



INTERNATIONAL TELECOMMUNICATION UNION  
**TELECOMMUNICATION DEVELOPMENT BUREAU**

**WORLD TELECOMMUNICATION DEVELOPMENT  
CONFERENCE (WTDC-98)**

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*For information*

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**PLENARY MEETING**

**Note by the Director of BDT**

I have the honour to submit to the Conference for information the attached document from UNCTAD.

WORLD TELECOMMUNICATION DEVELOPMENT CONFERENCE

Malta, 25 March 1998

**Statement by the representative of UNCTAD**

It is an honour for me to address the World Telecommunication Development Conference 1998 on behalf of the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Mr. Rubens Ricupero. At a time when technological progress holds out the prospect of unprecedented opportunities for faster and cheaper telecommunications, this Conference represents a unique opportunity for mobilizing efforts to narrow the gap between the "information rich" and the "information poor". UNCTAD stands ready to support such efforts and for this purpose intends to strengthen the close working relationship it already enjoys with the ITU.

When UNCTAD's Trade Efficiency Initiative was launched in 1991, one of its main objectives was indeed to reduce the cost of international trade transactions through a more intensive use of information technologies, and thereby improve the access of developing countries to the global market place. Since then the capacity to transmit information over telecommunications networks has increased dramatically, while costs have fallen further. Electronic commerce, moreover, which was primarily the driving force in the globalization of production by transnational corporations, has now taken on a new dimension through the commercialization of the Internet, notably via its World Wide Web component. This has created a new potential for empowering small entrepreneurs to reach global market niches at relatively modest cost, transforming global competition in the process.

As a result of these trends, all parties in international trade have become acutely aware of the vital importance of adequate telecommunications to trade and investment. Telecommunications have indeed become an "infrastructure service" allowing the emergence of other trade-supporting services. Hence the importance of the concept of trade efficiency, that is the generation of synergies among trade-supporting services, as a vital element of any trade policy aimed at enhancing national competitiveness on world markets.

This realization has powered the new dynamics in multilateral trade negotiations witnessed recently in the WTO; it has also prompted four major proposals - those of the United States, the European Union, Japan and the OECD - to establish a global framework for electronic commerce. These proposals are rapidly converging into a common set of rules and guidelines which could radically affect both current practices and the economic impact of international trade.

UNCTAD has been giving this issue close attention because we believe that the trade and development prospects of the numerous developing countries that are still at the margin of a globalizing world economy could be further diminished unless the ability of these countries to "connect" to major international information networks is significantly enhanced. Their enterprises would be prevented from benefiting from the lower transaction costs which will become available to "connected" operators; opportunities would be missed to generate employment and revenues; and they would be at a disadvantage when positions agreed in the OECD context become the basis for discussions in the WTO.

This uneven character of the "information revolution" was examined by international experts at a meeting in UNCTAD last September, which also included a joint session with the ITU's Telecommunications Inter@active Meeting. While recognizing the vast opportunities promised by the expansion of electronic commerce, the experts stressed that many developing countries, particularly the least developed among them, still lag behind in access to basic telephonic services,

and encouraged UNCTAD to develop further its Global Trade Point Network as a tool for accelerating the participation of the smaller players in electronic commerce. The General Assembly of the United Nations has recently addressed a similar exhortation to UNCTAD.

UNCTAD believes that a meaningful response to the legitimate concerns of developing countries relating to any global framework for electronic commerce should be designed to overcome three key weaknesses: insufficient awareness; lack of experience; and inadequate external support in the start-up stages of electronic commerce. This response should ideally take the form of a catalytic, United Nations-wide effort.

For its part, UNCTAD has recently taken initiatives on three fronts. First, we are engaged in fostering an awareness among developing countries of the issues at stake and the likely impact of electronic commerce on trade and development. In response to a decision by the Trade and Development Board, we are conducting analytical work aimed at promoting a better understanding of the development implications of current proposals for a global framework, and at ensuring that the development perspective is fully taken into account in the international debate.

The second initiative aims at enabling developing countries to adopt a hands-on approach to electronic commerce through support in the shape of training and other capacity-building activities and the provision of relevant equipment and networking capabilities. In this respect, UNCTAD is eliminating programmes based on the use of information technologies and networks, such as the Global Trade Point Network and the Automated System for Customs Data and Management (ASYCUDA), which have the potential to become a means for fulfilling the promise held out by electronic commerce. Both these programmes are currently present in a large number of developing countries, supporting electronic commerce transactions through their networks. UNCTAD's objective is to fully exploit the synergies between these networks and others emerging from both private and public initiatives in order to achieve full electronic commerce in developing countries.

Finally, support is required to mobilize civil society in developing countries around the object of competitiveness in rapidly globalizing and liberalizing markets. This involves an educational process whereby administrations, enterprises and non-governmental and local communities are helped to adapt information technologies for their own benefit.

In this context, UNCTAD is organizing the first meeting of the Partners for Development Forum in Lyon, France, in November 1998. The goal of this initiative is to engage civil society in the work of UNCTAD on the basis of practical partnerships involving private enterprises, academia, NGOs and the public sector. Under the global theme of "Markets and Development", these partnerships will be built on existing UNCTAD projects. In the area of electronic commerce, the Lyon meeting will launch the "Global Electronic Trade United Nations Partnership" (GET UP). Projects involving such partnerships will aim at: promoting the use of information technologies and global networks for the modernization of trade-related administrations; improving the access of developing countries to global information networks; promoting solutions to the security and legal issues involved in electronic commerce; and capacity-building for electronic commerce. On behalf of the Secretary-General of UNCTAD, I should like to extend an invitation to all of you to participate in this endeavour which shares with this Conference the goal of a balanced development of telecommunications worldwide.