

**STATEMENT BY  
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ON TRADE AND DEVELOPMENT  
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Mr. Chairman,  
Excellencies,  
Distinguished delegates,

I wish to join the distinguished speakers before me in warmly congratulating Brazil for hosting UNCTAD Eleven.

At UNCTAD Ten, we achieved a broad consensus on the need to manage globalization and interdependence. Our task since then has been to implement the strategies laid out by the Bangkok Declaration and Plan of Action, taking into account also the outcome of the 2002 Mid-Term Review Conference in Bangkok. The joint establishment of the International Institute for Trade and Development or ITD by Thailand and UNCTAD was an effort in this direction and a reflection of the Monterrey Consensus.

As my Prime Minister noted, globalization is human-made, so it needs to be human managed. The convergence of man-made trends - in business and finance, technology, and the explosion of information - has created new risks and opportunities for humanity as never before. But this change is occurring at a pace that outstrips the ability of most people to adapt to it. Discontent with globalization is deepening among countries and peoples who fear that this tidal wave of change will simply sweep them aside, swallowing up their cultural identity and roots, all in the name of a few dollars more. To complicate matters further, new security threats and transnational problems have emerged to distract us from the already challenging task of development.

Managing globalization will not be easy. The phenomenon itself has proven so complex that even basic assumptions about development strategies have come under scrutiny. The short life span of the Washington Consensus showed that even a model based on years of accumulated knowledge could be proven wrong by events. Policy-based approaches are being supplemented by the idea that in order for policies to be effective, strong institutions need to be in place that would prevent and correct market failures. Domestic policies need to encourage entrepreneurship, provide a strong legal framework, and protect property rights, for example, while guarding against anti-competitive practices. Such institutions cannot be built overnight, but even the poorest country can make a start in this direction.

The domestic dimension of Thailand's dual-track policy, for example, aims to foster entrepreneurship at the grassroots level to strengthen the economy where it can make the biggest difference to the lives of the most people. A major inspiration for this approach is His Majesty the King of Thailand's philosophy of "Sufficiency Economy," which has brought hope to millions all over the country. We have also launched schemes that allow our citizens to transform latent assets to capital and enjoy better access to capital, such as the nation-wide village fund, and the People's Bank microcredit programme. The "One Village, One Product" scheme is raising the profile of local products in national and global markets, reviving community pride while generating income for poor villagers. Given these promising trends, we hope to see a substantial reduction in poverty by the year 2009.

Distinguished delegates,

As my Prime Minister also stated in his opening address, Thailand's efforts to contribute to the global development agenda are guided by the principles of self-help and partnership. This approach is reflected not only in our national policies but also in our regional initiatives that seek to build partnership from diversity.

Within the sub-region, Thailand last year initiated an economic cooperation strategy between Cambodia, Laos, Myanmar, Thailand, and Vietnam to reduce development gaps and foster income-generating activities through practical, results-oriented development projects based on each country's comparative advantages. We are also implementing the ASEAN Integrated System of Preferences, which is similar in spirit to the GSTP discussed here. We want to make sustainable development more than just words on

a page. We want to make sustainable development real, not only for ourselves, but also for those around us. The best place is to begin with our closest neighbours. We aim to make the process inclusive, so that developed-country partners and international organizations could work with us to make sustainable development a reality in mainland Southeast Asia.

Across Asia, a similar effort is underway to build partnership from diversity. The Asia Cooperation Dialogue, an Asia-wide forum initiated by Thailand in 2002, seeks to tap into the inherent strengths of Asian countries for sustainable development and mutual benefit. Now comprising 22 member countries, the ACD continues to make progress through annual ministerial dialogues and joint projects in 18 areas of functional cooperation. The ACD has also been working towards rebuilding the region's financial architecture to prevent a repeat of the 1997 financial crisis. To promote the development of an Asian bond market, the ACD last year agreed to launch an Asian Bond Fund. We believe such measures will not only benefit individual Asian countries, but also strengthen the region's resilience and contribute to international financial stability.

Our efforts to reach out and share development experiences are not limited to Asia. We also hope to interact more closely with developing countries in Latin America, Africa and the Pacific Islands. For example, Thailand will be working with NEPAD countries and other partners in extending technical cooperation and sharing Asia's best practices with Africa.

We have also been building and reinforcing bridges to Europe and the Pacific. Last year, we hosted the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting. Its theme, "A World of Differences: Partnership for the Future," reflected our belief that despite our differences, we could build a partnership to tap into one another's inherent strengths for mutual prosperity.

The most important level where the management of globalization needs to be conducted is, of course, the multilateral level. Thailand remains firmly committed to the Doha Round of trade negotiations. We have been, however, troubled by the gamesmanship and politicking that have slowed the process to a crawl.

We believe that all concerned must come to the table with a spirit of partnership and compromise, not a winner-takes-all mentality, if the dream of global free trade is to be kept alive. Recent signs of a more compromising spirit on the part of developed countries are welcome. We look forward to seeing them develop into concrete results. This would be the clearest indication of the developed countries' commitment to global poverty eradication and would be a boost to North-South relations. At such a sensitive time for global trade, we wish to underscore that any bilateral FTAs under negotiation need to be consistent with the WTO, so that they do not detract from but complement ongoing efforts towards rules-based multilateral trade.

Distinguished delegates,

Globalization is a complex phenomenon that needs to be addressed on multiple levels at once. UNCTAD Eleven is an opportunity for us to pool our collective efforts to manage globalization and redress the imbalances in the international economic system.

To emerge from globalization as winners, developing countries need to enhance coherence between national development strategies and global economic and financial processes.

In a world where, as President Lula noted, the geography of South-South relations has changed so substantially, UNCTAD is well positioned to take the lead in charting a new history for this new geography.

UNCTAD can help by increasing coherence and coordination among international organizations. It can serve as a forum for the exchange of development experiences and strategies. It can give advice on building synergy, policy sequencing and matching capacity with resources. It can help monitor trade, financial and technology trends in developed countries and advise on their implications for developing countries. It can seek ways to make the multilateral trading system a more effective instrument for development. In doing all this, UNCTAD would help lay the foundation for a globalization that empowers and strengthens, which would benefit not only developing countries, but all of mankind.

Thank you.