

STATEMENT BY AUSTRALIA

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Statement of Australia
The Eleventh Meeting of the United Nations Conference on
Trade and Development

Sao Paulo, Brazil, 13-18 June 2003.

Mr Secretary-General, Ministers and Distinguished Colleagues,

I would like to thank Brazil for hosting the eleventh session of the United Nations Conference on Trade and Development. I also wish to thank Secretary-General Ricupero for his leadership of Unctad during his time in office.

Mr Secretary-General

Since we last came together at UNCTAD X in Bangkok, development has been placed at the forefront of the international agenda. At the Millennium Summit in 2000, at the Third UN Conference on the Least Developed Countries in Brussels in 2001, at the 2002 International Conference on Financing for

Development in Monterrey, and at the 2003 Johannesburg World Summit on Sustainable Development, we agreed on new goals and frameworks to pursue development for all. At the same time, we have seen the launch of a new round of WTO trade negotiations - the Doha Development Agenda.

UNCTAD has always affirmed, at the highest level, the linkages between open trade and economic growth and poverty reduction. As the World Bank has recently highlighted in *its Global Monitoring Report 2004*, effective multilateral trade liberalisation has the potential to lift 140 million people out of poverty over the next ten years.

The Doha Declaration places, for the first time, the needs of developing countries at the heart of the multilateral trading system. Our Ministers at Doha recognised the major role international trade can play in promoting economic development and the alleviation of poverty. They also reaffirmed the significant contribution the multilateral trading system has made to economic growth and development.

A successful and ambitious outcome from the current Doha round of negotiations will make a major contribution to world economic growth - particularly in developing countries. We urge UNCTAD members to seize the opportunity to bring the Doha round to a successful conclusion.

An ambitious outcome on agriculture is particularly important. Reform of world agricultural trade offers an important source of hope for the alleviation

of poverty and hunger in developing countries, where the agricultural sector provides on average 70 per cent of employment and 30 per cent of production. Yet developing countries are often cut out of markets by quotas and tariffs - including those levied by other developing countries - and must also compete with developed country subsidies.

An end to such subsidies and enhanced market access will offer direct, substantial and widespread benefits to developing and least developed countries. Maintenance of such trade distortions at their current levels is not consistent with a commitment to achieve substantial development outcomes.

Australia has been working for decades for a fairer and more open international trade regime for agriculture, including with developing country partners in the Cairns Group and in other coalitions; and will continue to give this work its highest priority.

Mr Secretary-General

These initiatives and reforms at the international level have the capacity to deliver significant development benefits. However the decisions governments make on their domestic policy settings are central to whether their economies can capture the benefits of globalisation and more open trade and whether they can make the most effective use of development assistance.

Good governance is fundamental to achieving development goals.

Government policies must deliver functioning markets, effective property rights, stable macroeconomic policy, effective and accountable regulatory settings and enforcement, and efficient social and physical infrastructure services. Governments also play the most important role in promoting equity and ensuring disadvantaged groups are not left behind.

We recognise that planning and implementing such national strategies can be difficult, particularly for Least Developed Countries. This is where one of the sub-themes of the conference - partnerships for development - is particularly relevant.

Australia's development cooperation program supports good governance and helps developing countries, particularly in the Asia Pacific, build their productive capacity and human capital. For example in 2004-2005 Australia will provide governance assistance of A\$674 million to promote more effective economic planning, strengthened law and justice and improved delivery of basic services in countries such as East Timor, PNG and the Solomon Islands. Australia will also provide more than A\$500 million next financial year for health and education programs - including those to fight HIV/AIDS - under our development cooperation program.

Australia also supports the efforts of developing countries to benefit more effectively from trade liberalisation and participate actively in international trade negotiations. We do so through a comprehensive program of trade-

related capacity building assistance - at the multilateral, bilateral and regional levels.

Mr Secretary General

Australia is convinced that the deepest and most far-reaching development benefits to developing countries will come from full, multilateral liberalisation of markets of importance to them, particularly agriculture. A successful conclusion to the Doha round of negotiations will make a significant contribution to reducing global poverty, enriching and empowering developing countries and providing a more open and equitable global economy. We - developed and developing countries alike - cannot afford to miss this opportunity.

We must also continue, through our partnerships for development, to support developing country efforts to further implement national development strategies, including through support for good governance.

Australia looks forward to further exploring at UNCTAD XI the contribution we can all make at the international and national levels to furthering these goals.

Thank you.