

# **The GCC in the Second South Summit**

**Remarks by HE  
Abdulrahman Hamad Al-‘Attiyah  
Secretary General of the  
Gulf Cooperation Council (GCC)**

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Your Highness Shaikh Hamad ibn Khallifah Al-Thani, Emir of the State of Qatar

Your Majesties, Highnesses and Excellencies  
Ladies & Gentlemen

It gives me great pleasure to express my highest regards and thanks to His Highness Shaikh Hamad ibn Khallifah Al-Thani, Emir of the State of Qatar for hosting this great and distinguished summit. I take this opportunity to express my greatest esteem and appreciation to His Highness. I would also like to praise the great efforts made in organizing this summit, especially those of His Excellency Shaikh Hamad ibn Jassem ibn Jabr Al-Thani, First Deputy Prime Minister and Minister of Foreign Affairs, and the efforts of his able assistants.

It is a specially dear occasion to meet in Doha, a city that has become an active and lively forum for enhancing cooperation between cultures and civilizations, and an international venue for honest and sincere calls to build a better future for our world, through political, social and economic reforms. We are all aware of the active role Qatar has played, during its leadership of the G77, to implement what was agreed upon in the First South Summit held in Havana in April 2000, which laid down the political framework and the main directions of cooperation between the countries of the South, and in the Marrakech Conference in December 2003, which outlined the practical details for activating this cooperation. This is in addition to Qatar's hosting of the important Trade and Investment Forum of December 2004, which adopted a

number of important recommendations for enhancing trade and investment flows between countries of the South.

Qatar's leadership of the Group of 77 & China has helped to achieve a consensus in the need for achieving a balance between security needs and development requirements, since, as His Highness has remarked, collective peace and security is intertwined with collective solidarity. Similarly in achieving a balance between the opportunities provided by globalization and the needs for less developing countries, as His Highness has called for the trade negotiations taken place in the Doha Development Round should contribute to increased economic growth and poverty eradication at the same time.

The GCC countries have actively participated in the meeting held to implement what was decided in the First South Summit and Marrakech Conference. I say with pleasure that GCC countries have contributed a good deal in putting into practice the recommendations made in those meetings, such as developing productive capacities and cooperation mechanisms, and increasing trade and investment flows with countries of the South.

G77 & China conferences have called for the development of regional and sub-regional cooperation and integration mechanisms between countries of the South, as tools to enhance the role of the South in the world economy and in international decision making. In this regard, the GCC as an organization works to achieve just that. During its relatively short history, it has succeeded in creating a greatly integrated regional organization. In the economic sphere for example, economic integration between GCC member started as free trade areas in 1983, which led to a six-fold increase in intra-GCC trade. In 2003, the GCC Customs Union was launched to replace the FTA. Results have far exceeded our expectation, as trade between member states rose by over 20%, compared to an annual average of 6% during the ten years preceding the launch of the Customs Union. Trade liberalization resulting from the customs union has facilitated trade with the rest of the world, through the unification of external tariffs and customs laws and regulations.

We are moving according to schedule to complete the GCC Common Market by the end of 2007 in all the ten areas spelled out in the 2001 Economic Agreement. Every year, we move closer to achieving this goal. Similarly, planning for the Monetary Union is moving according to schedule and we look forward to reaching that goal and the launch of the common currency by January 2010.

In addition to these integration programs, the GCC works to unify, harmonize and coordinate policies in the fields of commerce, industry, oil, and other areas of economic development. Specialized agencies in

the GCC system implement specific programs of integration and cooperation in the fields of education, health and labor, among other fields.

I hope that our experience in the GCC could contribute to some extent in realizing the potential benefits of regional cooperation, coordination and integration, and pointing out a practical way of implementation. We started in 1983 as a small free trade area with trade among members not exceeding 3 billion dollars. This limited framework has grown gradually to a more integrated system that has succeeded in achieving many of the aspirations of its participants, although there is still much to be done in the future. GCC leaders have long adopted an approach that relies less on grand and unrealistic pronouncements, and more on practical programs that are realistic and practical. They also put in place mechanisms for follow-up, review, and corrective measures when the need arises.

In the GCC, we adhere to what was announced in the Marrakech Declaration, that South-South cooperation is not a substitute to cooperation with the North, but it complements it. While GCC trade and economic ties with the industrialized countries of the North are still strong and solid, we have started a while back to develop stronger economic ties with the South, through increased trade and the signing of economic cooperation agreement with countries of the South. With the launch of the Customs Union and unification of customs rules and regulations in GCC member states, trade negotiations between the GCC and its trading partners have moved more quickly and smoothly. Last year, for example, the GCC collectively concluded economic cooperation, investment and trade agreements with China, India, Pakistan, Lebanon and Syria. This year, we have signed similar agreements with Turkey and the MERCOSUR group in South America. FTA negotiations are under way with China and other trading partners.

In the area of development aid, the GCC countries have for some time been leaders. While the UN has long called for rich countries to allocate no less than 0.7% of their GDP to development assistance, few countries have done so. By contrast, most GCC countries have long exceeded this goal by providing assistance directly or through several development funds they operate. Therefore, we at the GCC applaud the call yesterday by His Highness the Emir of Qatar to increase both direct investment and official development assistance to less developed countries, in order to achieve the Millennium Development Goals by 2015. We greatly appreciate his proposal to establish the South fund for economic and social development, health, education, as well as hunger, poverty and natural disasters.

**Your Majesties, Highnesses and Excellencies,**

## **Ladies and Gentlemen,**

It is no secret that international economic management does not give the South an effective voice that is proportionate to its weight or its needs. This state of affairs means the need for greater South-South cooperation and coordination, to increase their economic and political impact, through higher levels of trade and investment, harmonized laws of investment and investor protection, and in general the consolidation of their individual capacities into collective mechanism that can translate their aspirations into real achievements.

I therefore join the speakers before me to call for intensification of efforts to implement what is agreed upon in this summit, in the Doha Declaration and Program of Action, in preparation for the High Level Plenary Meeting scheduled for 14-16 September 2005 to review the Millennium Development Goals, where we hope to agree to a responsible and coherent program and practical measures to enhance the role of the South and achieve a real international partnership in development and strengthening the role of women in it, the eradication of unemployment, conservation of natural resources, safeguarding international peace and security, and protection of human rights and the rule of law. Reform of the United Nations is also high on the agenda, with the purpose of increasing its ability to support economic development and give countries of the South a role that is consistent with their weight, where they account for two-thirds of its membership.

I conclude by thanking you for listening and wishing you success in your endeavors. May peace and God's mercy be upon you.