



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/B/COM.1/L.33/Add.1
21 March 2007

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services, and Commodities
Eleventh session
Geneva, 19–23 March 2007
Agenda item 10

**DRAFT REPORT OF THE COMMISSION ON TRADE IN GOODS AND
SERVICES, AND COMMODITIES ON ITS ELEVENTH SESSION**

Held at the Palais des Nations
from 19 to 23 March 2007

Rapporteur: Ms. Dinar Henrika Sinurat (Indonesia)

Speakers:

Brazil for GRULAC
Bangladesh
Nigeria

I. OPENING STATEMENTS

1. The representative of **Brazil**, speaking on behalf of the Latin American and Caribbean Group (**GRULAC**), noted the preparations for UNCTAD XII and the opportunity to assess progress in implementing the São Paulo Consensus. He highlighted UNCTAD's work on South–South trade, including the contribution to be made by the High-level Event on Networking with RTAs of Developing Countries. Also, the initiative by UNCTAD to create a database for South–South trade with more disaggregated data was sorely needed. UNCTAD should strengthen its analytical and operational capacities in that area. Encouraging developing countries to participate in new and dynamic sectors of world trade was important. The expert meeting on energy had been very productive and there should be a more specific follow-up in that regard. He expressed support for UNCTAD's ongoing work on non-tariff barriers and on adjustment issues arising from new trade agreements. UNCTAD's activities with regard to trade, environment and development, in particular the BioTrade Facilitation Programme and the BioFuels Initiative, were also worthy of note.

2. Trade in services was growing among developing countries but was concentrated in only a few countries. Intraregional trade in services might further development objectives in the region, but that was not enough. Regional liberalization should go hand in hand with genuine liberalization in developed countries. In that regard, the temporary movement of persons to offer services abroad was relevant. UNCTAD's support to countries in defining national strategies for services negotiations at regional and multilateral levels and in assessing services was invaluable and should be strengthened and extended to other countries. Services trade liberalization, as enshrined in preferential trade agreements, could yield both benefits and challenges. However, this should be monitored and examined in relation to its contribution to development and the fight against poverty.

3. The intensification of regionalism in Latin America and the Caribbean had raised new concerns with respect to its systemic impact. GRULAC was convinced that that trend was compatible with the multilateral trading system and could be mutually reinforcing. Regionalism was a political reality and would continue to be one of the highlights of the international system in the foreseeable future. The new regionalism now included North–South agreements and entailed new challenges for countries in the region. UNCTAD should deepen its analytical work and technical assistance with regional integration processes and new trade agreements.

4. In addition, UNCTAD should strengthen its support to developing countries in the design and implementation of trade and development policies to help fight poverty; address the relationship between trade openness, growth and poverty reduction; respond to the challenges posed by regionalism, making it a tool for effective development; and enhance participation in the multilateral trade system and trade negotiations.

5. The representative of **Bangladesh** said that ensuring a successful conclusion of the Doha Round was of immense importance and welcomed the recent resumption of negotiations. The current round of negotiations was called the Development Round, but there had not been any development outcomes as yet. Developed countries were reinterpreting and, in some cases, misinterpreting the Doha Development Agenda to further their neo-mercantilist interests. It would be detrimental for all if LDCs did not benefit from the multilateral trading system. Market access was a crucial issue. Developed countries imposed higher tariffs on LDC products than on products from other developed countries. As MFN

tariffs were reduced, LDCs would face increasingly stiff competition, even where they currently enjoyed preferences. He hoped that developed countries would honour their commitment to provide duty-free and quota-free market access for all products from all LDCs, as agreed at the WTO's 6th Ministerial Conference.

6. In respect of environmental goods and services, the priority in the Doha negotiations was environment, followed by trade. Also, there was recognition of the importance, for LDCs, of technical assistance and capacity-building in trade and environment. LDCs would like to enlist the support of their developed country partners in that respect, with UNCTAD's intellectual backing. At the same time, LDCs faced severe difficulties in identifying and addressing non-tariff barriers (NTBs), which affected their exports. In that regard, the appointment of the UNCTAD Secretary-General's Group of Eminent Persons on Non-tariff Barriers and its Multi-agency Support Team would help LDCs to identify, address and overcome NTBs in real terms. In the area of trade-in-services negotiations, it was important that Mode 4 negotiations enable LDCs to benefit from their huge pool of less skilled labour. UNCTAD's intellectual support in that area had been useful to LDCs and should be strengthened, both substantively and substantially. The issue of fluctuations in commodity prices was of great concern to LDCs. Some direction with regard to addressing such instability was needed.

7. The representative of **Nigeria** expressed wholehearted support for efforts to reinvigorate UNCTAD and transform it into a more effective institution capable of dealing with the developmental issues of a globalizing world. Commodities and development were intertwined and required comprehensive evaluation by UNCTAD, which should address the particular concerns of commodity-dependent countries. In particular, UNCTAD should examine the fact that although commodities continued to provide important sources of foreign exchange, they had not functioned well as a catalyst for growth and industrialization. It was clear that the magnitude of falls in prices and volatility, combined with other factors such as low responsiveness of demand to price changes, had led to abysmal declines in the trade and development indicators of commodity-dependent economies. Something must be done to transform the commodities sector into a dynamic force in the development process. The solution lay in comprehensive diversification strategies and in global policies. UNCTAD's efforts in reviewing and designing relevant models and mechanisms had been helpful.

8. For many developing countries, integration into the global economy was dependent on meeting extremely difficult market access conditions and on creating the necessary environment for competitiveness and development. Benefits would flow from removing barriers to trade, including non-tariff barriers. There was a wide range of rapidly changing non-tariff barriers, which had adverse implications for global trade. In that regard, UNCTAD's initiative in setting up the Panel of Eminent Persons on Non-tariff Barriers was a step forward. Furthermore, stringent and complex environmental, health and safety standards restricted market access for developing countries. UNCTAD's initiatives to address those issues in the Consultative Task Force on Environmental Requirements and Market Access were commendable. Also, UNCTAD should impress upon developed countries the need to give developing countries special consideration in their trade policies. The potential for trade in services, which was vital for development, had yet to be fully realized in many African countries. Dramatic changes were taking place in the services sector in developing countries: they were having a positive impact and giving rise to development challenges. UNCTAD was addressing the factors that had brought about this situation, and its efforts should be carried to

their logical conclusion. In conclusion, the speaker said UNCTAD's work on biofuels and biotrade was essential and should continue so that its potential benefits could be harnessed equally by all countries.

* * * * *