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Ministers to Discuss Ways to Overcome Supply Side Constraints to Trade

Siem Reap/Vienna, 18 November 2008 – Trade and Industry Ministers from the world's poorest countries are meeting in Cambodia seeking solutions to the common problems they face in integrating their economies into the global trading system. The Ministers will be joined here by donors and development agencies active in trade at the regional and global levels.

This year's Least Developed Countries (LDC) Ministerial Conference, organized jointly by the United Nations Industrial Development Organization (UNIDO) and the World Trade Organization (WTO) is hosted by the government of Cambodia in Siem Reap on 19-20 November.

One of the main topics of discussion is 'Aid for Trade' (AFT), a package of incentives designed to help overcome structural and resource constraints of least developed countries in exchange for more speedy trade reforms.

"Our mission is to support our member states' efforts to become more firmly integrated in the world economy through greater and fairer trade. The LDCs especially face strong productive capacity challenges posed by globalization – challenges that must be addressed for continuous growth of trade and equitable development among nations," said Kandeh Yumkella, Director General of UNIDO.

The WTO is coordinating efforts to boost 'Aid for Trade', which will increase the capacity of developing countries enabling them to better take advantage of the benefits arising from greater trade opening. Aid for Trade is needed to help countries achieve the UN Millennium Development Goals.

UNIDO has been working closely with various countries and development agencies to highlight the need to diversify and boost industrial production in the poorest countries. This "supply-side" approach, it is argued, is essential for more open international trade that can lead to greater prosperity for the poor, especially if it targets key export sectors such as the food-processing and textile industries.

The meeting will also provide an opportunity to discuss the Doha Development Round of global trade talks, which would make world trade rules more equitable for the poorest countries and provide them with greatly increased market access opportunities. Among the items already agreed in the Doha round are provisions which would remove rich country barriers on at least 97% of exports from the poorest countries and would result in deep and expeditious cuts in trade distorting cotton subsidies in rich countries.

"This meeting in Siem Reap comes at crucial time for the global economy. The turmoil created by the financial crisis must not distract us from our goal of ensuring that the world's poorest countries have a greater stake in the trading system. Moving the Doha Round closer to its conclusion and ensuring more and better Aid for Trade are essential ingredients to help the poorest countries better integrate into the world economy. This meeting will ensure that we continue to focus on these vital objectives," said Pascal Lamy, Director-General of the WTO.

After the closing of the Conference on Thursday, 20 November, there will be a **Press Conference from 17.15 – 18.15 in the Club Lounge of the Sokha Angkor Hotel, Siem Reap**, with Cham Prasid, Senior Minister of

Commerce of Cambodia, the Director-General of UNIDO, Kandeh K. Yumkella and the Director-General of the WTO, Pascale Lamy.

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UNIDO is a specialized agency of the United Nations system that works towards improving the quality of life of the world's poor by helping countries achieve sustainable industrial development. UNIDO views industrial development as a means of creating employment and income to overcome poverty. It helps developing countries and economies in transition to produce goods they can trade on the global market. It also helps provide the tools – training, technology, and investment – to make them competitive. At the same time, it encourages production processes that will neither harm the environment nor place too heavy a burden on a country's limited energy resources. UNIDO has 172 Member States and has its headquarters in Vienna, Austria. More information is available at www.unido.org

WTO is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business. More information is available at www.wto.org and www.integratedframework.org