

CHAIRMAN'S OPENING REMARKS

AT THE OPENING SESSION

**PRE-DIAGNOSTIC TRADE INTEGRATION
STUDIES (DTIS) NATIONAL SENSITIZATION
WORKSHOP**

17TH – 19TH OCTOBER, 2005

BY

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DEPUTY GOVERNOR, BANK OF SIERRA LEONE

Hon. Ministers
Hon. Members of Parliament
Your Excellences, Members of the Diplomatic and
Consular Corp
Representative of UNCTAD
Representative of the UNDP
Representative of the World Bank
President of the Chamber of Commerce
President and Members of SLIBA
Representatives of the Academic Institutions
Representatives of the Private Sector, NGO and Civil
Society Organizations
Members of the Fourth Estate
Distinguished Ladies and Gentlemen

It is my singular honour and privilege to chair the opening session of this forum on the Pre-Diagnostic Trade Integration Studies (DTIS) National Sensitization Workshop.

May I take this opportunity to welcome you all to this important Workshop. In particular, I am happy to welcome our development Partners from UNCTAD, UNDP, the World Bank, especially those that have traveled from afar to join us here this morning.

This Sensitization Workshop is both appropriate and timely for Sierra Leone. As a post-conflict country engaged in the restoration of our economic fundamentals, and a small, open economy, with a wide and persistent trade deficit, the formulation of a trade policy that enhances foreign exchange earnings and support our poverty reduction strategies will be a welcome component of our economic policy.

As globalization intensifies, trade in goods and services is becoming increasingly important not only to economic growth, but even more so to poverty reduction. But what is striking in this development relationship is the fact that while the Least Developed Countries (LDCs) are opening up their economies and participation in global trade, they have not seriously benefited from the process of globalization.

Developing countries have undergone a wide range of changes in their approach to global integration. Many have reduced, in no small way, border barriers, albeit, at different levels across regions. This has exposed a huge new agenda of “behind the border” Issues, many of which have made policies and multilateral rules in trade to become more complex for developing countries. The Integrated Framework (IF) assumes relevance in this context given its two main objectives viz:

- 1) To mainstream trade into LDCs national development plans.
- 2) To assist in the coordinated delivery of trade related technical assistance.

Notwithstanding its slow start due to the slow progress in mobilizing sources, Integrated Framework gained some momentum after 2001 with the inclusion of some bilaterals in the partnership. It was then decided that a series of diagnostic “trade integration Studies” be carried out to analyze trade obstacles, prioritize technical assistance requirements and discuss this within the context of Country Strategies, including the PRSPs.

I note the comprehensiveness of the proposed study on Sierra Leone, covering most of the vital sectors and addressing other relevant issues. On the strength of this, I am optimistic that adequate information and insights would be obtained to guide the formulation of trade and supporting policies for incorporation into our PRSP.

Distinguished Ladies and Gentlemen: The emphasis of the Integrated Framework process on the poor is significantly important for a number of reasons. Trade liberalization affects the poor differently in different parts of the world. The immediate effects of trade reforms on the poor depend, *inter alia*, on the nature of protection, the structure of production, the effects of reform on relative prices, and whether reforms increase demand for labor, the basic asset of the poor in any community. For example, in cases where the poor primarily produce for export or rely on import for consumption, lowering tariff barriers can improve their situation through changes in relative prices, but where the poor work mainly in import-competing sectors, trade liberalization can cause dislocations that adversely affect them.

These and many more reasons are the concerns which a diagnostic study on trade will try to identify. Of concern to us in Sierra Leone are the macro-economic environment, investment climate, infrastructure, customs and trade facilitation, trade institutions as well as Priority Sectors such as Agriculture, Mining and Tourism where many of the poor strive for a living.

I consider it important to stress human capacity building in the Integrated Framework process. This is necessary to reduce the deficit in technical and

negotiating skills developing country personnel generally suffer from in respect of the complex issues to be resolved in the wider trade arena. In addition to aiding more effective representation in trade fora, it would confer the ability for independent assessment of trade policy options and their possible impact, thereby strengthen domestic policy ownership, so crucial in successful implementation of reform programmes.

This three-day Workshop, no doubt, will attempt to address key trade integration issues as they relate to poverty reduction in Sierra Leone.

Before closing my brief remarks, I would like to thank the Hon. Minister of Trade and Industry, Dr. Kadi Sesay and her Co-organizers, UNCTAD, for giving me the opportunity to add my voice on this important development issue.

I thank you all for your attention.