

**Statement by Mr Helmuth Markov**  
**Chair of the Committee on International Trade of the European Parliament**  
**Chair of the Delegation of the European Parliament**  
**UNCTAD XII**  
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Secretary-General,

Presidents,

Members of Parliament,

Ambassadors,

Delegates,

Ladies and Gentlemen,

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It is an honour and a pleasure to participate to the twelfth session of the United Nations Conference on Trade and Development and to do it, in particular, as a parliamentarian.

Trade and aid are normally the most important external forces helping a country to develop. I am convinced that trade can be a powerful force for development and help to reduce poverty.

Nevertheless, the link between trade on one hand and the eradication of poverty and development on the other is extremely complex and depends on particular circumstances which very often have to do with many factors, such as the size of the domestic market, the natural resources endowments, distances and physical conditions, but in particular with the relevance of domestic policies interacting correctly or not with external trade.

The international community set itself a wide range of objectives at the Millennium Summit, the Doha Conference and the United Nations Conferences on development funding (Monterey) and sustainable development (Johannesburg). Trade is not the only solution, but the successful conclusion of the Doha Round of WTO negotiations could go a long way towards helping us achieve those objectives.

The Doha Round was launched with the aim of correcting imbalances in the multilateral trading system, on the basis of the shared conviction that only a multilateral system founded on fair trading practices and fair and equitable rules is capable of fostering genuine development.

I believe that there is a need for a fair multilateral trade system designed to eradicate poverty, provide full employment, strengthen democracy and promote sustainable development, a system based on properly targeted and balanced rules, which are vital to enable the poorest countries to participate more effectively in international trade, diversify their economies, and meet the challenges of globalisation, while ensuring that its benefits are fairly distributed.

The European Parliament is particularly concerned that the failure to reach agreement on the Doha Development Agenda might undermine the credibility of the multilateral trading system, and perhaps even cause its collapse, and could lead to a proliferation of regional and bilateral trade agreements which would involve lopsided and less transparent negotiations and exacerbate the imbalances between the developed and the developing countries.

Against that background, the representatives of the peoples of the WTO member countries have an important role to play in making their governments grasp the urgent need to resume and conclude these negotiations.

In fact, for many years, international trade issues were regarded as highly technical subjects which were the exclusive preserve of a select group of negotiators and experts and excluded Parliaments.

Parliaments cannot take decisions on behalf of their governments. We cannot impose a consensus. We cannot get things moving again when governments are being inflexible. But we are determined to do our utmost to persuade our governments that the persistent climate of uncertainty now hanging over the future of multilateralism will further exacerbate global economic and political difficulties and have economic, financial and social repercussions.

As the legitimate representatives of the people who elected them, parliamentarians have a triple role to play in the area of international trade and development. First, a 'supervisory' role, which consists of monitoring the actions of our governments and ensuring that they are accountable to us. Second, a role in examining and ratifying international agreements presented to us. And third, a role in drawing up and monitoring legislation to implement international agreements.

Furthermore, parliamentarians can help to explain to the general public how the trade system works and the benefits it brings. They can help people understand and control the mysteries of globalisation, and promote awareness and informed debate on

international trade issues. And as legitimate representatives of the people, parliamentarians form an important link between the public, civil society and governments.

We, parliamentarians, know that the developing countries and the least developed countries are those which would suffer most, in the short and medium terms, from a prolonged suspension in the negotiations, since the long-awaited rebalancing of the trade rules in their favour cannot be secured outside the multilateral framework.

On the other side, I firmly believe that the developed countries should continue to create more favourable trading conditions for developing countries and LDCs, whatever the outcome of the negotiating round. It will be particularly important for developed countries and advanced developing countries to follow the EU's 'Everything But Arms' initiative, by ensuring market access which is totally free of duties and quotas for products from LDCs.

Attaining the MDGs and combating global poverty will require a trade environment in which developing countries have real access to the markets of developed countries, more equitable trade practices, strong and enforced rules of protection on the environment and social rights, the effective relief of unsustainable debt, and for all donors to increase not so much the amount, but the effectiveness of aid, linking it to programmes to reform economic and social structures and improve democratic governance.

That's is why the European Parliament has been involved with pushing the Aid for Trade agenda.

The opening of borders to international trade involves important adjustment problems and there is evidence that poor countries are not as well placed to protect themselves against adverse effects and take advantage of opportunities. There is a need to consider countries according to their level of development, ensuring preferential market access to the least developed.

While further liberalisation of world trade can be beneficial for developing countries, many of the poorest of these may face adjustment difficulties in the short term, and will need help to take advantage of the opportunities it creates. As their capacity to produce goods competitively for the international market is weak, the international community needs to provide additional support.

Trade related assistance is particularly helpful, since it is targeted to facilitate the process of restructuring, rather than just to provide compensation. It is needed, amongst others, to mitigate the costs of preference erosion and the loss of revenue from trade tariffs. It can also impact positively on the costs resulting from increases in food prices likely to affect net food importing countries. We all know that the latter is particularly urgent in today's context of spiralling food prices.

Much must be done urgently for poverty-reduction, and much can be done through a change in trade rules. These are only some proposals in order to widen the discussion and to bring to action an international trade policy more oriented towards long term

concerns, towards poverty reduction, and towards the rational use of natural resources and the building of a peaceful world.

Thank you for your attention.