, such as the TRIPS Agreement. Meanwhile, the Multilateral Trading system – and the principle of MFN - continues to be eroded by regional trade arrangements and preferential systems. And, new protectionist trends are rising in some of the largest economies.

9. Clearly, there is an impasse in the Geneva negotiations. The deadlocks in the multilateral trade negotiations are not a very unusual thing. The world witnessed several in the Uruguay round and before under erstwhile GATT. However, the situation this time around is more serious and divisions more profound. Most importantly, the stakes of a failure at Hong Kong are way too high for the global trading system and foremost for the WTO itself.

10. Any failure in Hong Kong, coming in on the heels of Cancun, which followed the debacle at Seattle, would unmistakably place a big question mark on the need, utility and credibility of the multilateral trading system and the multilateral trade negotiations process. The international community, particularly the poorest of this world are watching, like never before, as to how the commitments and promises made during the Doha round - the first under WTO- including those inherited from the Uruguay round- the last of GATT rounds - are fulfilled.

**Mr. Chairman,**

11. The global trading system, as it evolved in the post-war period, has been discriminatory against the developing countries. The 2005 Human Development Report points out that on average the trade barriers faced by developing countries exporting to rich countries are three to four times higher than those faced by rich countries when they trade with each other. This is the legacy which needs to be redressed – especially in the on-going Doha Round of WTO negotiations.

12. The challenge is to transform the Round into a genuine “Development” Round. A mere characterization as a development round would not suffice. The opportunity has so far been wasted. Four years into the talks, nothing substantive has come out of the round so far. The unbalanced agenda pursued by developed countries and failure to tackle agricultural subsidies, according to the Human Development Report, are at the core of the problem.

13. Our leaders at the 2005 Summit have also reaffirmed their commitment to ensuring that trade plays its full part in promoting economic growth, employment and development for all.

14. The Doha Round is the opportunity to build a strong nexus between trade and development and to establish ‘the credibility and legitimacy of the rules-based trading system.’ Viewed in this background the round is too important to fail. ‘Building shared prosperity requires multilateral institutions that not only advance the public good, but are seen to operate in a fair and balanced way.’

15. There is thus a need to clearly identify and achieve the development objectives of this Round. The Human Development Report suggests that the key benchmarks for a development oriented outcome of the Doha Round should be: ‘deep cuts in rich country government support for agriculture and a prohibition on export subsidies; deep cuts in barriers to developing country exports; compensation for countries losing preferences; protection of the policy space for human development; a commitment to avoid “WTO plus” arrangements in regional trade agreements; and refocusing of services negotiations on temporary movements of labour.’

**Mr. Chairman,**

16. Opinion is also gaining ground that the Hong Kong Ministerial should achieve an “early harvest” of agreements that respond to the interests of the developing countries. This “early harvest” could include:

- i. An agreement on the end date for the agriculture export subsidies, including an early end to cotton subsidies, and a clear commitment to end all other support measures by the developed countries;
- ii. Agreement on a tariff-cutting formula for non-agricultural goods that would lead, inter alia, to early elimination of tariff peaks and tariff escalation against the exports of developing countries;
- iii. A moratorium on the use of anti-dumping actions against low income countries;
- iv. A commitment to liberalization of labour services (Mode IV);

v. An end to arbitrary and abusive use of sanitary and phytosanitary standards and similar measures to restrain exports of low income countries;

vi. Implementation of the Special & Differential provisions of existing WTO agreements.

17. Some other initiatives on trade that need to be pursued urgently are: creation of a trade capacity building fund, the creation of a mechanism, perhaps with private sector participation, for the stabilization of commodity prices, and a review – by both WTO and WIPO – of the development dimension of the global intellectual property regime.

18. In the context of trade capacity building, the Human Development Report also points out that ‘there is an unhealthy concentration on building capacity in areas that the donors consider strategically useful.’ For the weakest ‘players’, - the LDCs, LLDCs, SIDS - the emphasis should be on building their productive capacities, besides compensating them for the erosion of trade preferences and decline in terms of trade, as well as “policy space” to pursue development-oriented agricultural and industrial policies.

19. Pakistan remains committed to the successful conclusion of the Doha round. We are constructively engaged in negotiations in Geneva. Recently, we hosted a G-20 Ministerial meeting in Pakistan, which was also attended by several Ministerial and other high level representatives from the LDCs, African countries and G-33. The meeting took stock of the status of negotiations in the area of agriculture and advanced proposals to resolve the impasse on agriculture. Pakistan has also tabled several proposals including on tariff cutting formula under NAMA, a paper on Mode 4 under GATS, and a joint Pakistan-Swiss proposal on Development related issues in Trade Facilitation.

20. The impasse in Geneva negotiations is too important to be ignored. Clearly, the process needs political propulsion to create a breakthrough. Our leaders at the Summit reaffirmed the need for the United Nations to play a fundamental role in the promotion of international cooperation for development and the coherence, coordination and implementation of development goals and actions agreed upon by the international community. Living up to this expectation, the General Assembly must send a clear, succinct and strong message to Hong Kong for an early and genuinely development oriented outcome of the Doha round.

**I thank you.**