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**Statement by H.E. Yi Xiaozhun,
Assistant Minister of Commerce and
Head of Delegation of
the People's Republic of China
at the Special Ministerial Meeting Marking
the 40th Anniversary of Group 77**

Sao Paulo, 11 June 2004

Mr. President,
Ladies and Gentlemen,

First of all, please allow me to extend, on behalf of the Chinese Government, our warm congratulations on the 40th anniversary of the establishment of the Group of 77 and our sincere appreciation to the Brazilian Government for the work it has done for this conference as well as its generous hospitality accorded us.

Since its solemn creation at the first United Nations Conference on Trade and Development in 1964, Group 77 has burgeoned into a banner of unity and cooperation among developing countries. Thanks to its coordination, developing countries are able to speak with one voice in the international arena and have united as a staunch force in fighting strenuously for their legitimate rights and interests, thus making important contributions to the establishment of a fair and rational new international economic order. It is of great significance for us to gather here today to review the past, look into the future and explore fresh ideas and measures for further development and cooperation.

Mr. President,

Over the past 40 years, the world has undergone profound and complex changes, with economic globalization going in depth, science and technology advancing with each passing day and global productivity growing steadily. All this has brought about historic opportunities for our development. Economic globalization, however, has also amplified the risks and costs of development, as evidenced by the widening gap between the South and the North, ever emerging global threats and such problems as power politics, terrorism, contagious diseases and environmental degradation which still beset world peace and development.

These common challenges have made it all the more imperative for developing countries to strengthen their solidarity. As a banner and emblem of unity and cooperation among developing countries, the Group of 77 should build upon its fine traditions, keep abreast with the times and make pioneering efforts so that it can contribute to the establishment of a new international political and economic order and the common development across the world. To this end, developing countries should pool their efforts in the following three aspects:

Firstly, going along with the trend towards globalization to strengthen the role of the Group of 77. Over the years, the Group of 77 has accumulated some effective consultation mechanisms and practices in the UN and on other international occasions and played an important role in global economic affairs. To cope with new developments and problems in globalization, we should open our minds, further improve the institutions, conduct more studies and come up with well-targeted and clearly-defined goals and policies to guide our work in the future. G77 should also adopt a more open and pragmatic attitude, engage in communication and cooperation with other organizations and groups, establish extensive partnerships, and win the understanding and support of developed countries so as to wield a greater leverage and better safeguard the interests of developing countries.

Secondly, strengthening coordination to maintain unity among developing countries. In recent years, developing countries have enjoyed an increase in their national strength, international standing and capacity to participate in international affairs. This has offered them an even broader space for stronger unity and deeper cooperation. We should continue to enhance coordination, dissolve differences, and collaborate with each other on the basis of mutual respect, equality and mutual benefit. At present, developing countries need to maximize policy coordination, actively participate in the UN reform, engage themselves fully in formulating rules and making decisions governing the global economy, thus creating a favourable external environment for our economic development. Now, the Doha Development Agenda is at a critical juncture, with intense negotiations going on in different areas. Developing countries should step up cooperation and coordination so as to ensure our interests and concerns, particularly operational and effective special and differential treatment, are fully addressed and reflected in the final negotiation outcome. We should push for substantive progress in such core areas as agriculture, especially the reduction and elimination in real terms, of trade-distorting agricultural export subsidies and domestic support, as well as drastic reduction of tariff peak and elimination of tariff escalation by the developed countries in the principle of less than full reciprocity.

Thirdly, deepening South-South cooperation and promoting North-South dialogue for common development. We should explore cooperation patterns at various levels and in diversified forms that are tailored to specific local conditions. While increasing governmental input in the South-South cooperation, developing countries should, through policy measures and institutional reforms, give play to the market force

and attract the participation of companies at home and abroad. As for the forms of cooperation, we may promote trade and investment between developing countries through mutual assistance, experience sharing, collaborative research, human resources development, regional trade arrangements and other means. In addition, we can also explore trilateral and multilateral cooperation. We should mobilize resources of governments, societies, companies and international organizations and apply a combination of various means to inject new vigor and vitality into South-South cooperation. In the meantime, we should urge developed countries to provide practical assistance to developing countries by opening up their markets, removing trade barriers, and fulfilling their commitments to more capital and technological aid as well as debt relief.

Mr. President,

China is a member of developing countries. Over the years, China and the Group of 77 have weathered storms together and become the closest partners. This year marks not only the 40th anniversary of G77, but also the 40th anniversary of close cooperation between China and the Group. During the past decades, the two sides jointly forged the G77+China cooperation pattern through an ever-expanding cooperation mechanism. We have rendered mutual support and conducted collaboration in the UN and other international organizations, thus going a long way to ensuring the shared interests of developing countries. The increasing maturity of such cooperative relationship lays solid groundwork for better cooperation in the future. We hope to take this conference as an opportunity to further strengthen coordination and cooperation with the Group so as to raise the voice and boost the decision-making power of the developing countries in world affairs.

As an old Chinese saying goes, one becomes free from perplexity once he turns forty. The age of 40 is the most creative period in one's lifetime. For an organization, the 40th anniversary marks a significant transition from exploration to maturity. Let us wish the Group of 77, at the perplexity-free age of 40, grow steadily and score even more remarkable achievements.

Thank you, Mr. President.