

Statement by Honourable Dr. Mukhisa Kituyi, M.P., Minister for Trade and Industry of the Republic of Kenya at the Plenary of the Eleventh Session of the United Nations Conference on Trade and Development (UNCTAD XI), Sao Paulo, Brazil, 13-18 June 2004

Mr. President

Your Excellencies Heads of State and Government

Secretary-General Rubens Ricupero of UNCTAD

Your Excellencies Ambassadors and High Commissioners

Distinguished Delegates

Ladies and Gentlemen

I wish to start by congratulating you all, in your capacities as representatives of member states, on this occasion of the eleventh session and 40th anniversary of the United Nations Conference on Trade and Development (UNCTAD). Through the individual and collective initiatives of your respective countries over time, UNCTAD has grown from an expression of ideas in the 1960s to an organization whose role in the economic development of the poorer members of the global community is crucial. Mr. President, I congratulate you and your entire Bureau for your election to the stewardship of this eleventh and historic session of UNCTAD.

I also wish, on behalf of the government of the Republic of Kenya and my delegation, to take this opportunity to thank the government of the Federative Republic of Brazil for hosting this conference and the Brazilian national organizing committee for the excellent arrangements made to welcome us and make us feel at home in Sao Paulo.

May I also sincerely thank Secretary- General Rubens Ricupero and the UNCTAD secretariat for the hard work in organizing this conference. Mr. Secretary-General, looking back, your leadership of UNCTAD has been characterized by great dynamism and an admirable vision; I congratulate you on your achievements and wish you success in your future endeavours.

An anniversary is usually an opportune time to take stock and set new targets. As we mark the 40th anniversary of UNCTAD, we are reminded of a growing dichotomy between North and South on the one hand and between the newly industrialized economies and the rest of developing countries on the other. The growing difference between the latter groups of countries is especially worth highlighting.

At the inception of UNCTAD, most of now more advanced developing countries were more or else at the same economic development level as most other developing countries around the world. Forty years later, many countries, most of them in Africa, are poorer than they were while the more advanced amongst us continue to record impressive economic growth rates.

The reason that some countries could perform comparatively better than others under a more or else similar global environment is directly linked to the proper utilization of available policy space and choices to ensure economic growth. It is worth noting that the factors that contributed to the fast growth of the more advanced developing countries, as well as the developed countries, e.g. assured market access, unrestricted acquisition of technology and affordable access to development finance, are the very factors that lesser developed countries are now having to renegotiate and are sometimes forced to give up.

The experience of the more advanced developing countries should and must re-enforce the case for special and differential treatment and consideration of least developed and developing countries.

Mr. President,

At the adoption of the Bangkok plan of action, four years ago, a number of measures to ensure successful integration of developing countries into the world economy were discussed and grouped under three broad categories:

1. Finance and investment;
2. International trade; and
3. Other development related issues.

Since the Bangkok conference, we have been encouraged by the commitments made at the 4th WTO Ministerial conference in Doha, the Monterrey conference on Finance for Development and other major

international forums regarding the "Bangkok issues". We have, however, been disappointed with the lack of progress made towards meeting the commitments.

For instance, on ODA, only few industrialized countries have met the agreed target of 0.7 per cent of their GDP while the heavy debt burden borne by developing countries continues to be a major inhibitor in the realization of their development objectives.

Mr. President.

The hemorrhage of capital from the South to the North needs to be urgently addressed and serious thought must be given to debt cancellation.

On international trade, we cannot make the case for free and fair trade, if trade remains neither free nor fair. Kenya has made this the basis of her participation in international trade negotiations. We have clearly and unequivocally expressed our concerns which are not new and include: enhanced market access, removal of trade distorting agricultural subsidies, non tariff barriers, especially sanitary and phytosanitary measures, insufficient transitional periods, concretization of special and differential treatment and more focused financial and technical assistance among others.

We believe that we have gone a long way in meeting our part of the bargain and, in fact, continue to do so. Kenya has almost fully liberalized her economy, opened up her markets and undertaken extensive political and legal reforms to ensure good governance. All these reforms were taken at considerable economic and social cost. In exchange, Kenya expects an injection of FDI, better access to developed-country markets and support for our unilateral efforts. It remains true that democracy, reforms and open markets will only be embraced for what they deliver, not what they promise.

The Cancun ministerial conference provided an opportunity to re-evaluate positions and review commitments to the development agenda. Kenya believes that multilateralism can benefit all provided the differences in our countries are taken into account. For this reason, Kenya supports recent initiatives to re-ignite the spirit of Doha and to reopen the trade talks, the coherence of policies pursued by various international financial institutions as well as policies and rule making in the WTO.

Mr. President

A limited market size has sometimes discouraged investment in developing countries. Regional integration efforts such as the East African Community between Uganda, Tanzania and Kenya and the Common Market for Eastern and Southern Africa (COMESA) should, therefore, be encouraged and supported. In addition to promoting South-South cooperation, such arrangements offer possibility of larger viable markets and stronger trading partners for the rest of the world.

More than ever, the coordination by UNCTAD of the three pillars that comprise its main work are of importance to developing countries and should continue to form a basis for our discussion. UNCTAD's technical cooperation activities with respect to policy analysis, human resources development and institutional capacity building are crucial in facilitating development in our countries and deserve support from our development partners.

I would like to thank the UNCTAD secretariat for the technical assistance that has been so far extended to Kenya, especially through the Joint Technical Assistance Programme (JITAP), which has been implemented in association with the WTO and the International Trade Centre. We highly value this assistance which has included facilitating the activities of Kenya's national committee on WTO in preparing for effective participation in trade negotiations.

I wish to end by thanking you all for your attention and urging for continued and full support to UNCTAD and its mandate.

Thank you.