

**STATEMENT BY AUSTRIA**

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ON TRADE AND DEVELOPMENT**

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**Statement by Dr. Herbert Kröll,  
Head of the Delegation of Austria**

Mr. Chairman,

Mr. President,

1.) I have the honour to take the floor on behalf of Austria. While fully supporting the statement made by Presidency of the European Union, Austria would like to make some additional remarks which in our view are of special importance. Austria wants to see this conference to be of great relevance to the real world of the people in Developing Countries, especially in the LDCs.

2.) We are gathering here, in São Paulo, on the occasion of the 40th anniversary of UNCTAD to make progress on the main theme of this 11th Ministerial Conference "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries". We are called upon to make important decisions with regard to the future work of UNCTAD by adopting the Draft UNCTAD XI Negotiated Text before us.

3.) One of the three sub themes of the UNCTAD XI Conference, namely, "Building Productive Capacity" covers a particular important aspect with respect to trade and development. However, the trading system alone, does not resolve the economic challenges of the developing world. Improved market access will not automatically result in growing export volumes. We can see this from the statistics: while the share of developing countries exports in world trade has grown substantially, the

share of LDC exports has remained largely unchanged at 0,4 % over the last decade. In terms of poverty eradication this means a sea of difference within the group of developing countries and underlines their structural diversity. It is therefore unrealistic to make generalized requests on behalf of THE developing countries as one group because what is good for one country may not be good or even bad for the other.

4.) Therefore UNCTAD has to look closer at the concrete impact of policy measures in various countries. This applies also to the reduction of agricultural subsidies in developed countries. Its benefits would be distributed very unevenly: there would be clearly winners but also losers among developing countries.

5.) There seem to be two major reasons why LDCs have so much difficulty to better integrate themselves into the world economy:

Many LDCs have neither the surplus of exportable products  
nor the productive capacities that could rapidly respond to

the opportunities through increased production and exports;  
and LDCs do not have the ability to ensure or to prove that exportable  
products comply with international standards and requirements.

6.) Assistance to build up the capabilities and capacities for satisfying these requirements is needed, if increased market access is to have its intended impact and if producers in LDCs are to be integrated into value chains of trans national corporations. Some organizations within the UN-system, like UNIDO, have taken up this challenge already, and provide assistance to tackle supply side constraints.

But what we need is an LDC-wide Productive Capacity Development Initiative complementing the Everything But Arms Initiative, implemented by the EU. As a priority, UNCTAD must provide strong and effective support to LDCs, particularly in sub Saharan Africa.

Mr. President,

7.) This is not to say that the other Sub-themes presented by the Secretary-General of UNCTAD at the outset of the preparation of UNCTAD XI are less important, as in fact they are all four nterlinked and form part of one single concept. Also in this

regard, the need to help LDCs, in particular those in Africa, has to remain our highest concern.

Let me refer to the European Union's Strategy Paper, which contains the EU's key objectives and priorities for UNCTAD XI. Therein our commitment to an open, equitable, rules-based and non-discriminatory multilateral trading system is strongly emphasized. Therefore, the bridge-building function of our Conference is an element that deserves to be highlighted. While UNCTAD XI provides us with a welcome forum to give further momentum to the successful conclusion of the Doha development round, it is important that we keep in mind UNCTAD's core mandate. We should not import WTO-issues into UNCTAD.

Mr. President,

8.) In my last remark I should like to draw your attention to the "Technology Fair of the Future" - a side event organized by UNIDO and UNCTAD together with the active support of Brazil and Austria. It takes place in São Paulo right here at the Anhembi Exhibition Centre during this Conference from 14 to 18 June. This side-event was officially opened by the DG of UNIDO and the SG of UNCTAD, on 13 June. The "Technology Fair of the Future" is a concrete measure with the potential to increase the possibilities of developing countries in building productive capacity and to reduce poverty.

9.) The Fair provides information on trends and opportunities on a large number of technology sectors, namely energy, biotechnology, nano-technology, new materials, information and communication, aerospace technology as well as in particular technologies suitable for least developed countries. As a part of the UNIDO Technology Foresight Initiative, the Fair offers not only the opportunity to get up-date information on new trends, but is also intended to foster partnerships and encourage network-building among leaders from industry, finance, research communities, government and international organizations. I am proud to say that 140 innovative enterprises including 6 Austrian companies and research institutions from 26 countries worldwide have been selected to participate in this unique event.

10.) Let me conclude, Mr. President, by inviting you and all present here to visit this forward-looking forum that provides the know-how and practical information for developing countries needed today in order to operate and compete in regional and global markets.

Thank you, Mr. President.