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**Item 7: Evolution of the International Trading System and its
Trends from a Development Perspective**

**Speaker: Philippines on behalf of the
Group of 77 and China**

Monday, 22 September 2014

*Not checked against delivery **

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**Statement of H.E. Amb. Cecilia B. Rebong
Ambassador and Permanent Representative of the Philippines,
on behalf of the Group of 77 & China, at the sixty-first session of the
Trade and Development Board**

**Item 7: Evolution of the international trading system and its trends
from a development perspective**

Monday, 22 September 2014(morning session)

Madam President, H.E. Ambassador Ana María Menéndez Pérez (España);
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Mr. Guillermo Valles, Director, Division on International Trade in Goods and Services, and
Commodities, UNCTAD,
Excellencies, Distinguished colleagues,

1. At the outset I wish to express our appreciation to the presentation from the secretariat as well as for the documentation prepared for this item. The theme of agenda item 7 is one of the most important for the G-77 and. On this “Trade Day” we consider policy issues in the area of trade emerging or systemically important matters for the international community.
2. At the outset, we wish to reiterate that that international trade is key to the integration of developing countries into the international economy and deriving benefits from it. Yet since UNCTAD’s inception half a century ago, developing countries have stressed that trade alone cannot lead to the achievement of the broader development agenda. In UNCTAD therefore, trade has always been viewed holistically as part of a broader global economic architecture, and in the context of complementary and related policies and frameworks.
3. The multilateral trading system, as it has emerged and will hopefully evolve, is an essential aspect of the international economy with no substitute. It is embodied in WTO Agreements and continuously evolving through on-going negotiations. Ensuring a fair playing field may be idealistic but ensuring the accomplishment of the development objectives of the Doha Round would be the next important step.
4. The multilateral trading system must address many issues and perhaps one of the most crucial is trade in agriculture. The issues of reduction in domestic support and other subsidies can be best addressed through the multilateral trading system, rather than through regional or bilateral negotiations. The WTO is the right place to negotiate these issues as well as tariff rate quotas and tariff escalation that are prevalent in most of the developed countries, and marginalizing the developing countries in exports to such markets.

Madam President,

5. The developing countries and LDCs are largely at the lower end of value chain of the agricultural products in the global marketplace. The trend of heavy reliance on few commodities is also re-emerging in certain developing countries. One of the many reasons for this is the complex tariff structure, high standards including private standards, tariff escalation and tariff rate quotas in the developed countries markets that serve as major barriers for value addition in agricultural products by developing countries. This point is made clear in the background document that shows tariff restrictiveness index. It may be seen that the agricultural products face one of the most restrictive tariffs including in the developed countries markets.

6. The issue of non-tariff measures is equally important in case of trade in agriculture, with the coverage and frequency of NTMs on agricultural products on the higher side compared to other sectors. We also note with concern the secretariat's observation that the effect of the sanitary and phyto-sanitary measures applied by the European Union across 21 broad categories of agricultural imports would result in relatively higher burdens on low-income countries than on high-income countries. We appreciate the work of UNCTAD in compilation of non-tariffs measures and hope that it would be taken further in order to map the impact of such NTMs, particularly on agricultural products.

7. We are cognizant of the fact that the on-going Doha Round is addressing these issues, but the pace and direction of these negotiations seems to make progress frustratingly elusive. We believe that UNCTAD could play a vital role in addressing these issues through its mandated work, so that constructive ideas may be generated to advance progress in the relevant negotiations. Consequently UNCTAD's work could be streamed into the DDA and any other future work at the WTO related to trade in agriculture. We would like to sound here that the issue of Cotton, as being discussed in the WTO, is still not in shape and close to an optimum outcome. This is a discouraging situation for developing countries.

8. Agriculture forms a major part of many of our economies. Therefore, we would urge a special focus on agriculture in the period ahead. This should transcend familiar rhetoric and move towards a serious framework to address the inherent distortions at the global level in the agricultural trade.

Madam President,

9. Some have observed that perhaps we have neared what to many is an invisible glass ceiling in the Doha Round as many of the sticking points to its conclusion are no longer within the purview of trade and agriculture ministers, but are highly political in nature. Indeed it would appear that the solutions in breaking many of the deadlocks require political decisions at the highest level. The United Nations is the only entity with the mechanisms and global legitimacy for leaders of the world to gather and pronounce political direction can then be translated into concrete action in the relevant individual forums.

10. As we move forward as a global community on the Doha Round, and towards UNCTAD XIV in Lima, it may be useful to have a collective reflection on how the United Nations – through UNCTAD- could serve as a useful forum for political dialogue so that constructive political decisions could be taken, that in turn would serve to stimulate the long overdue conclusion of the so-called Development Round.

Thank you Madam President.