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Dirk J. Bruinsma joins UNCTAD as Deputy Secretary-General

Mr. Dirk J. Bruinsma joined UNCTAD on 1 January 2006 following a career with the Ministry of Economic Affairs of the Netherlands. In 2000, he was appointed Director-General of Foreign Economic Relations, where his responsibilities included trade policy, European and bilateral economic relations. In 1995 he served as Deputy Secretary-General in the Ministry of Economic Affairs. In that capacity, he was an economic advisor to the government, serving as general manager of the ministry and its agencies.



Before that he worked at the Ministry of Finance of the Netherlands from 1976 to 1991. From 1991 to 1994 he was Deputy Chairman of the Executive Board of the Netherlands Credit Insurance Company (NCM) and Chairman of the Board of NCM-Netherlands. He worked as an independent consultant from 1994 to 1995.

Mr. Bruinsma has a special interest in development cooperation and headed the Dutch delegation to the economic policy committees of the European Union and OECD. He became a full member of the EU Trade Policy Committee in 2000.

In addition to government service, he has also served on several supervisory boards in banking, industry and the public sector, and is a member of the board of several cultural and charitable organizations.

Mr. Bruinsma holds Master's Degrees in Mathematics and Dutch and International Law, both from Leiden University. He was born in The Hague in 1950.

RECENT EVENTS

Success with the negotiations on a new Tropical Timber Agreement

After two weeks of negotiations in Geneva at the fourth part of the UN Conference for Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994, convened by UNCTAD, the text of a new International Tropical Timber Agreement was adopted 27 January 2006.

The new Agreement includes new clauses on promoting sustainability; reforestation; illegal logging and information sharing on voluntary mechanisms such as certification of timber from sustainable forests.

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The Agreement aims to promote sustainable management of tropical forests, an issue that has drawn increased attention as such forests continue to disappear at a rate of 15 million hectares per year and as international concern mounts over global warming, which tropical vegetation helps to reduce.

The text calls for "promoting improved understanding of the structural conditions in international markets, including long-term trends in consumption and production" as well as strengthening the capacity of member States "to improve forest law enforcement. . . and address illegal logging and related trade in tropical timber."

It also encourages member States "to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources." The Agreement also notes that "poverty alleviation" should be an objective of tropical timber harvesting and trade. All producing nations which are members of the current Agreement are developing countries. Global sales of tropical timber earn these countries an average of US\$10 billion per year.

The first International Tropical Timber Agreement dates back to 1983. The second Agreement was signed in 1994 and expired on 31 December 2006. It has 59 member countries, of which 33 members are producers and 26 are consumers. The conclusion of this agreement in Geneva reflects UNCTAD's historical role in international commodity agreements. Given the importance of commodities to many developing countries, these agreements also help to increase the transparency of markets for commodities through sharing statistics and other valuable data. The international commodity organizations — such as the International Tropical Timber Organisation (ITTO) — can also help developing countries make the best use of their commodity sectors.

This treaty is one of several international commodity agreements negotiated under the auspices of UNCTAD. The other agreements cover cocoa, cotton, grains, sugar, and olive oil and table olives.

Further information may be found at www.unctad.org (link to Commodities Branch)

Enhancing the Creative Economy in Developing Countries

Creative industries, which include a range of activities such as arts and crafts, music recordings, cinema, television, fashion, multimedia and software, are thought to account for 7 per cent of world GDP and about 4 per cent of the GDP of low and middle-income countries. It is expected that the creative economy will reach 11 per cent of world output by 2015. These figures probably underestimate the international flows of creative goods and services due to data shortcomings. Much work remains to be done on statistics codification and economic indicators, particularly on the visual and audio-visual arts, so that their importance in trade can be accurately measured.

The creative economy has been recognized as a source of wealth, a means of generating employment, revenue and export earnings. It is also a meaningful tool for fostering development gains, cultural diversity and poverty reduction, in conformity with the Millennium Development Goals.

The UN Global South-South Creative Economy Symposium was held in Shanghai, China from 15 to 16 December 2005. The symposium was organized by the UNDP Special Unit for South-South Cooperation in partnership with UNCTAD, the Shanghai Creative Industries Association and the School of Creative Studies. This international gathering aimed to promote a dialogue among developing countries on how to capitalize on the talents and wealth of their creative economies for development. Participants at the Shanghai Symposium focused on making creativity profitable by forging partnerships among governments, private sector and civil society organizations and on improving cultural entrepreneurship.



A partnership between UNCTAD and the UNDP-SU/SSC for technical assistance aiming at "Enhancing the Creative Economy in Developing Countries" was launched at the Symposium. Participants, including Mr. Anwarul Chowdhury, Under-Secretary General of the United Nations, Ambassador Stafford Neil, ex-President of Group of 77 in New York and other international and Chinese experts visited important creative industry parks recently created in Shanghai. They have also voiced support for the creation of the "International Center on Creative Economy" (ICCE) to be established in Salvador, Bahia, Brazil in 2006.

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The sixth WTO Ministerial Conference in Hong Kong Assessment

The successful conclusion of the sixth WTO Ministerial Conference in Hong Kong is a welcome development, although the results of the Conference can be qualified as modest and marginal, but nevertheless positive. Some tangible progress was made on a number of issues (e.g. agricultural export subsidies, duty and quota free market access for LDCs, special and differential treatment). However, the Hong Kong package in the assessment of the WTO Director General, Pascal Lamy, provided a value addition of no more than 5 per cent and he and other key negotiators and countries have acknowledged that much ground remains to be covered in the remaining year if the reaffirmed deadline of December 2006 for ending the talks is to be met.

Thus, the Hong Kong experience and the Doha Round as a whole has given rise to a number of outstanding issues regarding the WTO, multilateral trade negotiations, the multilateral trading system and the interface with growing regional trade agreements. One systemic feature is that growing membership and diversity of interests, particularly among developing countries has increased difficulties in reaching agreements and facilitating consensus.

Although development was at the heart of the negotiations and many leaders continue to emphasize this, it remains to be fully and effectively integrated into the core market access areas of the negotiations and the flexibilities where most of the commercial benefits would arise and policy space would be attained for future industrialization and development. The outcome of the Hong Kong Ministerial provides only small steps in this direction, and thus much remains to be accomplished.

UNCTAD will continue its proactive role in ensuring coherence between the trade negotiations outcomes and the implementation of the MDGs, particularly implementation of Goals 1 (eliminate poverty and hunger) and 8 (promote a partnership for development).

The actual impact of such efforts will, however, depend on large extent on Member States' actions in favour of effective market access and entry for exports of developing countries, improved donor support for supply capacity and competitiveness and building trade infrastructure.

Another area where UNCTAD should continue to provide assistance to developing countries is regionalism. While negotiations on the Doha Round are ongoing, regional trade agreements, especially on a North-South basis are being created with deeper commitments assumed by developing countries. The impact of regional trade agreements on the multilateral trading system and development must be urgently taken up. At the same time, South-South trade and integration is intensifying and providing a means towards strengthening the trade of developing countries and their integration in the international trading system, facilitated by the rise of China, India and Brazil.

Expert Meeting on Capacity Building in the area of FDI: data compilation and policy formulation in developing countries

The *Expert Meeting on Capacity Building in the Area of FDI*, convened in accordance with the decision taken by the Commission on Investment, Technology and Related Financial Issues at its ninth session, was held from 12 to 14 December 2005.

The expert meeting discussed key issues on FDI data compilation and analysis and policy formulation in developing countries. It was attended by government officials and national experts from some 50 countries, as well as representatives of other international and regional organizations, and non-governmental organizations with proven expertise on balance of payments and TNC statistics.

The expert meeting discussed problems facing developing countries, particularly least developed countries (LDCs), in providing policymakers with timely and accurate FDI and TNC data that will enable them to make informed decisions and design appropriate policies. It also raised the awareness of member States on internationally accepted standards relating to FDI data collection and reporting systems, including with respect to the activities of foreign affiliates in host countries.

Based on the experiences of the experts and the information they shared about methodologies and challenges in compiling FDI statistics, five criteria were identified to assess the quality of FDI data: reliability, comparability, usefulness, comprehensiveness and timeliness. The Experts also emphasized the importance of FDI data for analysing a country's participation in the world economy and as a basis for formulating appropriate policies. Some experts put forward suggestions on how to strengthen the institutional capacity at both the national and regional levels. In some countries, national task forces (including central banks, national statistical offices and investment promotion agencies) have been created to ensure cooperation between different institutions.

For further information, consult the Chairperson's summary at:
http://www.unctad.org/en/docs/c2em18d3_en.pdf

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Promoting Good Agricultural Practice: Opportunities and Challenges in Central and South America

UNCTAD/INMETRO (National Institute of Metrology, Standardization and Industrial Quality) Subregional Stakeholder Meeting on EurepGAP was held on 8-10 December 2005 in Rio de Janeiro, Brazil. The meeting discussed policy issues related to the development and the benchmarking of national codes on Good Agricultural Practice (GAP).

The discussions focused on how national conditions and development priorities, including those related to small- and medium-sized producers, can be reflected in a national GAP code. The role of governments and public-private partnerships in preparing and implementing the national codes and their benchmarking was also discussed.

The workshop provided an opportunity for an open dialogue between representatives from governments, civil society and the private sector. Participants discussed the experiences of Argentina, Brazil, Chile and Costa Rica, as well as a EurepGAP study on the concept, procedural requirements and preliminary experience of benchmarking national GAP codes.

The meeting was part of the sector-focused project activities of UNCTAD's Consultative Task Force on Environmental Requirements and Market Access for Developing Countries.

All papers and presentations can be accessed at:
www.unctad.org/trade_env/test1/meetings/inmetro2.htm

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Public-Private Sector Dialogue on Responsible Competitiveness: Enhancing Enterprise Development through Responsible Business Practices

Can responsible business practices enhance enterprise competitiveness? This question was the subject of a public-private sector dialogue hosted by UNCTAD in Geneva on 23 January.

The event featured a presentation by the London based think-tank Accountability of the main findings of their new report: Responsible Competitiveness: Reshaping Global Markets through Responsible Business Practices. The report combines case studies of particular business sectors with quantitative research that seeks to measure the impact of corporate responsibility practices on national competitiveness. The results suggest that enterprise competitiveness can actually be enhanced by taking into account social, economic and environmental impacts.

The UNCTAD Deputy Secretary-General Dirk Bruinsma emphasized the need for more research and analytical work on the relationship between enterprise competitiveness and social and environmental policies, particularly with regard to the needs of developing countries.

Mr Sok Siphana, the former Secretary of State for Commerce in Cambodia presented an agreement between the Cambodian textile industry, the ILO and the United States as a pioneering example of responsible competitiveness. This agreement gave Cambodian producers increased access to lucrative markets in the United States. In exchange, Cambodian manufacturers made a commitment to stick to international labour standards.

Other panellists at the event were Mr. Robert Jacobson, a Senior Vice President of the Unilever Corporation, Professor Carlos Arruda, the Associate Dean of the Brazilian business school Fundação Dom Cabral and Ms. Elisabeth Dahlin, the Swedish Ambassador representing the Swedish Foreign Ministry's Global Partnership Initiative.

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Commission on Trade in Goods and Services and Commodities

The tenth session of the Commission on Trade in Goods and Services and Commodities, began on 6 February 2006.

Moving up the trade and development ladder is a key development challenge facing developing countries in their effort to integrate effectively into the trading system and accelerate development.

In helping developing countries address this challenge, UNCTAD's work on the Trade and Development Index (TDI) and benchmarks, tries to provide a quantitative indication of how trade is integrated with human development. A number of prominent panellists debated the usefulness of the TDI as a tool in assessing the contribution of trade to promoting development and alleviating poverty and identifying related national and international policy issues.

In addition, the Commission examined the following:

- **Commodities and development:** the relationship between development and commodity production and trade, focusing particularly on how projects and programmes to enhance the capacity to trade in commodities can contribute to poverty reduction. The discussion covered possible actions for the improvement of supply capacity, the reduction of transaction costs, improved integration of developing country producers into international supply chains, and better management of commodity sector revenues. International cooperation to support commodity sector development was also discussed, including cooperation through the International Task Force on Commodities.
- **Market access, market entry and competitiveness:** the Commission examined market access, market entry and competitiveness of selected dynamic and new sectors of world trade.
- **Trade in services and development implications:** the increasing role of developing countries in international trade in services, as well as their experiences, challenges and opportunities in the ongoing negotiations on services were analysed. The Commission addressed the importance of establishing adequate policy and regulatory frameworks as necessary conditions for trade liberalization in order to generate beneficial results.

- **Trade, environment and development:** considerations in the field of environmental requirements and market access for developing countries, trade liberalization in environmental goods and services, the promotion of production and use of renewable energy, and the protection, preservation and sustainable use of traditional knowledge were addressed. Opportunities for promoting trade in products derived from the sustainable use of biodiversity, in particular through the Bio-Trade Initiative, as well as the Bio-Fuels Initiative were discussed.

For more information, please consult:

http://www.unctad.org/en/docs/c1d80_en.pdf

NEW PUBLICATIONS

Information Economy Report 2005

The Information Economy Report (IER) looks at recent events, trends and processes in the area of information and communication technologies (ICT) and identifies their major implications for the economic and social prospects of developing countries.

Drawing on the results of UNCTAD's work on measuring ICT usage, the report provides the freshest information available on the adoption of ICT by enterprises in developing countries, based on UNCTAD's annual statistical data collection on the information economy. The report also explores policy options that developing countries might consider in order to maximize the contribution of ICT-based business and commerce applications to their national development goals.

The report also covers issues such as:

- The impact of international Internet backbone connectivity arrangements on the cost of Internet access in developing countries;
- The role of e-credit information in providing access to trade-related finance;
- The challenges and opportunities faced by developing countries in promoting tourism through the Internet;
- Information security concerns and related risk management approaches; and
- Adapting existing legal frameworks to combat cybercrime.

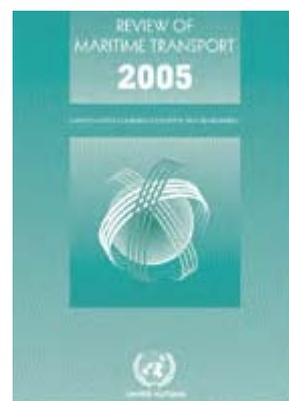
The report is available at:

[Http://www.unctad.org/Templates/webflyer.asp?docid=6479&intItemID=3591&lang=1&mode=downloads](http://www.unctad.org/Templates/webflyer.asp?docid=6479&intItemID=3591&lang=1&mode=downloads)

Review of Maritime Transport 2005

The Review of Maritime Transport provides statistics and information on maritime and ancillary services. The review focuses on developments concerning maritime activities in developing countries as compared with other groups of countries.

The 2005 review indicates that, while world output grew by 4.1 per cent in 2004, world seaborne trade (goods loaded) increased by 4.3 per cent. Worldwide fleet expansion continued at a pace of 4.5 per cent. World container port traffic expanded by 9.6 per cent over that of the previous year, reaching 303.1 million TEUs (20-foot equivalent units), with ports of developing countries handling 122.4 million TEUs, or 40.4 per cent of the total.

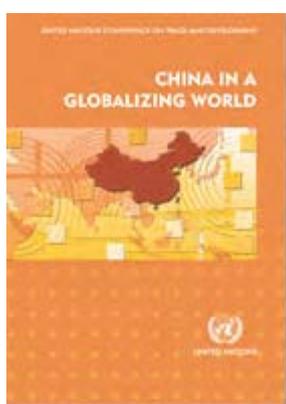


The regional review focuses on Latin America and the Caribbean. These countries recovered from the 2001 crisis and recorded export growth by value of 22.4 per cent in 2004. The merchant fleets of these countries, not counting those of the major open-registry countries, make up only 4 per cent of the world fleet, with three quarters of this percentage accounted for by three minor open-registry countries. Trans-shipment port activity is remarkable in the Caribbean, with a flurry of new investments.

The report is available at:

<http://www.unctad.org/Templates/WebFlyer.asp?intItemID=3588&lang=1>

China in a Globalizing World



China's economic achievements over the past two decades have made its development experiences quite distinct from those of many other economies. Its economic growth has reduced poverty, making it the most important driving force towards achieving the United Nations Millennium Development Goal of halving world poverty by 2015.

Academics and policymakers in the developed and developing world have therefore been examining the "China phenomenon" and its impact on regional and world economies. They have analysed key issues such as the factors and determinants of China's catching-up strategy, how the Chinese model differs from previous development models, and the extent to which other developing countries might emulate the Chinese economic model and the impact of China's economic growth on regional and world economies.

China is fully aware that it faces a number of development challenges: external pressure on currency revaluation is mounting; financial reforms are far from complete; existing bottlenecks may slow the rapid growth the country has experienced; income inequality is proving difficult to redress; and a social safety net has yet to be established.

This book comprises a selection of presentations made at seminars jointly organized by UNCTAD and the Chinese Ministry of Commerce (MOFCOM), with the participation of the Asian Development Bank Institute.

The report is available at:

<http://www.unctad.org/Templates/webflyer.asp?docid=6161&intItemID=2874&lang=1>

Taxation and technology transfer: key issues

Technology is often packaged in the form of tangible assets, intangible property and knowledge and skills. These different forms of technology may be transferred from one country to another through trade in tangible and intangible assets, the provision of services or licensing and leasing agreements, and also as part of FDI. The different modes of transfer and methods of payments may give rise to different tax obligations.

There are two ways in which taxation affects technology transfer: it increases the cost of the actual transfer and reduces the returns to the owner of the technology.

Although most tax provisions could be perceived as obstacles to technology flows, in practice only a few taxes are likely to hinder technology transfer. Excessive corporate income tax, high import duties, excessive taxation of dividends, royalties and technical fees, and high withholding taxes are some of the tax instruments that may deter technology transfer. Similarly, exorbitant taxation of expatriate employees may also discourage the transfer of knowledge and skills.

Many countries offer investment incentives in the form of tax concessions to acquire technology through trade and FDI flows. Although there are concerns that, in some cases, the incentives granted may exceed the benefits that countries obtain from the investment, there is evidence to suggest that tax incentives play an important role in some types of investment decisions.



The report is available at:

<http://www.unctad.org/Templates/webflyer.asp?docid=6498&intlItemID=2068&lang=1>

UPCOMING EVENTS

- Trade and Development Board, 38th executive session, 20 April 2006

For further information, please check:

<http://www.unctad.org/Templates/Meeting.asp?intlItemID=1942&lang=1&m=11152&year=2006&month=3>

- The Commission on Science and Technology for Development, ninth session, 15-19 May 2006

For further information, please check:

<http://www.unctad.org/Templates/Meeting.asp?intlItemID=1942&lang=1&m=11157&year=2006&month=5>

NGOs enjoying observer status with UNCTAD automatically receive official notifications inviting them to participate in and contribute to the debate and discussions of Expert Meetings, sessions of the Commissions of the UNCTAD Trade and Development Board, and quadrennial sessions of the Conference. Competent and relevant NGOs interested in contributing to UNCTAD's programmes and activities may wish to consider applying for observer status.

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For more information, please visit UNCTAD's website:

www.unctad.org