

STATEMENT BY THAILAND

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ON TRADE AND DEVELOPMENT**

Eleventh Session

**São Paulo, Brazil
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**Opening Remarks by
His Excellency Dr. Thaksin Shinawatra
Prime Minister of Thailand
During the Inaugural Ceremony of UNCTAD XI
São Paulo, Brazil, 14 June 2004**

**Your Excellencies, President Luiz Inácio Lula da Silva,
President of the Federative Republic of Brazil,
Mr. Kofi Annan, Secretary-General of the United Nations,
Mr. ---, President of the General Assembly,
Mr. Rubens Ricupero, Secretary-General of UNCTAD,
Honorable Heads of State,
Honorable Ministers,
Distinguished Delegates,
Ladies and Gentlemen,**

In 2000, my country had the honor of hosting the UNCTAD X Ministerial Conference in Bangkok. Four years on, the challenges of trade, development and globalization discussed at that Conference are still very much with us today.

Yet the world has also changed beyond what we imagined back then. Since UNCTAD X, our optimism has been eclipsed by September 11, the Iraq crisis, and the collapse of the Cancun ministerial talks.

Today, it seems we are still as far away as ever from realizing our dreams of global peace and prosperity. Globalization, once the hope for many, is being challenged with discontents for its failure to render a fairer world, especially to many of us who are the poorer. Globalization is indeed human made, and must be human managed for the benefit of humankind. With the new mind-set and better management, we are yet to see globalization with a more human face.

The Washington Consensus, too, turned out to be an illusion. Developing countries continue to struggle with such basic problems as poverty and hunger, crime and disease. Developed countries, meanwhile, have been slow to accommodate the developing world even in the one area it needs most: the elimination of agricultural subsidies and tariffs. Little wonder then that globalization is widely seen to have failed to deliver on its promises.

The multilateral institutions such as the United Nations and the Bretton Woods institutions are too much straining under the weight of

issues that have emerged with, globalization. Reform is now recognized as indispensable for the institutions to remain relevant to the changing needs and circumstances of their stakeholders.

Still, institutional reform alone may not be enough to rescue multilateralism. The very idea of multilateralism itself is being eroded. More and more countries pin their hopes on regional, sub-regional, and bilateral cooperation. Although many realize that such arrangements will never be more than second-best solutions, in the absence of concrete progress on the multilateral front, we are likely to see more of them. So long as they are WTO-compatible and serve as building blocks for, rather than undermine, the multilateral trading system, second-best solutions are certainly better than no solutions at all.

In light of these challenges, South-South cooperation has never been more necessary, nor more pressing. It may be tempting and somewhat satisfying to blame the North, but it is unlikely to get results. The rules of the game have hardly favored the South to begin with. Getting bogged down in recriminations only distracts from our ultimate goals. For many of us, if poverty reduction and sustainable development cannot be achieved through greater access to Northern markets, then it might be time to look at other options.

I am not advocating a pullback from our engagement with developed countries. Far from it, we should continue to engage them to negotiate the Doha Development Agenda, as multilateralism still offers the best hope for all.

But while that best hope remains elusive, my suggestion is that we try to reduce our overwhelming dependence on developed-country markets. Given the increasingly zero-sum attitude of the North towards trade, we should diversify our risk by exploring more opportunities in the South. The South-South trade figures may have been up, but they are nowhere near their potential. For too long, we have talked the talk about South-South cooperation. It is time we walked the walk.

Critics have long noted the diversity of the South as an obstacle to South-South cooperation. I say we should cherish our diversity and run with it.

Getting serious about South-South cooperation will require a certain leap of faith, since it will mean venturing into uncharted territory, perhaps trying things that have never been done in thousands of years.

What is more, there is no guarantee that South-South cooperation will work better than North-South cooperation.

But the alternative is to continue playing the game and having the goalposts moved every time we try to shoot the score. Of course, we may hope one day to be able to convince the other team to stop moving the goalposts. But while they are not yet so convinced, we may, at the same time, do better to start up another game at which we all can have a chance to win.

Thailand and several of us in Asia have done just that. Based on the principles of partnership and self-help, we have been launching new cooperation frameworks to strengthen our relations with fellow developing countries not only in our region, but even in Africa. The Asia Cooperation Dialogue, or ACD, that was launched in Thailand two years ago is one prime example. The ^{International} Institute of Trade and Development that ~~was inaugurated at UNCTAD X is another. Rimpac and I inaugurated during the mid-term Review in 2002 is another.~~ Secretary-General was inaugurated at UNCTAD X is another. Rimpac and I inaugurated during the mid-term Review in 2002 is another.

I look forward to UNCTAD XI that continues to create globalization with a more human face. I look forward to UNCTAD XI that offers practical alternative solutions to sustainable development and eradication of poverty on the basis of the Bangkok Plan of Action. I look forward to UNCTAD XI that provides a stage where countries of the world, rich or poor, chart a more responsible future for our children. And I look forward to UNCTAD XI that encourages the South to be stronger and the North to be more understanding and accommodating.

Finally, let me congratulate Brazil for its excellent preparations in hosting UNCTAD XI. I have every confidence that under Brazil's watch, UNCTAD will take us closer to the realization of a practical course for South-South cooperation.

Thank you.