

STATEMENT BY CROATIA

MADE 16 JUNE 2004

**AT THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT**

Eleventh Session

**São Paulo, Brazil
13-18 June 2004**

REPUBLIC OF CROATIA

Statement by Ms. Predraga Boic-Liubic´

Assistant Minister of Economy, Labour and Entrepreneurship

Ladies and Gentlemen,

On behalf of the Government of the Republic of Croatia, let me begin by thanking the Brazilian Government for the warm hospitality and excellent organization of this Conference in the beautiful setting of Sao Paolo.

It is a pleasure to see that this Conference gathered so many countries with different levels of development and integration into global trade flows. I would also like to take this opportunity to congratulate UNCTAD's 40th anniversary.

Ladies and Gentlemen,

Our priorities and problems might not be the same but Croatia believes that we all share the same expectations about benefits that trade can bring to our economies, particularly through rule - based multilateral trading system.

UNCTAD XI provides a good opportunity to recall that freedom of trade, economic diversification, investment and development of human resources are among the key elements that promote development. Trade policy must, therefore, play its role as part of a wider scenario, which would ensure that such policy reflects development objectives in a realistic and coherent way.

In this respect, Croatia supports and encourages UNCTAD's role in delivering policy analysis and undertaking research in order to assist member countries in developing appropriate policies favourable to sustainable development. It is important to support UNCTAD's efforts to explore potentials for structural changes in least developed countries, developing countries and economies in transition. These changes will enable better integration of these countries into the world economy, growth of productivity and competitiveness, and they will provide a functional framework for a sustainable development strategy.

In order to overcome the existing disparities and imbalances in trade both between North - South and South - South, countries could implement measures like preferential schemes, duty - free or quota - free market access for specific products. In addition, redistribution of loans or direct support and investment could be used whenever deemed necessary.

We support UNCTAD's efforts on creating development strategies insisting on social and human dimension of globalization with special emphasis on policies for poverty reduction. It is therefore necessary that UNCTAD continues its close cooperation with other UN agencies and international organizations. In this respect, we believe that developing countries and countries with economies in transition should participate more effectively in the decision-making process of these institutions.

Ladies and Gentlemen,

Croatia has substantially liberalised its trade within the WTO as well as through a number of bilateral free trade agreements. Today we have one of the most liberalized trade regimes among WTO members providing easy and non - discriminative access to our market for all countries.

Furthermore, Croatia has made significant progress in the area of political stabilization and fostering of economic ties with the neighbouring countries recognizing that peace and security are essential for development and long term stability and prosperity of the region.

At the national level Croatia continues domestic reforms aiming at sustainable development and economic growth. To achieve these goals we should strive to provide favourable investment climate and sound macroeconomic environment.

It is evident that Croatia, being a small and open economy in transition needs transparent and structured environment at both international and national levels in order to achieve further development and sustainable economic growth.

Croatia would also like to support UNCTAD's initiatives to explore development potentials of some sectors that have traditionally been neglected in developing countries and countries in transition such as investment in ICT, development of creative industries, especially SME's and other special and niche product and services sectors in which these countries might have comparative advantages. For example, investment in creative industries can provide new opportunities for developing countries to penetrate into new areas of wealth creation. Still, it is important to stress that innovative policy measures are needed to enable developing countries to achieve a necessary level of competitiveness of creative industries. UNCTAD can certainly play an important role in assisting these countries in their efforts to increase both their participation and benefit from these dynamic sectors. It is however, always important to highlight the importance of protection, preservation and promotion of traditional knowledge, innovation and practices as well as natural resources of developing countries that should be used as an engine for development and growth.

Ladies and Gentlemen,

Governments and international organizations should work hand in hand to create incentive climate for strong economic growth and development for all, especially for the poorest countries which need it.

I am glad to be able to confirm that the Government of the Republic of Croatia is very engaged in supporting all tasks to achieve this goal.

Thank you for your attention!