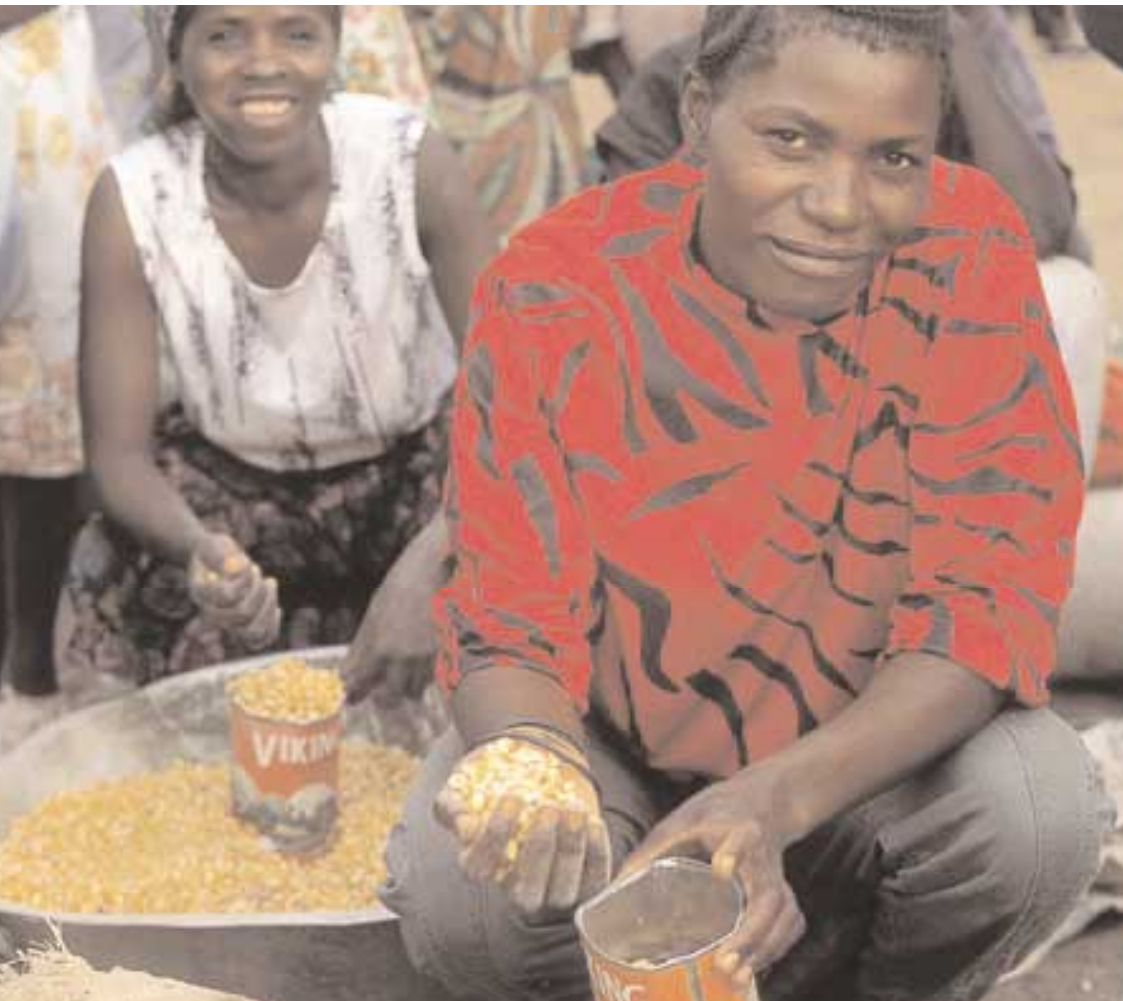




trade**matters**

eliminating world poverty



An introduction to the UK Government's approach

Contents



© Liba Taylor/Panos Pictures



Why trade matters

4



Making global trade fair

12



Opening market access

18



Building a platform for trade

20



Services – friend or foe?

26



Protecting intellectual property

31



Protecting people and the planet

36



Why poor people need a new Trade Round

40

Why trade matters



© Chris Stowers/Panos Pictures

Opening markets to the world's poorest people

From the earliest times, trade has touched everybody on the planet.

No one knows when the first axe-head was bartered for the first pelt, but it's a safe bet that it was a purely local transaction. The rules of the deal were probably imprecise – no contract or money-back guarantee – but trade had begun. And since then it has developed continuously.

Now, in our time, trade has become global. It involves everyone – from the child selling drinks on the highway in Managua to the company CEO on her mobile phone in her private Lear jet.

As consumers, we are often entirely oblivious to the complicated sequence of transactions and journeys involved in the purchases we make.

Take the bunch of flowers the commuter buys on the way home from the office to celebrate a birthday. Perhaps they were sown in

Kenya exports 35,000 tonnes of cut flowers to Europe each year, worth £100 million

European tables. Kenya exports 35,000 tonnes of cut flowers to Europe each year, worth £100 million. Flowers are the fastest growing sector of its economy.

The forces of globalisation – and the spread of ideas, technology and capital – are boosting the importance of trade for Kenya and for every country.

This has brought enormous wealth for many.

Kenya. The increasingly competitive flower trade sees fresh blooms flown in from all over world to sit on



© Tnygeve Bølstad/Panos Pictures

Flowers for export to Europe, Kenya

Yet more than one billion people - one in five of the world's population – still live in extreme poverty, without adequate food, water, sanitation, healthcare or education for their children. As part of the international strategy to eliminate global poverty, trade can play an important role in enabling these people to participate in the growing wealth of the planet.

Trading up

However rich or poor a country, it has assets. Perhaps they are in natural resources; maybe they are industrial or financial. They could be the people themselves. Whatever they are, these assets can be put to work to produce goods and services to sell at home or overseas.

If countries are to reap the benefit of their assets in international trade, it helps if they can sell their goods without the restriction of artificial trade barriers. There is now a great deal of evidence that the opening up of trade contributes to higher economic growth. For example, while average income per person fell by 1% a year in the 1990s in developing countries with high trade barriers, it rose by 5% a year in those with fewer barriers to trade.

As well as helping a country to sell its goods, international trade also helps a country gain access to a wider range of goods, services, technologies and



Internet shop, Bangkok, Thailand: trade enhances access to technologies and knowledge

© Paul Quayle/Panos Pictures

knowledge. It boosts the entrepreneurial activities of the private sector, creating new jobs, attracting private capital and increasing foreign exchange earnings. In turn, these gains from trade can also help to reduce poverty.

In recent decades, countries which have seized the opportunity of more open world markets – by increasing exports and attracting inward investment, such as the newly industrialising East Asian countries and China, are the ones which have made the

greatest strides in reducing poverty. For example, in the 20 years from 1975, the countries of East Asia witnessed the most rapid reduction in poverty ever seen. The proportion of their population living in poverty fell from 57% to 21% - from 717 million people to 346 million.

Yet after half a century of partial trade liberalisation, desperate poverty is still widespread and global income inequality remains far too high.

Trading For Growth

This underlines the limited economic growth which some countries – often those which restrict trading opportunities – have achieved over the past few years. It is also important to recognise that while economic growth is essential if poverty is to be reduced, it

alone does not guarantee success. The reduction of poverty in countries in East Asia was the result of a number of important factors. For example, there was investment in education enhancing workers' economic opportunities, and in health reducing the burden of disease. Investments of this kind coupled with trade are equally important in

promoting economic growth and reducing poverty.

History also shows that the alternative to open markets – heavy protectionism against competition from imports – leads to inefficient companies, which are subsidised by governments, and supply consumers with products they don't necessarily want. This is unsustainable and companies close with jobs being lost.

'Poor people,' says Dr Fred Sai, Professor of Community Health at the University of Ghana, 'are not very healthy. If you are not very healthy you cannot work well. You try to get healthy and you are not on your farm and not producing anything... a healthy population is much more useful than an unhealthy one.'

'If you don't have

educated people you don't have infrastructure,' explains Robert Reich, Former US Labor Secretary. 'You don't have social organisation, nobody pays any attention to you, they never put factories there, they don't try to sell to you. You are on the globe but not in the global economy.'



Girls school, Pakistan: education is essential to take advantage of new markets



Manila Bay, Manila, Philippines: trade creates jobs and employment

© Marc Schlossman/Panos Pictures

other words, fair and transparent regulations which work for all countries and not just the most vociferous or historically influential.

'The choice for countries of the South is not whether to engage with globalisation or not, but how to engage with it. It is essential for governments and people to engage with the process critically, to re-shape and re-direct its impact. The objective must be to enhance citizens' incorporation and access to the benefits of globalisation, while minimising polarisation and social exclusion, and mitigating these effects when and where they do occur.'

Thabo Mbeki,
President of South Africa

Soon enough, other governments retaliate by closing their borders to imports. Markets shrink and global economic activity slumps. This is what happened in the 1930s. Even globalisation's fiercest critics recognise that no country has developed by turning its back

on international trade.

On the other hand, free trade does not mean unregulated trade. An unfettered global market can fail the poor just as much as protectionism can. For example, global trade may have brought the fish in our meal half way round the world, but it might also mean that the people

in the region it came from find that fish stocks are so depleted that there is not enough left for their own families.

Managed badly, globalisation becomes merely survival of the biggest. If it is to become a consistent force for good rather than ill, then we need global trade rules. In

Making global trade fair



© Chris Stowers/Panos Pictures

It is essential that the trading system we build is multi-lateral so that global trade rules are fair and transparent for all. When countries simply make their own individual trading deals with one another, the more powerful countries, with the larger markets, tend to impose their rules and standards on everyone else.

Regulation of trade is only any use if:

- *people agree the rules are reasonable: and that*
- *those who break them are brought to book.*

The body that is charged with making the international trading system work is the World Trade Organisation (WTO).

What is the World Trade Organisation?

The WTO was established in 1995 as a way of developing global trading rules. One of the aims of the WTO is to promote trade liberalisation as a means of raising standards of living. So the WTO encourages countries to allow trade to flow more freely, but without

liberalising trade at any cost. Two-thirds of its 142 members are developing countries. WTO's rules are negotiated by member

they are then ratified. The WTO is served by a Secretariat of around 500 staff based in Geneva, Switzerland.



© Marcus Rose/Panos Pictures

The Old Port, 'Sunda Kelapi, Jakarta, Indonesia: free trade needs regulation

governments – its decisions are generally made by consensus of all the members – and scrutinised by their parliaments before

The WTO, of course, is not universally admired; in fact there is a highly vocal body of opinion which wants to close it down. These voices say –

If the WTO was abolished, big countries and big companies would set the rules of world trade

among other things – that the WTO is simply a tool of powerful developed nations and large trans-national corporations. Some people believe that big businesses actually get a vote in the WTO. This is not true.

The UK Government does not see the WTO as the villain. In fact we believe that if the WTO was abolished, big countries and big companies alone would set the rules of world trade and the poor would suffer. We maintain that the WTO is the best forum we have for ensuring that trade is fair because it gives

developing nations an effective voice to promote their cause alongside their larger or more powerful neighbours. We do, however, believe that we need to make it work better.

‘I am a firm advocate of the multilateral trade system because it provides the best opportunity to improve the trading opportunities of developing countries and therefore the conditions for the reduction of poverty. For all the many practical difficulties that taking part in the multilateral trade system can bring, it is the only system which is equitable between powerful and weaker economies, and which allows all countries to pursue their legitimate interests’.

**Clare Short,
Secretary of State for
International Development.**

The WTO, therefore, has the responsibility of developing an equitable trading system with the aim of lowering trade barriers. But more than that, we believe it needs to be committed to the reduction of poverty world-wide. That’s why we want the next round of WTO talks to be a ‘Development Round’, in order to address specifically the ways in which the liberalisation of trade can benefit the world’s poor.

Hearing the voice of developing countries

For the WTO to have the confidence of all its members, they must all have a say. This is not the case at the moment. Many developing countries lack adequate representation in the WTO in Geneva.

Twenty-eight developing countries have no representative in Geneva. Many more have only one person to cover up to 40 meetings a week. While Japan has 25 representatives in Geneva, Bangladesh has only one. The UK Government is exploring options with other donors for supporting these countries’ participation.

One criticism of the last round of negotiations launched in Uruguay was that developing countries’ concerns were only addressed when an appropriate negotiator was present.

Furthermore if a country cannot afford to retain a battery of highly-paid lawyers in Geneva to fight its corner in a trading dispute there is a risk it will automatically lose out.

An unheralded positive outcome of the controversial Seattle Summit was the creation of the Advisory Centre on WTO law. The UK has pledged \$1.85m to this independent body which is assisting developing countries to settle WTO disputes.

As the capacity of developing countries to participate in the negotiations of the WTO is improved, so they will be able to gain more benefit from trade.

A need to be open and responsive

We believe that the WTO should also be an increasingly transparent body, to eliminate any suspicion that deals are

being made behind closed doors. For example, at present, many WTO documents are not made available to the public for six months. We want to see this time-lag cut to boost public confidence in the WTO.

As well as becoming more open, the WTO also needs to be more flexible. To work, WTO rules must be achievable by all members, including developing countries. To do this they must take into account the varying needs of the WTO membership and recognise that different countries are at differing stages of development.

The UK Government is urging the WTO to commit itself, with the rest of the international community, to achieving the International Development Targets. This

THE INTERNATIONAL DEVELOPMENT TARGETS

- ❖ A reduction by one half in the proportion of people living in extreme poverty by 2015
- ❖ Universal primary education in all countries by 2015
- ❖ Demonstrated progress towards gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005
- ❖ A reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality – all by 2015
- ❖ Access, through primary health care systems, to reproductive health services for all individuals of appropriate ages as soon as possible, and no later than the year 2015
- ❖ The implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015

will send a powerful signal of its commitment to poverty reduction and acknowledge

that trade is a means to an end, and not an end in itself.



© Jeremy Hartley/Panor Pictures

Opening market access

Increased trade also means that we in developed countries need to be fairer about allowing access for poorer countries' products into our markets – especially for labour intensive products, whether in agriculture, textiles or other industries. Subsidies to farmers, particularly in rich countries, have caused over-production, pushed down prices on world markets and deterred investment in poorer countries. Some developed countries place very large tariffs in the way

of developing country producers; for example 129% for sugar in the United States and 162% for grain in the EU.

Agricultural subsidies in countries of the Organisation for Economic Co-operation and Development (OECD) are greater than the national income of the whole of sub-Saharan Africa. If these were eliminated, developing countries could be better off to the tune of \$19.8 billion.

Liberalisation of developed country trade regulations in agriculture could provide huge gains for farmers in developing countries.

The WTO is working to reduce barriers to trade in agriculture. The Agreement on Agriculture negotiated in the 1986-94 Uruguay Round of WTO negotiations was a milestone in international trade. For the first time, the agricultural policies of the WTO's 142 members were subject to trade rules designed to do away with protectionism.

Already the EU has made a commitment to extend duty and quota-free access to least developed countries for all

products (except arms). This could provide real benefits to the world's 49 poorest countries who together account for less than 0.5% of world trade.

However, despite this positive development, trade in agricultural goods remains distorted and significant reforms are still required. In particular the UK Government will push for reform of the EU's Common Agricultural Policy, leading to a reduction as soon as possible of domestic and export subsidies on EU agricultural products as well as barriers to imports from developing countries.

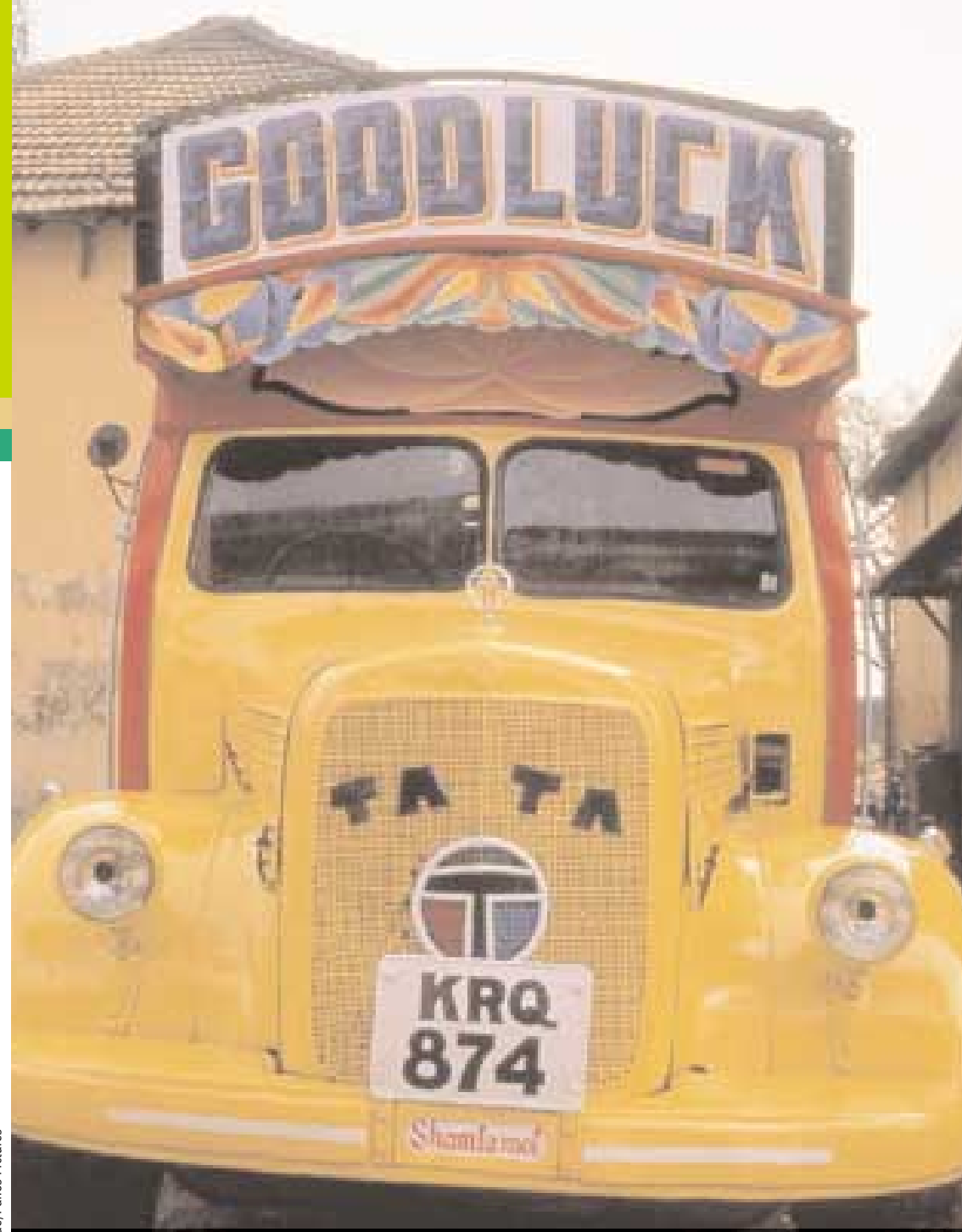
Building a platform for trade

But while opening opportunities for trade between one country and another may be a condition for reducing poverty, it does not guarantee success. Growers need good roads to get their produce to centres of distribution. Power production needs to be dependable for productivity to be reliable. A stable economy, free from corruption, war and oppression will be in a better position to take advantage of trade opportunities.

Uganda's distance from the sea, and its inadequate rail and road connections, raise the price of exports by 80%.

In Indian ports, average ship turn-round time in 1993 was four to ten days, compared with six to eight hours in Singapore.

Supporting the continued reduction in trade barriers world-wide will not help developing countries greatly unless there is a simultaneous



Indian truck, Cochin, Kenala: transport and other infrastructure are crucial to trade

commitment to improve the capacity of those countries to take advantage of new trading opportunities which arise. Through DFID, the UK government is committed to helping countries ensure their trade and development strategies work together.

“My hopes for the future, there are so many,” explains Yu Gui Hua, in China. “When the road is put in I want to have a guest house, a car park and a restaurant... I want to increase my greenhouse vegetables and to improve my grain crop.”

Putting trade at the heart of development

Trading in international markets is highly complex. A maze of regulation and red tape must be negotiated, not

© Sean Sprague/Panos Pictures



Small tea plantation, Kisii, Kenya: competition policy will benefit smaller producers

to mention currency exchange and transport logistics. It is expensive for a country to promote its trade interests abroad, promote employment, welfare and environment at home and keep abreast of international law. All of this demands resources and skills.

While economic growth benefits the poor, not everyone necessarily benefits from trade reform. For instance, for a worker producing green beans in Kenya or Zimbabwe new markets have been a boon.

But if you are an African factory worker in a protected industry, you may become

The UK is providing £7.5m for the Africa Trade and Poverty Programme, which will become operational in up to 12 African countries and key regional trade integration bodies from 2002. The programme aims to enhance capacity in partner countries and regional institutions to formulate, negotiate and implement national and regional trade reform strategies, which are inclusive

redundant when this protection is removed. The role of government in these circumstances is to help manage the process of change – to maximise economic opportunities for all, and to equip people to take advantage of new opportunities.

and pro-poor. This will include helping partners to analyse the linkages between trade, poverty and environmental sustainability and facilitating non-government stakeholders, including the poor, to influence trade policy makers. The programme will support governments in mainstreaming trade issues in central economic reform processes and national development strategies.

Small farmers can only benefit from agricultural trade reform if they can access the new markets. This requires effective competition policy. In some areas of Africa, small farmers currently cannot get their produce to markets because of transport problems. This is

because the number of truckstops allowed for loading is restricted, while larger farmers have their own trucks. An active competition policy would stop distribution chains being controlled by a few big players and ensure access for the smaller farmers.

When trade reforms are planned alongside other development policies they are more likely to benefit the poor. For example, they need to take place where inflation is low, competition law is effective and financial institutions are trustworthy. When trade is at the heart of a country's development strategy – and the rewards of trade are reinvested in the health and education of its people

– then this helps reduce poverty.

Increasing a country's opportunities to trade by strengthening its infrastructure and policy-making at home, its ability to negotiate at the WTO and improving access to export markets are essential. But there is more to making trade work for poverty reduction. Some of the other key issues include:

→ *fair and flexible agreements on trade in services,*
→ *intellectual property rights protection that*

serves poorer countries' interests,
→ *setting standards which don't shut out developing countries.*





© Trygve Bolstad/Panos Pictures

Services – friend or foe?

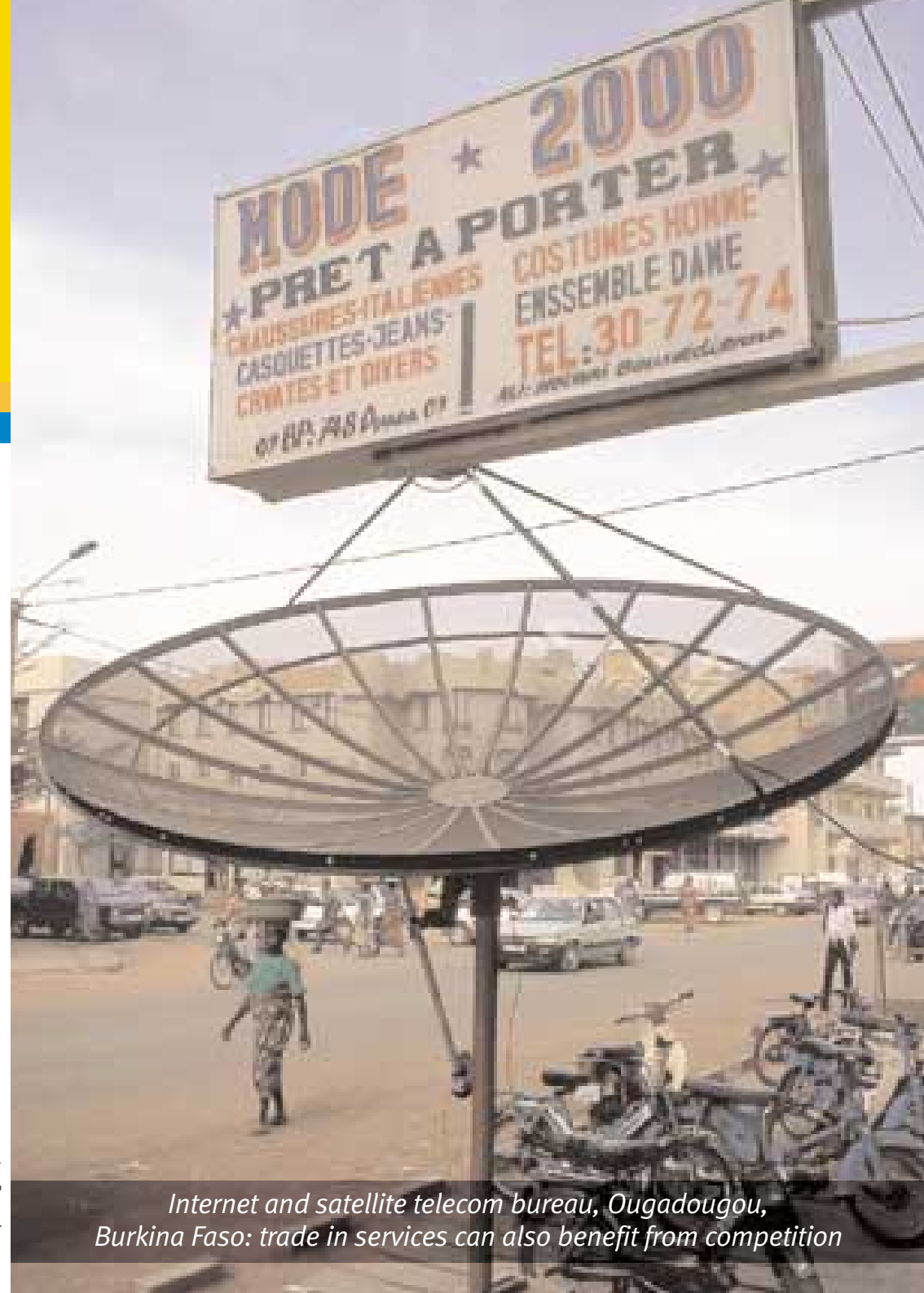
Most trade agreements concern the movement of goods ('things' such as vegetables or cars) between countries or across borders. But increasingly countries also trade in 'services'.

Services have been described as 'anything you cannot drop on your foot.' They include such things as insurance, consultancy, telecommunications and tourism. So, a UK company may sell insurance to companies in say, Bolivia, through the internet, without ever leaving this country. Or

the company may set up an office there. These are both examples of the burgeoning international trade in services which accounts for 20% of world trade. Much of this trade is 'invisible' but it does need regulation, which is where the General Agreement on Trade in Services (GATS) comes in.

What is the GATS?

The GATS was agreed under the Uruguay Round of multilateral trade negotiations by members of the WTO and came into force in 1995. It sets



© Crispin Hughes/Panos Pictures

Internet and satellite telecom bureau, Ougadougou, Burkina Faso: trade in services can also benefit from competition

out a framework of legally binding rules governing the conduct of world trade in services. While countries are free to regulate their domestic markets as they wish, the GATS aims to remove unnecessary regulation. It is a 'positive list' agreement, which means that countries decide themselves whether – and when – to open up services where they think this will be beneficial.

Some people have claimed that GATS will require the privatisation of public services. They are wrong. There is no requirement under GATS for governments to privatise public services. In fact, services supplied in the exercise of governmental authority, such as health and education, are explicitly excluded.

The benefits

Opening up banking, tourism, transport, telecommunications and similar services can help developing countries increase investment and nurture growth in other parts of the economy. For instance reliable banking facilities help attract



Mobile phone user, Uganda

© Trygve Bølstad/Panos Pictures

incoming investment, ensure that local savings are turned into local investment, enable small business to get credit, cut overheads and help promote efficiency.

Developing countries can also grow by exporting services where they have a

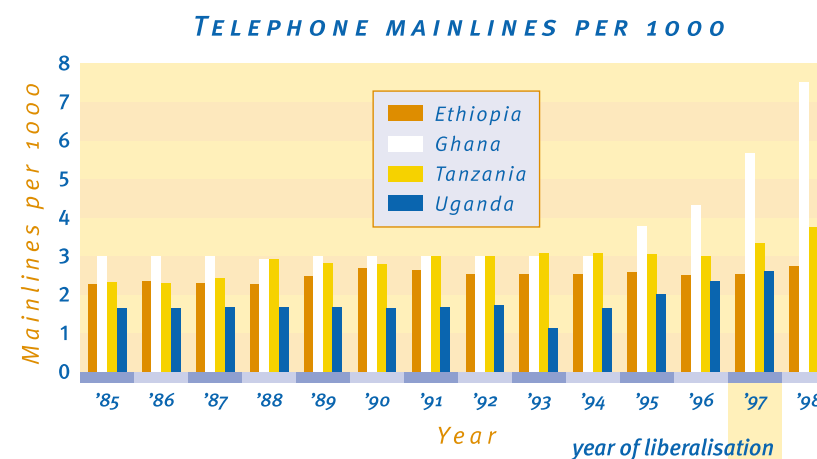
comparative advantage. For example, China and India are significant exporters of construction services, while India and the Philippines specialise in software and data processing.

GATS – Just a Tool of the Powerful ?

The GATS has been accused of being dominated by multinational companies. But while companies can lobby their governments, the WTO

In 1997 Ghana introduced competition in telecommunications services and established an independent regulator. The number of main telephone lines, and

therefore the quality and coverage of the telephone network, expanded rapidly. Countries like Ethiopia and Tanzania, which did not liberalise, did not enjoy the same improvements.



is an organisation of governments which make their own decisions. There is also built-in flexibility for individual developing country members to protect their vulnerable economies where necessary from the effects of outside commerce. They can progressively extend market access in line with their own development or be selective about which sectors they open.

'The structure of the GATS should be preserved, particularly the 'positive list' approach, which enables them to select the sectors, sub-sectors and modes of supply where they make commitments'.
Joint statement from Least Developed Countries' trade ministers' meeting, Zanzibar, 24 July 2001



Protecting intellectual property

Intellectual Property Rights (IPRs) are rights given to people or organisations over their creations or 'works of the mind'. IPRs – such as copyrights, trademarks, industrial design and patents – protect goods such as books, CDs, brand names, distinctive packaging and pharmaceuticals. They allow originators to protect themselves from unauthorised use or copying of their creations. *Trade-Related Aspects of Intellectual Property Rights* (TRIPS), one of the agreements housed in

the WTO, sets the minimum level of protection that WTO members must provide for IPRs.

Trade in ideas has become known as the 'knowledge economy' and has grown rapidly in recent years. IPRs are a vital incentive for investment in innovation, research and development. However, in the absence of alternative products and other factors such as competition law, the owner of the rights on a unique and desirable product may charge higher prices than

many people or governments can afford. This is a particular concern for poorer nations.

The three main areas of IPRs that interest most developing countries are: *drugs, traditional knowledge and genetic resources, and seeds and plants.*

Drugs

For some countries signing up to TRIPS has involved introducing new IPR protection, which reduces the availability of cheap copies of patented drugs. In response some campaigners have called for cuts in IPR protection for drugs.

But reducing protection is not the best way to improve access for the poorest people. 95% of drugs on the WHO essential list are out of patent and so are not

affected by TRIPS. And the TRIPS agreement gives governments the flexibility to produce (in exceptional circumstances) or import legitimate cheap versions of patented drugs.

In 2001, 39 pharmaceutical companies took the South African government to court in an attempt to block legislation that would give it the power to produce cheap anti HIV/AIDS drugs in an emergency. The companies eventually decided to abandon the case.

In addition, further progress on developing differential pricing systems – which would make drugs available at lower prices to poorer countries – relies on

IPR protection and on guarantees that the cheap drugs would not be re-imported into developed country markets.

Traditional knowledge and genetic resources

There is concern that TRIPS does not protect the traditional knowledge of



Traditional healers at Johannesburg conference, South Africa



Medicine market, Anguo, China (centre of the Chinese medicine industry)

© Dermot Tatlow/Panos Pictures

indigenous people. Claims of ‘bio-piracy’, where potentially valuable traditional medicines or local seed varieties have been ‘hijacked’ by foreign companies, are numerous. For instance, it is not easy to provide effective legal protection for a herbal remedy of ancient origin. More investigation is needed and the World Intellectual Property Organisation (WIPO)

and the UK IPR Commission (see below) are examining options for protecting the rights of traditional knowledge.

Seeds and plants

Many developing countries and NGOs are worried that patenting new varieties of plants will increase the cost of seeds and prevent farmers saving seeds and using them from one year to the next.

TRIPS requires WTO countries to protect their own plant varieties, although whether this is done through patents or another effective system is left to each individual WTO member. However, developing countries do not have the legal and administrative capacity to develop their own systems and no tried-and-tested system for plant protection exists which addresses the concerns of developing countries.

Serving the interests of developing countries

At present, TRIPS provides more benefits for rich countries than poor ones, because countries with developed industries are more vocal and able to protect their patents. The US,

for example, has a Patent and Trademark Office with an annual budget of \$1 billion and a staff of over 3,000. Compare that to one of the developing countries which may only have half-a-dozen patent examiners.

The UK Government recognises developing country concerns about IPR protection. That is why we have established an internationally staffed IPR Commission to look at how the global rules and practices on IPR might be adjusted to serve better the interests of poor people and developing countries. More information about the Commission is available on its website

www.iprcommission.org

Protecting people and the planet



© Giacomo Frazz/Panos Pictures

Standards are essential. Consumers are increasingly concerned about the processes by which products are made – in terms of both labour standards, the environment and animal welfare.

There are distinct benefits to developing country

producers who can maintain high standards in their area since they generate consumer confidence. But standards can also be used to hide protectionism, and can actually work against the welfare of poor and exploited communities.

One major problem faced by developing countries is that while their products may well reach, and even exceed, the standard required for export, they are unable to provide the required evidence. In addition, different export

markets may set incompatible standards.

There is some suspicion that these standards are imposed by developed nations simply to ward off competition. Even when developing countries have their own testing and certification procedures, they are often not recognised. Greater harmonisation of standards would cut costs and benefit poorer countries.

Labour standards

The most direct links between trade and the world's poorest people are the new opportunities for employment that are created – but those new employees must not be exploited. While developing countries must work to enforce acceptable conditions, developed nations must recognise that standards will reflect the local economy and that poor

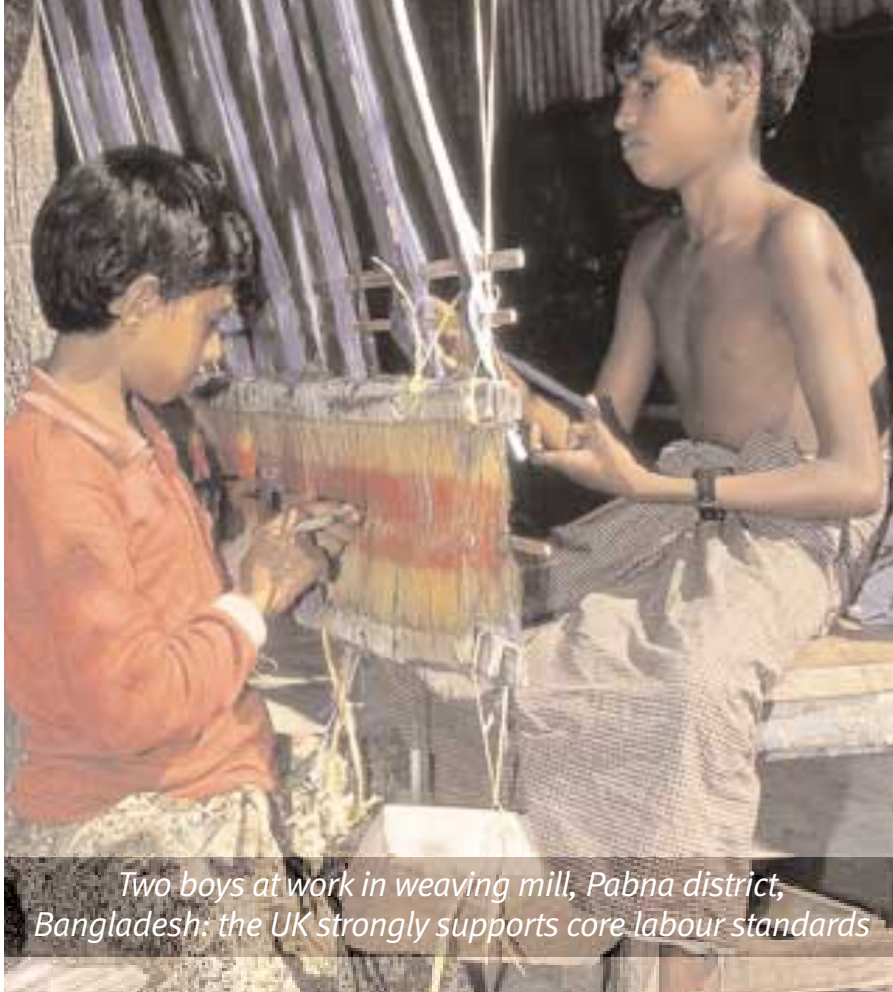
After US TV showed Bangladeshi children making clothes for the US chain Wal-Mart, consumer pressure forced them to cancel contracts in Bangladesh. Competitors followed suit and a bill was proposed in the Senate to restrict imports of goods made with child labour. Alarmed, the Bangladeshi

Garment Manufacturers and Exporters Association (heavily reliant on the US market) announced the elimination of child labour. This well-intentioned action by American citizens resulted in thousands of children being put out onto the streets or forced into worse jobs.



© Neil Cooper/Panos Pictures

Girl making panama hats, Honduras



© Fred Hoogervorst/Panos Pictures

Two boys at work in weaving mill, Pabna district, Bangladesh: the UK strongly supports core labour standards

In Sialkot, Pakistan the UK is working with Save the Children to tackle child labour in the football stitching industry. It's a ground-breaking project, involving business, the International Labour Organisation (ILO) and local charities. It helps children to stop working and get an education, while income generating schemes ensure their families are not made poorer.

countries that do not fully comply would punish them for their poverty – hurting the poorest most.

The International Labour Organisation (ILO) is the body responsible for establishing international labour standards. Eight ILO Conventions enshrine fundamental rights and principles for workers. These include the minimum age and working conditions. They also outlaw slavery and other forms of forced labour. The UK has ratified all these conventions and also provides financial and technical assistance to the ILO.

The UK strongly supports the work of the ILO to extend the enforcement of core labour standards in all countries. But imposing trade sanctions on poor

countries cannot equal rich countries' pay and conditions.

Strong consumer pressure can be a positive force for change. But it can damage those it seeks to help.

The UK will not defend trade that exploits workers. But the introduction of

controls on child labour or bonded labour must be introduced in ways which improve the lives of the people concerned.

Bangladesh, for instance, lost an estimated \$0.5 billion in export revenues because of the textiles boycott.

Why poor people need a new Trade Round



© Betty Press/Panorama Pictures

Trade can bring huge benefits to the poorest people on the planet. In an era of globalisation, a much greater effort is needed to make the world trading environment work for all countries – not just the most powerful.

But while trade openness is necessary for poverty reduction, its effectiveness depends on the broader economic and social circumstances and on development policies that help poor countries and poor people to exploit new opportunities.

The WTO is not perfect. But it is the most important agency through which the poorest countries of the world can take advantage of the global economy. The UK Government is therefore pushing for reform to make the WTO work better.

It is also now more clear than ever that the world's poorest countries can achieve real benefits from a new Round of trade negotiations but only if these negotiations address their needs, for example, improving access for their products, and

addressing problems they have faced in implementing current agreements. Future negotiations must also be well-managed and inclusive, avoiding the mistakes of the past when developing countries have often been left feeling marginal from the negotiating process.

We and others need to do everything possible to make sure the next Trade Round really does turn the spotlight on the needs of the world's poorest countries. If we all use our influence effectively and constructively the poorest stand to make real gains from a new Round.

K O F I A N N A N

*Secretary General of the United Nations,
LDCIII Conference, Brussels, 14 May 2001*

'I believe the best hope for the developing world lies in a new Round of global, multilateral trade negotiations. And this time it must be a true 'Development Round'. The new Round must aim to eliminate all tariff and non-tariff barriers in the developed countries to

trade in agricultural products, textiles and other products of special interest to the less developed countries.... I urge therefore that all governments put their weight behind the launch of a new multilateral Round of trade negotiations.'

The following publications contain more detail on DFID's policies on trade and development

A New Trade Round and Developing Countries

The World Trade Organisation and Developing Countries

Agricultural and Fisheries Trade, Developing Countries and the WTO

TRIPs and Development

Services and Developing Countries

Building Capacity for Trade

Standards as Barriers to Trade: Issues for Development

Trade, Development and Protecting the Environment

Trade, Development and Labour Standards

Anti-Dumping and Developing Countries

Investment and Developing Countries

Competition Policy, Law and Developing Countries

They are available on our website at www.dfid.gov.uk and from the Public Enquiry Point.

The Department for International Development (DFID) is the UK government department responsible for promoting development and the reduction of poverty. The government first elected in 1997 has increased its commitment to development by strengthening the department and increasing its budget.

The central focus of the Government's policy, set out in the 1997 White Paper on International Development, is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015, together with the associated targets including basic health care provision and universal access to primary education by the same date. The second White Paper on International Development, published in December 2000, reaffirmed this commitment, while focusing specifically on how to manage the process of globalisation to benefit poor people.

DFID seeks to work in partnership with governments which are committed to the international targets, and seeks to work with business, civil society and the research community to this end. We also work with multilateral institutions including the World Bank, United Nations agencies and the European Community.

The bulk of our assistance is concentrated on the poorest countries in Asia and sub-Saharan Africa. We are also contributing to poverty elimination and sustainable development in middle income countries in Latin America, the Caribbean and elsewhere. DFID is also helping the transition countries in central and eastern Europe to try to ensure that the process of change brings benefits to all people and particularly to the poorest.

As well as its headquarters in London and East Kilbride, DFID has offices in many developing countries. In others, DFID works through staff based in British embassies and high commissions.

DFID's headquarters are located at:

DFID
94 Victoria Street
London SW1E 5JL
UK
(from January 2002
1 Palace Street
London SW1E 5HE)

and at:

DFID
Abercrombie House
Eaglesham Road
East Kilbride
Glasgow G75 8EA
UK

Website: www.dfid.gov.uk
email: enquiry@dfid.gov.uk
Public enquiry point: 0845 3004100
From overseas: +44 1355 84 3132