United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

(UN-OHRLLS)

Statement by
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at the Ministerial Meeting of LDCs
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Eleventh Ministerial Conference (MC11)
Buenos Aires, Argentina
Distinguished Chair of the least developed countries,
Mr Roberto Azevedo, Director-General of the WTO
Honourable Ministers
Excellencies
Ladies and gentlemen,

I am very pleased to be with you today and I thank the Chair of the LDC in the WTO for organizing this meeting, and for the opportunity to share some key thoughts with you.

Let there be no doubt, this Eleventh Ministerial Meeting of the WTO is taking place at a critical time.

Two years ago the international community agreed to achieve by 2030 the goals contained in the 2030 Agenda and those of the Paris Agreement. International trade was universally recognised as a key driver in globally sustainable development.

As we reach the final days of 2017 and begin to look to 2018, - already year three for implementing the 2030 Agenda! - , we find ourselves in the midst of growing stress to the multi-lateral system, trying to adjust to complex challenges to peace and stability, to a year riddled by extreme climatic events and generally the realisation that we face increasing protectionism and generally more inward-looking approaches.

That may not quite be the picture the least developed countries with their more than 900 million peoples had in mind when the global community signed off to the 2030 Agenda ambitions!

Beyond that, the prolonged impasse on the conclusion of the Doha Development Round also has engendered major concerns among the 91 most vulnerable countries my office is a voice for.

The most vulnerable countries are concerned and keenly look forward to a constructive, action-oriented and development oriented outcome of the MC11.

They also look forward to an agreement on the action- roadmap to bring the non-consensual issues forward in the post-MC11 work programme.

It is not the audience here I need to remind of the 2030 Agenda goal to double the least developed countries’ share of global exports by 2020. That is 24 months from now!

But what do we see ?

Since the adoption of the 2030 Agenda,

- the share of LDCs merchandise export is moving downwards and has reached a paltry 0.91 per cent of the total global share in 2016 and trade gaps continue to widen.

- the share of external sources of finance to LDCs from ODA to FDI to remittances is on a declining path.
- Commodity prices decline, LDCs lack capacities to avail themselves of trade entrance opportunities - and I could go on.

The key message is: Time for words has run out.

Action is urgent if we are to come through on agreements already signed off on and LDCs are in need of stepped up international support if indeed we meant it when we all said we do not wish to leave anyone behind.

Allow me to now share a couple specific points with you.

It is important that we focus on how we get to implement all decisions taken in favour of LDCs in previous WTO ministerial conferences, including the Bali and Nairobi packages for LDCs.

Words must indeed be matched by action.

These decisions included duty-free, quota free market access for all products from all LDCs, preferential rules of origin, services waiver, and cotton subsidies.

Various domestic structural constraints as well as market entry barriers and regulations by destination countries, prevent the LDCs from making full use of these facilities.

We must address that capacity constraint urgently.

The WTO members must also agree on an operations focused roadmap for the realization of the LDC package that has already been agreed upon.

It is equally important to now accelerate the conclusion of the negotiations on remaining issues under the Doha Development Round.

Yes, at the eve of 2017 we operate in an increasingly complex environment. But challenges are there to be taken up and we must give high priority on how we can secure beneficial and meaningful gains from the multilateral trading system and the global economy for the more than 900 million peoples living in LDCs.

We must pursue and implement the principle of special and differential treatment for LDCs in all future negotiations and outcomes.

One very concrete avenue of promise remains aid for trade.

Aid for trade can play a major role in market entry and trade related capacity building. Equally, it is proven to contribute to small enterprise creation, women’s economic empowerment, youth employment and addressing supply side constraints, infrastructure development and facilitating integration of LDC economies in regional and global value chains.

The 2030 Agenda for Sustainable Development itself calls for action on trade restrictions and distortions and notably in agricultural markets.
These remain key markets for LDCs.

LDCs and other vulnerable countries are looking forward to ambitious and forward looking decisions on the elimination of farm subsidies and other unresolved issues at the WTO to make progress on the global goals. This also means that LDCs must continue to enjoy lasting exclusion from subsidy reduction commitments, even after graduation, for their programs that build public stocks with a food security objective.

Furthermore, the 2030 Agenda sets a deadline of 2020 to prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing. This is a key issue for the 38 island states OHRLLS is a voice for.

Recognizing that appropriate, effective special and differential treatment for LDCs has to be an integral part of the WTO fisheries subsidies negotiation is a MUST. A concrete decision and development oriented outcome in this area is highly desirable for LDCs.

Let me now turn to the WTO Trade Facilitation Agreement (TFA) that entered into force in February this year.

Let there be no doubt, the LDCs will need dedicated financial and technical support to implement the Agreement. An Enhanced Integrated Framework and again Aid for Trade can play a key role in this regard.

The international community already made a concrete decision in the Addis Ababa Action Agenda to allocate an increasing proportion of Aid for Trade going to LDCs.

Time has come for development partners to provide additional financial and technical support in a predictable way to enhance the institutional and productive capacity of the LDCs.

Now, I understand that discussions are on-going about new and emerging issues in the WTO. Issues such as e-commerce, Micro, Small and Medium-sized Enterprises (MSMEs) and Investment Facilitation.

While we live a moment of profound transformations and while we need to anticipate the future, we still need to come through on that what we already agreed on.

It is important to consider new issues but we must do so including their pros and cons before setting up a global regime for these issues. The new issues should demonstrate concrete development results for LDCs.

My last but certainly not least important point concerns the matter of graduation. The Istanbul Programme of Action set an ambitious goal of enabling half of the LDCs meeting the criteria for graduation by 2020.

Since then, two countries have graduated and nine others find themselves at different stages of graduation. It is expected that several other LDCs will fulfil the graduation criteria at the triennial review, which should take place in March 2018.

This is welcome news but the key challenge remains that these graduations are sustainable. So, it is the sustainability aspect I briefly wish to address.
Graduation also brings challenges.

The development challenges of LDCs do not disappear overnight with graduation.

In most cases, a graduating country continues to experience a similar level of challenges during the post-graduation period to those experienced prior to graduation.

Yet, with graduation, a country loses the eligibility for special and differential treatment schemes for which it was eligible earlier.

Most LDCs remain dependent on a narrow economic and export base subjected to the volatility of global markets. Termination of the S & D treatment puts them at a comparatively greater jeopardy in the international trading system.

We all - and first and foremost the LDCs! - wish to see sustainability in graduating.

Sustainability will require appropriate post-graduation support and a global consensus on a package of support measures that graduated countries have access to.

Sustainability means ensuring that critical areas of a country’s economy, for a certain period of time consistent with development situations and needs, are not suddenly left alone with a risk that we loose hard-earned gains toward sustainability.

This really is about risk management. Safeguard measures must be put in place for graduated countries to sustain their development trajectory.

We look forward to concrete decisions by the WTO with regard to extending trade-related benefits to graduated countries for defined periods of time consistent with their development status and needs.

You may argue that there already are some provisions of extending limited specific support such as DFQF market access.

However, those extension arrangements are voluntary in nature and being undertaken on an ad hoc basis and they lack the much needed stronger inter-governmental oversight of the delivery of post-graduation support.

The more than 900 million peoples living in the LDCs will hold us accountable not for words but action.

I conclude expressing the hope that Ministers here in Buenos Aires make a strong action driven commitment to the multilateral trading system and to the Doha Development Round of Trade negotiations.

I thank you.