

**WORLD EXPORT DEVELOPMENT FORUM 2007**  
**Bringing Down the Barriers –**  
**Creating a Dynamic Export Development Agenda**

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**Monday, 8 October 2007**

**Bringing Down the Barriers - Defining the Priorities for Export Development**  
Plenary Brainstorming

In the opening session on defining the priorities for export development, Pascal Lamy, Director-General of the World Trade Organization, said that because trade takes place between business and consumers, not between governments, governmental trade negotiators sometimes seem to have lost touch with reality. The main emphasis of his address was on aid-for-trade, he said, because it is familiar to people in the room, core to the work of the International Trade Centre, and the WTO had been quite active on the issue recently. There have been three regional meetings – in Lima, Manila and Dar es Salaam – where the key objectives were to highlight the role of trade in achieving the Millennium Development Goals and to make the case for mobilizing more resources to enable developing countries to trade more. He noted that the ITC had been a key partner in the three sessions, organizing parallel events in the three capitals.

The key rationale behind aid-for-trade, he told the Forum, is to identify ways to address the capacity restraints that could stop some developing countries benefiting from growing global trade. One such way would be through scaling-up financial assistance, Lamy said. The reality is that trade offers huge potential gains for developing countries, but there is a growing divide between some developing countries and the rest of the world when it comes to the ability to take these opportunities. “It is my belief that without resources to address capacity challenges, including in basic infrastructure, customs procedures and areas such as telecommunications, some developing countries will not reap benefits” from a more open trading system and the successful conclusion of the Doha round, he said. The three meetings on aid-for-trade had shown strong commitment on part of governments, businesses and civil society to become engaged in facing these challenges. “Our objective is to see how we can map a way forward,” he said. He noted that the three meetings on aid-for-trade were intended to prepare for a WTO session on 20-21 November which should formulate a road map for the next steps.

The WTO is not a development agency, he pointed out. Others including the ITC, are much better equipped for dealing with such issues. The private sector has a hugely important role to play and it had a partner in the ITC, he said.

Ownership of the aid-for-trade agenda has to be with the developing countries, and the outcome of the three regional meetings must trickle down to national level, Lamy insisted.

As for the Doha round, Lamy said that it is starting to look better. “I hope that in the next weeks we will be able to reach compromises on the gateway issues....I feel that there is some momentum,” he said. He said that it is easier to clear hurdles when negotiations have gathered sufficient speed and he now saw speed developing.

Lamy told the export strategists they also have a lot at stake in the round. Aid-for-trade is important, but the best thing that delegates could do for their economies would be to get on the phones to their WTO negotiators to encourage them to work out a deal. “That is the best thing they can do for you,” he said.

But with no sign yet of an end to the Doha Round, Lamy was pressed by moderator Tim Sebastian to admit that the round is dead. “Doha is getting older and dying,” Sebastian said. But Lamy insisted that although time is passing, “things are looking better”. On agriculture, Lamy said

countries have never been so close to a deal with numbers. "What we are looking at now are the nuts and bolts."

Success will require a mix of political will and technical ability, he said. Compared with 18 months ago, we are miles ahead, Lamy said. "We are nearing the finishing line."

His words were echoed by ITC Executive Director Patricia Francis, who said that the atmosphere in Geneva was "warmer" than a year ago.

But if the round did fail, it would not be just a problem for the trading system, Lamy warned. Developing countries would be hugely disappointed and frustrated after all the political capital they had invested in it.

During questions from the floor, one trade strategist complained that some of the advice to countries was contradictory. Some trade rules actually impeded countries from developing a strong export sector. Francis observed that the challenge is to get resources in place where they will have the biggest impact, which would require agreements on priorities. Lamy agreed that in some cases, rules were preventing developing countries reaching their potential, but that is why the Doha Round is important, because it set out to change some of these rules. For example, a trade agreement would slash tariff peaks and trade-distorting subsidies. But developed countries would not grant concessions on moral grounds, Lamy said. "Trade negotiations are not about morals," he said.

A delegate from Pakistan warned that not only developing countries would lose from a Doha failure. The round, he said, was launched post September 11 as a way to tackle international problems such as terrorism by promoting development. Success would "improve" the image of the WTO, which was often seen as a rich-country club.

Asked whether the private sector is sufficiently involved in pushing the round, Lamy said that it is not. He said that many businessmen and women probably think that the global economy is already doing well enough. Others in trade are worried about the anti-globalization movement and the public repercussions, he added. A third category is keeping its powder dry for the lobbying stage in national parliaments once a WTO deal has been achieved. The WTO Director-General noted a disparity between public and private standards, with the proliferation of private standards a major problem in waiting.

When an Asian economist declared that WTO ignored the needs of ordinary people, Lamy challenged this assertion. But he said that trade negotiations are carried out by representatives of nation-states. In the Doha Round NGOs have had a significant input into the trade discussions but these are mainly very large international organizations themselves.