

Please check against delivery



Keynote address

by

Ms. Fekitamoeloa Katoa 'Utoikamanu

**Under-Secretary-General
High Representative**

**for the Least Developed Countries, Landlocked Developing
Countries and Small Island Developing States**

at

WCO Global Transit Conference

Venue: WCO Headquarters

Brussels, Belgium

10 July 2017

9a.m.

- Mr. Kunio Mikuriya, Secretary General, World Customs Organization
- H.E. Mr. Felix Mutati, Honourable Minister of Finance, Zambia
- Mr. Kenichi Tomiyoshi, Senior Vice-President of JICA
- Mr. Andrey Vasilyev, Deputy Executive Secretary For UNECE
- Mr. Wencai Zhang, Vice-President of the ADB
- Excellencies, Distinguished Delegates,
- Ladies and Gentlemen,

I am particularly honored to address this conference focused on discussing transit issues which are very important for enhancing the development prospects of many countries but particularly the landlocked developing countries. I would like to express my warm appreciation to the World Customs Organization for the invitation.

The 2030 Agenda for Sustainable Development provides a blueprint for global development, and if implemented urgently, effectively, and at scale, will transform our world by eradicating extreme poverty, and address all the pillars of sustainable development. In order for the 17 Sustainable Development Goals to be realized for the more than 480 million people living in the 32 Landlocked Developing Countries, focused attention needs to be given to the unique economic challenges that these nations face due to their geographic location.

My Office advocates for the special needs of least developed countries, landlocked developing countries and small island developing states. Today I will focus on the landlocked developing countries that are in most need of improved transit systems.

Due to long distances to the seaports, poorly developed transport and transit systems, and cumbersome border and transit procedures, the landlocked developing countries face disproportionately high transport costs. Landlocked developing countries have to pay more than double what coastal countries incur as well as require about double the time taken by transit countries to export and import their goods.

High trade costs matter as they affect export competitiveness, access to imported goods and foreign direct investment. In landlocked developing countries, these costs represent an even greater constraint than tariffs to their participation in international trade. Because of these disadvantages, landlockedness, has an enormous negative impact on the overall development of LLDCs and their achievement of the sustainable development goals. It is estimated that the level of development in LLDCs is, on average, 20 per cent lower than what it would be were they not landlocked.

Addressing transit issues between the LLDCs and the transit countries at the border, and behind the border is key to reducing these high costs. It requires addressing the hard infrastructure issues such as improving the physical infrastructure including the roads, railroads, seaports, border crossing points, and intermodal points. It also requires addressing the soft infrastructure through enhancing the legal framework that includes the international conventions, and regional, sub-regional and bilateral agreements that govern transit issues.

Excellencies, Ladies and Gentlemen

My Office is committed to help address the special needs of the landlocked developing countries and is tasked with ensuring the coordinated follow-up, implementation and monitoring of the Vienna Programme of Action for the period 2014 to 2024. The specific goals and objectives and priority areas of the Vienna Programme of Action are premised on addressing transit issues so as to promote efficient and cost-effective access to and from the sea by all means of transport and enhance their participation in global trade.

The Vienna Programme of Action stresses the importance of the effective implementation of international agreements aimed at improving transit such as the WTO Trade Facilitation Agreement, WCO Revised Kyoto Convention, TIR Convention and others. It underscores the importance of harmonization, simplification and standardization of rules and documentation to make transit procedures and trade efficient and effective. It also stresses the improvement and constant maintenance of the transit infrastructure and the need to enhance trade facilitation, regional integration and structural transformation.

The Vienna Programme of Action is recognized as integral to the 2030 Agenda and the full and effective implementation of the VPoA will help the LLDCs to attain the Sustainable Development Goals.

I would like to commend WCO for preparing the WCO Transit Guidelines. These Transit Guidelines will provide Member States with an instrument to help improve transit cooperation and contribute to reducing the high trade costs faced by the LLDCs and improve their export competitiveness. All the topics of the Transit

Guidelines are very important to help reduce delays and the trade costs of the LLDCs and raise revenues of both the LLDCs and the transit countries. Let me highlight some of them: Legal framework; ICT and efficient information management ICT; Fees and Charges; Simplification of formalities; Coordinated border management, Hard infrastructure and equipment; Authorized Economic Operator; Transparency and anti-corruption; Partnership with Business; and Performance Measurement. These are the measures at the core of the Vienna Programme of Action and The WTO Trade Facilitation Agreement.

The effective implementation of these guidelines will significantly contribute to the implementation of the Vienna Programme of Action and contribute to the achievement of the SDGs by both the LLDCs and the transit countries. In many LLDCs, custom revenues account for a significant share of government revenues. Increased trade encouraged by efficient transit systems will result in increased government revenues. Such increased government revenues will enable government to undertake public investment needed for the acceleration of progress towards meeting the targets of the SDGs.

Excellencies, Ladies and Gentlemen

Work to improve transit issues remains at the heart of OHRLLS's programme. My Office takes note of the importance of the needs of the neighbouring transit countries that are also developing countries and works to foster enhanced cooperation between the LLDCs and the transit countries. Such cooperation will create a win-win situation, since it is through multifaceted cooperation and smooth regional connectivity that they will be able to improve transit systems, transport

infrastructure, enhance trade and government revenue and overall sustainable development.

We have previously undertaken studies and organized events to discuss solutions to improve transit. We recently organized in partnership with the Government of Vietnam, WCO and IRU a High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development held in March 2017 in Vietnam. We also organized: an Expert group meeting on improving transit cooperation, trade and trade facilitation held in 2015; Seminars on the Importance of the key trade and transport conventions held in 2016; the Fifth meeting of Trade Ministers of LLDCs held in June 2016; a Side event at the Global Conference on Sustainable Transport, and a High-level Meeting on Sustainable Transport in LLDCs in 2016

Moving forward, now that the Transit Guidelines are available and the WTO Trade Facilitation Agreement entered into force, these countries will require support to utilize the guidelines and to implement the provisions of the Trade Facilitation Agreement. Let us strengthen collaboration and coordination amongst all key stakeholders, including Governments, the development partners, the UN and other international, regional and national organizations, civil society, the private sector and other relevant partners to support the LLDCs and transit countries on this endeavor.

OHRLLS was honored to participate in the preparation process of the development of the WCO Transit Guidelines. I would like to assure you our readiness to work with you in promoting the implementation of the Transit Guidelines.

Ladies and Gentlemen,

To conclude, I wish once again to stress the importance of achieving transit systems where goods and people from the LLDCs can move throughout their regions with minimum delays and cost. This is crucial for accelerating progress towards implementation of the Vienna Programme of Action, and the achievement of the Sustainable Development Goals while ensuring that no one is left behind.

I thank you all for your kind attention.