

**STATEMENT BY MAURITIUS**

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Affairs, International Trade and Regional Cooperation of  
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Sao Paulo, 16 June 2004**

Your Excellencies

Ladies and Gentlemen,

I am very pleased to be with you today. On behalf of my delegation I would like to thank the Government and people of Brazil for their warm welcome and hospitality.

The theme of the Conference is indeed very significant. Now that globalisation is irreversible, there must be an appropriate coherence between national development strategies and global economic processes aiming towards the growth and development of developing countries. Speaking about globalisation, we all agree that it brings both opportunities as well as daunting challenges. In this connection, developing countries are the least equipped in order to respond to these challenges and opportunities.

The results of globalization are what we make of it. They depend not only on the policies, rules and institutions which govern its course, but also on the values which inspire its actors and their capacity to influence the process. It is my firm belief that we all, in the trade community, wish to make globalization a means to expand human wellbeing and to bring development to all our people. In this regard it is our shared objectives to realize this vision. This requires a process of sustained engagement of all the actors themselves, including States, international organizations, business and civil society.

I am sure everybody agrees that globalization is being judged by what it delivers. We reaffirm through the Millennium Development Goals that many of the ills of our world today; i.e. poverty, unemployment, the denial of human rights should be urgently addressed. We are not only a long way from this target, but we also see that there is growing exclusion and deprivation in certain regions of the world. For many nations, traditional livelihoods and local communities have been dislocated not only as a consequence of many factors, but also because of unbridled globalization; thus threatening environmental sustainability and cultural diversity.

We do recognize that globalization has opened the door to many benefits. It has promoted open societies and open economies and encouraged a freer exchange of goods, ideas and knowledge. Notwithstanding these positive repercussions, there is a growing concern about the direction that globalization is currently taking. Its advantages are too distant for many while its risks are too real. Its volatility threatens both rich and poor. Immense riches are found to co-exist with fundamental problems of poverty, exclusion and persistent inequality. There are persistent imbalances in the workings of the global economy which are politically unsustainable. These imbalances themselves arise from a fundamental disconnect between the economy, the society and the polity. When the economy is becoming increasingly global, social and political institutions cannot remain static, whether they are at local, regional or international levels. The claims for reform of global institutions are pressing since these institutions are not able to provide adequate democratic insight of global markets or to redress basic inequalities. There is an imperative need for better institutional frameworks and policies if the promise of globalization is to be realized. We can never underscore enough why a process of globalization should put people first and should respect dignity and the equal worth of every human being. We therefore seek a more inclusive and fair process which brings equitable benefits and real opportunities to all people and countries, based on democracy and understanding so that human values are sustained and the well being of our people is enhanced in terms

of freedom, prosperity and security. We should not forget that our people sees globalization in terms of the opportunity it provides for a higher standard of living which meets, at least, their essential needs for food, water, health, education and shelter.

Let me therefore conclude my reflections on the globalization issue per se by making an appeal that we should work towards a sustainable path of development which provides opportunities for all, expands sustainable livelihoods and employment, promotes greater equality and reduces disparities among countries and people. These are all legitimate targets that have to be fulfilled if we are to remain true to the objectives of the Millennium Development Goals.

With the right approach trade can be an important means for growth and development. One of the main pre-requisites would be an enabling domestic environment. Indeed, we cannot deny that sound economic fundamentals are essential to mobilize domestic resources, increase productivity, encourage the private sector, attract investment, technology and enterprise development. Moreover, there should be the appropriate dose of government intervention in order to correct market failures and also to provide the appropriate policy and regulatory framework.

Nonetheless, our efforts at national level must be complemented by an enabling international economic environment as agreed in the Monterrey Consensus and which is also reflected in the UNCTAD XI Negotiated Text. There is need for the appropriate support from the international community in order to have meaningful trade liberalisation, especially as national economic disciplines are increasingly being influenced by international disciplines.

However, unbridled trade liberalisation raises the risk of marginalisation of countries in particular the poorest and most vulnerable ones. One cannot deny that increased interconnectivity brings enhanced market opportunities and by

extension, rife competition for market access where only the fittest would survive.

Yet, it is the existence of an uneven level playing field which prevents everybody from competing equally. One must not forget the case of those small and vulnerable economies which have enormous difficulties in integrating into the multilateral trading system. These countries are constrained by a small domestic market so that they are hampered from benefiting from advantages of economies of scale. Moreover, there is heavy reliance on the importation of raw materials and basic necessities. As far as exports are concerned, a few commodities account for more than half of export earnings. All these factors contribute to heavy reliance on trade. In this regard, any external shock has a strong bearing on these economies which by extension have repercussions on the domestic industry and the general state of the economy. Moreover, remoteness from both import and export markets make international trade transactions very costly.

Let me take the particular case of Mauritius. It is a Net-Food Import Developing Country. The textile and garment sector survives on imported raw materials. Bearing in mind our remoteness, the ever - increasing freight costs complicate an already difficult situation. The impending dismantlement of the Multi Fibre Agreement and the proposals on NAMA being presently discussed in the ongoing negotiations at the WTO level are leading to closure of factories with the negative social impacts.

However, the developing world needs a rule - based trading system which takes into account their vulnerabilities. In this regard, we believe that there should not be a 'one size fits all' approach. Yet, the Doha Work Programme has still to deliver its long-awaited promises especially regarding the strengthening of special and differential treatment principles so as to enhance the participation of developing countries in world trade.

Another important issue relate to the need for recognition regarding all the efforts undertaken by developing countries in

trade liberalisation. We are still implementing multilateral trade obligations and disciplines even though our share of world trade has continued to fall. Notwithstanding increased trading opportunities, we need secure and predictable market access.

I would like to underscore the crucial role played by preferential market-access in the development of small economies like Mauritius. Our economic development during the past three decades has been the result of a combination of factors, including a stable political system, good governance and above all the preferential market access on the EU and US markets for both our agricultural and non-agricultural products. This has enabled a huge transformation in our economy from an under-developed state crippled with massive unemployment during the 1960's - 70's to a healthier economy as from the early 1980's thanks to an export-oriented strategy. We embarked on an industrialization of our manufacturing sector through the creation of the Export Processing Zone to take advantage of the existing preferences

In this regard, safeguarding our preferential market access would ensure the stability of our economy. We all agree that economic growth leads, by extension, to positive socio-economic development through an improvement in standard of living and the elimination of poverty.

It is true that we in Mauritius have embarked on a process of reform in order to diversify into knowledge intensive sectors like international banking and finance and Information and Communication Technology. We are aware that this will take time so that we would need a transition period for our economy to adapt itself to changing trends.

Mauritius has also invested massively in education and training. Moreover, we also need the support of the international community to build appropriate supply side capacities. Indeed, market access without capacity to produce is meaningless.

Globally, UNCTAD can play a crucial role in all the development-related challenges identified so far. It should build

on and strengthen the implementation of the Bangkok Plan of Action and continue its role in delivering policy analysis and identifying policy options at global and national level. However, renewed emphasis should be placed on the identification of key productive sectors and in building the competitiveness of these sectors.

Before concluding, I would like to reiterate the fact that we need the support of all to ensure that globalisation stimulates development and growth thus benefiting countries at all stages of development. Indeed, globalisation must be made inclusive and equitable. Only then, we will be able to develop this essential partnership between the rich and the poor to ensure a more prosperous, just and safe world.

Thank You