

STATEMENT BY ICELAND

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**Statement by his Excellency
Mr. Geir H. Haarde,
Minister of Finance, Iceland**

[CHECK AGAINST DELIVERY]

Excellencies, distinguished delegates, ladies and gentlemen,

First, allow me to extend my appreciation and gratitude to the Government of Brazil for the warm hospitality and the excellent organization of this very important international event.

Mr. Chairman,

It is a sobering fact that while we live in a world of unprecedented prosperity, it is still an unfair world with high poverty levels and uneven income distribution. Failures to address basic human needs, violations of fundamental political freedoms and civil liberties, as well as neglect of the interests of women and threats to our environment remain persistent problems in far too many countries. The picture facing us in Sub-Saharan Africa is particularly bleak.

The world is rising to meet these challenges and responding with increased determination, as is demonstrated by this very conference, the Doha Development Agenda, the Monterrey Consensus and, ultimately, the Millennium Development Goals.

The Monterrey Consensus provides a common agenda of agreed actions and responsibilities from all parties. The Millennium Development Goals commit countries to do more in their fight against global poverty. While important progress has already been made, there is still considerable room for further improvement, and at current pace, most countries will not meet the MDGs by 2015. Iceland therefore urges all parties to honor their commitments, and intensify their efforts in support of the MDG as the Government of Iceland has recently decided to do by significantly increasing its Official Development Assistance within the next five years.

Mr. Chairman,

History has shown that international trade is a major engine for development. A growing number of developing countries have already benefited greatly from pursuing deeper integration into the world economy, which in turn has generated resources for sustainable development and poverty reduction. However, difficult challenges are often associated

with trade liberalization. If not handled correctly, these challenges risk becoming the root of deep grievances, which may undermine the general confidence in free trade, and thereby create a major set-back in the path to broader global prosperity.

The Doha Development Agenda (DDA) is an expression of global determination to address the challenges of poverty and deprivation through trade. It is furthermore a recognition of the importance of trade liberalization and fair and equitable trading rules in the pursuit of the ultimate goal of general welfare. Now, more than ever, we need to focus on the needs of the poorest, ensuring that they fully reap *the benefits the multilateral trading system* has to offer. In our endeavors to marry our national policies to the objectives of the DDA, a prerequisite to our future success is recognition of the fact that Members are in different stages of development, have interests and different sensitivities, which must be taken into account in the pursuit of further trade liberalization.

Mr. Chairman,

UNCTAD XI is a welcome opportunity to facilitate our understanding of the interface and coherence between international trade processes and negotiations on the one hand and the development strategies and policies that developing countries need to pursue on the other. In this process, UNCTAD serves as an important venue to deepen the comprehension of the concerns of the developing countries and developed countries alike, to identify common ground, to foster confidence and to add to the momentum towards the successful conclusion of the Doha Development Agenda.

In contributing to improved market access to the Least Developed Countries, Iceland granted last year unilateral duty free market access for essentially all products of export interests to the Least Developed Countries and urges other developed nations that have not yet done so, to do the same.

Trade liberalization, in itself, is not sufficient to combat poverty in developing countries. Development and trade policies need to be better integrated into national development strategies in order to achieve economic growth and sustainable development. *Development and poverty reduction strategies* should foster inclusion and ensure that the benefits of development are widely shared. They should also be country- and region-specific and take into account the lessons learned in developing countries that have been successful in fighting poverty and integrating into the world economy.

Mr. Chairman,

Globalization has created new challenges to the integration of the weak and vulnerable states into the global economy. Since investment is fundamental in developing the *productive capacity* of developing countries, and understanding of the existing international multilateral trade dynamics is prerequisite to building *international competitiveness*, UNCTAD should focus on the importance of enabling investment climates and the promotion of greater understanding of the trading environment.

All partners, including UNCTAD, have an important role to play in promoting and supporting good *governance* based on a democratic political system, respect for human rights, social equity and the rule of law. However, good governance cannot be imposed, and ultimately the only actor who can take responsibility for ensuring the strengthening of governance is the government of the country in question.

Gender equality and the empowerment of women are also vital in combating poverty and achieving sustainable development. Iceland, therefore, welcomes the event on Trade and Gender that is a part of the Conference agenda as it highlights the essential role women play in enhancing economic growth and development.

Mr. Chairman,

Creating more effective multi-stakeholder partnerships, while recognizing the central role and responsibility of Governments, is important in meeting the challenges and opportunities of globalization. Our mission here today is to coordinate strategies to successfully integrate the developing countries into the global economy in a way that benefits development. This conference is an opportunity to improve understanding of policies and actions conducive to economic growth and poverty alleviation. It is an opportunity to bring us closer to the achievement of the MDGs.

Thank you.