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## RECENT EVENTS

### UNCTAD Secretary-General reaffirms the value of cooperation with civil society

Dr. Supachai Panitchpakdi and Mr. Dirk Bruinsma, Secretary and Deputy Secretary-General of UNCTAD, underlined the need to enhance cooperation with civil society.

The Secretary-General outlined key priorities for UNCTAD's work, namely: science and technology; addressing the digital divide; and contributing to the emerging framework of Aid for Trade.

Dr. Supachai also emphasized that UNCTAD needs to work in an integrated and coherent manner and enhance its cooperation with other agencies and organizations to increase its impact on the ground.

The meeting was attended by Geneva-based representatives of civil society organizations (CSOs). Other issues raised by CSOs during the meeting included: the impact of the UN reform on UNCTAD; the Panel of Eminent Persons established by the Secretary-General of UNCTAD; UNCTAD's contribution and the follow-up to the World Summit on the Information Society; the International Task Force on Commodities; and trade- and gender-related issues.

Participants expressed their appreciation to the Secretary-General and Deputy Secretary-General and welcomed further efforts for future cooperation between UNCTAD and civil society.

### Representatives from the World Confederation of Labour learn about UNCTAD

Trade unions representatives from different regions came to UNCTAD to discuss how international trade, globalization, and other areas of UNCTAD's work which have an impact on issues that concern their members such as unemployment and labour conditions.

The meeting with the World Confederation of Labour was organized as part of UNCTAD's outreach activities with civil society and a training programme of the World Confederation of Labour for national trade union representatives.



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Discussions ranged from the impact of macroeconomic instability on employment to how the concerns of labour unions can be considered in WTO negotiations. UNCTAD staff welcomed the suggestions and inputs of the trade union representatives and the participants highlighted that many areas of UNCTAD's policy research and analysis are of relevance to their members.

## The UNCTAD Secretary-General establishes a Panel of Eminent Persons

Dr. Supachai set up a Panel of Eminent Persons composed of seven prominent individuals:

**Jagdish Bhagwati**, Professor of Economics at Columbia University; **Gro Harlem Brundtland**, former Prime Minister of Norway and former Director-General of the World Health Organization; **Fernando Henrique Cardoso**, former President of Brazil; **Joaquim Chissano**, former President of Mozambique and former Special Envoy of the United Nations Secretary-General on the 2005 World Summit; **Tarja Halonen**,

President of Finland and co-Chair of the World Commission on the Social Dimension of Globalization; **Lawrence Summers**, President of Harvard University and former US Treasury Secretary; **Long Yongtu**, Secretary-General of the Boao Forum for Asia and former Trade Representative of China.



From left to right: Dr. Supachai Panitchpakdi, H.E. Ms. Gro Harlem Brundtland, H.E. Mr. Joaquim Alberto Chissano, H.E. Mr. Fernando Henrique Cardoso (Chair), H.E. Ms. Tarja Kaarina Halonen, H.E. Mr. Benjamin William Mkapa.

The Panel held its first meeting in Geneva in late January 2006. During this brainstorming session the panel examined global trends and the ongoing UN reform and their implications for UNCTAD. It also reviewed the functioning of the organization and its strategic positioning vis-à-vis other international organizations.

The Eminent Persons also met informally with Geneva-based ambassadors and exchanged views on UNCTAD's work, role and impact. Mr. Fernando Henrique Cardoso, former President of Brazil is the chair of the Panel. He also chaired the UN Secretary-General's Panel of Eminent Persons on UN-Civil Society Relations.

The Panel held its second meeting in Rio de Janeiro in early April. The Panel looked at how UNCTAD can fulfil its development mission and mandates. It will meet again on 7-8 June in Helsinki, at the invitation of H.E. Ms. Tarja Halonen, President of Finland. The Panel is expected to produce a report for the Secretary-General of UNCTAD, which will be shared with member States.

## Commission on Trade in Goods and Services and Commodities: Issue at stake

UNCTAD's annual Commission on Trade in Goods and Services and Commodities, held from 6 to 10 February 2006, addressed trade-related issues and provided guidance for the work of UNCTAD. Civil society representatives participated actively in the discussions. They emphasized the important role that UNCTAD plays in the UN and international system as the leading institution assisting developing countries in building their development capacity.

This year the Commission focused on:

*Trade and Development Index:* UNCTAD developed the Trade and Development Index (TDI) to monitor, benchmark and rank the trade and development performance of countries by quantifying interactions among factors affecting a country's foreign trade and human development. Nobel Laureate Professor Lawrence R. Klein provided advice and support to the development of the TDI. The index also provides a framework for national and international policymakers to ensure that world trade works in favour of development and poverty reduction. It also helps governments diagnose constraints in their trade and development performance by providing tools to improve national policies in this regard. During the Commission, UNCTAD was requested to further refine the TDI framework.



*Commodities and Development:* Several panels were held on commodities and poverty reduction, covering a range of topics including:

- Commodity problems and the International Task Force on Commodities: Participants recognized that development of the commodity sector was a prerequisite for progress in poverty reduction. Civil society organizations urged UNCTAD to establish the International Task Force on Commodities rapidly.
- Integrating small farmers into the global supply chain: Participants acknowledged the innovativeness and practicality of using a value-chain approach to work on commodities, particularly as this approach has made it possible to identify the challenges faced by small farmers in commodity-dependent developing countries, including that of complying with official and private product and process standards in developed country markets.
- Strengthening commodity trade and finance institutions: Innovation in delivering financial services was necessary if the opportunities offered by globalization were to be realized. African countries expressed their strong desire that UNCTAD should intensify its efforts towards the creation of an African commodity exchange, which the African Union had recently endorsed as one of its priorities.
- Improving the management of commodity resources: The oft-quoted problems associated with the "resource curse", e.g. the Dutch Disease and resource rent abuse, could be addressed in particular by learning from the experience of countries that had adopted best practices.

*Market access, market entry and competitiveness:* The market access, market entry and competitiveness issues including non-tariff barriers that affect the exports of developing countries and the new and dynamic sectors of world trade were discussed.

Civil society organizations were concerned that the Doha negotiations had not delivered increased market access for developing countries, yet those same countries were being asked to reduce their industrial tariffs and open up significantly in agriculture. Excessive liberalization could lead to dislocation of local firms and farms. Civil society representatives encouraged UNCTAD to intensify its research and assistance to developing countries on trade policy and negotiations in order to allow them to minimize the costs and realize the gains.

*Trade in services and development implications:* The assessment of trade in services and development gains were examined. The results of national and sectoral studies and ongoing assessments conducted by UNCTAD in several countries and regions were discussed. Among some of the other topics which were discussed was the state of play in the GATS negotiations and the next steps in the negotiations in the aftermath of the 6th WTO Ministerial Conference, particularly in relation to the trade and development interests of developing countries.

UNCTAD could contribute to help realize the Doha development agenda. Delegations expressed appreciation for UNCTAD's assistance to LDCs in their preparations for the Sixth WTO Ministerial Conference, including the adoption of the Livingstone Declaration setting out the LDCs' platform, assistance to individual countries, JITAP, the Integrated Framework, and provisions of analysis and information.



*Trade, environment and development:* On environmental matters, the discussions focused on environmental requirements and market access for exports from developing countries, including "the gap between stringent market access requirements and social and economic realities of small producers in developing countries, including opportunities arising from the holistic approach under organic agriculture". Participants also debated salient issues in the WTO trade and environment negotiations.

Another panel took up trade, development and investment opportunities from climate change and an emerging market for bio fuels among developing countries, including how the EU Novel Food Regulation is affecting the promotion of trade in products derived from the sustainable use of biodiversity in developing countries.

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The report of the Commission and related documents are available at:

<http://www.unctad.org/Templates/Meeting.asp?intItemID=1942&lang=1&m=11147&year=2006&month=2>

## UNCTAD's Commission on Enterprise, Business Facilitation and Development

### SMEs and internationalization

UNCTAD's Commission on Enterprise, Business Facilitation and Development at its tenth session, held from 21 to 24 February, requested UNCTAD to continue exploring policies to promote enterprise development in developing countries. The policies could include the combination of export orientation and active policies oriented to the supply-side of the economy to promote investment, technology transfer, entrepreneurship and the consolidation of productive chains.

Further work on enterprise internationalization should be carried out. In this regard, UNCTAD's work could identify replicable best practices for enhancing SME competitiveness, including business linkages with foreign affiliates, a better integration into global value chains and by investing abroad.

### Trade facilitation for competitiveness

On trade facilitation, the Commission encouraged UNCTAD to monitor and analyse issues and developments relating to international transport and trade facilitation, with a focus on the special situation of landlocked, transit developing countries and least developed countries, as well as the particular needs of their SMEs.

The Commission also pointed out that UNCTAD could undertake comparisons of current practices in developing countries with international standards in international transport and trade facilitation.

Participants encouraged technical assistance and capacity-building activities in the areas of transport and trade facilitation, including the use of automated systems such as ASYCUDA.

### The role of ICT and e-business for development

On ICT and e-business strategies for development, the Commission concluded that there was a need for research and policy-oriented analytical work on the implications for economic development of the different aspects of ICT and e-business, as well as to measure the access, use and impact of ICTs, particularly in the area of e-business and development.

Civil society organizations with observer status with UNCTAD were invited to attend the Commission.

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For further information, please consult:

<http://www.unctad.org/Templates/Meeting.asp?intItemID=1942&lang=1&m=11148&year=2006&month=2>

## Discussions at the tenth session of the Commission on Investment, Technology and Related Financial Issues

### Policy issues related to investment and development

The Commission requested UNCTAD to widely disseminate the findings of the 2005 World Investment Report. The analysis and information provided by the report could serve as a contribution to policy formulation and capacity-building in developing countries. Policy briefs and regional seminars in cooperation with regional organizations, involving policymakers and other stakeholders, were highlighted as ways of spreading the findings.

In addition, UNCTAD should enhance its research work on FDI from the angle of productivity and on how it could contribute to the enhancement of the economy and long-term development.

The role of corporate actors in stimulating the economic development of host countries and the competitiveness of local enterprises were also discussed under this item. UNCTAD should take stock of best corporate practices and national (host and home country) policy measures, assess their effectiveness and impact, and provide assistance to countries in addressing issues related to the link between corporate contributions and development needs.

### Issues related to investment arrangements

The Commission agreed that UNCTAD should serve as the key focal point in the United Nations system for dealing with matters related to international investment agreements. It should also continue serving as the forum to advance the understanding of issues related to international investment agreements and their development dimension, including with reference to investor-State dispute resolution, involving all relevant stakeholders. In this area of work, particular consideration should be given to the needs of LDCs.

### Investment policy reviews: exchange of national experiences

Colombia's Investment Policy Review was launched during the Commission. The review points the way towards more high-technology investment. It also proposes ways to strengthen the government's investment promotion arm, Proexport, as well as enhance policies to attract more technology-driven firms to its growing knowledge-based economy.

The review urges the government to extend its network of bilateral investment treaties and double taxation agreements to fully tap market opportunities offered by bilateral trade agreements with the United States. It also encourages the government to begin negotiations with the European Union.

Speaking at the meeting, Colombia's Vice-Minister of Trade, Industry and Tourism, Eduardo Muñoz, welcomed the review's recommendations and said that his government would consider ways of implementing them.

He stressed the importance of bilateral investment treaties and confirmed his government's intention to launch negotiations. He also confirmed that Colombia would respond favourably to any requests on negotiating double taxation treaties.

For further information, please consult:

<http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=11150&info=not>

## 2005: a pivotal year for commodity prices?

UNCTAD's analysis of newly released commodity price statistics suggests that 2005 was a pivotal year for commodity prices. There has been an upward trend since 2002 due to increasing demand - mainly in China and India - and speculation on commodity markets.

In 2005, the UNCTAD commodity index expressed in current US dollars was roughly 12 per cent higher than in 2004, mainly as a result of price hikes in the metal and mineral sectors (+26 per cent).

But these figures can be misleading. The sharp increases in fact follow severe price falls. In the case of coffee, for instance, rising prices have still not caught up with pre-1997 levels. Real dollar prices over the long term look even less impressive, with overall commodity prices about one-third lower than the average for 1975-1985.



Commodity producers have not always reaped the full benefits from recent increases in international commodity dollar prices. The depreciation in the US dollar means, for instance, that prices expressed in other currencies have increased by much less. In Africa, where a large share of imports are denominated in euros, increasing dollar prices for exports have not always meant an increase in purchasing power.

So far, rapid economic growth in China and India has had more of an effect on industrial raw materials than on food products. This is expected to change in the long term with an increase in both Chinese and Indian food imports contributing to higher agricultural commodity prices. This should not, however, affect the general downward trend in commodity prices. Growth in the volume of imports to China and India - metals and food products - is expected to provide an opportunity to developing countries to expand their exports.

UNCTAD's commodity price database contains prices for selected commodities as well as price indices from 1960 to 2005. The database is updated every month. Access to data is on subscription only. For more information, please contact us by email: [statcomm@unctad.org](mailto:statcomm@unctad.org).

For additional details, please consult:

<http://www.unctad.org/Templates/Page.asp?intItemID=3732&lang=1>

## NEW PUBLICATIONS

### UNCTAD Handbook of Statistics 2005

The UNCTAD Handbook of Statistics 2005 provides a comprehensive collection of statistical data relevant to the analysis of international trade, investment and development, for individual countries and for economic and trade groupings.

The publication presents consolidated reference statistics considered of particular importance for describing how developing countries have evolved in the context of globalization.



Data are presented in an analytical way, through the use of rank orderings, growth rates and other special calculations, in order to facilitate their interpretation.

The printed edition of the Handbook is a valuable tool for research, policymaking and education, which can also be used in conjunction with the CD-ROM or the online versions of the publication. The CD-ROM or the online versions contain the full-time series of data.

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The report is available at:

<http://www.unctad.org/Templates/webflyer.asp?docid=6558&intItemID=1397&language=1&mode=downloads>

### **Statistical Profiles of the Least Developed Countries 2005**



The 2005 Statistical Profiles of the Least Developed Countries is a quick reference booklet.

It provides selected socio-economic data on LDCs as well as key indicators used in the formulation of the Human Assets Index (HAI) and Economic Vulnerability Index (EVI).

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The statistical profile booklet is available at:

[http://www.unctad.org/en/docs/lcdmisc20053\\_en.pdf](http://www.unctad.org/en/docs/lcdmisc20053_en.pdf)

### **Integrated Framework Manual: Integrating LDCs into the International Trading System**



The Integrated Framework (IF), a joint undertaking of the IMF, ITC, UNCTAD, UNDP, the World Bank and the WTO, aims at facilitating the coordinated delivery of trade-related technical assistance to LDCs with a view to mainstreaming trade in the national development and poverty reduction strategies of these countries.

The Manual provides factual and practical information on the IF modus operandi to meet the needs of all beneficiaries and stakeholders involved in the IF process.

It highlights the range of trade-related issues that are dealt with under the IF and offers suggestions on how to mainstream trade into a national development strategy. It draws attention to the tools for institutional capacity-building, clarifies what can be expected from the IF process and explains how to mobilize or use available resources.

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The IF Manual is available at: [http://www.unctad.org/en/docs/lcd20052\\_en.pdf](http://www.unctad.org/en/docs/lcd20052_en.pdf)

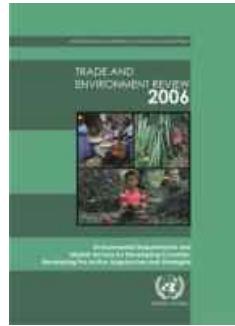
### **Trade and Environment Review (2006)**

According to UNCTAD's recently released Trade and Environment Review (TER) 2006, stringent, complex and multidimensional environmental, health and safety standards for everything from electronics to food are making it harder for developing countries to export products to lucrative markets in the developed world.

The report also noted that with the right approach countries could overcome many of these barriers and even turn some into trade opportunities.

The review recommends that developing countries adopt a strategic and anticipatory approach to new requirements in place of their current reactive and "fire-fighting" approach. Such a strategy has two key elements:

Firstly, developing country producers and exporters should actively participate in consultative processes on the development and review of new environmental, health and safety requirements created by western governments or companies.



Secondly, developing country governments should look beyond the costs of compliance to the domestic opportunities and benefits that may be gained. For example, establishing expertise in products such as organic agriculture could boost exports and provide domestic benefits such as improved soil fertility, reduced pollution and improved yields, while the removal of heavy metals from electronics manufacturing could reduce national levels of toxic waste and the health and environmental dangers associated with it.

The review recommends that developing-country governments gather and quickly analyse information on new requirements, forge effective partnerships with domestic businesses to devise adjustment strategies and identify market opportunities and work with other governments and organizations to share experiences on best adjustment practice.

If you wish to download the report, please visit:  
<http://www.unctad.org/Templates/WebFlyer.asp?intItemID=3725&lang=1>

## **UPCOMING EVENTS**

- Mid-term Review (part II): 12 -16 June 2006
- Executive session of the Trade and Development Board on Africa: 30 June 2006

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](http://www.unctad.org)