Context

The 2030 Agenda for Sustainable Development acknowledges that international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development for countries. However, landlocked developing countries (LLDCs) remain marginalized largely as a result of long distances from the nearest seaports and poorly developed transport and transit systems which translate into high trade costs. According to World Bank data the LLDCs pay trade costs that are more than twice that of the coastal countries and these costs have been increasing over time. As a result of landlockedness and its effect on trade competitiveness, the 32 LLDCs accounted for about 1.2 per cent of global merchandize exports in 2014, and have remained around that level since 2011. The level of engagement of the entire LLDC group in international trade is roughly sixty per cent that of their maritime neighbours. Furthermore, the LLDCs receive relatively low amounts of foreign direct investment (FDI) when compared to other developing countries partly due to the high trade costs. As a group, LLDCs accounted for 2.4 per cent of total global FDI inflows in 2014 and LLDCs’ FDI receipts fell by 3 per cent to $29.1 billion in 2014 for the third consecutive year.

In addition, the LLDCs have heavy reliance on exports of commodities in particular minerals, agricultural products and fuel, which have little or no value added to them and lack diversification both of exports and markets. The export concentration index for the LLDCs rose from 0.2 in 2003 to 0.36 in 2013 and 0.41 in 2014. In comparison, the index for all developing countries stands at just 0.13. The increasing dependence on commodities exposes LLDCs’ economies to risks associated with declining commodity prices and other external shocks. It also prevents LLDCs from connecting to international value chains.

Addressing the trade-related challenges of the LLDCs requires a multi-dimensional approach that includes reducing trade costs at the border, between borders and behind the border, and addressing other supply-side constraints in order to increase the LLDCs’ trade competitiveness; improving the market access for their products; and enhancing structural transformation in order to help diversify their product and markets.

Ministers of Trade of LLDCs held their inaugural meeting in 2005 and over the past years the trade ministerial session has become a regular event that is important for discussing critical
issues related to enhancing the trade potential of LLDCs and for articulating a common position on key issues on the international trade agenda. The First Meeting was hosted by the Government of Paraguay and held on 9 and 10 August 2005 in Asuncion. The meeting adopted the Asunción Platform for the Doha Development Round. The Second Meeting of Trade Ministers of LLDCs was hosted by the Government of Mongolia and held in Ulaanbaatar on 28 and 29 of August 2007. The Meeting adopted the Ulaanbaatar Declaration. The Third Meeting of Trade Ministers of LLDCs was hosted by the Government of Swaziland and held in Ezulwini on 21 and 22 October 2009 and it adopted the Ezulwini Declaration.

The Fourth Meeting of Trade Ministers of Landlocked Developing Countries was hosted by the Government of Kazakhstan and was held on 12 September 2012 in Almaty. The meeting adopted a Ministerial Declaration which fed into the preparations of the Vienna Programme of Action for LLDCs (VPoA), outcome of the Second UN Conference on the LLDCs held in Vienna, Austria in 2014.

The VPoA is a comprehensive and action-oriented development agenda, with an overarching goal to address the special needs and challenges of LLDCs in a more coherent manner and thus contribute to sustainable development and poverty eradication. It underscores the commitment of the international community to support the world’s 32 LLDCs in dealing with challenges related to landlockedness, remoteness and geographical isolation through the implementation of six priority areas that include: (i) Fundamental transit policy issues, (ii) Infrastructure development and maintenance, (iii) International trade and trade facilitation, (iv) Regional integration and cooperation, (v) Structural economic transformation, and (vi) Means of implementation. The VPoA demonstrates the renewed and strengthened partnerships between LLDCs, their transit neighbours and their development partners, while also calling for strengthened partnerships within the context of South-South and triangular cooperation and partnerships with the private sector.

The specific objectives of the Vienna Programme of Action on international trade and trade facilitation include: significantly increasing the participation of LLDCs in global trade, with focus on substantially increasing exports; significantly increasing the value added and manufactured component of LLDC exports; strengthening of economic and financial ties between LLDCs and other countries in the same region so as to increase the share of LLDCs in intraregional trade; inviting Member States to consider the specific challenges and needs of LLDCs in international trade negotiations; further simplifying, harmonizing and streamlining border crossing and transit procedures and improving transit facilities and their efficiency with the aim of reducing port and border delays and transaction costs for LLDCs; and ensuring that all transit regulations, formalities and procedures for traffic in transit are published and updated in accordance with the WTO Trade Facilitation Agreement.

World leaders in September 2015 committed themselves to promote an equitable global development framework in which no country or person is left behind, when they adopted the 2030 Agenda for Sustainable Development. The 2030 Agenda for Sustainable Development acknowledges that the most vulnerable countries, including LLDCs deserve special attention and it also supports the full implementation of relevant strategies and programmes of action, including the VPoA. The integration of developing countries into regional and global markets is a central theme in the SDGs. To help achieve this objective, the SDGs seek to ensure that trade plays its part in boosting growth, tackling poverty and promoting sustainable development. Priority areas relating to trade that have been identified in the SDGs include: (i)
increase Aid for Trade support for developing countries.....(SDG 8); (ii) implement the principle of special and differential treatment for developing countries .... (SDG 10); (iii) significantly increase the exports of developing countries ..... (SDG 17); (iv) We attach great importance to providing trade-related capacity-building for developing countries, including..... landlocked developing countries....including for the promotion of regional economic integration and interconnectivity (para 68).

The outcome of the third International Conference on Financing for Development held in July 2015, the Addis Ababa Action Agenda (AAAA), is an integral part of the 2030 Agenda, supporting and complementing it and helps to contextualize its means of implementation targets with concrete policies and actions. The AAAA recognizes the special challenges and needs of the LLDCs and confirms the need to concretize support to LLDCs to enable them to structurally transform their economies, harness benefits from international trade, and develop efficient transport and transit systems. It also emphasizes that effective global partnerships, capacity-building, science and technologies are integral solutions to addressing poverty.

Both the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda underscore the importance of the implementation of the Vienna Programme of Action for LLDCs and furthermore the 2030 Agenda notes that the Vienna Programme of Action is integral to the new Agenda.

The VPoA stresses the importance of the implementation of the WTO Trade Facilitation Agreement which has a great impact on effective transit procedures and if fully implemented will be beneficial to the LLDCs. The Trade Facilitation Agreement marked a milestone achievement by the WTO for the LLDCs as it aims at further expediting the movement, release and clearance of goods, including goods in transit and thereby significantly cutting the costs of trade. Early ratification and subsequent implementation of the WTO Trade Facilitation Agreement is very important. The 2015 WTO’s World Trade Report shows that full implementation of the TFA could reduce trade costs of members by an average of 14.5% and increase global GDP growth up to 0.5 percentage points per annum. The report also notes that implementation of the TFA can help developing countries like the LLDCs to diversify their economies — in terms of both exported products and markets reached and can also enhance their participation in global value chains. Progress has been made in the ratification of the agreement - as of 10 May 2016 a total of 79 countries had ratified including 8 LLDCs – Botswana, Lao PDR, Lesotho, Mali, Niger, Paraguay, TFYR Macedonia, and Zambia, and 12 transit countries – Brazil, Cambodia, China, Cote d’Ivoire, India, Kenya, Pakistan, Russian Federation, Togo, Thailand, Myanmar, and Vietnam. It is important to maintain that momentum so as to enable the agreement to come into force as soon as possible. Furthermore, the LLDCs and transit developing countries should make greater use of the facilities provided to implement the TFA by filing necessary notifications and requests for technical assistance.

In December 2015, at the WTO ministerial conference in Nairobi, members agreed on the Nairobi Package which contains Ministerial Decisions on agriculture, cotton and issues related to least-developed countries. The decision on elimination of agricultural export subsidies is particularly significant in improving the global trading environment. Agricultural export subsidies can distort production and trade in agricultural commodities and can prevent the most competitive producers, many of which are located in developing countries, from participating in global trade. The Nairobi Package will contribute to improve exports from the LLDCs. The LLDC Group also held a ministerial meeting in the margins of the Tenth
Ministerial Conference that adopted a communiqué that has important pronouncements such as request for a specific Work Programme for LLDCs within WTO, ratification and implementation of the Trade Facilitation Agreement and mainstreaming and implementation of the Vienna Programme of Action.

It is against this background that the Fifth Meeting of LLDCs’ Ministers responsible for Trade is being organized. The Meeting would provide an important platform for an in-depth discussion to: offer practical support to the LLDCs on how they can utilize the wealth of provisions in the new global development framework to enhance their ability to harness trade so that it positively contributes to their effective implementation of the Vienna Programme of Action and their achievement of the Sustainable Development Goals; to encourage them to ratify and implement the WTO TFA; and identify strategies, new measures and recommendations to further improve their trade potential.

Objectives of the Fifth Meeting of LLDCs’ Trade Ministers

The objectives of the meeting include the following:

i. To review the progress made by the LLDCs in participating in international trade since the Fourth Ministerial Meeting;
ii. To review the linkages on international trade between the 2030 Agenda for Sustainable Development, Vienna Programme of Action and WTO negotiations;
iii. To share ideas, lessons and good practices on how to improve the trade potential of the LLDCs;
iv. To identify strategies, measures and recommendations on how to further improve the trade potential of the LLDCs;
v. To identify concrete actions to be followed in order to obtain the launch of a Work Programme for LLDCs in WTO as requested by the Nairobi LLDC trade ministers' communiqué; and
vi. To promote ratification of the WTO Trade Facilitation Agreement by the LLDCs and its implementation.

Participation

The Meeting will be attended by Ministers of Trade from the 32 landlocked developing countries and representatives of the Group of Friends of LLDCs, international organizations and financial institutions, private sector representatives and other stakeholders.

Expected outcome

1. Increased awareness of the Ministers and senior officials on the VPoA, the WTO TFA, Agenda 2030 and their implementation.
2. Policy recommendations on how to further improve the trade potential of the LLDCs.
3. An outcome document of the meeting which will provide a tool for lobbying and advocacy on the trade issues for the LLDCs.

Format

The Fifth Meeting of Trade Ministers of the LLDCs will be a two day event, consisting of an opening session, an interactive debate, thematic sessions, adoption of an outcome document of the Meeting and the closing ceremony.

Date and Venue

The date of the meeting is set for 23 and 24 June 2016.
The venue of the ministerial meeting is the WTO in Geneva.

Co-organizers
The Meeting is being organised by UN-OHRLLS and WTO.

Documentation
- The Vienna Programme of Action for LLDCs for the decade 2014-2024;
- Transforming our world: the 2030 Agenda for Sustainable Development;
- The Addis Ababa Action Agenda;
- The WTO Trade Facilitation Agreement
- Outcome of the WTO 10th Ministerial Conference
- Communiqué of the Meeting of Ministers of Landlocked Developing Countries held on 16th December 2015 in Nairobi, Kenya, at the 10th Ministerial Conference of the World Trade Organization.