

**Statement by Supachai Panitchpakdi,
Secretary-General of UNCTAD,
to the Second WSIS Action Line Facilitation Meeting
on E-business and E-employment**

Geneva, 24 May 2007

Mr. Chairman,
Distinguished Panellists,
Ladies and Gentlemen:

I am honoured and pleased to welcome you to the Second WSIS Action Line Facilitation Meeting on E-business and E-employment. This event is organized jointly by the International Labour Organization, the International Trade Centre and UNCTAD. It takes all of us a step closer towards implementing the Summit outcome and towards our common objective of deepening the information economy in developing countries.

The meeting is being held in conjunction with other WSIS follow-up events and with the 10th session of the Commission on Science and Technology for Development, which concludes tomorrow. Science, technology and innovation are all instrumental in the conduct of trade. They help to create economic opportunities for developing countries by increasing their participation in international markets and generating employment. ICTs in particular are largely responsible for several major global economic transformations of the past decade. These include shifts in both manufacturing and services from developed to developing countries; a shift towards FDI in services; growth in services exports; and growth in South-South trade and investment flows. One of the most striking developments is the rise in the offshoring of services and the

outsourcing of business processes to developing countries, which have enabled these countries' enterprises to be integrated into new supply chains. One of the most-cited countries in which ICTs have played a critical role in economic expansion is India, where the industry's contribution to GDP rose from 4.8% to 5.4% between 2005 and 2006 alone. India has become the main global hub for business process outsourcing and offshoring of services. It now accounts for an estimated 65% of the global market in IT offshoring and 46% of global BPO. By 2010, India's IT-related services exports could reach 5% of GDP and 25% of all exports of goods and services. In other developing regions as well, ICTs have given small producers real-time access to trade information, boosted their negotiating clout on international markets and carved out a new role for them as active players in supply chains.

Ladies and Gentlemen:

Today's meeting addresses the role of new technologies and innovation in supply chains. Policy makers, enterprises and society at large increasingly recognize that ICTs and globalization have reshaped the world's economic and social environment and are creating new opportunities for greater market access and enterprise competitiveness. The adoption and appropriate use of ICTs is absolutely vital for developing countries to take advantage of globalization; step up their participation in local and global supply chains; and more broadly benefit from the new structure and patterns of trade. This involves the design of ICT strategies to develop infrastructure, adopt a legal and regulatory framework, build the necessary technological capacities and human resources, and use innovation as a key driver of economic growth.

Today you will hear about successful ICT solutions aimed at integrating enterprises into global supply chains, and about ICT policies and strategies that have been implemented by policy makers, businesses and trade support organizations. Such solutions and strategies ultimately bring ICTs into supply chain processes, enhance the opportunities available to local enterprises, and help local economies achieve faster growth.

We expect the meeting to enhance awareness and understanding of the nature of changes to markets and supply chain relationships and to highlight the potential opportunities and challenges of ICTs as well as the role of innovation. The meeting will also provide a forum on strategies for the effective participation of developing countries in the new geography of trade. Its outcome will be disseminated to WSIS stakeholders involved in implementing the Summit's action lines.

I wish you an interesting and fruitful meeting.

Thank you.

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