Releasing trade potential in landlocked developing countries vital to future sustainable development

Press Release

Geneva, 23 June 2016 - Ministers and senior government officials from the world’s 32 landlocked developing countries (LLDCs) are meeting in Geneva this week to discuss how they can best enhance their trading capacity, bring structural transformation and sustainable development.

The two-day meeting, running from 23-24 June 2016, will focus on ways in which landlocked developing countries can best utilize recent global development commitments to enhance their trade potential and overcome many of their specific structural and geographical challenges. Ministers will also discuss the importance of the early ratification and subsequent implementation of the World Trade Organisation (WTO) Trade Facilitation Agreement which has important provisions for transparent and efficient transit procedures and if fully implemented will be beneficial to landlocked developing countries.

"The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda acknowledge that international trade contributes to the promotion of sustainable development and is vital for inclusive economic growth and poverty reduction”, said Gyan Chandra Acharya, Under-Secretary-General and High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. “It is critical that landlocked developing countries harness these commitments to strengthen productive capacity, build trade related infrastructure and ensure unhindered and efficient transit facilities for their products in the global markets”.

Long distances from seaports, poorly developed transit and transport systems and reliance on neighbouring transit countries for transit access, translate to high trade costs for landlocked developing countries. These high trade costs have impacted landlocked developing countries’ trade competitiveness. They continue to be marginalized in international trade, accounting for only 1 per cent of global merchandise exports. Landlocked developing countries rely heavily on primary commodities, which have little or no value added to them, lack of diversification of both exports and imports, and vulnerability to volatile prices of commodities and external shocks.

“LLDCs face very high trade costs due to their geographical characteristics. This can hit their ability to use trade as a tool for growth. International cooperation and dialogue will be key in addressing these issues, and the WTO can keep contributing to these efforts in a number of ways”, said WTO Director-General Roberto Azevêdo.

"Capacity-building work through the WTO Aid for Trade initiative is important, and the LLDCs are major beneficiaries of this work. Implementing the WTO’s Trade Facilitation Agreement will also be crucial. LLDCs had a prominent voice in the negotiations which led to this Agreement, ensuring that it tackles delays in transit which can have a significant effect on these economies. We expect that, when fully implemented, the Agreement could reduce trade costs in LLDCs by over 15 per cent on average. WTO and UN-OHRLLS are committed to working to ensure that LLDCs can leverage trade to help deliver on their development goals, and I am glad to strengthen that partnership today."
The Fifth Meeting of Trade Ministers of Landlocked Developing Countries is co-organized by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the World Trade Organization.

In 2014 the Second United Nations Conference on Landlocked Developing countries came out with the Vienna Programme of Action for Landlocked Developing Countries, a 10-year blueprint for their sustainable development, which underscores the commitment of the global community to support landlocked developing countries in dealing with challenges related to landlockedness, remoteness and geographical disadvantages.

With the theme *Harnessing the trade potential of the LLDCs to implement the Vienna Programme of Action for landlocked developing countries and the 2030 Agenda for Sustainable Development*, Ministers attending in Geneva will share ideas, lessons learned and good practices on how to improve the trade potential of their countries and to enhance their meaningful integration into the world economy.

Ministers of Trade of landlocked developing countries held their inaugural meeting in 2005 and over the years the trade ministerial session has become a regular event for discussing critical issues related to enhancing their trade potential and forging a common position on key issues on the international trade agenda.


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