Opening Remarks
by:

Mr. Guillermo VALLES
Director
Division on International Trade in Goods and Services and Commodities (DITC) - UNCTAD
Excellences,
Distinguished guests,
Ladies and gentlemen,

I wish to warmly welcome you to this Trade Policy and Sustainable Development Meeting. We are gathered here to examine the role of trade policy in reaping developmental benefits from trade in the post-2015 development context, and share experiences and lessons.

The meeting comes at a particularly opportune time as we have just witnessed the adoption of the post-2015 development framework and Sustainable Development Goals (SDGs) at the UN Summit on Sustainable Development 2015 last week (25-27 September).

International trade is expected to act as a powerful enabler of the transformative shifts to attain the 17 goals and 169 targets contained in the SDGs. Trade is defined as a key component of the means of implementation. Goal 17 of the SDGs called for revitalizing the global partnership for sustainable development, and chief among the targets is that of promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of the Doha Development Agenda.

Different goals and targets explicitly and implicitly recognize the contribution of trade. For instance, trade would be instrumental for achieving Goal 1 on ending poverty, Goal 3 on ensuring healthy lives, Goal 8 on promoting sustained, inclusive and sustainable economic growth, Goal 9 on building resilient infrastructure, and Goal 10 on reducing inequality within and among countries, just to name a few.

"The 2030 Agenda for sustainable development" will inform all national and international efforts in the areas of trade and development. The first litmus test in this regard is the forthcoming the Tenth WTO Ministerial Conference (MC10), 15-18 December, Nairobi, Kenya. UNCTAD XIV next year will define our post-2015 action lines as our contribution to Agenda 2030.

As the UNCTAD Secretary-General’s Report to UNCTAD XIV has delineated, UNCTAD’s contributions to Agenda 2030 will be made in the following action lines, which are to be implemented in a coherent manner and delivered at national regional and international levels: (a) building productive capacity to transform economies; (b) More effective States and more efficient markets; (c) tackling vulnerabilities, building resilience; (d) strengthening multilateralism, finding common solutions. Our work on trade and trade policy will target these action lines.

As we deliberate on this important topic, it is worth reflecting upon some of the fundamental questions:

- How can trade contribute to inclusive and sustainable development?
Why do we need trade policy? More specifically, what particular types of policies are needed?

What is the role of the international trading system in realizing sustainable development?

Ladies and Gentlemen,

Trade is instrumental for growth and development. It provides means to overcome constraints posed by small domestic markets, allowing access to larger external markets, as well as skills, technology and capital, which in turn enable a better use of productive resources to catalyze structural transformation, a major driver of development.

This is not just a theoretical prediction but is an empirical reality. Trade dynamism in the recent decades tells the story. Trade as a share of world GDP rose from just 9.4 per cent in 1970 to 24 per cent in 2014. The share of developing countries in world merchandise exports rose from just below 20 per cent in 1970 to 45 per cent in 2014. Since 2008, developing countries as a group export more to each other than to developed countries. This process of greater trade integration coincided with income growth. The pace of per capita income growth accelerated in the period from 2000 to 2010 for most developing regions. There have been remarkable advancements in human well-being at the global level: nearly 1 billion people have been lifted out of extreme poverty in 20 years.

Technological advancement in ICT and transport, falling trade costs, open trade environment, and expansion of global value chains and "servicification" of economies were at the source of this development.

This is what we mean when we say trade can be a development-enabler. But trade can only play this role under the right set of conditions. And the extent to which such conditions exist has proven to be uneven across economies. Since 2012, there has been a marked deceleration of trade growth, and trade is expected to increase only by 2.5 per cent in 2014 and 2.8 per cent in 2015.

This is obvious from the fact that there remain still far too many nations and people left behind. Poverty and inequality both between and within the nations remain a pervasive challenge, and LDCs and other vulnerable economies are largely not part of the magnificent rise of developing countries. For LDCs and Africa, export growth is too often fuelled by natural resources sector, and this has not translated into broad-based poverty reduction, job creation, structural transformation.

Lack of economic diversity and the failure to translate growth into sufficient poverty reduction and more and better jobs remain challenges, particular for those with limited productive capacity and resources.

Ladies and Gentlemen,

This is why trade and related policies are critically important, as they serve for putting into place conditions necessary for trade to play its full part for development. Through experience, we have learned that the transmission of efficiency gains from trade integration to
broad-based development is not an automatic process but need to be established with conscious policy efforts.

And this policy should be formulated and implemented in a coherent and integrated manner with other policies, so that the economy can be placed on a path towards structural transformation, broad-based development and job creation.

As you imagine, this has come to represent a daunting task for developing countries.

Ladies and Gentlemen,

UNCTAD implements a long-standing work programme on trade policy formulation and implementation, and trade negotiations, as well as a comprehensive work programme on services, including Services Policy Reviews (SPRs), in support of developing countries. But it is with this consideration in mind that we have recently intensified our work on trade policy frameworks.

Under a UN Development Account project, we are supporting countries in formulating coherent trade policy frameworks that would be best-fit to their national circumstances and priorities and that are geared towards meeting broader development goals as under the MDGs and now SDGs. We have worked on this programme with Algeria, Angola, Botswana, the Dominican Republic, Jamaica, Namibia, Panama, Papua New Guinea, Rwanda, Tunisia and Zambia. I am delighted that the representatives of these countries are here with us today to share their experiences and insights.

We have also supported a large number of countries in undertaking Services Policy Reviews.

We have also supported the formulation and implementation of strategies to explore the link between trade, employment and development, with a particular emphasis on agriculture and services sectors.

This meeting will build upon the experiences gained and lessons learned from these and other works and we hope to promote the exchange of lessons learnt in search for best practices.

Ladies and Gentlemen,

The Doha Round negotiations have taken almost 14 years without concluding. Although the Round provides a unique opportunity to enhance its openness, but also equity, fairness and inclusiveness, challenge remains on bringing it to an expeditious conclusion with a substantial development content, and the forthcoming MC10 is therefore critically important.

If we look at the regional level, there has been a remarkable advancement in regional integration process in various parts of the world. Regional economic cooperation has become an essential component of national trade policies and development strategy for many, as the processes serve to building regional markets more directly and attain deeper integration, export diversification and value addition, as well as creating regional infrastructure and transport connectivity. Recent advancement in continental integration processes in Africa, through the
formation of the Tripartite Free Trade Area (TFTA) among the COMESA, SADC and EAC, and further towards the Continental Free Trade Area (CFTA), is the case in point and offers a rich source of inspiration.

We hope this meeting will allow us to engage in a dialogue with trade policymakers, trade negotiators and experts, and reflect upon the contribution of the trading systems for sustainable development.

Ladies and Gentlemen,

In conclusion, we know now that trade plays a key role as an engine of growth. However, it is the conditions under which trade takes place, and the coherence of trade policies with other related public policies matters in catalyzing the positive effects of trade for broad-based development.

I hope that our deliberations over the next three days will help us better understand the ways to enhance the contribution of trade to sustainable development.

I thank you for your attention.