STATEMENT BY WTO DIRECTOR-GENERAL, ROBERTO AZEVÊDO THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

It is an honour to be here today, as we look ahead to the post-2015 development agenda.

The principle of sustainable development is enshrined in the founding agreement of the World Trade Organization – page one, paragraph one. And it is there for one simple reason – because trade has the power to be an important driver of development, especially when it is paired with the right financing and capacity building assistance.

As we are all aware, the Millennium Development Goal to cut extreme poverty by half was reached by 2010 – well before the 2015 deadline. This was a truly historic achievement. Around two-thirds of this reduction in poverty came from economic growth in developing countries – which was driven, in part, by trade. The figures tell the story. Developing countries' share of global trade has jumped from 28 to 42 per cent over the last two decades. In this way, trade has proven its potential in delivering gains for development.

Trade can help to bring in new investment, create jobs, and provide access to technologies. But, as I have said, financing and capacity-building are vital in making sure that the poor can benefit from all this. Indeed, that's why these elements are central to our work.

Take the WTO's Aid for Trade initiative, for example. To date, more than 245 billion dollars have been disbursed through this initiative to help developing and least-developed countries to improve their trading ability. And through our partnership in the Enhanced Integrated Framework, we have put a particular focus on LDCs. I was proud to launch the second phase of the EIF just a couple of weeks ago. I encourage partners to provide the necessary support to this initiative. This will ensure that it can keep delivering tangible results on the ground.

And there are many other ways in which the WTO supports financing for development. In 2013 our members agreed the historic Bali Package, which contained some very important development outcomes. These include: a number of decisions for LDCs; steps on agriculture, including on public stockholding for food security; and the Trade Facilitation Agreement – which, for the first time, will provide real, practical support to help developing countries implement its provisions, and reap the many benefits it offers.

This Agreement is about streamlining border procedures to dramatically cut the costs of trade, which fall most heavily on the poorest. At the same time it will increase customs revenues, and it will create jobs – perhaps as many as 18 million jobs in developing countries alone.

But, of course, we must do more – much more. The benefits of trade still do not reach some of the poorest and most vulnerable. So simply providing more trade opportunities is not enough. A broader and more systemic approach is needed. This is why Financing for Development, and the whole post-2015 debate, is so important.

We have identified trade finance as a key issue here. Up to 80% of global trade is supported by some sort of financing or credit insurance. But, developing countries are still suffering from the consequences of the 2008 crisis. The supply of credit has not yet returned to normal levels. And so we are seeing big financing gaps, particularly in Africa and Asia. The estimate for the value of unmet demand for trade finance in Africa is between 110 and 120 billion dollars. By bridging this gap we would unlock the trading potential of many thousands of individuals and small businesses across the continent.

In Asia, the unmet demand for trade finance is estimated at over one trillion dollars. As a result, all too often, opportunities for growth and development are missed. Businesses are deprived the fuel they need to grow. And we are prevented from leveraging trade's full power as a source of development.

So we need to respond to this problem. At the WTO, we have been working with regional development banks to support the creation and expansion of trade finance facilitation programmes. We are working together to close those gaps. And very soon we will be launching a new initiative with this goal in mind. I am extremely pleased to see trade finance on the Agenda for Action that is being discussed this week. I think the WTO's work on this issue will be a big part of our contribution to following up on the outcomes of this conference. And we are committed to doing so.

But as well as making the existing trading system work better for developing countries – we also need to change and improve the system. We are now on the run up to the WTO's Ministerial Conference in Nairobi, in December – the first time such a conference has ever been held in Africa. Our focus there will be on delivering for Africa, and for developing and least-developed countries around the world. There are some big issues on the table. Members are working to negotiate new rules on agriculture, industrial goods, and services. A new global deal on these issues – along with a package of outcomes to support LDCs – would be a major breakthrough in our efforts to ensure that trade supports development. Moreover, it would be the biggest contribution the WTO could make to global efforts on Sustainable Development, and to taking forward all of the issues that we are discussing here today.

Thank you.