

**UNCTAD-UNECE High-Level Conference for Transition Economies  
"ICT and Electronic Commerce Strategies for Development"  
Palais des Nations, Geneva, 20-21 October 2003**

**Statement by Carlos Fortin, Deputy Secretary-General of UNCTAD  
at the Ministerial Roundtable**

**Geneva, 21 October 2003**

Mr. Chairman,  
Honourable Ministers,  
Excellencies,  
Distinguished participants,  
Ladies and gentlemen,

It is my pleasure to address this High Level Roundtable, and let me start by reiterating my thanks to the Governments of the countries with economies in transition which are here represented at high level, including 7 ministers, most of whom were also key speakers at the Conference plenary. Together with the excellent presentations of the speakers from academia, private sector and international organisations, they made for a very interesting exchange of views, which I hope will result in a coherent set of recommendations of this conference. I wish to express as well my gratitude to our sister organisation, the United Nations Economic Commission for Europe, for our close cooperation in organizing this conference. I am glad to note that joint events such as this one are becoming an integral part of our activities.

Mr. Chairman,

The plenary sessions of the conference got off to a very good start with the interventions of Russian Deputy Minister Milovantsev, our keynote speaker, and Prof Siegel and Pohjola who presented a broad picture of the impact of ICT on economic performance. Afterwards the focus shifted to the national efforts of implementing ICT strategies to achieve efficiency gains necessary to accelerate the growth and development in countries with economies in transition. The analysis of the regional dimension of ICT policies, of the importance of legal and regulatory framework, of issues of security and best practices in e-business and e-finance were also among the important themes of this conference.

Let me recall some salient features of national experiences presented by the ministers. While Russia enjoys rather high level of human capital development, its ICT infrastructure is still lagging behind. But, as it was stressed, further investment on the ICT infrastructure should go hand in hand with continuation of upgrading the human capital. Specialising in the field of innovation and research and development might be one of the promising directions for Russia. In the case of Armenia, emphasis was put on the example of interaction with the Armenian diaspora to develop IT and software services and their exports, and on government efforts to encourage further investments in the ICT field. The efforts of Kyrgyzstan to make inroads into the information economy and Government support of e-commerce were presented as an example government-private sector cooperation for the development of the information economy. The impressive leapfrogging of Estonia in the ICT field with high levels of penetration of telecom and Internet as well as the advances in e-government and e-banking with extensive use of smart cards is, in turn, an example of what a country can achieve when a clear policy in this area is formulated and implemented in a coherent and sustained manner.

Mr. Chairman,

E-commerce and ICT can be used to make existing industries more competitive in world markets. They can also enable enterprises in transition countries to exploit opportunities in new industries such as IT and software services, production of some ICT goods and others, thus facilitating the diversification of their economies.

The ICT industry is a clear example of the economic opportunities for transition countries to apply the new technologies and e-commerce. The exports of ICT goods and especially services from many of your countries are increasing. That includes such sectors as computer-related services, communication services, tourism and travel. They can potentially enhance export competitiveness and increase value added, thus also boosting the local economy.

Many speakers stressed the capacity of their countries to become destination for outsourcing of those high value added, software services, research and development and production of ICT components to their countries. Given the endowment of highly educated population and innovative research and development communities this target seems to be a realistic one.

Mr. Chairman,

Countries with transition economies have various levels of endowments, income and e-readiness; therefore, governments need to identify their own clear priorities to achieve the goal of higher ICT penetration in the enterprise sector and the economy as a whole. But all of them should keep in mind a number of key issues of policy and strategy. Thus a critical area is the development of human skills at all levels. Basic education and lifetime training are becoming essential characteristics of a competitive workforce in the knowledge-based economy.

To develop a digital economy, a predictable and supportive legal framework needs to be provided to ensure, among other elements, security, privacy, consumer protection and intellectual property rights. Improving the level of security of online communications should be also among the priorities of governments and private sector

Connectivity, access and infrastructure should be constantly revisited. Addressing these goals raises the issues of the liberalization of telecommunications services and also the promotion of new business models. Furthermore the delivery of goods transacted through e-commerce need to be supported by efficient transport, logistics and customs services, without which the benefits of online transactions are lost. Government processes and procedures can also benefit from the introduction of ICT, and by so doing, the government can induce the private sector to follow suit while also reducing its own transaction costs.

Mr. Chairman,

The development of e-commerce and ICT in many transition countries needs to be supported by partnerships and assistance from developed countries and the international community as a whole. Indeed bilateral and multilateral donors are also increasingly including ICT considerations in the design of their international cooperation programmes. Many international initiatives, including some in the UNECE member countries, are now under way in the field of ICT and development.

At the international level, transition economies should also be actively involved in the definition and implementation of multilateral rules affecting e-commerce as well as in international discussions concerning the governance of the Internet.

Various global initiatives in the field of ICT are of direct relevance for those countries. In this connection, the Millennium Declaration embodies a commitment to “ensure that the benefits of new technologies, especially information and communication technologies, are available to all”. We also expect that the countries with economies in transition will actively participate in the main international arrangements and forums such as the UN ICT Task Force and the World Summit on the Information Society (which will be held in Geneva in December of this year with a second phase in Tunis in 2005). And we most definitely expect that countries with economies in transition will be present in force at the Eleventh United Nations Conference on Trade and Development that will take place in Sao Paulo in June of 2004. A central issue in the agenda of the Conference is the improvement of the competitiveness of the economies of developing countries and countries in transition; e-commerce and ICT can make a fundamental contribution to the achievement of that goal.

I am confident that the conclusions and recommendations of this conference will strengthen the determination of policy makers and the business community to work towards building up of the future knowledge-based information economy.

Thank you