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**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)

Speaker:

Secretary-General of UNCTAD

I. OPENING STATEMENTS

1. The **Secretary-General of UNCTAD** emphasized issues requiring national- and international-level actions to ensure development gains. In the area of commodities, South–South trade had become one of the fastest-growing elements of international trade. Thus, a key challenge for the international community was to facilitate the necessary institutional changes to reflect the growing centrality of developing countries in the global commodity economy. This included addressing the income effect of commodity price fluctuations, in particular for sub-Saharan Africa. A closely related matter pertained to the impact of high crude oil prices on the net oil-importing countries. Another important factor was the increasing importance of meeting market entry requirements and of non-tariff measures, including standards and sanitary and phytosanitary measures as well as environmental requirements, in international trade more generally. Thus, he had established the Group of Eminent Persons on Non-tariff Barriers, which had created a multi-agency task force on NTBs involving all the major international agencies active in that field, with a view to identifying, classifying and quantifying NTBs and contributing to countries' better understanding of, and ability to cope with, such measures. It was also providing support to developing countries in addressing environmental requirements.

2. UNCTAD had made progress in increasing the participation of developing countries in new and dynamic sectors of world trade relating to the energy sector. UNCTAD's partnership with the Philips Corporation to explore production and trading opportunities in the electrical lighting sector in sub-Saharan Africa was an excellent example of its "catalytic intervention". In line with the growing dynamism of South–South trade and the "new geography of trade", UNCTAD had created a new South–South trade database to strengthen the analytical support for developing countries. The ongoing third round of GSTP negotiations should be expeditiously concluded to give further stimulus to South–South trade. UNCTAD had also initiated the Global Network of Export-Import Banks and Development Financial Institutions (GNEXID) to facilitate South–South trade financing.

3. A cross-cutting area of growing importance was the nexus between trade, environment and development. A number of developing countries were seriously considering biofuel production in response to concerns about climate change. UNCTAD's Biofuels Initiative would continue to support such efforts. Organic agriculture was another area in which developing country farmers could carve out a profitable niche, given the demand overhang in international markets. Together with UNEP, as part of the Capacity-building Task Force on Trade, Environment and Development, UNCTAD would expand its assistance to developing countries in that area, building on the success of the East Africa Organic Standards.

4. The service economy and trade in services had enormous potential for enhancing the growth and development of developing countries. Regional trade agreements and cooperation schemes could provide a promising avenue for developing countries to build up services supply capacity and competitiveness, increase their share of international flows of services and services suppliers, and reap development gains. The regionalization of services trade was already a fact. However, adequate pacing and sequencing between domestic reforms and regional and multilateral liberalization processes were critical. UNCTAD would continue to support both regional and multilateral initiatives to provide an enabling environment for services.

5. The Doha negotiations were at a crossroads, and a timely, balanced and development-oriented conclusion was needed. UNCTAD would continue to support developing countries in those negotiations, and play an instrumental role in the Aid for Trade initiative.

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