



# News Release



## TOP LEADERS PLEDGE TO HELP POOR ECONOMIES TO REAP BENEFITS FROM GLOBAL TRADE

**MANILA, PHILIPPINES (19 September 2007)** - Top global and regional financial officials at a conference today pledged to help small and weak states in Asia and the Pacific build and strengthen capacity to benefit from trade and spur economic growth to alleviate poverty.

Nearly two dozen finance and trade ministers gathered for the two-day regional review meeting "Mobilizing Aid for Trade: Focus Asia and the Pacific" hosted by the Asian Development Bank (ADB), World Trade Organization (WTO), in association with the Philippine Government. Officials from key donor countries and private sector representatives are also attending the meeting.

Developing Asia's blistering economic growth has captured global attention. The experience of East Asian economies show that adoption of outward-oriented developed strategies can help to harness trade as an engine of growth and alleviate poverty. But some economies in the region have lagged behind and face significant challenges.

Aid for Trade is a complement, not a substitute for Doha Development Round. Trade leaders said a successful completion of the Doha Round will help the small and weak states the most. But these less developed economies do not have the capacity or infrastructure to reap benefits from global trade. Aid For Trade will help these economies to strengthen their capacities through outward market-oriented reforms to participate in the process of globalization.

"I believe ADB can contribute to making Aid for Trade a viable, efficient, and effective way to help our less developed members and small states benefit from both increased trade, growth, and better economic cooperation and integration," said Haruhiko Kuroda, ADB President.

Regional multilateral development banks like ADB have been involved from the start of WTO's Aid For Trade Initiative that was launched at the WTO Ministerial Conference in 2005. At the WTO Hong Kong Ministerial Conference, major donors pledged around \$15 billion for the "Aid for Trade" Initiative.

Officials said for less developed economies to benefit from global trade they need access to infrastructure, like transport, telecommunication networks, modern custom facilities, and financial resources to make the necessary transition to develop open, market systems and other key services that drives globalization.

"Aid for Trade" is not a substitute for better trade rules. But it is an important complement to fairer trading system. It is about mobilizing resources that spur trade, investment and growth and allows us to close the development gaps," said Pascal Lamy, WTO Director General.

The "Aid for Trade" conference aims to stimulate a dialogue among Asia-Pacific economies, particularly LDCs and small states, and donor countries on how to boost economic infrastructure; focus on productive capacity building and provide help in transition to adoption of more outward-oriented trade policies; boost capacity to formulate, negotiate and implement trade policy and related agreements.

The discussions and results from the three regional meetings in Lima, Peru; Manila, Philippines; and Dar Es Salaam, Tanzania will contribute to WTO's "Aid for Trade" Review to be held in Geneva on 20-21 November 2007.

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable economic growth, social development, and good governance. Established in 1966, it is owned by 67 members—48 from the region. In 2006, it approved loans and grants for projects totaling \$8.5 billion, and technical assistance amounting to almost \$242 million.

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