

**UNCTAD-UNECE High-Level Regional Conference
for Transition Economies
"ICT & E-Business Strategies for Development"
Palais des Nations, Geneva, 20-21 October 2003**

**Opening Statement by Carlos Fortin
Deputy Secretary-General of UNCTAD**

Geneva, 20 October 2003

Excellencies,
Honourable Ministers,
Distinguished delegates
Ladies and Gentlemen,

First of all, on behalf of UNCTAD and its Secretary General, Mr. Rubens Ricupero, I would like to express my appreciation and thanks to the Governments of countries with economies in transition sending their high level representatives, including ministers from 7 countries, to this important conference,

UNCTAD is also very pleased to co-organise this important event in full collaboration with UNECE. The staff from both institutions worked hard in a team spirit to build up such an interesting programme for the conference and achieve such high level of representation and participation.

The rationale for calling this conference is two fold. First it extends the scope of the regional conferences on e-commerce strategies, which UNCTAD 1998 has been regularly organising in Asia & Pacific, Africa and Latin America, to a region undertaking as from last decade a unique in history transformation from a command economy to a market economy. It is interesting to learn from the representatives of transition economies how the more intensive use of information and communication technologies (ICT) accelerates the implementation of remaining reforms and contributes to the more productive and rationale allocation of resources especially in business sector. Second, this event is taking place in Geneva where the international community is convening in December the World Summit on the Information Society. So a successful UNCTAD-UNECE conference might draw the attention of the future Summit to the importance of e-business and e-commerce as new sources of creating more value added in production and trade and hence improving the process of capital accumulation

and growth that is so essential for less developed economies. After all only the improved productive capacity and competitiveness of enterprises through the more intense use of ICT might become one of the means of fighting poverty and building up of an information society.

The objective of this conference is to discuss key policy areas in which action is needed in the field of ICT and in particular electronic commerce. It is expected that at the end of these two days, concrete policies and strategies from different countries and enterprises can be identified and recommendations made in order to promote e-commerce and the adoption of ICT in countries with economies in transition.

At the afternoon of the second day the conference will move from plenary sessions to its high-level ministerial round table which is expected to come up with a set of conclusions and recommendations for transition economies and its various subgroups on ICT and e-commerce strategies. The recommendations will strengthen the political commitment of those countries to promote e-commerce and ICT for development. It might also eventually be considered as an input into the World Summit on the Information Society. A successfully adopted conference document will add its weight to the declarations on e-commerce strategies adopted at UNCTAD regional conferences for Asia- Pacific and Africa. We also expect to have a declaration adopted at the upcoming in November similar UNCTAD conference for Latin America in Brazil.

Excellencies, Distinguished delegates, the development of e-commerce and ICT is providing considerable opportunities for enterprises of all sizes to participate in the global economy. Yet while some accession countries of Baltics and Central and Eastern Europe are achieving high, even by OECD standards, levels of e-readiness many countries of the CIS region are still severely constrained in their efforts to develop e-commerce and ICT. The constraints include the lack of awareness, requisite infrastructure and access, a legal and regulatory framework and e-payment systems. Thus, for example, while the number of Internet users worldwide has been rising fast, the number of users in such regions as Central Asia Transcaucasia remains small. According to the Networked Readiness Index for 2002-2003 – one of the a composite indicators on e-readiness developed by World Economic Forum in cooperation with INSEAD and World Bank for more than 80 countries – some transition economies were fast in closing the gap with OECD countries while the others were lagging behind. In that index Estonia ranked as 28th Czech Republic –31st , while Russia was

still scoring as 69th. Interestingly while Moscow and St Petersburg are achieving high by European standards connectivity many Russian regions are still worse off in terms of access to ICT and in particular to Internet.

When addressing e-commerce and ICT issues, forums such as this conference can provide a useful guide to transition countries concerning such key issues as the relative roles to be played by government and the private sector and how to address the daunting issues of infrastructure, laws, regulations and security. There are also problems concerning human resource development and electronic payment systems. It is equally important to see the formulation of policies and strategies in terms of the development and application of e-commerce and ICT to specific sectors such as IT and software services, tourism and banking as some countries may be acquiring competitive advantage in part due to the application of e-commerce and ICT in those sectors.

This meeting gathering you from many countries provides an opportunity to consider seriously the important issue of regional co-operation. As national strategies prove challenging to formulate, regional co-operation may in some cases provide a framework for solving constraints being faced at the national level.

In conclusion, I wish to call upon this conference to make concrete proposals that would help the region to actively promote e-commerce and ICT as major instruments for development. This opportunity can be used to come up with a set of possible e-strategies that countries of your region could consider and adopt in their efforts to develop and apply e-commerce and ICTs. Equally important the conference should provide an opportunity to exchange actual experiences not only in the formulation but also the implementation of e-strategies. In so doing it is important to bear in mind that despite the prevailing constraints, the majority of economies in transition have big potential for developing viable e-commerce and other ICT applications. That potential need to be realised and a conference such as this can make contribution in identifying the ways and means to achieve it.

I wish your conference every success.

Thank you.