



PRESS RELEASE



OFFICE OF THE HIGH REPRESENTATIVE FOR THE LEAST DEVELOPED COUNTRIES,
LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

UN ENVOY URGES BETTER TRADE DEAL FOR LEAST DEVELOPED COUNTRIES

Hong Kong, 14 December 2005: Trade negotiators meeting in Hong Kong this week have an extraordinary opportunity to rewrite the rules of an unfair trading system that hampers the development of the poorest people of the world, Anwarul K. Chowdhury, the UN envoy for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, today said.

Chowdhury was addressing journalists on the sidelines of the sixth ministerial meeting of the World Trade Organisation in Hong Kong, China.

He said the global trade talks should not lose sight of the fact that the outcome of the negotiations is likely to have far-reaching effects on the lives of millions of people in the Least Developed Countries (LDCs).

The High Representative highlighted that although the world's 50 LDCs – 34 of which are in Africa – comprises about 12.5 percent of the world's population, their contribution to world trade hovers around only half a percent.

From the total world merchandise trade of \$8.9 trillion in 2004, the share of LDCs was a meager 0.64 percent. The situation is worse for trade in services – 0.44 percent in 2004 down from 0.49 percent in 1990.

Under-Secretary-General Chowdhury pointed out that the group of LDCs was united in their demands seeking a binding commitment on duty free and quota free market access for all products from their countries on a secure, long term and predictable basis.

The UN Envoy added this together with targeted assistance to realize the opportunities created by enhanced market access will go a long way to ensuring that poorer countries benefit from the round of trade talks.

“It is estimated that this alone, if implemented by the WTO, could generate welfare gains up to \$8 billion and export gains of up to \$6.4 billion,” he said.

Chowdhury echoed the proposal of African cotton producers who have demanded the elimination of export subsidies on cotton by the end of this year.

“Trade distorting support for cotton growers in developed countries has had serious economic and social implications for hundreds of thousands cotton growers and their families in the West African LDCs,” said Chowdhury.

A World Bank study has shown that removing subsidies would expand cotton exports from Sub-Saharan Africa by 75 percent. The developing countries’ overall share of global cotton exports would rise from the current 56 percent to 85 percent by 2015.

Chowdhury said he believed that there are real gains to be made for LDCs active participation in the Doha Round, but these gains will not be automatic as some countries may experience transitional adjustment costs.

“Without a doubt international assistance will be required to assist countries to overcome supply-side constraints in order to take advantage of the new trade opportunities from the Doha Round. The most generous market access alone may not be sufficient to strengthen the links between trade and development in the world’s poorest countries,” he pointed out

The UN envoy explained that the lack of supply capacity in the LDCs limited the fuller utilization of preferences. He suggested that to help LDCs enhance their efforts in building their capacities, there was a strong need for the expansion of trade-related assistance and the need for the expansion of the Integrated Framework for Trade-related Technical Assistance for LDCs (IF) to include all 50 LDCs.

At the moment, 28 LDCs are covered by the IF and much-needed resources should be forthcoming to include the remaining, Chowdhury noted.

“Further preferences for LDCs by other developing countries need to be considered, and it is a joint challenge to increase the rate of utilization of already available preferences. Other developing countries also need to make their import regimes more liberal and allow more exports from the LDCs, taking into consideration the real needs of those countries,” the High Representative said.

For further information, please contact: Ricardo Dunn, Information Officer, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Tel: (917) 367-2471. Email: dunn@un.org.