

Statement by Ambassador Dr. Dinesh Bhattarai, Permanent Representative of Nepal, on behalf of the Group of Least Developed Countries at the Third Session of the Trade and Development Commission, on June 6, 2011, Geneva..

Mr. Chairman,

Excellencies, Distinguished Delegates

I have the honor to make this statement on behalf of the group of the Least Developed Countries.

I would like to associate with the statement made by Ambassador of the Kingdom of Lesotho on behalf of the Group of 77 and China.

I congratulate you, Mr. Chairman on your assumption of the Chair of this Commission. We would also like to congratulate the Vice chairs and Bureau members on their respective elections. On behalf of my delegation as well as on behalf of the LDC Group, I express full confidence in your leadership and assure you of our cooperation to take this meeting to a successful conclusion.

I express our gratitude to Her Excellency Madam Pangestu, Minister of Trade of Indonesia for her inspiring address on 'Promoting inclusive growth and sustainable development through trade.'

I thank the Deputy Secretary General for his statement.

We commend the work by the Secretariat and documents produced for the meeting. LDCs group places on record its appreciation for the important work done by the UNCTAD in the field of trade and development and their various components.

Mr. Chairman,

A free and fair trade can be an engine of growth, and powerful instrument for poverty reduction and improvement in human conditions. Trade also fosters comprehensive interactions, better understanding, tolerance and harmony among nations. At a time when the conclusion of Doha Development Agenda is deadlocked despite a series of tireless efforts for over a decade, we believe assessment of the international trading system, how it can contribute to growth, development and the creation of employment, and integration of developing countries into the international trading system more inclusive and sustainable will provide insights and inputs for a way forward in time of

global crisis and evolving recovery. Access to efficient trade logistics systems is a requisite for a better integration of developing countries. The Commission is also to examine how productive and export capacities could be contributory to the evolution of global supply chains (GSC) and facilitate their integration.

As we look to the UNCTAD XIII early next year, the focus placed by the secretariat on the implementation of the Accra Accord and learning from its experience is well appreciated.

Mr. Chairman,

Trade and development go hand in hand. They are like the two wings of a bird. Trade and development are needed to promote inclusive growth and sustainable development. The widespread poverty, decline in trade prospects, growing unemployment, more people being pushed into hunger and poverty zone, and reversal of hard won development achievements made by LDCs towards MDGs and other development goals have profound implications on social and political order. These manifestations have brought to the fore the root causes of systemic crisis, and led to the call for a fundamental reorientation in the role of state and market forces, prevailing economic growth and development models to more equitable approaches that ensure fair participation in global trade, growth and prosperity and make them economically, socially and environmentally sustainable.

After so much of discourses on development over the decades, today we face not less but more and multifaceted problems of development. Why Least Developed Countries stand less secure and why insecurity has become a development challenge? Why do they face chronic development problems and diminishing state capacities? One and half billion people live in areas affected by conflict, fragility and armed violence. ILO DG reports that youth unemployment has been found to be the highest in regions where social unrest has recently erupted. What have been the developmental consequences of the ongoing financial and economic crisis, food security, volatility in commodity markets, energy security, and shocks of climate change? These are some of the issues that have exposed existing imbalances in global order, raised questions about the functioning of free market principles, and rampant deregulation. These questions merit close attention while deliberating the issues of trade and development.

Mr. Chairman,

Last month the international community met in Istanbul for the 4th United Nations Conference on Least Developed Countries (LDC) and adopted the Istanbul Program of Action that charts out the vision and pathways for the next decade. It calls for a

renewed and strengthened global partnership in shared responsibility and mutual accountability. This is a guiding document for the LDCs, and also for the development partners, emerging economies, UN system as well as international organizations including the WTO as whole to address the development challenges in LDCs. The overarching goal is to halve the number of LDCs by 2020 by focusing on the combination of strong economic growth, equitable and sustainable development, greater gender equity, decreased vulnerability to economic shocks and natural disasters.

Mr. Chairman,

The IPoA prioritizes the building of competitive productive capacities for LDCs. Building productive capacities in agriculture, manufacturing and services is essential to benefit from greater integration to global economy. As productive capacity building is an interrelated process, it is essential to build adequate infrastructures: physical, knowledge and institutional infrastructure, market access, transfer of technology, financial resources to enhance their competitiveness, diversification of products and ensure increased and smooth flow of trade. For landlocked developing and least developed countries, the issue of trade facilitation in the process of developing institutional and physical infrastructure development policies remains vital to make trade transactions more cost-effective.

LDCs need to be adequately assisted to promote private sector investment, including through public-private-partnerships for infrastructure development and maintenance in areas such as railways, roads, waterways, warehouses and port facilities. Comprehensive national infrastructure development and maintenance policies and plans for the development of infrastructures networks should be developed and put into implementation.

The cooperative partnership to be productive and meaningful should leave enough policy space in LDCs for their ownership. The developmental role of the state is all the more important to suit their socio-economic needs, priorities and circumstances than ever before in the aftermath of multiple crises.

Climate change has significant complications for sectors like agriculture, tourism, transport, access to clean water, fisheries, and efficient and renewable sources of energy for development and technologies. LDCs are disproportionately affected by climate change for no fault of theirs. LDCs including the small island developing states (SIDS) which are completely dependent on their international ports and airports face

severely limited adaptive capacities. Appropriate adaptation measures are taken. This is of particular relevance for the LDCs that are already facing major development challenges and are likely to be most affected by the potential impacts of climate change with humanitarian proportions. The IPoA expresses its concerns and underlines the need to strengthen LDCs capacity to adapt and mitigate climate change. UNCTAD's relevant work in the field, which includes a joint UNCTAD/ on "Climate change impacts on international transport networks", is therefore particularly important and further work in the field should be strengthened and pursued as a matter of priority.

Mr. Chairman,

There are developmental consequences of the global economic crisis. Originated in developed countries, the crisis has hit hard the LDCs. LDCs need support to overcome the negative impact of global and financial crisis and accordingly design trade and development policy to contribute to the recovery of LDCs. We suggest that LDCs economies be helped in a substantial manner and in a sustainable way. The support could include technical assistance and capacity building to help overcome supply side constraints including the addressing of primary concerns of LDCs such as food security, poverty alleviation, rural development.

The deadlock in Doha Round has denied the development in LDCs. Its early conclusion with development at the center could lead to substantial welfare gains for the world's poor in a world of economic turmoil. The early harvest in Doha Round of the Duty Free Quota Free Market access, services waiver, cotton issue, operationalization of Special and Different Treatment will go a long way to improve the quality of life of over a billion people living in LDCs.

Accession of LDCs should be facilitated and accelerated through simplified and streamlined accession procedures. The current economic and financial crisis has exposed the limitations and weaknesses of the international financial institutions. It has shown the need for deep reforms of multilateral institutions and development banks. This calls for including the voice and representation of LDCs in an inclusive and equitable manner in financial and economic governance, international trading system in order to strengthen the pillars of international economic cooperation. It is equally necessary to have more pragmatic and prompt disbursement of the promised ODA, effectiveness of the regulatory mechanisms and democratic governance for creating policy space and building local capacity.

Information and communication technology has emerged as an effective instrument to promote sustainable development. The wide gaps in the use of ICT in developing and developed countries need to be bridged. In the context of South-South trade emerging

as a potential avenue, efforts should be made to strengthen and further promote the networks of the South-South Trade to complement North-South Trade.

Mr. Chairman,

In this highly globalized world, a robust service sector is vital for all countries. Reports indicate that service industry has emerged as one of the major contributors to world GDP, contributing more than 70% of GDP in case of developed countries and around 50% of GDP in case of developing countries.

Trade in services is important, having capacity to create right environment to overcome supply side constraints and ensure development gains. Remittances, though private flows, have created significant impact on development. Efforts should be made to lower transaction costs, and create opportunities for development oriented investment.

Tourism is fast emerging as one of the largest and fastest growing sectors of the economy. Tourism is the only sector that brings consumers to producers. It has become one of the major sources of foreign exchange earnings, employment creation, balanced regional development and rural poverty reduction in developing countries, particularly in LDCs.

It is a matter of satisfaction that UNCTAD has been doing valuable service in this regard, particularly in the sector of research and development and in providing technical assistances. LDCs have benefitted from its analytical and research work. We thank UNCTAD for its important work.

Mr. Chairman,

We are often confronted with the gap between commitments and implementation. This part needs to be addressed with urgency as postponing the implementation of commitments to future has resulted in unsustainable burden in various spheres. As we look to the UNCTAD XIII early next year, the work on trade and development will even assume greater importance.

Given the challenging situation we are in- in the areas of trade and development, we hope that there will be a consensus on the issues of pressing importance for the most vulnerable and poorest section of the society. We wish this Commission all success in its deliberations.

Thank you

