



# World Chronicle

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## **“LANDLOCKED COUNTRIES IN THE GLOBAL ECONOMY”**

When it comes to international trade and competing in the global marketplace, being a landlocked developing country can be a distinct disadvantage. Can the UN help level the playing field? Can multilateral diplomacy ease burdens of high transportation costs and red tape that plague landlocked countries in the developing world? These are some of the questions explored in this edition of World Chronicle, featuring Anwarul K. Chowdhury, the UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

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**ANNOUNCER:** From the United Nations in New York, an unedited interview programme on global issues. This is **World Chronicle**. And here is the host of today's **World Chronicle**.

**LITTLEJOHNS:** I am Michael Littlejohns and this is World Chronicle. Does the global marketplace provide for equal opportunity in trade? The answer, many experts tell us, is a resounding 'NO'. When it comes to international trade, being a landlocked developing country is a distinct disadvantage. Can the UN help level the playing field? Our guest today was the Secretary-General of a major international conference on this problem. He is Anwarul Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Joining us in the studio are Judy Lessing of Radio New Zealand, and Thalif Deen of InterPress Service/IPS. Ambassador Chowdhury, welcome to World Chronicle.

**CHOWDHURY:** Thank you.

**LITTLEJOHNS:** Ambassador, the conference we referred to was held in Almaty, in Kazakhstan, and apparently an agreement was reached between the 30 landlocked states and 33 other states that can provide them access to the sea. But I am not quite clear on what that agreement was. How is this going to help the landlocked countries?

**CHOWDHURY:** This was a global conference convened by the United Nations General Assembly. So it had the participation of all countries and as many as 90 countries participated along with 25 international organizations. What happened is the landlocked developing countries initiated the idea for the conference. Their major objective was two fold: firstly, to establish the principle of their right of territorial access to the sea, secondly, to develop a partnership arrangement not only with the transit countries, but also with [the] donor community to help them to overcome the constraints of being landlocked. That was the problem that we were addressing in that conference. To give you an example: that the landlocked countries spent as much as fifteen to twenty percent of their export earnings just for transit transaction costs. So their products become about fifteen to twenty percent more expensive in the market than the exports of those countries, which have an access to the sea.

**LITTLEJOHNS:** Kazakhstan is about the most landlocked country of all I guess, twenty three hundred and fifty miles from the ocean I believe.

**CHOWDHURY:** Yes, it is the last...

**LITTLEJOHNS:** Is that why it was chosen?

**CHOWDHURY:** Yes. It is the largest landlocked country and it is the country, which is farthest from the sea.

**LITTLEJOHNS:** And what are the countries that provide access to the sea now agreed to do that they weren't doing before?

**CHOWDHURY:** Well, there are five areas we have identified. This programme of action will cover not only the landlocked developing countries but also the transit countries because most of the transit countries in this context, as a matter of fact all of them, are also developing countries going through the same problems of developing countries; so they have their own constraints. So we decided to build a partnership around five priority areas. Firstly, we need to do something about the policy changes that we need in the area of transit/transport cooperation. Secondly, we thought -- what are the infrastructure developments that we need to do in roads, railways, highways, air transport, port development, communications? Thirdly, we decided what are the trading arrangements and trade facilitation process, which can be helpful? Fourth, we decided what kind of international support could be given in terms of financial assistance, in terms of technical assistance. And then finally we decided how old these agreements could be followed up in the international community bilaterally, regionally, and globally. So these are the agreements that we decided to do. And we felt that the transit countries – I think the first thing is to get their agreement to make the transit/transport cost as bearable as possible to develop the infrastructure to allow these countries. But another thing is red tape; the cumbersome customs procedure can cause serious delay in the export of goods. So the transit countries, the countries, which control the ports, have decided also to join in, in an effort to cut down the red tape, and there are enormous examples: like the southern African countries have decided now among themselves, 14 of them, to have only one custom's document. It is a major improvement over what it is now. So in port of Mombasa, goods from Kampala through Kenya, [the] port of Mombasa needs 26 customs documents to be cleared for one container to go out. So it is a major major problem.

**LITTLEJOHNS:** And now it is going to be only one?

**CHOWDHURY:** Well for Sudden Africa, we are working with the Eastern African States to see how that could be done. Latest information I have is that these 26 have been cut down to 9, but we hope to work with the world customs organizations to simplify the customs procedure, not only for the African developing countries, the landlocked countries, but also in other parts of the world.

**LESSING:** Ambassador Chowdhury, there are some landlocked countries which are certainly not developing, there are developed countries in Europe, you know countries like Hungary and Austria, the Czech Republic and so on,

**CHOWDHURY:** Switzerland.

**LESSING:** Switzerland is a big one. None of them have access to the sea, although they do in some cases have access to rivers. Is there something that the European example or the European experience can bring to the table to help these countries cut down the amount of red tape?

**CHOWDHURY:** Absolutely. And we work, my office works together with the Economic Commission for Europe to bring to [the] Almaty Conference their experience. And we had a special forum where they shared their regional experience. And I believe that landlocked developing countries as well as the transit developing countries have a lot to learn from this experience. How Switzerland benefited, how Austria benefited. And now sometimes some of the European countries say that they are better off than us because we give special treatments to them as landlocked countries. And now they have developed and they are benefiting from being landlocked.

**LESSING:** But what are some of the things that these landlocked European countries specifically can help with their example.

**CHOWDHURY:** Well first thing is the regional or sub-regional agreement. I think that they have to come together and that is what is my intention following the Almaty Conference to pursue with the regional and sub-regional organizations to promote trade facilitation. [The]Common markets for Eastern and Southern Africa, COMESA, will be a wonderful opportunity for us to put this in, in their programme of work. That is one thing. The second thing would be simplification of customs procedure; but that again is connected on a regional network -- and if we can promote these I think this would be wonderful. But for developing countries I think the most important thing is the infrastructure building. Otherwise the roads, highways, transportation sector is not that developed and that can cause serious problems.

**LITTLEJOHNS:** Where is the money going to come from for that?

**CHOWDHURY:** The money basically would come from a multilateral organisations private sector, who are involved in trading opportunities. A good road means better facility for their exportable goods. So we are involved in [the] private sector. The International Chamber of Commerce came to Almaty, joined as a partner for us and worked together to see how best this could be done.

**DEEN:** Speaking of money, traditionally almost all UN conferences, whether it is on the environment or poverty or population, they always adopted a programme of action, and most of these programmes of action remain unimplemented primarily because of shortage of funds. You have adopted a programme of action too in Almaty. Do you have the necessary fund to implement this?

**CHOWDHURY:** Well if you ask me whether I have funds for all the good decisions that you have incorporated in Almaty, no, but as we go through the implementation process I believe that there will be funding opportunities because what we have done in Almaty is to create a kind of a win-win situation for both the landlocked and the transit countries; and also the private sector. I believe that as we go on [with the] implementation process the resources will be available. Let me say one thing. [The] World Bank has given a top most priority in the last few years to building infrastructure in the transport sector, and we would like to take full advantage of that. Africa has wonderful transit corridors, a number of them, but they are what they call the missing links, maybe twenty-mile gap of no roads and nothing. I have worked with the African countries and the economic commission for Africa, to identify these missing links and we have projects ready, so it is my intention to in [the]coming few weeks, to go to [the] World Bank to start working on how we can develop those missing links. I have started already contacting the World Customs Organization to see how the training programme can be develop to simplify customs procedures. So I believe that opportunities are there, resources will come, and then many bilateral donors have shown interest. Let's say in Afghanistan, the Asian development bank has come to develop the corridors. Indians have come in with lots of resources to build roads in Afghanistan and if that is done all these center Asian landlocked countries, Kazakhstan, Tajikistan, Uzbekistan, Kyrgyzstan, will benefit from that roadway.

**DEEN:** Will you be reviewing this programme like every two or three years?

**CHOWDHURY:** The basic intention of the landlocked countries was to review it every year in the General Assembly. But the decision has now been left to the General Assembly to take. So we hope that during the fifty-eighth session of the General Assembly the decision will be taken, the coming session. There will be also a kind of a mid-term review after five years to see what we have done and how much we have progressed.

**LESSING:** You talked about the World Bank and this question of roads. I am not really an expert on roads versus railways but something tells me that a very efficient way of moving large amount of goods is really by rail and not by road and yet it needs a great deal of extra infrastructure. Is there any emphasis on rail transport?

**CHOWDHURY:** Yes, as I said the Almaty programme identifies all these sectors and the railways is a major sector, which has been identified for infrastructure development. Africa has a good railway network, but dilapidated. It needs to be upgraded; it needs to be refurbished in a way that it becomes worthwhile as you mentioned. And you were very right, railways can pick up lots of load without much maintenance on a regular basis. So I believe that along with roads, railways will be equally important. The main thing is to see what kind of transport gets the containers out because in shipping, containerisation is the mode that is being chosen by everybody.

**LITTLEJOHNS:** This is **World Chronicle**. Our guest is Anwarul Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

**DEEN:** Ambassador Chowdhury, about the least developed countries, you also help the least developed countries, and over the years, since the 1960's, it started with about 20; it has virtually doubled and now you have reached almost 49, and it is probably going to increase, and I am told that East Timor might be the fiftieth least developed country. Now does this mean that the UN system has failed because every year we are getting more and more -- they're described as the poorest of the poor? Every year you get new countries joining.

**CHOWDHURY:** Yes you are very right, in 1971 when the category was established, it started with 25 countries. Now we have 49 and you are very right, the Economic and Social Council has recommended that the General Assembly include Timor Leste as the fiftieth least developed country. Yes and no. In terms of the number of countries facing this situation, it seems that the development objectives of the UN have not been met in the real sense. But I believe another criteria and that is what my effort will be in the context of the programme of action for the least developed countries is to see how many millions we can take out of poverty in these countries, because to be considered a least developed, you have to meet three criteria: economic vulnerability, your per-capita and then your ability to withstand external shocks. So maybe a country as a whole would not be able to meet those criteria to be graduated out, but larger proportion of people from that country could be taken out of poverty. So poverty reduction as a part of the Millennium Development Goal can be a good indicator to see that these least developed countries are making some progress. But I agree with you that we should also aim at the objective of reducing the number of the least developed countries.

**DEEN:** I am told that Botswana was the only country that graduated from an LDC to a developing country, but now I hear that Botswana wants to come back as an LDC.

**CHOWDHURY:** Yes Botswana so far was the only country to be graduated out but HIV/AIDS pandemic has caused serious developing problem for that country that it is really facing a situation which might prompt it to come back.

**LITTLEJOHNS:** But Botswana is a very rich country because of its diamonds.

**CHOWDHURY:** Yes.

**LITTLEJOHNS:** In fact I saw that Standard and Poors has given it a credit rating equal to that of western industrialised countries. So how can they claim to be a developing country?

**CHOWDHURY:** Well what is happening is that HIV/AIDS has cost so much of the development problem to the country as a whole. They feel overwhelmed and they believe that their graduating out didn't help them. But again the inclusion as a least developed country needs a thorough examination by the Committee for Development Policy, and unless they meet the criteria they will not be allowed to come in.

**LESSING:** Could we stay in Africa for just a moment but go to another really specific case? I was in the mission for a while in Ethiopia and Eritrea and I visited the port of Assab on the Red Sea, which is now within the boundaries of the state of Eritrea. This port two years ago was absolutely desolated. It had huge grade containers cranes on the wharves but nobody was there. The highway that ran into Ethiopia and was supposed to go up to Addis wasn't used. Now there is a ceasefire between these two countries, there is an agreement. But can you push political agreements further so that an obvious answer to Ethiopia's problem of being landlocked, in other words using the port of Assab, could indeed be in some way moved along a little bit?

**CHOWDHURY:** Well yes it will be a good opportunity for me to mention that possibility to both Ethiopia and Eritrea. But you are absolutely right, out of this conflict now Ethiopia is using only the port in Djibouti. And their transit cost has doubled. So it is also in their economic interest to make up a good understanding and agreement with Eritrea so that they can use the port in Eritrea.

**LITTLEJOHNS:** Ambassador Chowdhury, let's talk about the Middle East for a minute. Palestine is landlocked. And when Palestine achieves statehood, which I presume eventually it will, what provisions does the international community have in mind to help landlocked Palestine?

**CHOWDHURY:** Well it will be the same programme of action, which will apply to them, and we believe that it will be basically taking up cooperation arrangements for Palestine with the

regional countries, and I believe Israel will be one of the countries with whom they have to agree on their transit access to the sea.

**DEEN:** When you speak of this programme of action, did you get any firm commitments from any of the western donors?

**CHOWDHURY:** This is not in that way the...

**DEEN:** It was not a pledging conference?

**CHOWDHURY:** It was not a pledging conference, but I must say that the United States, Japan and the European Union came very strongly behind this programme. And I must say that their support and positive encouragement to this programme of action was very, very encouraging.

**LESSING:** If I can just go back to sort of things on the ground, what is the position about countries, which have access to major river systems but those rivers of course will cross boundaries? Does that also fall under the whole question of fewer custom's document, lower tariffs and so on?

**CHOWDHURY:** Yes absolutely. One example I will give, the Mekong River, and that cooperation arrangement is facilitating Laos and other countries to transport their goods. Yes, river systems, which flow through countries particularly from landlocked countries to the through transit countries to the sea, yes. River system, waterways development is also included in the Almaty Programme of Action.

**LESSING:** And does this need additional funding or is this really a...

**CHOWDHURY:** Yes absolutely, any human activity particularly of this magnitude would need funding, and [the] Mekong River improvement has been going on for many years. There is a set of donors who are involved in the process and they are helping it. And I think that is one of the River Basin Development Programme, which is a model for other basin.

**LESSING:** But as well you would still need this business of not having to pay very high tariff every time you crossed a border even if it was a river border?

**CHOWDHURY:** I think what we need to do and that kind of language has been incorporated in the Almaty programme is that except operational costs -- like if you have a phone, your maintenance cost is needed. If you have a roll, maintenance cost is needed. That would be shared by the transit countries and the landlocked countries. If the landlocked countries are sending out two thousand trucks a month, their pro-rata costs must be borne by them. So that kind of arrangement had been sort of understood and clearly accepted.

**DEEN:** Coming back to the least developed countries, the European Union has a programme called Everything But Arms Initiative, where most of these goods are coming duty free. But they made an exception for Afghanistan and Burma, because they did not like the governments in those two countries. So can some of these countries be penalised for political reasons?

**CHOWDHURY:** As a matter of fact the exception has not yet been tested. So there have been made because of the European Parliament's decision regarding those two countries, but everything but arms gives duty free, quota free access to the exports from all least developed countries; that is the blanket agreement which has been announced by the European Union. And we have benefited from them, but we need to provide export opportunities also for the least developed countries. If you do not have any exportable goods, market access doesn't mean anything.

**LITTLEJOHNS:** Ambassador Chowdhury, early in this programme you used the word 'right' in connection with access to the ocean, implying that there is a right in international law, is there such a right?

**CHOWDHURY:** Yes the Law of the Sea Convention, the treaty has provided such right to the landlocked countries.

**LITTLEJOHNS:** And that has been ratified by enough countries to be effective?

**CHOWDHURY:** That is already in force; that convention is already in force and what we try to establish here also – that the landlocked countries to export their products need a special transit right. [The] Law of the Sea Treaty provides for transit right but through only one point; that is a right given by that treaty. But many of the landlocked countries need maybe more than one transit point. So that is what this document wants to provide, that if you need two, three transit points through one country to go to the sea to export your things, I think transit countries would be willing to provide that opportunity.

**LITTLEJOHNS:** Judy, we have only about a minute left.

**LESSING:** Ok, we haven't talked at all about air transport, it is expensive but a lot of goods are sent by air. Did that come up?

**CHOWDHURY:** Yes, the air transport is also part of the right. You very rightly said it is expensive and the kind of bulkier products, the mostly agricultural products that the landlocked developing countries, or the least developing countries provide-- I don't think there was much enthusiasm about that, but yes it is part of the Almaty programme.

**LITTLEJOHNS:** What about cyber commerce, which doesn't require access to the sea, was this at all something that was discussed?

**CHOWDHURY:** E-Trade or cyber commerce as you say is a big opportunity for the landlocked countries and it was mentioned. What we have done is that we have put a separate section on communications, mentioning about the information and communications technology to be developed to benefit the landlocked developing countries.

**LITTLEJOHNS:** And the majority of the landlocked countries are into e-commerce?

**CHOWDHURY:** Not the majority, few of them.

**LITTLEJOHNS:** Ambassador Chowdhury, that is all the time we have. Thank you for being with us on this edition of World Chronicle. Our guest has been Anwarul Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. He was interviewed by Judy Lessing of Radio New Zealand, and Thalif Deen of InterPress Service/IPS. I am Michael Littlejohns, thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

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