

Trade and Development Board, sixtieth session
Geneva, 16–27 September 2013

Plenary on Item 7:
Evolution of the international trading system
and its trends from a development perspective

Speaker: European Union

Monday, 23 September 2013

*Not checked against delivery **

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UNCTAD

60th Session Trade and Development Board

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Item 7: Evolution of the international trading system and its trends from a development perspective

EU intervention

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- The EU and its MS encourage the inclusion of trade as a priority in developing countries' growth strategies and programming and advocate the domestic reforms necessary to benefit from trade to maximise the potential for development and poverty reduction. In order to present a complementary response to this ownership-driven approach and to contribute to continued capacity building, a range of policy and programming tools have been developed and implemented by the EU including: the Generalised Scheme of Preferences (GSP); the negotiation of bilateral and regional comprehensive trade agreements; and the provision of Aid for Trade (AfT) at bilateral and regional level to help our partners to take maximum benefit from the opportunities presented by integration into the world trading system.
- Looking ahead, we can anticipate some specific opportunities to build upon this progress and to contribute further to trade's positive impact on development priorities, particularly two key challenges identified by the Fourth Global Aid for Trade Review held in July in Geneva:
 - The first is Trade facilitation. Costs of delays at borders amount to a significantly greater figure than tariffs and transport, limiting economic activity and development. A binding agreement on trade facilitation as a concrete outcome of 9th WTO Ministerial Conference to be held in Bali, presents a significant opportunity to extend the full benefits of trade to all WTO Members.
 - The second is integration into global value chains. With production processes taking place across borders, particularly at the regional level, value chains are acknowledged as a strong pathway for producers in developing countries to access external markets and benefit from exposure to new management practices and advanced production methods. We will continue to support the on-going research, in cooperation with international partners, to pursue tangible outputs and concrete recommendations to implement the best practices identified. Regional trade integration, which the EU and its MS support, also contributes to integration into regional and global value chains.
 - To these challenges, I would like to add the importance of continued integration of emerging economies into the network of support to LDCs; including through the progressive implementation of the five fundamental

principles of the Paris Declaration on Aid Effectiveness. Poorer countries should extract maximum benefit from the lessons emerging economies have learnt to provide relevant and effective measures to integrate trade as a priority and reap the resultant benefits for growth and development.

- More than a billion people still live in extreme poverty. Although there has been some economic growth and decreasing poverty rates in sub-Saharan Africa, the EU and its member states are very concerned about the fact that the absolute number of people living in poverty is rising. It is crucial to increase the use and efficiency of key policies such as combining economic growth, strengthening the education and public health sectors, investing in infrastructure, increasing agricultural productivity and enhancing food security, promoting employment and decent wages.
- In order to successfully address the challenges of poverty eradication, sustainable development and sustainable global growth, the review of MDGs and the work on drafting Sustained Development Goals (SDGs) need to be tackled together with one overarching framework of priorities and objectives to provide the world a sustainable future. This will require innovative partnerships, including governments, international organisations, business and civil society.
- I would like to draw your attention to the February 2013 Communication of the EU entitled 'A Decent Life for All', it proposes to address poverty reduction and sustainable development in a coherent and integrated manner. It sets five priority elements: basic living standards; drivers for inclusive and sustainable growth; sustainable management of natural resources; equality, equity and justice; and peace and security. This communication focuses on the 'what' to put on the future development framework, while the 'Beyond 2015' communication turns the attention to the 'how' to finance it – what resources are available and could be mobilised.