



PEOPLE'S REPUBLIC OF CHINA
MISSION TO THE UNITED NATIONS

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PRESS RELEASE

(Translation)

**Statement by Chinese Foreign Minister Li Zhaoxing at
High-level Meeting for Mid-term Review of
Program of Action for LDCs for Decade 2001-2010**

New York, 18 September 2006

Madam President,

On behalf of the Chinese Government, I wish to congratulate you on the successful opening of this meeting and thank Under-Secretary-General Mr. Anwarul K. Chowdhury and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for organizing this meeting.

The LDCs are the most vulnerable group in the international community. By focusing on the issues facing the LDCs, we are addressing the survival and development of some 700 million poorest people in the world, and more importantly, we are also addressing our common future. The Program of Action of the Least Developed Countries for the Decade 2001-2010, adopted in Brussels in 2001, lays out the timetable and roadmap for international efforts to help the LDCs eliminate poverty and achieve development. Today, five years later, it is important that we should review the progress made in implementing the Program of Action and set priorities for further cooperation.

Over the past five years, progress has been made in carrying out the Program of Action thanks to the concerted efforts of both the LDCs and the international community. The LDCs have made some headway in political,

economic and social areas, and their overall economic growth rate is close to reaching the 7% target. This is encouraging. Meanwhile, the international community has taken positive steps in terms of development assistance, debt relief and market access, thus facilitating the development of the LDCs.

However, there has been no fundamental change in the state of the LDCs and many difficulties still stand in the way of implementing the Program of Action. Poor infrastructure, fragile economy and prevalent poverty are plaguing many LDCs, casting a shadow over their prospect of development. The spread of HIV/AIDS, environmental pollution and rapid population growth have added to the difficulties facing the LDCs.

Madam President,

To help the LDCs eliminate poverty and achieve development is the unshirkable duty and responsibility of the international community. This will contribute to durable global peace, stability and development and is in the interests of all parties concerned. In this regard, China proposes that the international community takes the following key steps:

First, reaffirm the political commitment. The Program of Action represents the highest level of international political commitment to helping the LDCs. The Ministerial Declaration and the Cotonou Strategy adopted at the Ministerial Conference of the Least Developed Countries held in Benin last June reiterated the call of the Program of Action. All parties should, acting in the spirit of global partnership, deliver in good faith their commitment under the Program of Action to support the development of the LDCs. The UN agencies should also strengthen coordination to ensure that such commitment is delivered.

Second, increase development assistance. Lack of funding is one of the major causes hindering the development of the LDCs. Official Development Assistance (ODA) is the primary source of external funding for LDCs. Developed countries should meet the UN target of using 0.7% of their GNI for ODA as soon as possible and spend 0.15-0.2% of their GNI to help the LDCs. They should ensure the sustainability and predictability of such

funding and continue to expand the scale of grants. The international community should build on the HIPC initiative and the G8 initiative for debt relief and continue substantial reduction of debts of LDCs. China shares the view that new forms of funding should be explored to increase funding for the development of the LDCs.

Third, improve trading environment. The LDCs account for less than 1% of the global economy and face serious capacity constraint in participating in global trade. The developed countries should, as called for by the WTO Ministerial Conference held in Hong Kong, extend tariff-free and quota-free market access to all goods from the LDCs by 2008. They should reduce non-tariff barriers, simplify and make more transparent the rules of origin and take steps to help the LDCs increase export so that they can fully integrate themselves into the multilateral trading regime and benefit from it.

Fourth, strengthen capacity-building. It is vitally important to enhance the "blood making" capacity of the LDCs. "Teaching people how to fish is much more important than simply giving them fish", as the Chinese saying goes. On the basis of respecting their own choice of mode of development, the international community should help the LDCs improve management in economic, social, public health and other fields to help them strengthen the capacity to promote overall development and create conditions for achieving comprehensive, sustained and coordinated development.

Madam President,

China has gone through similar experience of the LDCs in fighting poverty and pursuing development, and we fully appreciate the hardship and difficulties they face. China has consistently supported the LDCs in their efforts to lift themselves out of poverty and provided them with assistance to the best of its capability. We have provided assistance or grants to 49 LDCs on 1701 occasions, completed 799 projects in LDCs, cancelled 172 debts of 36 LDCs, and given tariff-free treatment to some export from the LDCs having diplomatic relations with China. We have also actively participated in the multilateral debt reduction plans. The five measures announced by Chinese President Hu Jintao at the High-level Plenary Meeting of the 60th

Session of the General Assembly last year, which are aimed to support and accelerate the development of developing countries, will mainly benefit the LDCs. China's assistance is part of South-South cooperation. It is fraternal assistance with no strings attached, and China seeks no privileges in providing such assistance.

Madam President,

This year is the first year of implementing China's 11th Five Year Plan. We will continue to follow the scientific outlook on development and pursue peaceful, harmonious and common development. As China's economy grows, we will involve ourselves more in South-South cooperation and do more to support the LDCs. In the next few years, we will increase the scale of assistance to the LDCs and HIPC. Within two years, we will cancel or annul in other ways all the interest-free and low-interest loans borrowed by HIPC having diplomatic relations with China which matured at the end of 2004. And we will increase imports from the LDCs, extend tariff-free treatment to more of their exports to China and help them train more management and technological personnel. At the Summit of the Forum on China-Africa Cooperation coming up in November this year, we will propose new measures designed to help and accelerate the development of African countries.

Madam President,

As an old Chinese saying goes, "Unity of popular will is as strong as a fortress". I am confident that with the concerted efforts of the international community, the goals set forth in the Program of Action will be achieved and the LDCs will be able to embark on the road to prosperity and development at an early time.

Thank you, Madam President.