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"A NEW PARTNERSHIP AGAINST MARGINALIZATION"

Attached is the speech given by Mr. Renato Ruggiero, Director-General of the World Trade Organization, today (27 October), at the High-Level Meeting on the Integrated Initiatives for Least-Developed Countries' Trade Development, in Geneva.

Mr. Chairman, Excellencies, distinguished participants, ladies and gentlemen:

This meeting responds to a call by WTO Ministers at their Conference in Singapore last December. It is an enormously important meeting. It is important because for the first time we are bringing all the energy of the multilateral system to bear on the problem of economic marginalization. It is important because without the full integration of the least-developed countries we can never have a truly 'global' trading system. And it is important because it represents a tangible sign of the extent to which your countries have embraced openness, integration and trade as the keys to economic development.

The goal we are all working towards is a full partnership of today's least-developed countries in the global economy and its opportunities. We will not make progress towards that objective with stirring speeches and fine words. Over the next two days, we must produce meaningful results - results that will be of real and practical significance to the least-developed countries.

There are three main ways in which this meeting should produce concrete and practical results: first, by opening up new market access opportunities for least-developed country exports; second, by designing an integrated approach to building trade capacity which reflects the real needs of the least-developed countries themselves; and third, by using new technology to open a window of new opportunity between North and South - a window through which information, knowledge and ideas can flow freely and productively. I can assure the delegations from these countries who are here today that the WTO is completely committed to this task.

I don't want to underestimate the scale of the problems facing your countries. Above all is the problem of poverty, and its crippling effects on all aspects of the existence of millions of people - on their nutrition, their health, on infant mortality and life expectancy, on their prospects to educate themselves and their children - in every respect the facts are unacceptable. With 10 percent of the world's population, the least-developed countries account together for barely one-half of one percent of world trade. Their share of international investment is still insignificant, and their access to key modern technologies totally inadequate - in agriculture, in manufacturing, in communications, in practically every area of economic activity.

But if the challenges are immense, we now see signs that things are changing in a positive direction and that new opportunities are opening up. Around the world, we have seen in the past twenty years many developing countries break away successfully from conditions of debilitating poverty to share in the growth and prosperity that have been generated in the world economy. The World Bank, the IMF, UNDP, UNCTAD - all of the major international economic institutions paint a strikingly similar picture of improvements, often dramatic, in the economic performance of many least-developed countries over the past few years. As reported by UNCTAD, more than half of the least-developed countries have improved their economic performance in the mid-1990s. Taken as a group, the least-developed countries grew at around 5 per cent in 1995 and 1996, up from an average of 3 per cent in the first half of the 1990s and only 2 per cent in the 1980s.

More important, this impressive record of economic growth is having a real impact on the everyday lives of people. For example, among a group of some twenty developing countries undertaking structural reform, the IMF has found that average spending on education has increased by 5 per cent in real terms - or by more than 2 per cent on a per capita basis. Real expenditure on health has increased by 7.5 per cent per year. Illiteracy rates have declined by 3 per cent per year, while primary and secondary school enrolment has grown by over 1 per cent per year. Access to health care improved by almost ten per cent per year; access to safe water improved by 5 per cent per year.

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And UNDP has reported that by the end of this century - only three years away - some 3 to 4 billion of the world's people will have experienced substantial improvements in their standard of living, and about 4 to 5 billion will have access to basic education and health care. These gains, UNDP notes, make eradicating poverty not some distant ideal but a true possibility.

These positive trends reflect the determination of many countries to embrace and institute sustained economic reforms as the best available path to real improvements for their people. Their efforts richly deserve the support of the international community. At this meeting, we have an opportunity to show that the WTO, working with the other intergovernmental agencies involved, can make a significant contribution.

Let me outline a little more fully the nature of this contribution. First, market access. Increased market access for the least-developed countries' exports is essential if we are serious about improving the trading opportunities of these countries. At the G-7 Summit Meeting in Lyon last year, I made a proposal to remove all tariffs and import quotas on imports from least-developed countries - and I take this opportunity to reiterate that proposal.

This Meeting provides an opportunity for WTO Members to announce steps they will be taking, on an autonomous basis, to improve market access for products of export interest to least-developed countries. I have been encouraged to learn over the past few months that a number of WTO Members - including some of the main trading partners of the least-developed countries - are examining seriously what steps they can take to reduce restrictions on LDC exports, to extend existing preference schemes, particularly in areas such as textiles and agriculture; to simplify drastically the conditions attached to them; and, in the case of some developing country Members, to introduce entirely new preferences in favour of these countries' exports.

I applaud these initiatives, and I urge all WTO Members to continue to reflect on what actions they can take in the future in this regard. This is one of the principal ways in which this meeting will be seen to produce not just words but deeds. The needs of the least-developed countries for open and predictable access to overseas export markets will only increase as policy reforms and capacity-building at home enhance their productivity, expand their economic diversification, and result in higher sustained real growth rates. If investors are to respond effectively to the efforts of both the least-developed countries themselves and the international community to improve supply-side conditions, they must be reassured early on that attractive and stable market opportunities exist which warrant long-term investment.

The second major area for action at this Meeting is to address supply-side constraints in the tradeable goods sectors of the least-developed countries' economies, and help improve their capacity to trade. Over the past six months the WTO Secretariat has worked closely with its colleagues in the UNCTAD and ITC, UNDP, the World Bank and the IMF, on three related projects.

- We have put together for the first time an inventory of technical assistance and cooperation activities that exist to support the trade of the least-developed countries. The core of this inventory is the activities of the six agencies themselves, and with the cooperation of other intergovernmental organisations and of the OECD Secretariat we have begun to broaden the project to create a genuinely new and comprehensive management tool for trade-related technical assistance and cooperation. I believe the results, which are presented in the background documentation for this Meeting, will allow the least-developed countries to ensure that the technical support they are receiving to expand their trade is truly demand-driven and meets their needs effectively. It will allow these countries' development partners to design their

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assistance programmes more efficiently, in full knowledge of the range of complementary activities that are in place.

- Furthermore, we have created a new Integrated Framework for designing technical assistance and capacity-building in least-developed countries in the specific area of trade. At the centre lies the government of each least-developed country; they are in the driver's seat, and a large part of the success of this initiative will depend upon the sense of ownership and commitment they bring to the endeavour. The new Framework, which this Meeting will be invited to endorse, will link together the resource-bases of the six agencies, allowing them to integrate their efforts to meet the specific needs of individual least-developed countries. The potential of the Framework is, however, much broader than that. It can help increase the benefits that the least-developed countries derive from trade-related support provided by their development partners, and I believe that by increasing transparency and accountability it will act as a catalyst in mobilizing additional resources from the international community for these countries' trade development.
- We will present for the first time today and tomorrow the results of our application of the new Integrated approach to a pilot group of twelve least-developed countries. Here is an example of one of the practical results we intend to achieve at this Meeting - the opening of a new door towards least-developed countries. The results will be presented by the least-developed countries themselves, at a series of "Roundtable" meetings. They represent many months of intensive work by individual least-developed countries and all six agencies involved in this project. By demonstrating our commitment to the exercise, we hope to create a strong multiplier effect, attracting other multilateral and regional intergovernmental organisations, the main trading partners of the least-developed countries, and the private sector to contribute their resources and experience also to this effort.

Let me emphasize that for the purposes of this effort, the High-Level Meeting should be considered only a step along the way. In addition to the twelve least-developed countries that will be featured at country-specific roundtables over the next two days, 20 other least-developed countries have accepted our invitation to participate in the exercise and we will work hard with them to prepare the ground for their own country roundtables in the months ahead.

The third major area of action is an exciting new departure for us in the WTO. This is to provide least-developed countries - as they themselves have asked - with better access to the global information infrastructure. The new information technologies which we are exploiting in partnership with our friends in the World Bank provide a gateway to development, a path which can provide the developing world with the most important resource for raising living standards - knowledge. Through knowledge we can better educate our young and better care for our sick. It is knowledge that makes all of us better managers, better workers, better citizens.

I urge of all of you to explore our Cyber-Cafe, set up next door in the Salle de Pas Perdus, so you can see at first hand how we are making use of these new technologies to aid developing countries in their efforts to bring themselves into the mainstream of the global trading system. Our web site offers officials in developing countries the ability to access, often for the first time, WTO documents which are vital to their understanding of our rules. Our joint interactive site with the World Bank allows trade officials to continue, through cyberspace, the training which they began here in our technical cooperation training seminars.

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But this access to knowledge about the trading system is by no means limited to those with past experience of WTO training seminars here in Geneva. Our new system enables even those unfamiliar with international trade, or computers for that matter, to access the basic information that is critical to policy making or business planning. Through the use of on-line forums, officials can consult the WTO and World Bank secretariats on trade matters and learn about emerging developments in the trading system.

We will be holding several demonstrations of this forum throughout the next two days, and I'm sure you will find these demonstrations to be of great interest. This month, WTO secretariat staff went to four African countries, providing government officials there with computers, equipment and the know-how they need to access the information that is available on our web site.

Later this year we will visit four more countries and do the same. Our goal is to "wire" all of our least-developed members by next year, so that they can take full advantage of the information revolution that is liberating such powerful forces for integration and growth.

Let me conclude by inviting you to look to the future with renewed hope. Finding a solution to the problem of economic marginalization is a shared responsibility. It is clear that for the least-developed countries it requires pursuing sound domestic economic policies and addressing questions of governance in a positive way. The access to information and assistance that new technology makes possible should be helpful in this effort. It should be equally clear that in the WTO you have a totally committed partner in reaching these solutions and in achieving your economic potential. I am confident that the results of this meeting will live up to all our expectations that trade - and the multilateral trading system - can deliver concrete results to those countries which are at present most in need of our collective support, but which I ardently hope will be counted among the most dynamic trading nations of the 21st century.

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