

Financing for Development

Review of Chapter 3: “International trade as an engine for development”

Intervention by Norway

20 May 2008

Distinguished Co-chairs,

In recent years, many developing countries have experienced strong growth in their foreign trade. It is nevertheless a fact that the poorest countries' share of world trade has declined significantly. In particular, some landlocked states and African countries are lagging behind.

The Monterrey Consensus confirmed the significance of trade as a strong engine for development and economic growth. Following up on it, Norway is working closely with developing countries, as well as with relevant international institutions, to stimulate trade as a tool for development and poverty reduction. Our focus is and will continue to be on efforts to ensure benefits to the weakest countries and population groups, to empower women, and to promote environmental sustainability.

Developing countries have for a long time called for greater access to markets. These calls need to be acted upon. The ongoing Doha development round in the WTO is essential in this regard. In particular, it is important that increased market access for products from developing countries is not limited to primary goods, as the highest revenues for development tend to be generated from goods and services with a high added value, based on technology and skills.

Products from LDCs have for several years been exempted from import tariffs into Norway. Other countries pursue a similar policy. I would like to echo the appeal by the European Union to those who have not yet done so to follow suit.

Increased market access in itself is, however, not a sufficient incentive for growth in the least developed and other low income countries. Supply-side constraints – such as production capacity, infrastructure, and a well-functioning set of regulations – often stand in the way. Technical cooperation and capacity building efforts are essential in order to dismantle such constraints.

Norway is a strong supporter of a rules-based and open trade regime based on the WTO. My government aims at contributing constructively to a successful and balanced outcome of the Doha round. At the same time, as a separate initiative, Norway has developed a national Action Plan on Aid for Trade and set aside new and additional funding. Implementation started this year.

Resources for the Action Plan are channeled mainly through multilateral organisations. The Enhanced Integrated Framework, a joint effort by multilateral organisations and bilateral donors, is well suited in this regard. Our hope is that this multilateral approach could also be an important contribution to improved coordination at country level.

The Norwegian Action Plan on Aid for Trade has three thematic priorities:

Good governance and fight against corruption is one of three thematic priorities for the Action Plan. This is also one of the main overall priorities in Norway's development cooperation policy. The other two are development of regional trade and strengthening of women's participation in trade. We believe it is essential to assist women in taking full part in trade and economic activity.

Distinguished Co-chairs,

As we look towards the Review Conference in Doha, we must continue to focus on trade as means to achieve real development for all peoples and states, in particular for the LDCs and other low-income countries. A successful result would be to everybody's benefit.