United Nations A/C.2/59/SR.41



Distr.: General 24 January 2005

Original: English

## **Second Committee**

## Summary record of the 41st meeting

Held at Headquarters, New York, on Friday, 17 December 2004, at 3 p.m.

Chairman: Mr. Balarezo....(Peru)

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04-65254 (E)

The meeting was called to order at 3.45 p.m.

**Agenda item 83: Macroeconomic policy questions** (*continued*) (A/C.2/59/L.25 and L.25/Rev.1)

# (a) International trade and development (continued)

Draft resolutions on international trade and development (continued) (A/C.2/59/L.25 and L.25/Rev.1)

- 1. **Mr. Chave** (Switzerland) said that, having participated in the informal negotiations aimed at resolving the deadlock that had arisen at the previous meeting, his delegation had been called upon to resubmit the revised version of draft resolution on international trade and development (A/C.2/59/L.25/Rev.1).
- 2. **Ms. Tamlyn** (United States of America) requested a recorded vote.
- 3. **Mr. van Loosdrecht** (Netherlands), speaking in explanation of vote before the vote on behalf of the European Union, the candidate countries Croatia, Romania and Turkey and the stabilization and association process countries, Bosnia and Herzegovina and Serbia and Montenegro, announced that they would vote in favour of the revised draft resolution.
- 4. He recalled the value of multilateralism for the global trading system and the significant contribution that it could make to economic growth, development and employment, benefiting countries at all stages of development. The European Union confirmed its strong commitment to the World Trade Organization (WTO) negotiations launched at Doha in November 2001 and noted that all countries had a shared interest in the success of the Doha Work Programme, which was based on a broad agenda that included ambitious trade opening, strengthened trade rules and a specific focus on the needs and interests of developing countries in order to promote their integration into the world trading system.
- 5. The European Union welcomed the progress achieved with regard to the Doha Development Agenda, notably through the adoption by the WTO General Council, on 1 August 2004, of a negotiating framework which constituted a good basis for further progress towards an early, successful outcome while

- ensuring balance and parallelism within and between the areas under negotiation.
- 6. The revised draft resolution recognized the importance of the ongoing Doha negotiations for development and reaffirmed the commitments made and decisions taken by WTO members in that context. He regretted that no consensus had been reached and suggested that, at future sessions, the Committee should consider how to focus the draft resolution in order to arrive at a more political, less technical message that would avoid the unnecessary repetition of texts agreed by WTO and would allow the General Assembly to send a clear message of encouragement to the WTO process.
- The wording of the ninth preambular paragraph, 7. which addressed the important issue of the protection of traditional knowledge, was misleading and could be construed in a manner incompatible with the statement made by the European Union in November 2004 at the meeting of the World Intellectual Organization (WIPO) Intergovernmental Committee on Property Intellectual and Genetic Traditional Knowledge and Folklore. The European Union supported the development of internationally agreed sui generis models for the legal protection of traditional knowledge and therefore believed that final decisions on the protection of traditional knowledge should be left to the contracting parties to the instruments concerned.
- 8. **Mr. Ivanovski** (The former Yugoslav Republic of Macedonia) said that he associated himself with the statement made by the previous speaker.
- Tamlyn (United States of America), speaking in explanation of vote before the vote, said that her delegation would vote against the revised draft resolution. While appreciating the interest that all nations had in trade issues, it believed that those interests should be pursued among trade experts at WTO. That organization's declarations and decisions were carefully balanced compromises whose every word had been carefully chosen to ensure that the interests of all were respected. The meaning of phrases often depended upon a context that could extend through numerous paragraphs and even across several documents. If one group tried to pull apart that text, it might end up with language that it liked better but, as with the draft resolution on international trade and development, might lose the basis for consensus.

- 10. In case after case, a group of nations had sought to use the Committee's negotiations to solicit the General Assembly's endorsement of a position to which other nations were opposed. Her delegation remained committed to the Doha Development Agenda and would remain at the forefront of efforts to ensure that the current trade negotiations produced ambitious results.
- 11. **Mr. Ramsden** (New Zealand), speaking also on behalf of Australia and Canada, said that the three delegations regretted the lack of consensus on the revised draft resolution and would abstain from voting on it. The Committee had traditionally worked by consensus and there were sound reasons for continuing to do; the adoption of a widely polarized draft resolution by vote might undermine its broader relevance and credibility.
- 12. Trade remained a principal driver of development, and the three States remained fully committed to advancing the Doha Development Round. The General Assembly had a legitimate role to play in commenting on WTO and encouraging its progress, but WTO was the principal forum for advancing discussions on trade, including in the context of development, and it was not helpful for the Assembly to seek to reinterpret agreements reached therein.
- 13. **Mr. Sunaga** (Japan) said that Japan would abstain from voting on the revised draft resolution. It was regrettable that, after so much time and energy had been spent in the effort to reach consensus, the Group of 77 and China had decided not to submit the text on which delegations had worked so hard (A/C.2/59/L.25). During the informal consultations, Japan had expressed its concerns and made good faith efforts to contribute to the formulation of a consensus text. He hoped that such confusion would not recur in the Committee's work.
- 14. His delegation felt strongly that issues relating to WTO negotiations should not be discussed at the United Nations and hoped that the language of the draft resolution would not be cited in a way that interfered with those negotiations.
- 15. Lastly, he thanked the facilitator, Mr. Talha (Bangladesh), for his hard work throughout the long and tiring deliberations.
- 16. A recorded vote was taken.

In favour:

Afghanistan, Albania, Algeria, Andorra, Angola, Argentina, Armenia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon. Lesotho. Libyan Arab Jamahiriya, Liechtenstein, Lithuania. Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritius, Mexico, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia and Montenegro, Singapore, Slovakia, Slovenia, Somalia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Republic of United Tanzania, Uruguay, Venezuela. Viet Nam, Yemen, Zambia, Zimbabwe.

#### Against:

Palau, United States of America.

### Abstaining:

Australia, Canada, Israel, Japan, New Zealand, Republic of Korea.

17. Draft resolution A/C.2/59/L.25/Rev.1 was adopted by 152 votes to 2, with 6 abstentions.

- 18. Draft resolution A/C.2/59/L.25 was withdrawn.
- 19. **Mr. Rojas** (Chile) said that, although he had voted for the revised draft resolution, Chile had higher expectations of the Doha Round; in particular, it attached great importance to the elimination of subsidies for agricultural exports, a substantial reduction in domestic aid and significant improvements in market access. Consideration of the decline in preferential treatment should not stand in the way of trade liberalization within WTO.
- 20. Chile remained committed to working on the basis of the WTO General Council decision of 1 August 2004 with a view achieving significant progress at the sixth Ministerial Conference, to be held in Hong Kong. His delegation therefore believed that technical discussions and trade negotiations should be held within the framework of WTO.
- 21. **Ms. Soto** (Costa Rica), speaking also on behalf of Bolivia, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Uruguay, said that, while she regretted the lack of consensus, she urged all delegations to continue to participate constructively in the Committee's discussion of international trade and development from a general political perspective, bearing in mind that technical trade negotiations were to be conducted in WTO.
- 22. Pursuant to paragraph 49 of the Doha Ministerial Declaration, once the WTO trade negotiations were resumed, they should be conducted with a view to achieving a balanced outcome. The "July package" should be dealt with in its entirety since it had been adopted on the basis of consensus.
- 23. Lastly, it was the understanding of the delegations of Colombia, Costa Rica, Ecuador, Guatemala, Honduras and Nicaragua that paragraph 25 of the revised draft resolution referred to paragraphs 43 and 44 of the decision adopted by the General Council on 1 August 2004 since they had been discussed as a unit.
- 24. **Mr. Chulkov** (Russian Federation) said that, like many delegations, he believed that a decision on such an important issue as international trade and development should have been adopted by consensus. He had voted in favour of the draft resolution because it was, for the most part, the result of extensive negotiations among interested States; however, his delegation considered that the provisions on WTO

- negotiations did not apply to the Russian Federation because it was not yet a participant in those negotiations.
- 25. **Mr. Ainchil** (Argentina) said it was his delegation's understanding that the reference in the draft resolution to the WTO General Council's decision of 1 August 2004 constituted a general reference rather than an effort to renegotiate or reinterpret the provisions of that decision.
- 26. Ms. Interiano (El Salvador) said her Government believed that trade liberalization was essential to development and economic growth and had therefore supported the launching of the Doha Round in order to ensure that the new challenges posed by the multilateral trade system were accompanied by genuine opportunities. Her delegation hoped that future negotiations would be based on the principles of transparency and inclusivity and that the needs of the developing and least developed countries would remain at the centre of the Doha Agenda. In particular, it hoped that the challenges faced by some countries, including El Salvador, as a result of the WTO Agreement on Textiles and Clothing would be duly addressed and that the limitations of developing countries would be taken into account in the context of the timetables for submission of revised offers under the WTO General Council decision of 1 August 2004, as would the quality of the offers submitted by all member States.
- 27. Her delegation supported the General Assembly's adoption of the draft resolution in light of the principles set forth in the Doha Declaration and in the aforementioned General Council decision.

#### **Organization of work**

Draft provisional programme of work for the Second Committee at the sixtieth session of the General Assembly (A/C.2/59/CRP.1)

- 28. **The Chairman** drew attention to the draft provisional programme of work for the Second Committee at the sixtieth session (A/C.2/59/CRP.1). He took it that the Committee wished to approve it.
- 29. It was so decided.

## **Completion of the Committee's work**

- 30. **Mr. van Loosdrecht** (Netherlands), speaking on behalf of the European Union, said that the European Union was pleased with the results of the Committee's fifty-ninth session, particularly in the areas of the triennial comprehensive policy review, financing for development, sustainable development, combating corruption and most macroeconomic issues; however, it regretted that consensus had not been reached on the issues of commodities and trade.
- 31. The alarming statistics on hunger, reported by the Food and Agriculture Organization of the United Nations (FAO), and on the effects of armed conflict and HIV/AIDS, reported by the United Nations Children's Fund (UNICEF), made it clear that "business as usual" would not suffice. The Committee had therefore embarked on a change in its working methods in order to send stronger, more coherent messages to the international community. It had succeeded in "clustering" its agenda and had made its debates more interactive. Through efforts by the Group of 77 and China, its draft resolutions had been made available earlier in the session and useful side events had been held.
- 32. But more must be done to improve the relevance of the Committee's work. The European Union wished to submit several proposals for consideration in the new year as part of the revitalization effort. The preparation of "facilitator drafts" on one or two agenda items could substantially reduce the time needed for negotiation, and "flagship reports" could help the world focus on issues such as financing for development. Draft resolutions on some agenda items could be considered on a biennial rather than an annual basis so that the Committee could focus on a few important issues; to that end, an item-by-item evaluation of the division of labour between the General Assembly and the Economic and Social Council should be conducted and a more integral approach to humanitarian issues within the General Assembly should be adopted. Above all, the Committee should produce more results-oriented resolutions and request the preparation of reports that truly highlighted the issues with which it dealt.
- 33. **Mr. Mbayu** (Cameroon) said that unbridled brinkmanship was an offence of which all delegations were guilty. The draft resolution on international trade and development could have been adopted in its

- existing form a month sooner if capitals had had greater confidence in their delegations. The Committee needed to change not only its working methods, but also the way in which it approached its work.
- 34. **Mr. Raubenheimer** (South Africa) stressed that it was up to delegations and their capitals to ensure that the Committee completed its work on time.
- 35. **Ms. Tamlyn** (United States of America) said that, while her delegation had joined the consensus on the draft provisional programme of work (A/C.2/59/CRP.1), it wished to reiterate the concerns that had prevented it from doing so at the close of the fifty-eighth session and looked forward to taking part in further discussion of the Committee's methods of work in January 2005.
- 36. The Chairman said that, in order for the general debate to be relevant, it should consist less of a repetition of previously expressed positions and more of an exchange of experiences; however, on important topics such as poverty and microcredit, the positions of delegations needed to be known. One of the most important issues for the General Assembly its comprehensive policy review was considered only on a triennial basis; other agenda items, such as humanitarian and monetary issues, could also be considered in that manner. All those issues would be discussed in January 2005.
- 37. After the customary exchange of courtesies, he declared that the Committee had completed its work for the fifty-ninth session.

The meeting rose at 4.30 p.m.