

**STATEMENT BY BANGLADESH**

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Statement by  
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UNCTAD XI, 13-18 June 2004

Excellencies  
Distinguished delegates  
Ladies and Gentlemen

It gives me immense pleasure to participate in this Conference, and to be a part of UNCTAD's fortieth anniversary at this beautiful city of São Paulo. We thank the government of Brazil for their warm hospitality and excellent arrangements made for the Conference. The Conference also gives me an opportunity to pay tribute to the wisdom, knowledge and leadership of Secretary General Mr. Rubens Ricuperio to the cause of UNCTAD, and of our countries.

UNCTAD XI has come at a time when we confront daunting challenges. The multilateral trading system is at a crossroad. Some of us are benefiting in an unprecedented manner, whereas others are struggling to just keep afloat. Openness to trade and finance has exposed our countries to a fiercely competitive environment, and has increased our vulnerability to external shocks. We do not have resources to cope with the instability, nor do we have adequate social safety nets to help those affected. This is the present we have to change, in a rapidly globalizing world. The crucial challenge for UNCTAD is to remain relevant at this critical juncture.

Our countries desire rapid economic development, in a manner that benefits the people. The industrialized countries had the luxury of time on their side to traverse the path of development, through experimentation and local solutions. They did not face either the WTO or the conditionality of Bretton Woods Institutions. In the presence of market imperfections, they have used policy instruments to achieve their objectives and to protect their interests. The State occupied a central role, either directly or covertly. Our countries require such policy space, and UNCTAD XI should recognize this tested wisdom.

Globalization has its winners and losers. Proponents of globalization portray its benefits. The opponents, on the other hand, claim that its costs far outweigh the benefits. The stark reality is that countries like ours have not been

able to benefit in the same manner in which the more advanced countries have. We should aim for a more equitable and inclusive globalization, and UNCTAD XI is the place to put it on record.

Each government is aware of its responsibilities in promoting development. We are making every effort possible to improve our condition. Yet, much more remains to be done: we must improve our governance, strengthen institutions that are required for the market forces to be effective, and develop social safety nets. Many fail to appreciate the overpowering constraints. Sound macro fundamentals are not enough to generate growth, nor can they be sustained in the absence of growth. Competitiveness cannot be fostered through policy efficiency alone; greater attention to micro details is required. In an environment of falling ODA, negligible FDI, mounting debt burden, and widening digital and knowledge divide, the formidable task of building our economies is even more difficult. In a globalized world, our strategies will not succeed without a favourable external environment. It is vital that the policies pursued by the international community support the efforts being made at the country level. That is why coherence, at all levels, is so critical.

Many of our countries rely on trade to foster growth. With tariff peaks, tariff escalation, and a host of non-tariff barriers, our comparative advantages are being eroded. Unless we get duty-free and predictable market access for our products, and the support of the international community to build our supply capacity, we the LDCs would not be able to gain from trade.

In its efforts to liberalize trade, the concentration of the world community has been on facilitating the movement of goods. Lately, services, including capital mobility, are getting attention. Yet, despite the call of economists that the greatest potential benefit is from the liberalization of movement of less skilled temporary services providers, under Mode 4, there has not been significant progress in this area. The world must adopt correct policies for optimum global benefit, and not concentrate only on those areas which are advantageous to countries that have reaped the lion's share of benefits in the past. I urge UNCTAD to take a more pro-active role in this regard.

Finance for development is yet another binding constraint. Experience has vividly demonstrated that financial market liberalization, unaccompanied by an appropriate regulatory structure, may lead to economic instability. Reform of the international financial architecture, with greater transparency, is an

immediate need. Moreover, a high proportion of private capital flows is sometimes absorbed by activities that add little to our productive capacity. We have to work together, with UNCTAD involvement, for an appropriate financial architecture that protects the interests of both those who have the capital and those that need it.

The LDCs are the weakest link in the chain of development. We have specific limitations that require special attention. UNCTAD has long been a partner of LDCs' development efforts. The substantive, analytical and technical assistance of UNCTAD in support of LDCs has made useful contributions. It is the only organization in the UN system that is specifically mandated to perform these functions. We hope UNCTAD would keep up this valuable work. At the same time, we urge our development partners to provide more funds to UNCTAD to enable the organization to extend meaningful assistance to LDCs.

The millennium Declaration has set a target of halving poverty by the year 2015. It is easy to set strategic goals. It is another matter to implement programmes to achieve them. In the recent past, there have been a number of major international conferences addressing trade, finance and development issues. Whether we derive any gains from these Conferences will depend on the follow up to them. UNCTAD clearly has a role to play on the follow-up to these Conferences. Moreover, failure of policies prescribed by international development and financial institutions make it imperative that we give UNCTAD a more prominent role in international trade, finance, and development issues.

I wish UNCTAD XI all success.