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Check Against Delivery

**TOWARD SHARING DEVELOPMENT
IN AN ERA OF GLOBALIZATION:
KOREA'S PERSPECTIVE**

THE 11TH SESSION OF
THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

JUNE 15, 2004
SAO PAULO, BRAZIL

HWANG DOO-YUN
MINISTER FOR TRADE
REPUBLIC OF KOREA

Mr. Chairman, Fellow Ministers, Ladies and Gentlemen,

It is a great honor for me to speak at the 11 th Session of the United Nations Conference on Trade and Development. On behalf of the Republic of Korea, I would like to convey special thanks to the Government of the Federative Republic of Brazil for hosting this important Conference.

This session is especially meaningful for all of us, as we celebrate the 40th anniversary of UNCTAD.

(UNCTAD's Role in Promoting Development)

In the past decades, we have witnessed a tremendous increase in the global flow of goods, services and investment, aided by the forces of globalization which has increasingly broken down national barriers, integrating the world into one interdependent economy. However, it is also widely recognized that the income gap did not narrow as much relative to the increase in world economic growth.

So, with hopes to close this gap, the international community has ambitiously launched international development goals, placing "development" at the core of international agenda, as witnessed by the MDGs and DDA, among others.

Under this setting, UNCTAD, for the past four decades, has dedicated itself to promoting sustainable growth and development across the globe. UNCTAD has offered valuable advice on maximizing the benefits while minimizing the downside of globalization, with a view to enabling globalization to contribute to the development of developing countries. This role of UNCTAD should continue to gain more importance as globalization becomes further intensified.

Now, with the DDA negotiations under way, the immediate challenge is how to realize the development gains from the on-going multilateral trade negotiations and trade in general. While trade is the most effective tool for development, it needs to be incorporated into an effective development strategy, both at the national and international levels. It is in this area that UNCTAD has a vital role to play. UNCTAD should find ways to strengthen the consensus to promote trade as a tool for sustainable development, while at the same time exerting parallel efforts to identify ways to help the developing countries integrate trade into its development strategies.

(Trade as Development Tool & Korea's Experience)

In my view, one of most important roles for UNCTAD is to help countries share their development experiences, especially the successes and failures of developing countries which have had a head-start in development. In this regard, Korea's development experience has many lessons to offer for other developing countries.

Korea is widely regarded as one of the notable examples of how trade can bring economic growth and development. It has successfully risen out of the poverty in the 1950s and the early 60s, and has now emerged as the 11th largest economy and the 12th largest trading nation in the world.

Korea has experienced how labor-intensive industries can be transformed into knowledge-based industries. Skilled labor, mid- and long-term development strategy tailored to the specific economic situation of Korea, along with strong and stable political leadership and high level of national savings that enabled productive investments, were among the elements that made such transformation possible.

In addition, Korea's export-driven development strategy saw a continuous re-investment of gains from exports into higher value-added export industries. For this process, we obviously had to consistently explore market opportunities and market accessibility for these industries.

At the same time, Korea has never ceased adapting itself to changing international environment. It has continued to accommodate international rules and norms which have been progressively evolving, in particular in the area of multilateral trading system. This helped to lay the groundwork for Korea's continued growth with more market-based economy and strengthened institutional capacity required to compete in international markets.

(Toward Sharing Development)

Now, standing at this juncture of celebrating the 40th anniversary of UNCTAD, we came here to exchange views on how the international community can go the extra mile on the road toward sustained development.

In this regard, I would like to share with you some ideas.

First, development process needs to be truly 'inclusive' as stated in this year's UNCTAD *Least Developed Countries Report*. In other words, development has to be achieved with everyone and every country included in the process.

Second, further efforts are needed to address the difficulties faced by those countries with limited production capacities that are not capable of effectively taking part in world trade. In this sense, although every country has the primary responsibility for its own development, a more active role should be played by the developed countries, including

providing assistance for the supply-side capacity-building of developing countries. This is also an area of key focus for UNCTAD's activities.

Third, at the same time, developing countries should focus their efforts on developing and improving the quality and competitiveness of their human-resources. These efforts will empower individuals of developing countries to overcome poverty and gain the tools to realize their share of development. This in turn will help to strengthen a broad national consensus for development. This is also important for ensuring that the development process becomes truly inclusive.

Finally, due attention should be paid to the special needs of LDCs. In particular, improved market access for LDCs' exports needs to be addressed appropriately. Korea, for its part, has made efforts in this respect by providing duty-free market access for 87 items originating from LDCs since January 2000. It is now considering further expansion of these preferential treatments for LDC products.

(Concluding Remarks)

To conclude my remarks, let me reiterate that trade is an essential tool for development. In this sense, it is important that the members of UNCTAD use this occasion to send our message of strong support for the DDA process, in particular, for the on-going efforts for the July framework package.

At the same time, in order to ensure that increased trade contributes to growth and poverty reduction, trade should be incorporated into a well-designed national development strategy.

This national strategy, in turn, should be supported by international assistance, particularly in building up supply-side capacity for the developing countries to take effective advantage of the benefits from open markets.

I sincerely hope to see UNCTAD continue its role as the facilitator in meeting these development challenges. The Republic of Korea pledges its abiding support to the efforts of UNCTAD to this end.

Thank you.