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DEVELOPING WORLD NEEDS KNOWLEDGE NOT AID

Selling raw commodities to developed countries would not end poverty in poorer nations, even if a fair price was paid, the World Export Development Forum (WEDF) in Montreux, Switzerland heard today.

In order to truly reduce poverty, developing countries needed to manufacture more products themselves, Grenada's Minister for Finance and Foreign Trade Nazim V Burke said.

"Despite the quality of our cocoa, the fact of the matter is, we've not been manufacturing anything – we're not manufacturing chocolates, we've simply been exporting cocoa beans," Mr Burke said.

"They're sold to the rest of the world, *they* make the products and then *they* ship (the chocolate) back for the people to eat in Grenada.

"That's not fair trade.

"For trade to be fair, it must be sustainable and I do not think the present arrangements allow for that," he said.

Grenada exports fresh nutmeg, cocoa and bananas.

But the country's exports are one third of what they were in 1997 as a result of fluctuations in international trade and a series of devastating natural disasters which caused damage valued at two times Grenada's gross domestic product.

Mr Burke said more analysis was needed of the role developed countries could play in helping to sustain fair and equitable international trade with poorer nations.

"There should be a way to teach the people of developing countries how to fish, not just give them a fish every time you think that they are hungry," Mr Burke said.

"What they want is the technique, the ability, the know-how, the technology to make it happen themselves."

Also at the conference, Marc Sidwell, research fellow of London-based International Policy Network, agreed that developing countries needed to add value to their commodities before exporting them in order to maximise their economic return.

"We need to get up the value chain to make a real difference to poverty, not just improving conditions for producers and keeping them in a somewhat peasant-like relationship," Mr Sidwell said.



He said capitalism and free trade – rather than fair trade schemes - would continue to be the main drivers for growing the economies of developing nations.

“We need to accept the fact that ethical trade is maybe 5-20% of the market, so while they may have a role we can’t expect them to make all the difference,” Mr Sidwell said.

He said developing nations could improve their governance and trade facilitation to open up more market opportunities.

WEDF – one of the most influential global forums on trade and export issues for the developing world – is organized every year by the Geneva-based International Trade Centre (ITC).

www.intracen.org/wedf

For more information:

Contact: Natalie Domeisen

Chief

Communications and Events

P: +41 22 730 0370

M: +41 79 239 1825

E: domeisen@intracen.org