



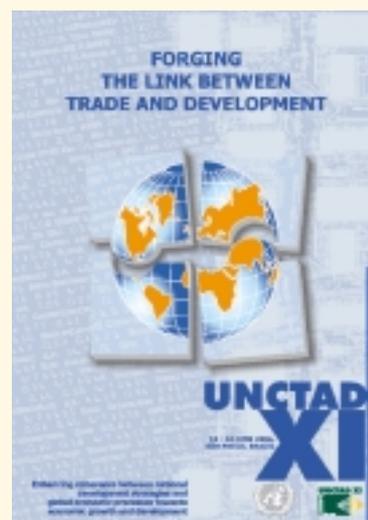
UNCTAD XI

**Anhembi Convention Center, São Paulo, Brazil
13–18 June 2004**

UNCTAD's eleventh session (*UNCTAD XI*) will be held in São Paulo from 13 to 18 June. The main theme of the conference is coherence – coherence between national development strategies and international economic processes and trade negotiations.

For developing countries it means, among other things, developing the goods and services needed to benefit from the system and integrate into the global economy. For developed countries, it means living up to their commitment to support developing countries by providing more assistance and aid so that they have an equal stake in the trading system. It also means taking account of the differences among countries – both between developed and developing countries, and among the developing countries themselves.

The focus on coherence will be looked at from four angles or subthemes. Each aims to identify problems, formulate a national and international response and determine how UNCTAD can contribute.



Conference subthemes

- **Development strategies in a globalizing world economy:** unsuccessful trade liberalization in many developing countries suggests that another approach may be needed, one which allows countries to integrate at their own pace. In the policy space available for developing adequate and appropriate national development strategies, how can countries benefit from the trading system?
- **Building productive capacity and international competitiveness:** trade negotiations can improve export opportunities for developing countries by lowering barriers to trade. But few countries today are in a position to take advantage of those opportunities, because they lack the supply-side capability and competitiveness. Here, the conference will address both sides of the coin – trade negotiations and supply constraints – hand in hand.





- **Assuring development gains from the international trading system and trade negotiations:** for developing countries to benefit will require improving market access, reducing export and domestic subsidies and eliminating tariffs and other barriers to developing countries' exports. How can preferential and differential treatment become more effective? How can trade-related concerns be linked with debt-relief measures? How can trade policy have a positive impact on poverty reduction and gender equality?
- **Partnership for development:** ensuring coherence and catalysing national development efforts calls for the participation not just of Governments and international organizations, but also of civil society and the private sector. Accordingly, the conference is expected to launch multi-stakeholder partnerships covering a wide variety of activities under UNCTAD's mandate and responding to the needs of developing countries.

Cross-cutting issues

Three core social and human issues will also be considered by the conference in a number of parallel events: trade and poverty, trade and gender, and trade and the creative industries.

Format

The conference will be attended by government and private-sector representatives, international organizations and civil society (non-governmental organizations and academia, as well as the media). It will include:

- a general debate by member States (broadcast live on the Web)
- meetings on the main documents to be adopted by the conference
- interactive sessions on the subthemes and cross-cutting issues.

A number of side and parallel events will take place as part of the official conference programme. Civil society organizations will also hold workshops and discussions to define their positions on the main issues, which will then be considered by the conference plenary.

For more information, please consult the UNCTAD XI website at <http://www.unctadxi.org/>



Commission on Trade in Goods and Services, and Commodities

Provocative discussions on essential trade issues characterized the [8th session](#) of the Commission on Trade in Goods and Services, and Commodities (Geneva, 9–13 February 2004) and reconfirmed UNCTAD's relevance as a forum for debate.

The increasing importance of developing countries in international trade and negotiations was stressed. At the heart of the debate was UNCTAD's role in helping those countries to integrate into the world trading system and to take a more active part in the trade negotiations.

The Commission carried out a strategic overview of the international trading system from a development perspective. Among the key issues discussed were market access/entry and competitiveness; trade in services, particularly through the movement of natural persons; and trade and environment issues. Particular attention was devoted to the burning – and controversial – new issue of services outsourcing, which could yield new development gains by creating jobs and greater competition.

Outsourcing: A WINDOW FOR DEVELOPMENT

In his [statement](#) to the 8th session of the Commission on Trade in Goods and Services, and Commodities, UNCTAD Secretary-General Rubens Ricupero addressed the controversial issue of outsourcing. Prevalent among industrialized countries, outsourcing is now trickling down to developing countries and is likely to dominate trade discussions in the years to come. Following are excerpts of Mr. Ricupero's statement.

“Let me now turn to the outsourcing of services (business process outsourcing and e-commerce services) by developed-country enterprises to developing countries. There is a heated debate on how this fits into free trade theory and accepted trade liberalization paradigms: whether or not it is leading to a job exodus from developed to developing countries; what the cost benefit is to both; whether there should be protectionist government intervention; and how this can be dealt with in the WTO and other trade negotiations.

We in UNCTAD have been monitoring this phenomenon and have noted its evolution from a largely intra-OECD one, to one including a new North-South dimension. The global outsourcing spend is estimated to have been \$320 billion last year, and is projected at \$585 billion in 2005, and \$827 billion in 2008. Offshoring is a rapidly growing segment of this, and despite much excitement about its significance to North-South trade, the share in this business of even such frontline countries as India (3 per cent of global IT spend) is small; fears of a big wave of offshoring to poor countries swallowing



up rich-country, high-skilled jobs appear misplaced. On the other hand, it constitutes a dynamic new area and a big window of opportunity to assure instant and durable development gains to developing countries through international trade. It wins converts to globalization and creates tangible and additional stakes for poor countries in the trading system. Moreover, it is encouraging to note that outsourcing export opportunities for developing countries are much broader than generally presented, with a wide range of developing countries significantly increasing their presence in global outsourcing markets.

I have no doubt that offshoring is a legitimate part of global trade liberalization. It enables developing countries to leverage their comparative advantage – abundant, competitive labour, and lower-cost environment. I can do no better than to quote the British Trade Secretary Patricia Hewitt on the ‘myth’ behind the offshoring fears in United Kingdom, its biggest beneficiary, to answer this and the cost/benefit argument: *‘We cannot argue liberalization abroad and practice protectionism at home. However strong the short-term costs appear to be, the long-term costs are greater – for consumers and for jobs’* – and, may I add, for the economy in general. Despite some attempts at introducing government measures, I do not think that this process is amenable to government control – it will be driven by market forces. In any case, these services are already covered in GATS under Mode 1 and are also related to Modes 3 and 4, as they pertain to investment. In order to ensure predictability, developing countries should, as part of the GATS negotiations, actively seek binding multi-lateral commitments in this mode so that they can pre-empt or render invalid any protectionist action.”

President Lula visits UNCTAD



On 29 January, [President Luiz Inácio Lula da Silva of Brazil](#) and seven Brazilian ministers met with more than 200 executives of foreign companies interested in investing in Brazil. The meeting, organized by UNCTAD, focused on Brazil’s macro-economic environment and the need to include social considerations in investment policies if these are to be successful. “If you want to invest in Brazil, the rules are well defined”, said Mr. Lula da Silva.

The meeting was held in parallel with the executive session of the [World Association of Investment Promotion Agencies](#) (WAIPA). The focus of this year’s meeting was on the dual roles of business and government in promoting investment.



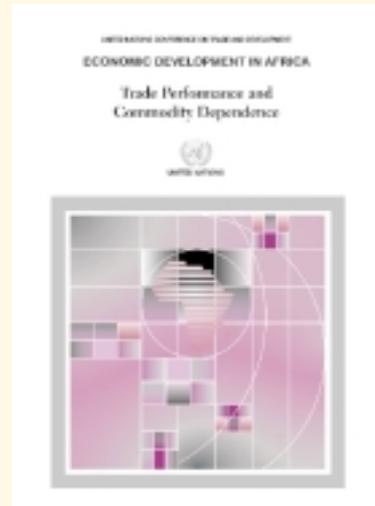
Recent Publications

Economic development in Africa: trade performance and commodity dependence

The majority of African countries are locked into a trade structure that subjects them to terms-of-trade losses and volatile foreign exchange earnings, says a newly published UNCTAD report, *Economic Development in Africa: Trade Performance and Commodity Dependence*. The situation severely undermines macro-economic management and capital formation and hampers efforts to diversify into more productive activities. As a result, much of sub-Saharan Africa has remained commodity-dependent.

The report examines the policy choices and alternatives available to Africa and the international community to redress this situation. It recommends a three-pronged response to ease the short-run burden of commodity dependence and to facilitate longer-run structural change by combining measures to strengthen domestic institutional capacities with more balanced international trading arrangements and more generous and innovative international financing schemes.

The report (UNCTAD/GDS/AFRICA/2003/1, Sales No. E.03.II.D.34, ISBN 92-1-112605-3) is available for US\$15 from UN Publications, Two UN Plaza, Room DC2-853, Dept. PRES, New York, NY 10017, USA, T: +1 800 253 9646 or +1 212 963 8302, F: +1 212 963 3489, E: publications@un.org; or Section des Ventes et Commercialisation, Bureau E-4, Palais des Nations, CH-1211 Geneva 10 Switzerland, T: +41 22 917 2614, F: +41 22 917 0027, E: unpubli@unog.ch, Internet: <http://www.un.org/publications>



E-Commerce and Development Report 2003

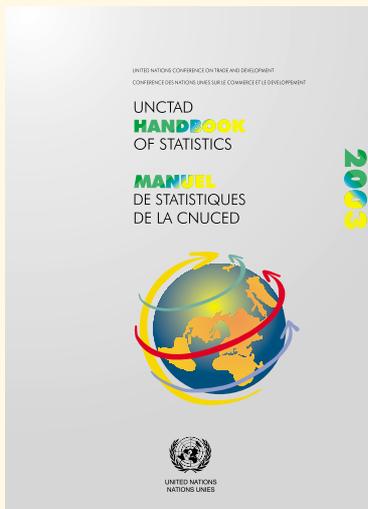
The 2003 [report](#) analyses trends in information and communications technology (ICT), e-business and e-commerce and how they affect the development process. It discusses issues of strategic importance to policy makers, including the productivity effects of ICT, key elements of national e-strategies, and policy approaches to open-source and free software. It also examines ICT possibilities for business outsourcing and discusses the advantages and potential of online dispute resolution systems.

The report (Sales No. E.03.II.D.30, ISBN 92-1-112602-9) may be obtained for US\$45 from United Nations Publications, Two UN Plaza, Room DC2-853, New York, NY 10017, USA ; T: +1 800 253 9646 or +1 212 963 8302, F: +1 212 963 3489, E: publications@un.org; or Section des Ventes et Commercialisation, Bureau E-4, Palais des Nations, CH-1211 Geneva 10, Switzerland, T: +41 22 917 2614, F: +41 22 917 0027, E: unpubli@unog.ch, Web: <http://www.un.org/publications>





UNCTAD Handbook of Statistics 2003



The 2003 version of the UNCTAD Handbook of Statistics was released in December. Now in its fourth decade of publication, the Handbook is a numerical reflection of the complex issues of international trade and development. It explores such topics as trade in goods and services; the structure of international trade by region and by product; commodity price indices; terms-of-trade indices; balances of payments; national accounts; and social indicators such as Internet usage, unemployment and migration rates.

It is available on CD-ROM, in print and as an online database at <http://www.unctad.org/statistics/handbook>

The Handbook is available in print for US\$80 (Sales No. E/F.03.II.D.33, ISBN 92-1-012055-8); on CD-ROM for \$150 (Sales No. E/F.03.II.D.28, ISBN 92-1-012053-1) or at a special price of \$195 for both the print and CD-ROM versions. It can be ordered from UN Publications, Two UN Plaza, Room DC2-853, New York, NY 10017, USA, T: +1 800 253 9646 or +1 212 963 8302, F: +1 212 963 3489, E: publications@un.org; or Section des Ventes et Commercialisation, Bureau E-4, Palais des Nations, CH-1211 Geneva 10, Switzerland, T: +41 22 917 2614, F: +41 22 917 0027, E: unpubli@unog.ch, Internet: <http://www.un.org/publications>.

LOOKING AHEAD

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| 3–7 May | Preparatory Committee for UNCTAD XI |
| 10–11 May | Trade and Development Board,
Twenty-first special session |
| 24–28 May | Commission on Science and Technology
for Development, 7th session |

For more information visit UNCTAD's website:
<http://www.unctad.org>

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Message by UNCTAD's Secretary-General



UNCTAD is fortunate to have the celebration of its fortieth anniversary coincide with its eleventh quadrennial conference, to be held in São Paulo, Brazil, this June. The two events can complement one another, providing renewed impetus to our work.

In the 40 years since UNCTAD was founded, the international environment has been radically transformed by globalization, and the problems experienced by developing countries today require innovative approaches. UNCTAD XI offers the opportunity to address those problems and define the type of national and multilateral measures needed to ensure that integration into the world economy yields real development gains for developing countries. Open trade regimes and financial markets alone are not enough.

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- ▶ 7-8 June 2004, BNDES, Rio de Janeiro
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- ▶ 7 June 2004, BNDES, Rio de Janeiro
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