

STATEMENT BY BULGARIA

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STATEMENT by MR. PETKO DRAGANOV, DEPUTY MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF BULGARIA

Mr. President,

Let me begin by expressing my Government's appreciation for your efforts, as well as those of Secretary General Rubens Ricupero and the Secretariat for their excellent work done in the process of preparation of this Conference. A special word of gratitude to the Government of Brazil for its enormous contribution in organizing our event and providing us with the conditions for intensive and positive work.

Mr. President, My country already aligned with the Statement of the delegation of Ireland made on behalf of the EU, so I will try to be brief.

Bulgaria, as a country with economy in transition and with a clear EU membership prospect for 2007, is engaged in a fundamental process of transformation. Trade, in particular, has always played a key role in our economy. Being a smaller country with a liberal trade regime Bulgaria is highly dependent on foreign trade as reflected in the high share of imports and exports of goods and services in the GDP of over 80% in the last years. Subsequently, Bulgaria follows a policy of foreign trade liberalization, directed towards increasing the effectiveness of production and improving the competitiveness of Bulgarian goods. To be competitive on the international markets and integrate efficiently into the world economy, Bulgaria has adopted the major international trade requirements of the day, moving away from state-owned trading and protectionist activities.

Furthermore, when my country had to suffer the extraordinary harsh consequences of international financial crisis, international embargoes on neighboring countries and the subsequent closure of our main trade and transportation routes, we did not resort to protectionist measures. Instead, and in spite of the deterioration of our trade balance we undertook steps of further trade liberalization.

After a period of decrease, beginning in 1999 Bulgarian exports started recording a tendency of stable growth, rising by 39% in the period 1999-2002. The total trade

turnover also increased significantly during the same period by some 41 %. Despite the delay in the revival of the world economy in 2002 and early 2003 and the mostly unfavorable international situation, the Bulgarian foreign trade turnover continued to grow. In 2002, for the first time since 1998, the export growth registered a quicker pace of 11.2% than that of imports which rose by 8.8%.

Mr. President,

The coherence between national policies and global tendencies, being at the center of today's debate, it relates to a great extent to the globalization as a process involving technological development and growing economic interdependence. We must learn to make use of all the advantages of increased market access and investment flows that these provide, at the same time striving to avoid or minimize any possible negative aspects.

The 11th Conference of UNCTAD takes place against the background of increasing disparity between technologically developed countries and countries with limited economic options. UNCTAD is seen as the unique policy making forum for agreeing priorities for the further integration of developing countries into the global economy. I share the view that in order to respond more effectively to the need of developing countries, UNCTAD should identify the key areas where to concentrate its efforts. This is a goal that requires additional efforts by all member countries and by the Organization itself. The experience of countries with economies in transition such as mine may add specific value to the consensus building within UNCTAD. European enlargement and European integration may in that same sense serve as a model of a successful investment in a more efficient interaction between major stakeholders in the World trade system.

As a small and highly trade -dependent economy Bulgaria is interested in a sound and predictable rules-based multilateral trading system. We believe that a consensual policy on the developing countries' access to world trade is a basic requirement for the smooth functioning of the world trade system. In view of the increasing global insecurity generated by poverty and desperation, UNCTAD is the right forum to demonstrate in clear terms a commitment to the economic problems of the developing world and especially the least developed countries. The commitment of my delegation with the preparatory process of UNCTAD XI is a demonstration of this set of thinking.

Regardless of the difficulties of our own development and fundamental economic restructuring we have not stopped to offer generous trade preferences to the developing and least developed countries including such countries, which have similar or even lesser economic problems of development than we do. Bulgaria will continue

to contribute to the efforts of the international community to promote economic development of all.

Mr. President,

To be able to continue playing its unique role, UNCTAD should intensify its engagement in the process of UN reform. It must continue to ensure that it fulfills its mandate effectively including through enhanced and modern programmes and management structures. Like most of the UN funds, programmes and specialized agencies, UNCTAD should also increasingly focus on the simplification and harmonization of procedures for effective assistance in achieving the Millennium development goals. In order to maintain UNCTAD's unique position globally in working on the integrated treatment of trade and development, UNCTAD XI has to formulate clear and focused priorities for the organization, built on the core elements of its mandate.

We appreciate the philosophy and the content of the pre-conference document, which is a good basis for the final decisions of the UNCTAD XI Conference. It sets out a comprehensive and reasonable work program for UNCTAD's future activities in terms of analysis, consensus building and technical assistance.

Finally, Mr. President, I would like to reiterate our strong conviction that UNCTAD should concentrate on its role as a basic instrument for the integration of all countries in the multilateral trading system and the world economy, thus serving our common quest to improve the lives of all people, regardless of their countries of origin. Let me finish by stating here Bulgaria's commitment to contribute to this objective.

Thank you.