

STATEMENT BY LESOTHO

MADE 16 JUNE 2004

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

Eleventh Session

**São Paulo, Brazil
13-18 June 2004**

STATEMENT BY THE HONOURABLE
MPHO 'MELI MALIE
LESOTHO MINISTER OF TRADE AND INDUSTRY,
COOPERATIVES AND MARKETING

AT THE

UNITED NATIONS CONFERENCE ON TRADE AND
DEVELOPMENT XI CONFERENCE (UNCTAD XI)

UNCTAD ELEVENTH SESSION, SAO PAULO
JUNE 13-18 2004

MR PRESIDENT, YOUR EXCELLENCIES, DISTINGUISHED DELEGATES,
LADIES AND GENTLEMEN,

PERMIT ME TO EXPRESS MY GRATITUDE TO HIS EXCELLENCY MR
LOUIS INACIO LULA DA SILVA, PRESIDENT OF THE REPUBLIC OF
BRAZIL, FOR AVAILING MY DELEGATION THIS OPPORTUNITY TO
PARTICIPATE AT THE ELEVENTH SESSION OF THE UNITED NATIONS
CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XI). I WISH TO
THANK YOU, YOUR EXCELLENCY AND THE PEOPLE OF BRAZIL FOR THE
HOSPITALITY, AND THE CONFERENCE ARRANGEMENTS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK THE SECRETARY
GENERAL OF UNCTAD, MR RUBENS RICUPERO AND HIS STAFF WHO
HAVE DONE A REMARKABLE WORK OF LAYING A GOOD FOUNDATION
ON WHICH OUR DELIBERATIONS WILL BE BASED DURING THIS
ELEVENTH SESSION.

MR CHAIRMAN

UNCTAD IS AN IMPORTANT ORGANIZATION IN CHARGE OF TRADE AND
DEVELOPMENT AFFAIRS IN THE UNITED NATIONS (UN) SYSTEM, AND AS
SUCH HAS DEDICATED ITSELF TO COORDINATION WORK AMONG THE
UN MEMBER STATES, FOR SETTING UP AND MAINTAINING AN
INTERNATIONAL POLITICAL AND ECONOMIC ENVIRONMENT
FAVOURABLE FOR DEVELOPMENT, AND HAS ACHIEVED FRUITFUL
RESULTS.

MR CHAIRMAN LADIES AND GENTLEMEN

LESOTHO ACKNOWLEDGES WITH APPRECIATION THE ASSISTANCE THAT HAS BEEN PROVIDED BY UNCTAD UNDER THE INVESTMENT POLICY REVIEW THAT WAS FINALISED AT THE END OF 2003.

A LOT OF CHANGES HAVE BEEN IMPLEMENTED AS A RESULT OF THAT REVIEW NAMELY;

- . VALUE ADDED TAX WAS INTRODUCED IN JULY 2003,

- . THE TOURISM SECTOR CORPORATE TAX WAS REDUCED TO 15% IN LINE WITH THE MANUFACTURING SECTOR,
- . LOCAL CONSULTANTS HAVE BEEN IDENTIFIED TO WORK ON THE COMPETITION LAW,

- . A ONE STOP SHOP FACILITY"FOR ASSISTING INVESTORS IS BEENG SET UP,
- . FOREIGN CURRENCY ACCOUNTS WERE INTRODUCED IN 2003,

- . AN INVESTMENT TREATY HAS BEEN SIGNED WITH THE OPEC FUND AND ANOTHER ONE WILL BE SIGNED HERE IN SAO PAULO WITH THE GOVERNMENT OF THE SWISS CONFEDERATION,

- . CAPACITY BUILDING THROUGH GOOD CORPORATE GOVERNANCE IS BEING IMPLEMENTED WITH OUR LESOTHO NATIONAL DEVELOPMENT CORPORATION (LNDC).

IN THE SAME VEIN WE APPRECIATE THE ASSISTANCE WE ARE RECEIVING FROM UNCTAD ON THE DEVELOPMENT OF OUR INDUSTRIALISATION MASTER PLAN ON WHICH THEY HAVE AGREED TO WORK WITH UNIDO, ITC AND THE GOVERNMENT OF LESOTHO.

MR CHAIRMAN

AGAINST THE BACKDROP OF A RAPID ECONOMIC GROWTH TODAY, UNCTAD SERVES AS A LINK FOR COMMUNICATION AND A KEY FORUM FOR MEMBER STATES, PARTICULARLY DEVELOPING COUNTRIES. IT IS PLAYING AN EVER GROWING IMPORTANT ROLE IN HELPING DEVELOPING COUNTRIES FORMULATE THEIR DEVELOPMENT STRATEGIES IN ACCORDANCE WITH THEIR OWN NEEDS.

THE DISCUSSION OF THE CROSSCUTTING ISSUES LIKE "POLICY SPACE" FOR DEVELOPING COUNTRIES IS OF PARAMOUNT IMPORTANCE. "POLICY SPACE" IS AN IMPORTANT AND RELEVANT TOOL FOR COUNTRIES PURSUING STRATEGIES FOR DEVELOPMENT, ESPECIALLY AS MANY TRADE AGREEMENTS LIMIT NATIONAL POLICY FORMULATION. THE RULES SHOULD NOT NULLIFY THE FREE MARKET ACCESS GRANTED, BUT SHOULD ALLOW FOR POLICY SPACE AND FLEXIBILITY TO OVERCOME SUPPLY SIDE CONSTRAINTS AND OTHER DEVELOPMENT PROBLEMS INHERENT IN THE STRUCTURAL CHARACTERISTICS OF DEVELOPING COUNTRIES' ECONOMIES. AS WE FOLLOW OUR DEVELOPED COUNTRY PARTNERS UP THE DEVELOPMENT LADDER, MORE NATIONAL POLICY SPACE IS NEEDED TO ACCELERATE AND SUSTAIN ECONOMIC GROWTH NECESSARY TO PROPEL OUR ECONOMIES.

MR CHAIRMAN

CLOSELY LINKED TO THE ISSUE OF SHRINKING POLICY SPACE IS THE CONCEPT OF "OPEN NATIONALISM". MY DELEGATION'S CONCERNS REGARDING POLICY SPACE AND OPEN NATIONALISM ARE CROSS CUTTING CONCERNS; THESE CONCERNS ALSO INCLUDE THE EMPHASIS THAT SHOULD BE PUT ON THE THREE PILLARS OF UNCTAD'S ACTIVITIES

WHICH ARE; RESEARCH AND POLICY ANALYSIS, CONSENSUS BUILDING, CAPACITY BUILDING AND TECHNICAL COOPERATION. THESE CROSS CUTTING ISSUES ARE IMPORTANT AND SHOULD BE ENTRENCHED IN UNCTAD'S ACTIVITIES THAT ARE MEANT TO ASSIST DEVELOPING COUNTRIES.

MR CHAIRMAN

LADIES AND GENTLEMEN

THE EXPERIENCE OF THE PAST TWO DECADES HAS CONFIRMED THAT WORLD ECONOMIC PROBLEMS WILL NOT BE SOLVED BY THE MULTILATERAL TRADING SYSTEM ALONE, TRADE BY ITSELF IS NOT ENOUGH TO ADDRESS DEVELOPMENT RELATED ISSUES AND TO ELIMINATE POVERTY. THE IMPORTANCE OF TRADE NEGOTIATIONS IS SOMETIMES OVERSOLD, AS THE MOST NEGOTIATIONS CAN ACHIEVE IS TO CREATE EXPORT OPPORTUNITIES FROM WHICH MANY DEVELOPING COUNTRIES ARE CURRENTLY UNABLE TO BENEFIT BECAUSE THEY LACK PRODUCTIVE AND EXPORT CAPACITIES. WE MUST CONCENTRATE OUR EFFORTS SO AS TO MAKE THE WORLD TRADING SYSTEM MORE DEVELOPMENT FRIENDLY. THIS IS NECESSARY IF GLOBALIZATION IS TO BECOME A POSITIVE FORCE FOR ALL, AND NOT JUST FOR THE CHOSEN

DEVELOP AN OPEN, EQUITABLE, RULES BASED, PREDICTABLE AND NON-DISCRIMINATORY MULTILATERAL TRADING SYSTEM.

MR CHAIRMAN,

BEING PART OF A LARGER FAMILY OF THE GLOBAL ECONOMY, WE REALIZE THAT PROGRESSIVE ELIMINATION OF TRADE BARRIERS IN DEVELOPED COUNTRIES INCLUDING PROVISION OF THE MOST FAVOURED NATIONS TREATMENT IS IMPERATIVE IN OUR QUEST FOR

ECONOMIC GROWTH BROUGHT ABOUT BY GLOBAL INTEGRATION AND PARTICIPATION.

MR CHAIRMAN

IT HAS BEEN ARGUED THAT THE AFRICAN CONTINENT HAS THE UNFORTUNATE REPUTATION OF LEADING IN ALMOST EVERY NEGATIVE INDEX AND BEING AT THE BOTTOM OF THE LIST FOR ALMOST EVERY POSITIVE INDICATION OF HUMAN DEVELOPMENT. IN ORDER TO REDRESS THIS UNFORTUNATE SITUATION, WE NEED SINCERE DEVELOPMENT PARTNERS LIKE UNCTAD TO STEER DEVELOPMENT. UNCTAD HAS A SIGNIFICANT ROLE TO PLAY. ITS HIGH QUALITY ANALYSES OF THE INTERFACE BETWEEN TRADE AND DEVELOPMENT ASSISTS IN FOSTERING CONSENSUS AND CONFIDENCE BUILDING AMONG COUNTRIES. IT IS ALSO UNIQUELY PLACED TO HELP CAPACITY BUILDING IN DEVELOPING COUNTRIES FOR POLICY MAKING AND TRADE NEGOTIATIONS. IT IS ON THIS BASIS THAT WE LOOK FORWARD TO UNCTAD XI TO YIELD FRUITFUL RESULTS.

MR CHAIRMAN,

LADIES AND GENTLEMEN,

UNCTAD XI TAKES PLACE AT A DECISIVE MOMENT IN THE COURSE OF THE DOHA DEVELOPMENT ROUND WITHIN THE WTO. THE CONFERENCE COULD MAKE A DIRECT CONTRIBUTION TO THOSE NEGOTIATIONS BY PROMOTING AND CONSOLIDATING A POSITIVE DISPOSITION TOWARDS DEVELOPMENT ISSUES. SOME CONCRETE PROPOSALS MAY ALSO RESULT FROM UNCTAD XI, PARTICULARLY ON "ASSURING DEVELOPMENT GAINS FROM THE INTERNATIONAL TRADING SYSTEM AND TRADE NEGOTIATIONS".

NEGOTIATIONS IN THE WTO HAVE BEEN SLOW AND PROTRACTED, BUT DEVELOPING COUNTRIES NEVER FLINCHED IN THEIR COMMITMENT. FOLLOWING THE CANCUN MINISTERIAL MEETING, WE SUPPORTED EFFORTS TO PUT THE DOHA WORK PROGRAMME BACK ON TRACK, WHILST AT ALL TIMES INSISTING ON FAITHFULLY ABIDING BY THE MANDATE AGREED TO IN DOHA. WE ARE PREPARED TO NEGOTIATE WITH A VIEW TO A SUCCESSFUL AND TIMELY CONCLUSION OF THE NEGOTIATIONS, WITH A FOCUS ON THE DEVELOPMENT-ORIENTED GOALS OF THE ROUND.

WE ARE ENCOURAGED BY RECENT INDICATIONS OF SIMILAR COMMITMENT ON THE PART OF OUR DEVELOPED COUNTRY PARTNERS. WE LOOK FORWARD TO THE PROMPT RESUMPTION OF THE NEGOTIATIONS.

IN CONCLUSION THE DELEGATION OF THE KINGDOM OF LESOTHO WISHES TO ASSURE THE ELEVENTH SESSION OF UNCTAD OF ITS COMMITMENT AND MAXIMUM SUPPORT IN MAKING THE CONFERENCE A SUCCESS AND ONCE MORE REITERATE OUR THANKS AND APPRECIATION TO THE SECRETARY GENERAL MR RUBENS RICUPERO FOR HIS EXCELLENT LEADERSHIP.

THANK YOU FOR YOUR ATTENTION.