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**“Trade for Development: Meeting the Aspirations of
Developing Countries for Prosperity and Peace”**

DINNER KEYNOTE ADDRESS

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Distinguished guests, participants, ladies and gentlemen,

(Introduction)

It gives me pleasure to deliver the address at this dinner of the Fourth Asia Development Forum (ADF IV). As most of you remember, the United Nations Economic and Social Commission for Asia and the Pacific, UNESCAP, co-hosted ADF III. I am particularly pleased to have this opportunity to share once again my thoughts with dear friends and esteemed colleagues.

I also wish to express my thanks to the ADB and its partners for organizing this meeting. It reflects the importance we attach to enabling developing countries to meet their aspirations as they seek to participate more effectively in global trade.

(Background)

As we all know, the new millennium started on a note of optimism. Yet, this renewed hope has soon faded. After the infamous September 11 incidents, the economy of the United States tilted into recession, thus ending its most exuberant and longest period of post war expansion. Japan was hit by its third recession in a decade, while Argentina suffered economic collapse. Six years after the Asian crisis, the world remains as prone to economic and financial crises as ever. We now live in a time frame fraught with uncertainties as world peace and economic stability are threatened on a daily basis.

Distinguished guests, participants, ladies and gentlemen,

Shakespeare’s world was a stage where each one of the actors has a role to play with a background setting a tone for the scenes. This is also the case with the real world. Let me

identify three building blocks of this world stage as a background, and three of its major actors. I will highlight how each of these background elements and actors will contribute to an improved future of peace through trade and development.

(The Three Building Blocks)

- The first is re-establishing the primacy of multilateralism.

There is a clear need for all parties to re-establish the primacy of multilateral cooperation as embodied in the United Nations charter. In order for trade, development and peace to flourish, actions must centre around cooperation and persuasion rather than force and coercion.

Multilateralism, given its complexities and slowness, requires a high level of commitment. A strong political will, generous administrative resources and a commitment to engage constructively in multilateralism are all necessary ingredients.

- The second building block is openness and integration.

Amid the current turmoil, the political ruling classes and the globalization process are being threatened by forces of self-interest. The imminent danger is that governments will react by turning defensive, looking inward and erecting trade barriers that will shield them from the global forces of change and competition. On the contrary, Governments must look outward and keep trade, investments, people, ideas, knowledge and cultural exchanges flowing across borders.

Trade is an ancient activity that has had an enormous impact on people's lives. Four centuries ago, the trade routes between East and West were charted across seas and oceans by the allure of silk and spices. Now, the trade routes consist of a world wide web of fibre optic cables, laser, radar and satellite beams. The allure of trade is ideas, knowledge and information.

In order for these inspirational innovations to gain ground in a world free of the limitations of time and geographic locations, terror, destruction and war which threaten to break apart these new found bonds of human solidarity must be stopped.

Imperfect as WTO rules may be, the principles on which the system was founded are still our best hope of safeguarding trade openness, integration and economic growth – thereby enabling us to achieve our poverty eradication goals and targets. Multilateral cooperation in trade as embodied in the WTO is, therefore, another building block for peaceful relations among countries.

- The third building block is trade that works for the poor.

United Nations work of building peace, development and confidence should be complemented with multilateral cooperation in trade under the WTO system. The recently launched Doha Development Agenda (DDA) negotiations present a huge opportunity to make trade work for the poor. This is a unique opportunity that must not be squandered.

Development is at the core of the negotiations, but for the DDA negotiations to deliver in more than just in name, trade liberalization needs to be intertwined with the development dimension.

But how can trade and development evolve in a mutually reinforcing manner? What can the Doha Development Agenda do for development?

In attempting to answer this question, perhaps we should recall the words of the late John F. Kennedy and convert them for our purposes: "Ask not what the Doha Development Agenda can do for you but what you can do for the Agenda."

(The Three Actors)

What can we do for the Doha Development Agenda? What is the role that each of us has to play in pursuit of the goals of the Doha Development Agenda? I would like to identify three major actors on this world stage and highlight their important roles.

- The first actor is DEVELOPING COUNTRIES.

Developing countries need to cooperate more with each other at the regional level to enhance the effectiveness of their WTO preparatory work. This avenue has been under-utilized. All too often in the past, collective action in pursuit of common interests gave way to isolated positions narrowly focused on national interests. This resulted in divided and weak negotiating positions among developing countries.

To overcome this, developing countries will need to undertake resource-intensive coalition-building at the national level and institutional coordination in formulating trade policies.

Developing countries also maintain high trade barriers on each other's products thus suppressing the potential for intra-regional trade. Enhanced cooperation among regional countries could, therefore minimize trade barriers and foster new opportunities for growth and diversification of their economies.

But developing countries need to go one step further. They need to continue to build productive capacities so that they can benefit from the opportunities being offered by increased market access.

- The second actor, namely DEVELOPED COUNTRIES, have a crucial role to play.

Developed countries are the UNESCAP region's main trading partners. The region's developing countries are highly integrated with developed countries through capital, technology and knowledge flows.

In addition, more than half of the region's exports consist of traditional agriculture, fisheries and labour-intensive manufactures destined to these lucrative markets. However, it is in these very products that disproportionately high trade barriers and distortions continue to persist. They persist in terms of tariffs, of high subsidies and of "new generation" barriers such as antidumping, safeguard duties and technical standards.

By tackling these issues, developed countries have an enormous opportunity to give the Doha Development Agenda a tangible development related outcome that would benefit everybody.

- The third actor is the PARTNERS in development of the Asia-Pacific region.

In this regard, among the many who could be singled out in the Asia-Pacific region, I would like to identify UNESCAP. This is because UNESCAP, in collaboration with its partners, must assume its vital role in promoting the implementation of the Doha Development Agenda in this region.

One of UNESCAP's major roles, namely, the promotion of regional cooperation is an important means to give the DDA negotiations a development-friendly outcome. Through its intergovernmental consultative process and through expert and other group meetings, UNESCAP provides a permanent forum for inter-country and multisectoral policy dialogues. Such dialogues strengthen the foundations for co-operation among its members over a wide range of trade and development issues.

I am convinced that UNESCAP, in partnership with other concerned agencies, should increase its assistance to developing countries in effectively managing globalization. Bearing this in mind, under the secretariat reform programme that I started when I took office in July 2000, I have allocated 50 per cent of secretariat resources to this theme. We have over the years built up a body of expertise on trade-related issues and, through our fruitful collaboration with WTO, we are now at the forefront in the region, in delivering well-structured and focused training programmes.

Since last year, with the help of additional funding from donor countries, we accelerated the frequency of training activities and broadened the impact of those activities.

As we have done prior to each WTO Ministerial Conference, we also plan to organize a high-level regional policy dialogue to facilitate the preparation of member countries for the WTO Ministerial Conference in September 2003.

While the WTO and UNCTAD secretariats have been longstanding and much-valued partners in the implementation of our trade and investment programme, the ADB is a more recent collaborator. We look forward, therefore, to extending this collaboration in the service of our member countries.

(Conclusion)

I would like to conclude by emphasizing that each actor, individually, has a responsibility towards concluding the DDA negotiations on schedule. However, the negotiations should be concluded only when balanced progress on all issues has been achieved. Individual responsibility should translate into a collective responsibility that will ensure that more benefits accrue to developing countries than was the case under the Uruguay Round.

In closing, on my part, I wish to assure you that UNESCAP will continue to accord high priority to facilitating this process by, among others, promoting a better understanding of the commonalities rather than the differences among countries.

I wish you all a fruitful dialogue. Thank you.