

Opening Address of Chairman of South Centre H.E. Benjamin Mkapa, at the South Conference organised by the South Centre, Geneva, 31 January 2013

Excellencies, Distinguished Ladies and Gentlemen

I wish to welcome all of you to this South Conference, which is part of the series of conferences and workshops that the South Centre organises to bring together thinkers and diplomats of the developing countries to reflect on the state of the world and the implications for the South.

I am especially pleased to welcome the members of this opening panel. Dr Noeleen Heyzer is a top leader of the UN system, being the Under Secretary General and the Executive Secretary of the Economic and Social Commission of Asia and the Pacific. She has been a leading thinker on development issues, and a leader as well in the women's movement, being the head of UNIFEM. In her present role as the head of the UN system in Asia and the Pacific, she has been involved in key issues ranging from the impact of the global economic and environmental crisis on the region, to the dramatic and positive political developments in Myanmar. You are most welcome.

I am also very happy to welcome two of the top current leaders of the G77 and China. Ambassador Peter Thomson of Fiji has just assumed the post of Chair of the G77 and China in New York and has come from his busy schedule in New York to join us in our brainstorming exercise in this Conference. His responsibilities as the leader of G77 and China are heavy indeed as there will be many crucial negotiations this year, including the SDG, the post-2015 development agenda and the climate negotiations. We are indeed happy that you have found the time to be with us.

Ambassador Miguel Carbo Benites of Ecuador has also just assumed the post of Chair of the G77 and China in Geneva. We know you also have a heavy task ahead of you with the follow up to the UNCTAD 13; the preparations for the meaningful events to mark the 50th anniversary of both UNCTAD and the G77 and China; and the many negotiations in Geneva at the WTO, UNCTAD, WIPO and other venues. Thank you for joining us this morning.

The South Centre was set up by our founding fathers with the aim of supporting the developing countries in international negotiations and to provide advice on development policy issues. Though the resources are limited, our small Secretariat has tried its best to fulfil this task. The Centre's links with the G77 and China and with the Non Aligned Movement are thus of critical importance. If we cooperate closely together, there will be a good chance of more achievements on the multilateral front.

However, success in the multilateral arena does not only depend on the unity and strength of the developing countries. It also depends on the system of global governance and on the attitude of the developed countries. Unfortunately the levers of decision making in international fora such as the Bretton Woods institutions, the Security Council, the WTO and the WIPO are still by and large under the domination of the major developed countries.

And in the past one or two years, it has become more and more clear that the developed countries have made a decision to no longer cooperate in the usual ways with developing countries. For example, there is an impasse in the WTO's Doha negotiations because of the unreasonable demands made by a few of these major countries. The UNCTAD 13 summit almost failed because the developed countries did not even want to re-affirm the UNCTAD 12 mandate until the final days. The climate negotiations under the UNFCCC have been very difficult and the cherished principles of equity and common but differentiated responsibilities are under threat. In the Rio plus 20 Summit, the reaffirmation of the Rio Principles came only at the last minute. Technology transfer and new and additional resources are principles that have become almost taboo in present negotiations anywhere.

This is of course a very disturbing trend that puts into question the future of North-South development cooperation. On the other hand, it also shows that the developed countries are worried about the growing strength of the South as a whole and about the emerging economies in

particular. This trend also makes clearer that South-South cooperation is even more important now, not only in rhetorical terms or as a political goal, but because it is now a necessity and an imperative.

The South countries have to coordinate their positions and unite around these positions in multilateral negotiations, otherwise the North will find it easier to succeed in its old practice of “divide and rule.” The South countries also have to build their own relations among themselves in the areas of trade, investment, finance and technology, because the economies of the United States, Europe and Japan are no longer providing their old locomotive function in the global economy.

If the South countries are able to devote more time and resources to plan their own South-to-South economic relations, then the South as a whole can become less dependent on the major developed countries. And if they build the new South-South links in a balanced way that benefits all the South countries and not just a few, then we will be building a new and better world order from the bottom up.

This conference will be addressing these two major themes that I have just mentioned. One theme is the state of multilateral negotiations in the various areas that will pre-occupy us in the next one or two years. These include the future of the WTO as it moves towards the Bali Ministerial; the proliferation of FTAs and bilateral investment treaties; the Sustainable Development agenda including the Sustainable Development Goals; the Post-2015 Development Agenda of the UN; the climate negotiations of the UNFCCC.

For African as a region, one key issue we have identified in the South Centre is the EPA negotiations. If the EPA is concluded on terms proposed by the European Commission, it would lead Africa to perpetual underdevelopment. With enforced zero or low tariffs and the banning of export taxes, our domestic industry and agriculture will be at the mercy of cheap and subsidised imports. Our attempts at industrialisation based on natural resources would be blocked. What is given to Europe in the EPAs would eventually also have to be given to other powers including the US and

Japan. Africa would again be reduced to be a continent that supplies raw materials at low prices, without an industry of its own and with dependence on other countries for food. Let not the slogan of “Africa the rich continent of the future” lull us into a belief that imbalanced trade agreements is the facilitator of prosperity.

Developing countries also have to be alert about the imbalances and dangers of bilateral investment treaties that they have signed without understanding the consequences. Investors are now suing developing country governments for millions or billions of dollars on the ground that new economic, social or environmental policies are depriving these companies of their potential profits. The arbitration system in these treaties are very unfair and un-transparent. It is time we examine these investment treaties and reform them, and stop signing new treaties until such a review is done. I am encouraged that more developing countries are now reviewing their investment treaties and decided not to sign new ones until their reviews are done.

The second theme of this conference is the state of the global economy and the implications for the developing countries. Our Economics team in the South Centre has shown its capability not only of analysing present issues but also looking towards the future and pointing out the implications for developing countries under different scenarios. In doing so, the Centre has been ahead of the curve compared to many other organisations. Later this morning, we will be discussing the near term and medium term prospects of the global economy and what this means for developing countries. This afternoon we will hear from the experts that we have invited, their views on how the economic crisis is affecting the regions of Africa, Asia and Latin America.

I am sure these presentations and discussions will be most interesting and even exciting. I thank all the speakers in advance for the intellectual treat that they are about to give us. I am pleased to declare this South Conference open.