

STATEMENT BY DR. E.M. SUDARSANA NATCHIAPPAN, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 52 – GROUPS OF COUNTRIES IN SPECIAL SITUATIONS [A] THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES; AND [B] SPECIFIC ACTIONS RELATED TO PARTICULAR NEEDS AND PROBLEMS OF LANDLOCKED DEVELOPING COUNTRIES: OUTCOME OF THE INTERNATIONAL MINISTERIAL CONFERENCE ON LAND LOCKED AND TRANSIT DEVELOPING COUNTRIES AND DONOR COUNTRIES AND INTERNATIONAL FINANCIAL AND DEVELOPMENT INSTITUTIONS AND TRANSIT TRANSPORT COOPERATION AT THE SECOND COMMITTEE OF THE 63RD SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON NOVEMBER 04, 2008



Mr. Chairman,

We would like to thank the Secretariat for the reports on the agenda item "Groups of countries in special situations" under consideration today. We associate ourselves with

the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Mr. Chairman,

The Brussels Programme of Action provides a useful framework for addressing the multifarious challenges confronting Least Developed Countries [LDCs]. We welcome the finding in the report of the Secretary-General that LDCs, as a group, have grown on an average by 6% annually during this decade. This is a tribute to their success in implementing their commitments under the Brussels Programme of Action. However, what is of concern in that finding is that this growth has not led to poverty reduction, and has in fact increased social disparities in some cases. Clearly, sustained economic growth does not automatically translate into the achievement of development objectives.

It is in this context that greater international support and assistance, particularly from developed countries, is required for the LDCs to achieve the IADGs including the MDGs. Such efforts must focus on greater financial and technical assistance to the national development strategies of the LDCs. They must also effectively address the structural constraints and impediments to economic and social development of the LDCs.

Unfortunately, this has not been the case. As the report of the Secretary-General notes, Foreign Direct Investment, though increasing, remains concentrated in a few natural resource rich LDCs. Such flows do not encourage linkages with the economy at large, have limited employment generation effect, and do not enhance productive capacities. In the absence of other flows, Official Development Assistance remains the significant source of financing, particularly for social and infrastructure sectors, but is far below the target of 0.15-0.2% of Gross National Income. Investment in trade capacity building is limited, thereby limiting ability of LDCs to reap the benefits of trade opportunities. Exports of LDCs remain non-diversified. Further, massive agricultural subsidies have severely undermined domestic production in many LDCs – the case of cotton highlights this eloquently. Debt repayment burden remains high for many LDCs, and some have not benefited from debt relief efforts.

Mr. Chairman,

What is required is a paradigm shift away from offering palliatives to the problems facing LDCs, so that the above problems are effectively redressed. This requires an integrated approach, implemented through new and additional financing, enhanced market access for products from LDCs, ensuring long-term sustainability of debt burden, technology transfer at affordable rates, as well as institutional and capacity building. The 4th UN Conference on LDCs, whose preparatory process is to be discussed

this year, will be an important step in this process. We hope the conference will take an in-depth look at the constraints faced by LDCs, and commit to concrete actions.

I would like to highlight that India has been active in demonstrating its commitment to assist LDCs. Earlier this year, we unilaterally announced a scheme to grant duty-free and preferential access to products from all LDCs. The tariff lines covered under this scheme span 92.5% of global exports of all LDCs, and 94% of India's total tariff lines. In the area of debt, India has written off the debt owed by seven Highly Indebted Poor Countries [HIPC]. Further, our programme of Technical and Economic Cooperation, under South-South solidarity, has a special focus on assistance to LDCs in general, and with those in our extended neighbourhood, in particular. Nevertheless, efforts by fellow developing countries like India can only complement the requisite efforts by our developed partners.

I would also like to refer to countries that are graduating from the list of LDCs. While this step represents a success of their development strategies, we must be mindful of the challenges that these countries continue to face, and urge the international community to assist these countries in the post-graduation phase so that their achievements can be sustained. We also support the request by many LDCs for a re-examination of the graduation criteria.

Mr. Chairman,

The Almaty Programme of Action has resulted in a clear acknowledgement of the special needs and problems of landlocked developing countries, including the need for sustained international support to address these. Equally important is the understanding that any effective solution must address the constraints and challenges faced by the transit developing countries that neighbour landlocked developing countries.

In this regard, we welcome the outcome of the mid-term review of the Almaty Programme of Action, which was conducted earlier this month in New York. The review meeting underlined the importance of greater efforts to implement the Almaty Programme of Action, particularly through enhanced financial and technical assistance. We look forward to concrete actions in this regard, so that the trade and transit issues can be holistically addressed.

India has special bilateral cooperation agreements with its landlocked neighbours for easy transit of their goods through India. We accord the highest priority to further strengthening our ties with these countries, including through regional initiatives. We will continue to contribute economic and technical support to their development efforts, as well as of other landlocked and transit developing countries, as part of South-South cooperation.

Before concluding, Mr. Chairman, permit me to highlight that there are regions within some developing countries that face, on account of geography or political boundaries, similar difficulties in accessing global markets as landlocked developing countries. We would urge cooperation for meeting special transit requirements of landlocked regions within a country.

Thank you, Mr. Chairman.

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