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CONFERENCE URGES BUSINESS ROLE IN AID FOR TRADE

It is crucial for the private sector to play a bigger role in efforts to expand trade opportunities for developing countries, an international conference on Aid for Trade stressed today.

“The current dramatic contraction in trade caused by the global financial and economic crisis makes it more important than ever to support exporters in the developing world,” said Patricia R. Francis, Executive Director of the International Trade Centre (ITC). Chairing the conference’s session on private sector partnership for growth, Ms Francis called for greater cooperation between the public sector and business, particularly small and medium-sized enterprises (SMEs), in designing and implementing programmes to facilitate trade.

The Second Global Review of Aid for Trade was convened to evaluate progress in the initiative launched in 2005 by the World Trade Organization (WTO) in Hong Kong. United Nations Secretary-General Ban Ki-moon opened the two-day meeting, hosted by WTO.

Pascal Lamy, WTO’s Director-General, and Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development, said the recent strong growth in aid for trade was a success story and urged continued momentum. With global trade forecast to shrink by 10 per cent this year, Mr Lamy said that aid, by enhancing the trade capacity of developing countries, could help many of them prepare to move beyond the economic crisis. Heads of leading international agencies, including the World Bank and the International Monetary Fund, also addressed the meeting.

A central theme among speakers was the need for more private sector involvement in aid for trade. Advice from business is essential in making such aid more effective, while public–private partnerships can support trade in areas ranging from infrastructure and training to finance.

Ms Francis and others said companies, especially SMEs, needed more access to trade financing, which has declined sharply due to the financial crisis. There is also a need for improved regional cooperation and investment in people as well as infrastructure. “Our philosophy at ITC is that business people need well-informed, market savvy trade support networks if they are to take advantage of export opportunities and adjust to a changing world,” she said.

By looking at specific cases where aid for trade has opened up new opportunities, the conference can help to make the case for continued financing from donors, Ms Francis said. International action can ensure that the private sector acts as an engine in restarting global trade, she added.



ITC is the joint agency of the WTO and the United Nations and is devoted to assisting business in developing countries become more competitive in global markets and thus to speed sustainable economic progress.

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