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## GROUP OF 77 AND CHINA

### Statement Circulated by H.E. Mr. Mohammed Benaissa, Minister for Foreign Affairs and Cooperation of Morocco President of the Ninth Ministerial Meeting

The Ninth Ministerial Meeting of the Group of 77 and China, which was held in Marrakesh from 13 to 16 September, was an historic occasion that allowed the Members of the Group of 77 to come together in a spirit of solidarity, cooperation, and shared perceptions of development. The meeting also represented the culmination of a long period of reflection conducted in Geneva. The Ministers of the G-77 countries set out their positions on a whole range of issues in the field of trade, finance and development. In doing so, the Group was constantly aware that the international community is about to embark on a series of vital meetings, which could and should result in a new vision of the global economy and a new approach to development as a whole. And of course one of the most important of these meetings is the WTO Seattle Ministerial Meeting, and in fact a significant part of the Marrakesh Declaration was designed as a self-contained "message to Seattle", in which the Ministers of the Group of 77 and China set out their views on the specific issues to be taken up at the WTO meeting.

Let me try to encapsulate in a few words the main thrust of the outcome of the Marrakesh meeting. In their declaration, the Ministers set the context in which their views, concerns and objectives should be seen. They emphasize the complex relationship between globalization and development and the inherent imbalances in the structure of the international systems governing development, trade and finance.

They show that many developing countries have faced difficulties in their efforts to integrate effectively into the world economy, and have suffered the consequences of globalization. At the same time, however, the Ministers take the view that globalization, if it is properly harnessed and managed, can help lay the foundations for enduring and equitable growth. This then, is the Ministers basic approach to globalization – it should be a positive force, provided that it is managed.

Now let me give you a brief overview of the highlights of the Message to Seattle. The Ministers declare at the outset that they see the liberalization of international trade under WTO rules as a powerful and dynamic force for accelerating growth and development. They emphasize their strong commitment to the pursuit of liberal and open trade policies, while also underlining that these policies must integrate the development dimension and that, in the resulting open international trading system, the benefits must be equitably distributed.

## **Implementation**

A major concern of the developing countries is that the benefits of the existing multilateral trading system continue to elude developing countries, and that progress towards full liberalization in sectors of particular interest to developing countries is lagging behind. The danger the Ministers see

here is that the confidence of developing countries in the multilateral trading system could be eroded and the temptation to retreat into misguided protectionist policies could grow. For the G-77 Ministers, the non-realization of benefits by many developing countries in areas of interest to them has resulted from the failure of major trading partners to fully and faithfully meet their obligations, particularly in respect of textiles and clothing. They therefore urge that the question of the implementation of Marrakesh Agreements and Decisions be addressed and resolved at Seattle by the Third Ministerial Conference of the WTO. In particular, the special and differential provisions in the WTO multilateral trade agreements, many of a "best endeavour" nature, which have largely remained unimplemented, must be operationalized if the developing countries are to derive the expected benefits.

In short, the developing countries want the Marrakesh agreements to be implemented in full, in letter and in spirit, and they would like measures to this end to be taken immediately, beginning with deliverables at Seattle. It may be emphasized in this connection that they also welcome the proposed mechanism for the review of the implementation of the agreements.

### **Agriculture**

In the field of agriculture, the Ministers' objective is to incorporate the sector within normal WTO rules, while addressing the particular problems of predominantly agrarian and small island developing economies and net food-importing developing countries. And it cannot be emphasized enough that the crucial question here is access. In the real world, integration means access. The Ministers therefore call upon developed countries to demonstrate a firm and unequivocal commitment to opening their markets to the exports of developing countries, and to provide duty free and quota free access for the exports of the least developed countries. This should be done without affecting WTO Members' existing commitments relating to preferential schemes. Any future negotiations should address the elimination of tariff peaks and tariff escalation and should introduce further disciplines to prevent the abuse of measures such as anti-dumping, countervailing duties and safeguard actions, sanitary and phytosanitary regulations and technical barriers to trade, as well as to prevent the apparent revival of the use of voluntary export restraints. The work programme on the harmonization of non-preferential rules of origin should be achieved rapidly, to attain simplified, harmonized and more transparent rules.

### **Special and differential treatment**

In the context not only of agriculture but also of trade in general, the Ministers also expressed their conviction of the need for differential and more favourable treatment of developing countries. This would include providing assistance to developing countries to help overcome transitional costs and to allow time for achieving development goals and enhancing competitiveness.

The concept of special and differential treatment itself should be reviewed and strengthened to take account of the changing realities of world trade and of globalized production, and it must be accompanied by capacity-building, enhanced market access and measures taken by industrialized countries to encourage their enterprises and institutions to transfer technology and know-how and to invest in developing countries.

### **Positive agenda and new issues**

As you know, the developing countries have played a proactive role in the preparations for Seattle, and this is no accident. At Marrakesh, the Ministers declared that they will collectively pursue a positive agenda for future multilateral trade negotiations and that such negotiations should also pay particular attention to such issues as transfer of technology, appropriate safeguards for developing countries, credit for autonomous liberalization, export finance, commodity markets and the integration of the developing countries into the multilateral trading system on equitable terms.

The Ministers further declared that negotiations should make operational the provisions under the TRIPS Agreement relating to the transfer of technology, to the mutual advantage of producers and users of technological knowledge, and seek mechanisms for a balanced protection of biological resources and disciplines to protect traditional knowledge; they should enable developing countries under the TRIMs Agreement and the Agreement on Subsidies and Countervailing Measures to use measures necessary to implement their policies for development and export diversification and upgrading.

### **Labour standards**

Let me make clear at the outset that the Members of the Group of 77 and China are unanimous in recognizing the importance of labour standards and the welfare of workers in general throughout the world. This is clearly an important feature of development. The Group of 77 is therefore ready and willing to discuss these issues. However, two things must be emphasized.

Firstly, and as explicitly stated at Marrakesh by the Ministers of the G-77 and China, the developing countries are firmly opposed to any linkage between labour standards and trade. And secondly – and this follows on logically from the first point – the question of labour standards should be dealt with by the competent international organizations and not by the WTO. And in this we are simply endorsing the position established in the Singapore Ministerial Declaration. Let me just recall that, on the question of core labour standards, the Declaration stated unequivocally that the International Labour Organization is the competent body to set and deal with these standards. This is the position of the Group of 77 and China.

And of course, when we do discuss labour standards in the ILO, we will base ourselves on the principle, also agreed upon at Singapore, that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question.

### **Other issues**

Concerning the WTO itself, the Ministers call for a universal Organization and for assistance for developing countries seeking accession. They stress that developing countries should be offered terms that neither exceed nor are unrelated to the commitments of developing country and LDC Members of WTO. They emphasize that the accession process should be transparent, streamlined and accelerated and that it should be in keeping with WTO rules and disciplines.

Finally, the Ministers recognize the importance of regional and subregional integration. They consider that such arrangements facilitate trade and investment flows, economies of scale, economic liberalization and the integration of their Members into the system of international economic relations within a framework of open regionalism, enabling progress towards a more open multilateral system.

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