The key role of trade and transport facilitation legal instruments

Side event on Enhancing Africa’s trade potential

3 April 2016
Your Excellencies,

Distinguished delegates,

Ladies and Gentlemen,

It is a great privilege and an honour for me to participate in this very important meeting dedicated to highlighting the key role played by trade and transport facilitation legal instruments in Enhancing Africa’s trade potential.

Allow me to extend, my sincere appreciation to the UN Office of the High Representative for the Least Developed, Landlocked and Small Island Developing Countries and all the organizers of this event for their efforts in addressing the special needs of landlocked developing countries as laid out in the Vienna Programme of Action.

Trade is an important engine for economic growth, however, due to geographic location of landlocked developing countries, their participation in international trade is limited and they are highly disadvantaged in reaping fruits from multilateral and regional trade arrangements, which should in turn contribute meaningfully in their domestic economies. The status of being landlocked means that Lesotho and other landlocked countries’ cross border transactions entail very high costs due to customs and handling charges. Being landlocked is associated with increased import prices and reduced export revenues as well as higher transport costs.

Trade Facilitation is important for lowering these trade costs and improving our competitiveness. In an effort to improve transit transport system between Lesotho and South Africa and lower trade costs, Lesotho has undertaken several initiatives in
the form of bilateral, sub regional and regional agreements that I highlight a few below:

- Joint Bilateral Commission on Cooperation between Lesotho and South Africa on issues of infrastructure and transport was established.
- At the regional level Lesotho as a member of SACU and SADC, adopted both SACU agreements, SADC Protocol on Trade and SADC protocol on transport that calls for non-discriminatory treatment of transit goods.
- In January 2016 Lesotho and ratified the WTO Trade Facilitation Agreement (TFA).

It is worth noting that landlocked and transit developing countries have made some progress in implementing important policy reforms to remove physical and non-physical barriers to the effective participation of Land Locked Developing Countries in international trade. They have made some progress in ratifying relevant international conventions and agreements on transit transport and trade facilitation. However the progress and implementation of the agreements has been slow.

There has been some progress in the establishment of regional and sub-regional agreements that could provide a basis for simplification and harmonization of formalities and procedures. However many of the agreements are not being fully implemented. Their effective implementation is therefore important for landlocked developing countries to optimally benefit from improved transit measures.

In conclusion, as much as there are efforts made nationally and regionally, more needs to be done in order for the LLDCs to be integrated into the global trading system and benefit from the opportunities brought about by increased trade. Ratification and effective implementation of the trade and transport facilitation
legal instruments is important and essential to assist us to achieve the Sustainable Development Goals.

I thank you.