

**Statement by Hon. Nelson Wambuzi Gagawala, Minister of State for Trade, at the UNCTAD XII Conference in Accra, Ghana on 20–25 April 2008**

Mr. President  
Excellencies,  
Distinguished Delegates  
Ladies and gentlemen

I take this opportunity to thank the President and the People of Ghana for the warm welcome and hospitality extended to me and my delegation since our arrival in this beautiful country

Mr. President, the UNCTAD XII conference comes at a time when the Global economic landscape is facing a series of new and emerging issues such as Migration, Climate Change, Energy and rapidly rising food prices.

As far as Migration is concerned, it is important to note that Africans are not leaving their homes because they want to. Economic hardships are forcing them to abandon their homes in search of a better lifestyle, unfortunately in often harsher environments. It is therefore imperative that initiatives are developed to address both the causes and attendant consequences of migration such as labour mobility, integration processes and remittances in order to maximize the benefits to both the sending and receiving countries.

Regarding energy, there is need to develop appropriate alternative energy sources and technology, that are both affordable and environmentally friendly. The world is already facing the negative effects of climate change. The low lying countries and some island states are already sinking. In several countries, flooding is becoming a daily occurrence while others are facing prolonged droughts. Mr. President all these have had an impact on the productive capacities of the agricultural dependant countries which partly explains the reduced supply of agricultural products and the upsurge in food prices. The international community should therefore explore ways of establishing an appropriate reward system that recognizes the efforts of those countries that have sustainably maintained their ecological and environmental resources as a way of mitigating the effects of climate change.

Commodities are an important source of income for a number of LDCs and Uganda in particular. However these countries have not been able to reap full benefits due to a number of supply side constraints such as; inadequate production capacity, poor post harvest facilities, outdated production mechanisms, poor transport infrastructure and lack of trade facilitating policies and regimes among others. We welcome initiatives such as the Aid for Trade and the Enhanced Integrated Framework and call for their quick implementation so as to enable LDCs put in place the requisite infrastructure to sustainably produce the required food and to establish the necessary post harvest facilities.

Africa is a rich continent; unfortunately this wealth has not been tapped because most commodity dependant countries trade mainly in primary raw materials. Value addition and product diversification are imperative if commodity dependent countries are to reap higher benefits from commodity trade. For example a coffee farmer in Uganda is paid less than 100 dollars for two bags (120 kilos) of coffee while a processor of the same product earns more than 2000 dollars for the finished product. The same is true for cotton where a farmer gets only 60 cents per kilo of raw cotton while a finished product such a t-shirt is sold at 100 dollars. Value addition makes the products more marketable, creates more employment, reduces poverty and paves the way for attainment of the MDGs. This has not happened in most LDCs this has not happened due to lack of adequate human and financial resources and appropriate technology. We therefore urge the transnational corporations involved in commodity trading and processing of the products to relocate the processing facilities to the primary producers of their raw materials in order to ensure that full benefits of value are realized by the primary producers and famers in the LDCs.

Foreign Direct Investment can make enormous contributions to strengthening the productive capacities and private sectors of developing countries. We how ever note with concern that that not many countries have benefited from investment because it is most often limited to extractive areas. More over the returns in terms of financial resources and technology transfer are not adequately shared by the host country. We appreciate the work UNCTAD has been doing and continues to do in this area.

Mr. President the development aspirations of all developing countries in particular the LDCs have been hinged on a speedy and successful conclusion of the Doha Development Agenda. How ever, Seven years later, the round is yet to deliver on its development promises. More over the issues of interest to developing countries are yet to be adequately addressed. We therefore urge the membership of the World Trade Organisation to make this a truly development round through addressing the concerns of the developing countries.

UNCTAD is the focal point for trade and development issues in the United Nations System. We re-affirm this role and call for the strengthening of the organization's three pillars to enable better delivery of its services particularly research and analysis to the member states.

Mr. President Ladies and Gentlemen I thank you for your kind attention