

STATEMENT BY SLOVENIA

MADE 16 JUNE 2004

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

Eleventh Session

**São Paulo, Brazil
13-18 June 2004**

Check Against Delivery

UNCTAD XI, Sao Paulo, Brazil

*Statement by Renata Vita, State Secretary, Ministry of the Economy,
Republic of Slovenia*

Ladies and gentlemen,

First of all I would like to thank the Government of Brazil for their hospitality and congratulate everybody involved in the organisation of UNCTAD XI for their excellent work.

I have particular satisfaction to represent Slovenia at the first major global event after accession of Slovenia to the European Union (EU). The enlarged EU, now encompassing 455 million people in a large and open Single market, has become a great centre of activity and accomplishment. The EU is not only the world's largest economic integration, but also the largest donor of development assistance and the largest market for developing countries. As the geography of world trade is changing, Slovenia in the EU, can therefore look ahead with confidence, while participating in broader cooperation with developing countries.

UNCTAD XI is taking place at an important juncture in the WTO, during the crucial weeks in the Doha Development Round negotiations. From this perspective, UNCTAD's meeting is that of an invaluable forum for advancing in the discussions on the interrelationship between trade and development, and thus for contributing to meet high objectives set at Doha.

As our position on all important issues has already been introduced by Ireland on behalf of the EU, including those concerning future role of UNCTAD, let me just highlight some points, for which we believe may be especially important in articulating future trade and development policies.

Expanding Global Economy

The experience of the past four decades of globalising trade suggests that, in order to increase production and incomes, it is necessary to increase trade at an accelerated pace. As a small European economy, in the past ten years, Slovenia experienced the pressures for continuous adjustment of its trade policies, generated by the need to enter global production networks and become a part of the global sourcing system. Recognising the importance of the liberalised trade, Slovenia has made one of the most successful transitions to a market economy. The figures around 60 per cent for shares of export and import of goods and services to GDP demonstrate that Slovenia has a distinctive international trade oriented economy.

The complexity and fluidity of global trade and production patterns create immense social and economic challenges. The mission of governments is to open the door of opportunity to many more people while assisting the public to face the changes being brought by the global

economy, that is ever more intersecting with domestic policy and regulatory issues, posing challenges.

Inter-connection of Trade and Development

Full integration of all countries into the multilateral trading system is an undisputed long-term goal. There is no doubt that less developed members face severe challenges with regard to meeting this objective.

The Doha Round is the opportunity to boost economies, to leverage domestic policies, to bring down barriers, to free South-South trade and to enhance further integration with the North. »Getting a fair deal« can work in many ways and in many directions. At the global level, developing countries, some more important in size and sophistication than ever before, are now pivotal to the success of the world trading system. The multilateral system of trade rules can help developing countries to expand trade and increase the levels of development only, if they contribute to strengthen the system, and by increasing attention to »behind the border« issues, such as investment regulations, transportation infrastructure, standards and technical regulations, trade facilitation, business services, etc.

»Development Round« should be understood to mean the removal of barriers to trade among developing countries, to tap opportunities at a regional level. In the developing world barriers remain high; highest tariffs are in capital goods; taxes discourage development, hinder investment. Policies are often counter-productive. Promoting regional integration could be a powerful policy instrument. This could also become an area for potential considerable progress in the coming years, actively supported by UNCTAD's programmes and activities.

Governments have ample choices and opportunities to intervene with effective national policies, for a solid base for development processes, for overcoming external and domestic impediments. Governments also have the ability to explore options and to make the right decisions to become a part of an enabling international environment.

The Doha Development Round

Cancun was a missed opportunity. Soon after there were calls for the resumption of negotiations in the Doha Round. The important strategic moment in the Round will arrive at the end of July. We are facing the familiar enemy of success yet again, the pressure of time. It is universally recognised that agriculture is the most critically important and that three pillars of the agricultural structure must be addressed effectively.

The current state of play remains critical. Amid an increasingly positive atmosphere, bursts of effort and increased direct engagements of delegations and informal groups and a stronger tendency to towards common ground on objectives and content, all this may still prove not to be enough. The EU among the main players has taken initiatives and shown an extraordinary amount of activity and flexibility in order to make progress in the Round.

There is a compelling need now to rebuild confidence and to advance and continue the negotiating process, as long as it may take. Lost momentum will be very difficult to regain. We must continue to discuss the wide range of complex issues which need to be resolved in order to spread the benefits of trade, to capitalise on this strategic opportunity.

Development considerations remain sensitive and complicated. There is great diversity of circumstances and levels of development for each and every developing member. The challenge is to get the right balance between negotiation ambitions and development constraints and needs and to steer the process towards integration of the world trading system.

UNCTAD's Contribution

Trade and development is the cornerstone of UNCTAD's mandate. UNCTAD is well placed to provide strategic perspectives on issues, to be innovative, to promote dialogue with the private sector, to deepen partnership with all relevant international organisations, especially the WTO and World Bank UNCTAD is best placed to promote development dimensions of trade and enhance coherence of national development strategies with regional and global processes.

While looking forward to results of this Conference, I wish UNCTAD success in their future work and further affirmation of UNCTAD's invaluable contribution.

Thank you.