

## Welcome Remarks by Pascal Lamy, Director-General, WTO

My dear friend Bo Xilai  
Mister Mayor  
Ladies and Gentlemen

Let me first thank Patricia Francis and the International Trade Centre not only for organising this event, but also for organising it here in Chongqing, a place whose development, under the strong leadership of Bo Xilai and his team, has more and more to do with the opening of China to international trade.

The WTO is the global organization whose members have entrusted it with the task of regulating multilaterally the openness of world trade. We all start from the principle that trade is a transformational driver of economic growth, and of poverty reduction. In order for trade opening to work for the benefit of all, strong multilateral disciplines are needed, and this has been the purpose of the GATT and the WTO over the past 60 years.

Negotiating / administering / enforcing / these disciplines, these rules, in order to create a fair level playing field among countries is WTO's core business. Transparency, predictability, stability are our founding pillars because they are what entrepreneurs need to trade. This system has been put to the test during the recent economic crisis. And this "stress test" of ours has so far demonstrated the relevance and the resilience of our system. As a matter of fact, thanks to our multilateral disciplines, expected protectionism pressures during the crisis have been contained .

So, the system works. International trade has been SO FAR kept open; as a result; developing countries, and especially emerging countries, have become today the main engines of world growth.

Contrary to what happened in the 1930s, when protectionism aggravated the crisis, resisting protectionism this time has mitigated the crisis.

But the rules of the MTS still need improvement, which is the fundamental challenge of the Doha Round. They have to be made more development friendly and the negotiation has gone 80% the way in doing so. No surprise if developing countries are now pushing hard for a rapid conclusion, an issue which I have discussed recently with President Lee in Korea, and then with Vice President Xi Jin Ping, and Minister Chen Deming here in China. They all agree on the necessity to give the final political push, so that what remains to be negotiated in order to find the right final balance is done in the coming months.

But when we speak of increased market access and improved rules of trade, it is mainly those countries already engaged in trade that have the most to gain. But what about the others that have only small shares of world trade and only trade in one or two main products or commodities? These include many developing countries and most of the 49 least-developed countries, the LDCs.

One point which has become increasingly clear is that market access alone does not equal market entry. A range of other supply-side and trade-related infrastructure constraints still prevent many developing countries from enjoying the advantages built into the multilateral trading system.

This is why in 2005 at the Hong Kong Ministerial Conference, we launched the Aid-for-Trade initiative. We needed a more comprehensive solution than just providing training to trade ministries, however important this task. We needed a more holistic view which encompassed the full range of tools at our disposal to help developing countries to integrate into the global economy.

Our progress since Hong Kong has been noteworthy. Since 2005, there has been a turnabout in development financing for trade. Flows have increased year-on-year and reached 42 billion US \$ in 2008. Signs are positive that this commitment is being sustained, despite the recently growing pressure on public finances among the OECD countries. And new sources of funding are emerging, notably among South-South partners.

Here, China is playing an increasing role. China is now an important partner for developing countries. And I see it as a positive development that more than 100 developing countries in Asia and the Pacific, Africa and Latin America are learning from the experiences of China's transformation and profiting from the vast expertise it brings.

But we also need to show impact. To respond to this need, I have placed reporting on outcomes and impacts as the central theme of the Third Global Review for Trade next July in Geneva. For us to sustain this progress, to allow the G 20 to sustain momentum, we need better reporting on impacts and outcomes.

Getting A4T to work better also means ensuring that developing countries – and especially LDCs – express their demand for trade-related assistance and that donor partners align their support with that demand. For least-developed countries, the Integrated Framework has a crucial role to play. The IF as it is called is actually a fully-fledged Aid-for-Trade programme for LDCs.

The IF – which started in 1997 as a joint effort by UNCTAD, the International Trade Centre, the World Bank, the IMF, UNDP, and the WTO – has undergone substantial changes recently to improve the way it functions, with the overall goal being to help LDCs to become active players in international trade.

A large component of building more trade capacity is understanding how trade can be integrated into a development or poverty reduction strategy. For LDCs, this is often the first step toward identifying key constraints to overall competitiveness, to see how they can insert themselves into global supply chains in order to focus on sectors of export potential.

The Integrated Framework helps LDCs identify their trade bottlenecks, gets participating agencies to use their areas of expertise to respond to the pressing needs of LDCs and helps drive donor support to fund the various projects identified.

Currently, funding levels for the Integrated Framework have risen significantly with resources totalling more than 180 million US \$ as of March 2010. So far 23 donors are supporting the mechanism and 46 LDCs are benefiting from it.

Let me conclude, Ladies and Gentlemen, in insisting on how important ITC is for our WTO endeavours. Whether in A4T, or in the specific case of the IF, ITC has become a major actor in fostering developing countries' capacity to trade. As a parent of ITC, together with UNCTAD, we have been increasing our financial and operational support of the work of ITC. And I want to wholeheartedly thank Patricia Francis for her leadership in responding vigorously to this drive. Streamlining ITC's operational capacities in export development and building the necessary tools for impact evaluation are the main strategic directions which WTO has given to ITC. Your work in the coming days will have a crucial impact for the attainments of these strategic goals, and I thank you in advance for your contributions.