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## TRADE RECOVERY MUST BE EQUITABLE – ITC

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### Planning, agility and partnership vital ingredients

Recovery from the world economic crisis will not be quick and it is essential to ensure that when it comes it is equitable, Patricia R. Francis, Executive Director of the International Trade Centre (ITC), said today.

Ms Francis was delivering the keynote address at the opening session of the annual meeting of ITC's Joint Advisory Group (JAG), which brings together representatives of 192 ITC member countries, as well as its parent bodies, the World Trade Organization (WTO) and UNCTAD – the United Nations Conference on Trade and Development.

Ms Francis warned: "Many governments are in crisis, with export revenues dropping up to 50%, rising debt levels and limited or no resources to cushion their economies, resulting in an inability to provide to provide the same or additional public services."

She said: "With the potential crises in climate, the environment, energy and food – what we now have is the perfect storm, and the goal of achieving the Millennium Development Goals (MDGs) is further from sight."

She continued: "Recovery will not be quick nor will it happen at a steady pace, and any signs of optimism are far from evident for those who need the 'green shoots' the most." She added: "Our contribution to the recovery must be to achieve greater levels of equity."

The two-day JAG meeting will review ITC's work during 2009 and its plans and priorities for 2010 and beyond. There will also be a two-hour round-table session on export strategy and its relevance to the Aid for Trade initiative, which lies at the heart of ITC's work, as well as trade development and economic growth.

Pascal Lamy, Director-General of WTO, told the meeting: "This crisis has not only impacted on developing countries significantly, but also has the potential to reverse some of the gains developing countries had made towards achieving their developmental priorities, including meeting the UN MDGs."

The WTO Director-General welcomed ITC's efforts to enhance the private sector role in the Aid for Trade initiative and said it was important that in the coming year the agency should focus on providing a better understanding of the major impediments to diversification and improving competitiveness faced by the private sector in least developed countries.

“The private sector requires capacity to understand implications and opportunities presented by global trade agreements; they need capacity to produce the right export products that conform to the export market expectations. This means that ITC will have to devote significant resources towards ensuring that the capacity of the private sector is enhanced,” Mr Lamy said.

Petko Draganov, Deputy Secretary-General of UNCTAD, said the current economic crisis had been transformational, posing a direct challenge to the development paradigm anchored in export-led growth.

When recovery came, firms in developing countries should look to diversifying into new markets and new products. “However, the private sector cannot be expected to achieve this on its own. It will require proactive government policies, regulations and institutions aimed at providing incentives and improving productivity and competitiveness,” Mr Draganov said.

“Here is where the ITC plays a strong role in supporting the private sector in developing countries to respond to new market opportunities and develop business capacities,” he added.

Ms Francis stated: “ITC’s programmes have been designed to address immediate concerns while promoting positive, long-term progress in the export performance of our clients. This improved export environment must be built on the foundation of socially responsible investment.”

She told the JAG meeting that the agency had consistently mainstreamed the MDGs relating to poverty reduction, gender and the environment into its projects and programmes where appropriate.

She said the key ingredients for export success in the future would be a combination of long-term strategic planning, flexibility to respond to changing circumstances and innovation, and the development of enduring regional, intra-regional and public-private partnerships and alliances.

Introducing the report on ITC’s activities in 2009, she stressed that ITC’s key objectives were to increase the competitiveness of businesses and raise the quality of output, to encourage companies and countries to shift to higher value exports, and to support the development of effective trade support institutions.

Ms Francis declared: “Globalization has the potential to deliver sustainable development,” and she noted the remark of UN Secretary-General Ban Ki-Moon at the seventh WTO Ministerial Conference recently, that “expanding international trade remains a key component”.

For more information please visit the JAG website [www.intracen.org/jag2009/](http://www.intracen.org/jag2009/)

For more information:  
Contact: Micaela Daniel  
Chief, Communications and Events  
P: +41 22 730 0356  
E: [daniel@intracen.org](mailto:daniel@intracen.org)  
[www.intracen.org](http://www.intracen.org)