

**Statement on behalf of Group of 77 and China by Mr. Jamil Ahmad of
Pakistan Delegation on Industrial Development in the Intergovernmental
Preparatory Meeting (IPM) of Fifteenth Session of Commission on
Sustainable Development (CSD-15)
New York, 27 February 2007 (Afternoon session)**

Mr. Chairman, Excellencies, ladies and gentlemen,

It is my pleasure to thank the Panelists on behalf of Group of 77 and China for their succinct and useful presentations. The keen insights and perspectives provided by distinguished Panelists on Industrial Development would indeed enrich our deliberations during this session.

2. Sustained Industrial development is crucial for eradicating poverty and promoting sustained economic growth and sustainable development. Happily some developing countries have experienced significant economic growth rates in recent years, largely owing to rapid industrial development. Those countries are well on their way to achieving the MDGs. There are many, on the other hand, caught in the poverty trap and for whom MDGs remain an elusive dream.

3. The three over arching objectives of sustainable development i.e. protecting natural resources, eradicating poverty, and changing unsustainable production and consumption patterns are equally relevant to industrial development. The additional factor that we deem critical in this respect is the need for enhanced corporate, environmental and social responsibility. We believe that the policies at national and international levels should be geared towards advancing industrial development. Importantly, countries should have the right to decide their own industrial development strategies based on the level, rate and pace of their development as well as capacity.

4. During the CSD-14, we had undertaken a comprehensive review and appraisal of progress achieved in implementation of Agenda 21 and JPOI on industrial development. We also recognize the importance of the means of implementation for the effective implementation of development strategies and policies. We expect that CSD-15 would agree to a set of action-oriented policy options with a view to overcoming the constraints and obstacles hindering sustainable industrial development.

Mr. Chairman,

5. The developing countries have made some important achievements, of course not without serious efforts and high costs, in the pursuit of sustainable industrial development. However, they are still faced with formidable tasks of developing their economies, eradicating poverty and protecting the environment. Our endeavours towards industrial development are faced with numerous challenges including lack of access to energy, poor basic infrastructure, and industrial pollution.

6. The optimal utilization of trade as the engine of growth and its potential to contribute for industrial development is also severely constrained by both supply side and demand side constraints in developing countries particularly LDCs, LLDCs and SIDs. In this regard, we would also like to emphasize the needs of countries emerging from conflict in the areas of capacity building, technical cooperation and infrastructure development.

7. On the demand side, trade market access continues to be negated by tariff and non-barriers and residual bias in tariff structures. On the supply side, major

constraints are lack or absence of infrastructure, limited productive capacities, inadequate financial inflows including FDI, limited research and development, education, innovation, and diversification. Problems of outdated, industrial technologies and production methodologies hamper quick improvements. There is need for minimization of wastes and conservation of natural resources.

8. We are also faced with serious infrastructural impediments, due to limited capacities in terms of institutions and human resources and insufficient human skills. There is limited capacity of strengthening regulations, codes, and standards at national levels.

Mr. Chairman,

9. In order to cope with the challenges faced by the world, Group of 77 and China suggest the following policy options to be endorsed by CSD-15:

First, actions at national level need to be taken including; formulation of national policies to create enabling environment conducive to industrial development; enhancing domestic environmental governance by creating the incentives for the adoption of improved environmental management practices and environmentally sound technologies

Second, concrete measures to be taken by developed countries to eliminate tariff and non-tariff barriers on imports from developing countries including the removal of tariff escalations and tariff peaks on exports from developing countries. This is critical to enable developing countries to make full use of their comparative advantages.

Third, increased external financial assistance, earliest realization of 0.7% ODA target and encouragement of FDI flows to a wider circle of developing countries need urgent attention and action by international community.

Fourth, strengthening the investment in human capacities to promote industrial development, technology transfer and skills training. Greater emphasis should be placed by the United Nations system on promotional and information-dissemination activities relating to investment opportunities in the developing countries. In this respect, the program of the UNIDO on investment promotion could be an effective instrument for facilitating investment in developing countries and therefore should be strengthened.

Fifth, developing and strengthening the productive capacity of developing countries by scaling up the technical and financial resource flows for basic infrastructure and to support national and regional projects.

Sixth, there is need for more sustainable use of natural resources in industry in an effort to reduce negative environmental impacts while reducing costs and increasing competitiveness.

Seventh, South-South cooperation, North-South cooperation as well as triangular cooperation and regional cooperation in terms of trade, investment, technology and knowledge transfer is of growing importance

and should be promoted.

Eighth, strengthening programs of technical and financial support to Small and Medium-sized Enterprises (SMEs).

Ninth, intensify outreach activities including campaigns for education and awareness-raising, building on local cultural values to change consumer behavior toward more sustainable lifestyles.

Tenth, it is essential to promote the practice of responsible entrepreneurship within more sectors, particularly among SME. Corporate environmental and social responsibility and accountability, as stipulated in JPOI should be enhanced.

Last, developed countries should translate their commitments into actions on capacity building and transfer of environmentally sound as well as energy-saving technologies on favorable terms, under direct or indirect government control to the developing countries.

10. We need to build sound national political, social and macroeconomic policies for domestic enabling environment conducive to industrial development. We can achieve our objectives by fostering close cooperation between government, industry, trade unions and civil society. Promotion of sustainable consumption and production patterns, with the developed countries taking the lead, are vital for industrial development.

I thank you.