

Aid for trade

By PASCAL LAMY

DIRECTOR-GENERAL, WORLD TRADE ORGANISATION (WTO)



PASCAL LAMY has served as Director-General of the WTO since September 2005. Previously, he was the Trade Commissioner of the European Union. Mr Lamy's career is marked by time spent in civil service at the French Finance Ministry, the Inspection Générale des Finances, and the Treasury Department. He later became adviser to Economics and Finance Minister, Jacques Delors, and to Prime Minister, Pierre Mauroy, and worked in Brussels as chief of staff to Commission President, Jacques Delors.

The WTO's main contribution to growth and development is the current Doha Round of multilateral trade negotiations. In terms of market opening and strengthened international rules, it promises to have a greater impact than the Uruguay Round.

But while trade opening is indispensable to development, it is not sufficient in itself. What countries also need is access to the basic infrastructure that drives globalisation – 21st century transport corridors and telecommunications networks that can connect exporters to world markets; modern customs facilities that can move products rapidly and efficiently across borders; testing labs to ensure that exports meet international standards; and the sophisticated expertise and institutions needed to navigate a highly complex world trading system.

Some of the pieces are already in place, others are not, and the necessary investments cannot be supplied by poorer countries alone. Aid for Trade

is about helping to fill these 'gaps' – mobilising and leveraging the required financial resources – and providing a catalyst for the increased trade, investment and growth. It is about helping developing countries to benefit from the world trading system. But it is also about strengthening the world trading system itself – by ensuring that its opportunities are more widely shared. Although the volume of aid for trade-related technical assistance and capacity building has been increasing steadily since the launch of the Doha Development Round, the need for further assistance has been widely recognised by the international community. The Aid-for-Trade initiative demonstrates what can be accomplished when we focus on our common interests – and it bodes well not only for the future of Aid for Trade, but for the WTO as a whole.

Donors and international agencies need to focus more on trade and growth in their own development planning – and to make the case that in today's open

Growth in the volume of merchandise trade and GDP by region 2000-2006



