

Statement on behalf of the European Union- Second Committee

International Trade and Development

4 November 2010

I have the honour to speak on behalf of the European Union.

The Candidate Countries Turkey, Croatia and the former Yugoslav Republic of Macedonia , the Countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro, Serbia, as well as Ukraine, the Republic of Moldova and Georgia align themselves with this declaration.

Madam Chairperson,

As noted in previous EU statements, we believe that Macroeconomic Policy Questions, Financing for Development issues and International Trade and Development are intertwined and best addressed under the umbrella of the Monterrey Consensus. This Consensus, which was reaffirmed by the Follow-up Conference on Financing and Development in Doha, lays the foundation of the global partnership within which the international community needs to work to achieve the internationally agreed development goals, including the Millennium Development Goals (MDGs). In this regard, paragraph 42 of the MDG Outcome rightly reiterates "the important role of trade as an engine of growth and development and its contribution to the attainment of the MDGs".

Madame Chairperson,

The EU shares the views expressed in the Secretary General's Report on trade and development of last May that "a resurgence on trade has contributed to the recovery" and that "emerging developing countries are driving the recovery". While it is equally true that the recovery is still fragile and uneven, we consider the economic dynamism of the emerging economies as a welcome injection of energy into the world economy. Their important role has been acknowledged as an essential force of the global world in which we live, inter alia, by the establishment of the Group of 20. In addition, with the recent creation of its Development Working Group, under the Korean leadership, G20 countries have recognised the need to pay due attention to development concerns and actions to ensure that the recovery is durable, sustainable and spreads beyond the participants to that Group. Today's meeting offers an appropriate opportunity to further discuss these matters.

Madame Chairperson,

The EU is a strong promoter of full opening of trade for the Least Developed Countries (LDCs). All exports from LDCs benefit from duty and quota free access to the EU market under the "Everything but Arms" (EBA) Initiative. In addition, we have conducted a comprehensive review of our preferential Rules of Origin, to ensure that they are fully supportive of the objective of increasing developing countries' effective access to our market, in particular for LDCs. The EU is convinced that other countries, be they developed countries or emerging economies, should follow suit, thus providing additional trading opportunities for the LDCs. As we all know, and the SG report stresses this, "the bulk of international trade is in intermediary goods and services". This is due to the increasing globalisation of production in a growing number of sectors. To take advantage of this, it is necessary that countries make the right choices in order to provide a domestic economic environment conducive to foreign trade and investment, to attract business and participate in the international trading system and its benefits. At the same time, the assistance of the international community and donors remains important, and the EU is fully committed to supporting partner countries with a view to ensuring that trade fully contributes to their development strategy. Aid for Trade plays an important role in supporting productive capacity building directed to seize the development opportunities offered by a greater participation of developing countries in international trade. The EU provides more than 50% of overall Trade-Related Assistance and Aid for Trade, with the aim of making globalisation work for developing countries, notably the LDCs. EU Trade-Related Assistance amounts to €2 billion a year. Overall EU Aid for Trade has reached the record level of €10.4 billion in 2008.

In addition, the EU continues to believe that regional opening and integration processes will support the participating countries' trade integration, and should therefore be further promoted and implemented. Specific EU assistance is devoted to supporting regional integration. We are not convinced by the arguments that tend to put much blame for slow progress towards development of some countries on an open trade policy, competitive markets and WTO rules. The EU disagrees with a policy of subsidies and protected markets as a basis for growth in developing countries, and wishes to recall the importance of fighting trade protectionism if we are serious about spurring economic growth. More hard facts will come through the monitoring by the three international organizations – WTO, OECD and UNCTAD – presently charged with the task of reporting on current trends in protectionist measures.

Naturally, if trade is an important leverage for economic growth, such growth by itself does not automatically bring development. What we should aim at is of course sustainable,

inclusive and green growth as a key requirement for sustainable development. In developing countries and in advanced economies alike, there is a need to act in a way that brings the economic benefits to the poorest member of the society. The EU has long pursued policies which aim to ensure that economic and social progress go hand in hand. The EU promotes mutually reinforcing policies to address competitiveness, employment, social progress including gender equality, and environment sustainability.

Madame Chairperson,

The EU looks forward to a number of important international meetings in the coming months and during next year, as opportunities to assess progress made and adjust and enhance the implementation of our policies, as well as to conclude new international agreements, taking into account the interest of all countries and in particular the most vulnerable among us. In particular, we work with determination for the success of the UNFCCC meeting in Cancun at the beginning of December this year and are committed to the contribute to the success of the Fourth Conference on the least developed countries in Istanbul at the end of May 2011. But the main trade policy deliverable for development is a successful conclusion of the Doha Development Agenda. The DDA is set to deliver an unprecedented development friendly package, and reaching a final agreement must be at the centre of our attention in the months ahead. The EU is firmly committed to joining a concerted and forceful effort to conclude the DDA negotiations in 2011, and we call on all our partners to treat this objective as a top priority.

Madam Chairperson,

Before concluding, I would like to emphasize that the issue of international trade and development has, regrettably, proven to be increasingly contentious in the Second Committee in recent years. In spite of the good faith and genuine efforts of partners to engage constructively, we have failed to reach a consensus on the Resolution on Trade and Development. The EU therefore calls on all partners to work in a constructive spirit to allow the UN to send a positive and shared message on the crucial importance of international trade for development.

Thank you.