



PRESS RELEASE



UN OFFICE OF THE HIGH REPRESENTATIVE FOR THE LEAST DEVELOPED COUNTRIES,
LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

UN ENVOY welcomes Brazil's offer of duty free access to Least Developed Countries

United Nations: 5 December 2006: Under-Secretary-General and High Representative for Least Developed Countries Anwarul K. Chowdhury today welcomed a decision by Brazil to grant duty free access to its markets for products from the world's 50 poorest nations.

"This is a great leap forward for South-South cooperation and sets an excellent example to developed and developing countries alike," said Chowdhury. In this context, he underscored the importance of announcements made by Brazil, China and India during the Hong Kong WTO Ministerial Conference to provide non-reciprocal market access to LDCs.

The High Representative noted that since its inception in 2002, the UN Office for LDCs had advocated strongly for greater emphasis on the promotion of trade and economic cooperation between developing countries.

In recent years, South-South cooperation has become important in the area of trade, with more than 40 per cent of developing country exports now going to other developing countries with significant implications for market access for LDC products.

Mr. Chowdhury pointed out that in order to address the development needs of economically vulnerable nations it was vital for countries to give duty-free and quota-free access to the limited number of tradable goods from the LDCs. He drew attention to the fact that trade barriers between

LDCs and other developing countries are higher than those vis a vis industrialized nations and emphasized the need for special south-south opportunities for LDCs

Research has shown that LDCs would see their real income increase by US \$7 billion if all OECD countries offered 100 percent duty-free, quota-free access to their markets.

Chowdhury however warned that the capacity of LDCs to take advantage of trade preferences is often undermined by quota and other restrictions, as well as by the byzantine procedures associated with the Rules of Origin restrictions.

The High Representative also lamented the supply-side constraints faced by LDCs. He remarked that while initiatives such as the ‘Everything but Arms’ of the European Union, which provides quota-free and duty-free access to most products originating from the LDCs, was commendable, many poor countries have not yet fully benefited from this initiative due to the lack of supply capacity. “The impact therefore remains low on the export development of these countries,” he said

To help LDCs enhance their efforts in building capacity for trade, there is a strong need for the expansion of trade-related assistance and the need for the expansion of the Integrated Framework for Trade-related Technical Assistance for LDCs (IF) to include all 50 LDCs. At the moment, 31 LDCs are covered by the IF and a much needed initiative should be taken to include the remaining, the UN envoy concluded.

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