

STATEMENT BY MR. KAMALESH SHARMA, PERMANENT REPRESENTATIVE AT THE GENERAL DEBATE OF THE SECOND COMMITTEE ON OCTOBER 3, 2001

*Mr. Chairman,*

*I would like to congratulate you and the incoming Bureau on your elections. We are confident that under your able leadership the deliberations of the Committee will be productive and fruitful. We associate ourselves with the statement made by the Chairman of the Group of 77.*

*2. This year we had an opportunity to hold not only the annual ECOSOC-BWI dialogue, which has become an important mechanism for institutional interaction since it began in 1998, but also the second High Level Dialogue on Strengthening International Economic Co-operation through Partnership. We need to build upon the spirit of constructive engagement that permeated these discussions in addressing the issues in our agenda of the Second Committee at this session.*

*3. The 1990s have been an era of accelerating compression in global interaction and liberalisation, witnessing dramatic growth in international trade and financial flows. Fifty years ago, the world traded a billion dollars a day. Today, trade is a billion dollars every nineteen minutes. In the year 2000 alone, according to the World Investment Report 2001, Foreign Direct Investment expanded at the rate of 18%, reaching a record level of US\$ 1.3 trillion. In a world of closer interdependence, money is also moving faster – foreign exchange markets operate at the level of US \$ 1.5 billion a day. Rapid strides in the information and communication technologies have reduced distances to “a click of the mouse”. However, in spite of increasing prosperity in parts of the globe and cheaper and quicker means of communications, the world continues to exist at two separate levels – of riches and of squalor. Today, 75% of the global population lives on less than 25% of the global income. A recent study contained in the latest Human Development Report pointed out that the richest 1% of the world’s people received as much income as the poorest 57%. Clearly, globalisation is acquiring different meanings in different parts of the world. It has generated anxieties in the weaker participants in the global economic systems. Many of them feel their priorities sidelined and vulnerabilities exacerbated. The mounting groundswell of protest from Seattle to Genoa is directed more against the disparities and inequalities generated by the process of globalisation rather than against the opportunities of globalisation. The persistence of two worlds within one is the greatest possible moral hazard. The challenge, as recognized by our leaders at the Millennium Summit, is to make globalisation a positive force for all. Specifically, we need to generate confidence that the world economic system is being fashioned for the benefit of all countries on democratic principles and with sensitive and effective response to the needs and concerns of developing countries. Globalisation is a tide which must lift all boats. A world based on absence of equity in its transactions can only have a bleak future. Trade, capital flows, development assistance, investment, global financial management and science and technology must all be harnessed to a collective positive sum project in which all global partners are beneficiaries.*

4. *The current economic milieu is difficult. Before the world economy could fully recover from the international financial crises of 1997-1998, it is faced with another global slowdown, the first signs of which appeared towards the end of 2000. This September, the International Monetary Fund reduced the estimates for global growth projections to 2.6% for the year 2001. Prospects for 2002 hold out hope of only slight improvement. The current slowdown started with an almost synchronised downturn in economic activity in the major developed economies. The slowdown is being transmitted to the developing countries in several ways, including reduced exports, weakening commodity prices, stagnant capital inflows and tighter credit conditions. The World Bank projects that for the developing countries, GDP growth is expected to slow from 5.5% in 2000 to 2.9% in 2001, far short of the growth rate required for any meaningful impact on efforts to eradicate poverty.*

5. *The World Bank has projected that the terrorist attacks in the United States on 11 September would impact on global economic activity in many different ways, particularly by generating insecurity and uncertainty. The President of World Bank has said, "But there is another human toll that is largely unseen and one that will be felt in all parts of the developing world, especially Africa. We estimate that tens of thousands more children will die worldwide and some 10 million more people are likely to be living below the poverty line of US\$ 1 a day because of the terrorist attacks. This is simply from loss of income. Many, many more people will be thrown into poverty if development strategies are disrupted". We have to work collectively to adopt policies that enhance economic growth, restore confidence and thereby defeat the forces of anarchism and terrorism which seek to disrupt the orderly functioning of global systems.*

6. *Mr. Chairman, trade is a key engine of growth for the developing countries, providing predictable and expanding resources. All countries, particularly developing countries, should feel that they are conducting their trading operations under a fair, equitable and non-discriminatory trading system sensitive to weaker participants in the system. Developing countries seek a WTO regime which is impartial and which accommodates the development perspective. There is gross asymmetry in the treatment of products and services of interest to developing countries, particularly in agriculture, textiles & clothing and the movement of natural persons. High tariff barriers and other measures with protectionist impact like health & sanitary prescriptions, cost of certification, anti-dumping measures and countervailing duties arrest exports of developing countries where they have succeeded in penetrating markets. Even in issues like geographical indication protection, products of interest to developing countries are not afforded a comparable level of protection as products of developed countries. It is, therefore, required that the forthcoming Doha conference basically reviews the work relating to the resolution of implementation related concerns of developing countries; assesses progress and gives policy directions for the ongoing mandated negotiations & reviews and deals with major current issues such as flexibility in the interpretation of TRIPS to prevent piracy of traditional knowledge as well as to address public health concerns. India is prepared to engage constructively, and with an open mind, on multilateral trade issues, with the objective of strengthening the multilateral trading system, particularly by filling the development deficit in the current system. We do not favour the inclusion of issues extraneous to trade such as labour and environment. No new issue,*

*including the possible launch of a new round of trade talks, should be included in the negotiating agenda for the WTO Doha meeting unless there is explicit consensus on the subject.*

7. Mr. Chairman, the agenda item on Science & Technology and Development is of great interest to my delegation. India's development experience confirms that technology provides a most potent tool for economic growth and poverty eradication. It is, however, also clear that the global regime in place serves to inhibit this particular use of technology by impeding the right of all to share in scientific advancement and its benefits. Technology will not be harnessed as an instrument of development through the ad-hoc largesse of multinational pharmaceutical companies donating medicines to developing countries. What instead is required is to shift the balance in the intellectual property rights regime, which is at present heavily weighted against developing countries, towards public interest. We have noted that the latest Human Development Report has concluded that a consensus is emerging that the current regime hampers innovation and results in an unfair ownership of knowledge. The challenge before us is to ensure that the regime evolves in a manner which promotes rather than impedes a more equitable distribution of the fruits of scientific and technological development.

8. *The International Conference on Financing for Development will test the will and commitment of the international community to find and implement concrete means and mechanisms that would make available necessary financial resources for achieving the goals of eradication of poverty and attaining the international development targets as set out in the Millennium Summit Declaration. The high-level Zedillo panel estimates that an additional amount of US\$ 50 billion would be required every year for the achievement of international development goals by 2015. Generating this amount will be a challenge which has to be faced. The Monterrey Conference should devise international financial approaches that support, on a long-term basis, the efforts of developing countries to finally break out of the vicious cycle of underdevelopment and poverty.*

9. *We have come a long way in our preparations for the Conference. We are encouraged by the interest demonstrated by the international stakeholders as well as the civil society and the private sector in the FfD process. We hope that at the resumed session of the Third Prepcom of Ffd, we would begin shaping the outcome document. We are confident that the spirit of trust and partnership, that has characterised our work on this Conference so far, will continue during the preparatory process, at the Conference and beyond.*

10. Another significant landmark in the coming year is the World Summit on Sustainable Development, which will assess the progress made by the global partnership on environment and development that was launched in Rio on the principle of common but differentiated responsibility, for implementing Agenda 21. At the Rio+5 review it was acknowledged that considerable progress had been made at the national level in

implementing Agenda 21 and that there was urgent need to address the disappointing lack of fulfilment of the international commitments voluntarily entered into at Rio by industrialised countries to assist developing countries. We hope that at Johannesburg we would identify and address constraints in the implementation of Agenda 21, particularly those relating to the transfer of environmentally sound technology on favourable terms to developing countries and making available new and additional financial resources.

*11. Given the wide canvas covered by Agenda 21, it is imperative that we prepare diligently for the Summit. We support the bottom up approach for the preparatory process. We also believe that the contributions of the major groups, the outcomes of regional meetings, the decisions of the Conference of Parties of the Multilateral Environment Agreements, the results of the International Environment Governance process and the UN Forum on Forests should all feed, well in time, into the preparatory process to enable the Summit to take effective and coordinated decisions. India, on its part, will participate in the preparatory process and contribute constructively to make WSSD a success.*

*12. Mr. Chairman, we support the implementation of the Brussels Plan of Action for the Least Developed Countries adopted in May this year. The marginalisation of the LDCs in the global economy and the formidable development challenges that they face require that the international community accord utmost priority to addressing their problems.*

*13. We would like, in particular, to express our support for the New African Initiative adopted by the OAU at its Summit in July 2001. It is a bold rejection of limited unilateral concessions and calls for a reversal of the marginalisation of the continent by challenging the relationship which underpins it. The onus on the international community is to effectively complement the efforts which the nations of Africa take towards the achievement of this objective. We should not be found wanting.*

*14. Mr. Chairman, my delegation would like to assure you of its cooperation in successfully concluding the work of the Committee.*