

STATEMENT BY NEPAL

MADE 15 JUNE 2004

**AT THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT**

Eleventh Session

**São Paulo, Brazil
13-18 June 2004**

Statement by the Leader of the Delegation of Nepal H. E. Gyan Chandra Acharya,
Ambassador and PR of Nepal to UN in Geneva to the Eleventh Ministerial
Conference of the UNCTAD held in Sao Paulo, Brazil on 15 June 2004.

Mr. Chairman,
Excellencies,

It is indeed a great pleasure for my delegation to attend the UNCTAD XI in this vibrant city of Sao Paulo. I would like to extend our sincere appreciation to the government and people of Brazil for the kind hospitality extended to us here. At the age of forty, UNCTAD has reached its maturity with long and purposeful contributions behind it, which it should be proud of. And we support its continued dynamism in the days ahead, as we move in an ever challenging and fast-paced world. I would also like to express our profound appreciation to the outstanding leadership provided by the Secretary General Ambassador Rubens Ricupero. And thanks to UNCTAD that today equitable trade and development issues are constantly brought to the fore in the international agenda.

Mr. Chairman,

We are going through the momentous times of change at present. Globalization with unprecedented competition and connectivity has brought about immediate and far-reaching impact on the lives of the people. But the capacity to deal with such changes has remained far more limited in the countries of the South. However, today we cannot remain aloof from the global developments and events, no matter where we are located. This process has its winners and losers. While it has brought immense prosperity to many, it has left millions either marginalized or adversely affected. We must therefore act together to make sure that the process of globalization is fair and inclusive. This market- and technology- driven globalization must have human and development face to be sustained and sustainable. And there is also an opportunity to make the best use of this globalization process. We must be supported to develop and consolidate our capacity to deal with it, with the support and inclusive approach from the international community. This is where UNCTAD is uniquely placed to help us as an intergovernmental organization that deals with the development, trade and interrelated issues in a holistic manner. We therefore would like to see reinvigoration of the role of the organization in all the three interrelated yet critical areas of its activities.

This brings me to the main concern of our times today. The concern is how to reduce dehumanizing poverty? How to make trade work not for the sake of itself, but for economic development and social progress? With great rejoice, we rightly count the doubling and tripling of the global trade every now and then. What about its impact on the livelihood of the poor, and how much have the marginalized communities been able to embrace it for their benefit? This is where our focus should be. The enlargement of the size of the pie is important, but no less important is the equitable sharing of the size and consolidation of hope for the betterment through the process. Therefore we urge the international community to work together for enhancing the trade for development and to establish the solid foundation for peace and security around the world. In this context we hope for a successful and faithful implementation of the Doha work program so that it would contribute to realize the substantial gains from trade for all and help integrate the development dimension into international trade.

Mr. Chairman,

The least developed countries among them deserve special attention and support, because of their structural vulnerabilities, low level of development, paucity of resources and heavy dependence on very limited products for their export. They face both the trading constraints as well as the development challenges. While trade can very well become a strong stimulus for growth and reduction of poverty with international supportive measures, the difficulties they face in terms of limited supply side capability, erosion of the margin of preferences and market entry barriers despite market access measures are enormous. They have impinged on their ability to trade effectively and get into the trajectory of the high growth. While there is no doubt that the national governments bear the primary responsibility for promoting and nurturing the trade and development potentials, it is equally true that in today's competitive world the international community should make available the enhanced level of support and assistance to let the LDCs come out of the vicious circle of poverty and underdevelopment. Equal rules in a vastly unequal world will hardly contribute to resolve the structural problem.

Mr. Chairman,

Similarly, an enhanced level of development assistance in general and additional resources for productive capacity building in particular should be forthcoming to alleviate poverty and to bring the LDCs on the sustainable path of development. It is a sad commentary on the contemporary thinking that it needs a Herculean effort to sustain the attention of the international community on the issue of poverty. Let me stress here that we have pinned high hopes on the effective implementation of the millennium development goals and the Brussels Programs of action for LDCs with the expectation of a renewed vigor and an enhanced level of support from the international community. This is how we look at the central theme of coherence of this conference between the national development strategies and international processes on the one hand and among the international institution, on the other to attain our common objectives.

We also would like to take this opportunity to commend the UNCTAD for bringing out comprehensive, thoughtful and seminal report on trade and development issues of the LDCs this year. I am sure that it will not only provide the necessary intellectual stimulus but also initiate concrete action on the triadic approach to the development process in favor of the LDCs.

Mr. Chairman,

Nepal has been pursuing the poverty alleviation agenda, as it is the overarching goal of our development plan. To achieve this goal, we are aiming at a broad based and sustainable economic growth with strong emphasis on inclusive development program and macro economic stability. Integration of trade into poverty reduction strategy is underway and has been a priority for the government, as we have seen in the last one-decade the rapid growth of trade and its strong forward and backward linkages with positive impact on poverty alleviation. We are convinced that we need more trade and greater diffusion to make our efforts sustainable in the days ahead. It is with these objectives in mind and to further consolidate our gains from trade and mainstream

ourselves into international trading regime that we have joined WTO recently, completing the full accession negotiations as the first LDC.

The challenge faced by Nepal is further compounded by its status as a land locked country. This condition has its impact upon our external and internal competitiveness, which is crucial for receiving gains from international trade. The Almaty Ministerial Conference held in Kazakhstan in August 2003 was of specific significance in stressing the need for better transit facilities for the landlocked countries with support from transit countries and the development partners. As such, we call for the effective implementation of the program of action with the support from the international community.

I would also like to take this opportunity to express sincere appreciation to UNCTAD for its valuable technical support and cooperation to Nepal in trade, investment and inter-related issues for the last several decades. UNCTAD has been a valuable partner for Nepal in all these years. We urge the international community to extend support to UNCTAD with more resources.

Mr. Chairman,

How to enhance trade and make it work for development is our constant challenge. We believe in both the market efficiency and state's role for equity to make our efforts sustainable and meaningful to the people. They are not mutually exclusive and in fact they should be made supportive to each other. The state together with other stakeholders play a lead role in facilitating the smooth functioning of the markets, building institutions and ensuring equity in the least developed countries.

In conclusion, it may be worthwhile to recall the general principles, which were agreed during the first conference establishing UNCTAD in 1964. Among others at that time the guiding principles in the final act called for new preferential concessions, increased flow of international financial, technical and economic assistance to the developing countries and making trade work for development. How relevant and timeless these principles remain today? Therefore on this occasion we call for reinforcing these principles and also call for dealing with new contemporary challenges in a true spirit of global partnership for meaningful trade and development for all.

Thank you.