

STATEMENT BY MRS. VIPLOVE THAKUR, MEMBER OF PARLIAMENT, ON AGENDA ITEM 17 : MACROECONOMIC POLICY QUESTIONS [A] INTERNATIONAL TRADE & DEVELOPMENT AND [D] COMMODITIES AT THE 66TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON OCTOBER 27, 2011

Mr. Chairperson,

We thank the Secretary General and the United Nations Conference on Trade and Development (UNCTAD) for the reports on "International Trade and Development".

India aligns itself with the statement made by Argentina on behalf of the G-77.



Mr. Chairperson,

The sharp and sudden decline in world trade from 2008 to 2009 was followed by a modest recovery in 2010. The overall global economic recovery, however, continues to be fragile and halting. The prospects for global trade do not appear to be too encouraging. We must work to boost global demand and growth to stimulate trade and the world economy.

The sovereign debt crisis in Europe and the recessionary trends in the traditional engines of the global economy – the United States, Europe and Japan are sending negative signals to the world financial and capital markets which are showing signs of acute distress.

Recessionary trends in these countries are affecting international trade. Developing countries cannot remain untouched by the negative impacts of these

developments. Their ability to address their developmental challenges has been adversely affected.

We hope that effective and early steps will be taken by Europe and other advanced economies to calm the capital and financial markets and prevent the global economy from slipping into a double dip recession.

Declining global demand and availability of capital, increasing barriers to free trade and mounting debt pose a threat to the international trading and financial systems.

To act as an engine of development, the international trade framework should work towards removing barriers that prevent developing countries from fully participating in global trade. Eschewing protectionism and enhancing market access for developing countries are critical in this regard.

The UNCTAD report on trade and development, 2011 emphasizes on strict regulation of the financial sector, and focuses on policies that emphasize income growth as the basis for sustainable and balanced development worldwide. We are pleased to note that the G-20 is actively pursuing these policy suggestions.

Transforming trade dynamism into greater income opportunities through job creation remains a critical development challenge, more so in the present job-less growth scenario. The crisis has left a large worldwide pool of unemployed, totaling 205 million in 2010.

Mr. Chairperson,

Commodities are key export products for a large number of developing countries, especially the Least Developed Countries and have a direct impact on their socio-economic advancement. Growing commodity price volatility is having a negative impact on global food and energy security. It has made commodity-dependent developing countries highly vulnerable to external shocks. Increasing financialization of the commodities market and excessive speculation, of late, have become a matter of deep concern for most developing countries.

We must also find solutions to adding value to the products of developing countries, in place of simply perpetuating the role of developing countries as providers of raw materials.

The UNCTAD report states that the burden of high and volatile food prices falls disproportionately on low-income developing countries. Innovative and coherent policies

at national, regional and international levels are necessary to ensure that price volatility does not impede growth and poverty eradication efforts.

The G20 Agricultural Ministers released a Ministerial Declaration establishing an Action Plan on Food Price Volatility and Agriculture. We welcome this timely action. India looks forward to the Agricultural Market Information System (AMIS), the focus of the Action Plan, which aims to address high and volatile food prices through tougher regulation on speculative investments in commodity markets, and on bio-fuels.

India is of the view that commodity dependent developing countries must pursue for a more diversified export basket, including high value processed agricultural commodities.

Mr. Chairperson,

Due to their structural constraints, the LDCs are overwhelmingly dependent on trade as an engine of growth and development. In spite of this, their share in global trade in 2010 was less than 1%.

We ought to create an enabling international environment to address their limited trading options. In this regard, we call for early implementation of the Duty Free Quota Free market access for the LDCs.

The DOHA Development Round presents a valuable opportunity to make international trade a vehicle for growth and development, and we must push for an outcome that it is fair, balanced and equitable.

The reform of global financial and economic institutions lies at the heart of creating a more responsive, equitable and democratic global trading order. We look forward to working with the global community to achieve this objective. I thank you.

[BACK TO TABLE OF CONTENTS](#)