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Statement by

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High Representative**

And

Under-Secretary-General

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

at the

Ministerial Meeting of the Group of the Landlocked Developing Countries

Buenos Aires, Argentina

10 December 2017

Madame Kayula Siame, Permanent Secretary of Commerce Trade and Industry of Zambia, and Global Chair of the LLDCs,
H.E Ambassador of Paraguay to Geneva
HE Ambassador Agah Deputy Director General of the WTO (*TBC*)
Madame Isabelle Durant Deputy Secretary General of UNCTAD
Honorable Ministers,
Excellencies,
colleagues
ladies and gentlemen,

I am very happy to be with you at this important meeting.

I wish to thank the Government of Paraguay for organizing this meeting and your continued commitment in promoting the interests of the Landlocked Developing Countries on trade issues.

I also must thank the Government of Zambia for all the leadership shown as the global chair of the LLDCs.

The Agenda 2030 the global community committed to recognises trade as a key driver in sustainable development.

At yesterday's LDCs ministerial meeting, I spoke to the urgent need that we now put words into action.

It not only is of great concern, it simply just not acceptable that the LLDCs remain marginalized from global trade.

The LLDCs share in global trade has been steadily declining since 2012. For some, this decline is linked to low commodity prices. But does this not precisely demonstrate the high vulnerability LLDCs continue to experience due to lack of trade diversification?

We must move beyond LLDCs exports remaining highly concentrated on a few raw commodities.

Second, the trade performance of the LLDCs remains greatly impacted by the exorbitant trade costs they face together with often considerable the supply-side constraints.

It goes without saying that these basic challenges reduce the competitiveness of exports in an ever more competitive global market. This is compounded by the fact that it ultimately reduces LLDCs attractiveness to investment.

The challenge before us remains to create conducive environments in LLDCs for trade development and investment facilitation.

If we fail to do so, we not only will not achieve the SDGs but we also will leave behind the more than 479 million peoples of the LLDCs.

Hence, as we already are two years into the implementation of Agenda 2030, we have no time to waste in moving the words we signed off on to action.

Allow me to share with you a few thoughts on action.

Addressing the high trade costs LLDCs face is a **MUST**. The Vienna Programme of Action identifies trade facilitation as one of its six key priorities.

It is good to see that nineteen (19) LLDCs have ratified the WTO Trade Facilitation Agreement. More ought to do so.

The implementation of the **WTO Trade Facilitation Agreement** is expected to reduce trade costs by around 15% in LLDCs and also help address transit challenges.

The implementation of the TFA by the LLDCs however remains low as reflected by the measures notified under category A which only constitute about 28% of the TFA measures.

There has been progress in the implementation of measures such as pre-arrival processing, expedited shipment, electronic payment and use of customs brokers. However, important measures for the LLDCs like: transit, transparency, automation, authorized operators, and border agency cooperation lag in implementation. This is largely a capacity issue from what we understand. Technical and financial assistance in these areas should therefore be enhanced.

At the same time, the implementation of the TFA by transit countries is also vital.

This, in turn, means we must have functioning regional trade facilitation programmes in place. Such measure and support will enhance **regional integration and cooperation**.

Regional projects may include establishing transit corridors, ICT infrastructure development, one-stop-border posts, harmonization of documents and procedures and Single Windows.

Honorable ministers, Ladies and gentlemen,

Most LLDCs suffer from remoteness. Given the remoteness of the LLDCs from global markets, physical and digital connectivity are key to facilitate their trade.

The transport infrastructure in LLDCs remains best to be described as one of missing links.

ICT infrastructure inefficiencies remain and the LLDCs incur disproportionately high broadband costs.

Just to give you an example. A monthly fixed broadband price is roughly 5% of average per capita monthly income in developed countries. The cost goes up to 20% for transit developing countries and can reach up to 72% in LLDCs.

Improving connectivity is a MUST but also represents substantial investment. Investments which many of the LLDCs are unable to meet within available domestic resources.

We must invest in finding improved ways to tap into ALL available sources of funding , we must build stronger partnerships and leverage much more FDI, ODA, and also South-South Cooperation towards infrastructure development.

Regional cooperation has an important complementary role to play in remedying to the landscape of missing links we have. Thus, regional cooperation should be supported.

Honorable ministers, colleagues

Yes, we have to manage in an increasingly complex and competitive environment yet the **global value chains** provide opportunities for developing countries including the LLDCs to diversify their exports and achieve structural economic transformation.

The Vienna Programme of Action identifies diversification out of commodities as a key objective for LLDCs.

As I mentioned earlier, progress in this regard remains too slow and the LLDCs are confronted with obstacles to integrate into the global value chains ranging from the well documented market access challenges, to high trade costs, access to credit, and standard compliance.

The key role that micro, small and medium-sized enterprises play in sustainable development, women's economic empowerment, youth employment but also innovation goes without saying.

Barriers to market access be they of physical, virtual connectivity, access to finance, procedural particularly hit the **Micro, Small and Medium-sized Enterprises** who are the majority if not the backbone of businesses in the LLDCs.

We must address their specific challenges. This also implies that we must support the LLDCs to improve productive capacities through strengthening technology transfer and encouraging foreign direct investment beyond investments in the commodities sector.

In turn, this also requires enhancing market access for goods and services from the LLDCs.

Restrictive trade measures , including restrictive product standards, import quotas, tariffs, and subsidies for goods and services should be addressed.

For example, and as I stated at yesterday's meeting, an outcome on agriculture subsidies including on cotton will be important for the LLDCs given the importance of this sector to most of their economies.

We all have heard of the new economy or the blue economy, the green economy, the virtual economy and without a doubt, the link between electronic commerce, integration into value chains and efficient services sector, in particular finance and banking, and transport and courier services grows almost by the second.

These are all services sectors that are still not fully developed in many developing countries and particularly in the LLDCs.

In tackling diversification we also must pay due attention to developing the services sector in the LLDCs. This, of course, does require the earlier ICT connectivity issue I alluded to, but also means strong capacity building by putting in place necessary legal frameworks together with capacity to implement these and an accountable, efficient institutional framework that can facilitate integration of the LLDCs into e-commerce.

Excellencies,

Let there be no doubt, the LLDCs are faced with many challenges which hinder their integration in the Multilateral Trading System.

But challenges, like all challenges in life, are there to be overcome. And we must overcome these challenges if indeed we wish to honour our words to leave no one behind.

Time for action is now.

I wish to reiterate the word of the Chair of the Group that a dedicated work program for LLDCs should be established in the WTO.

It is also important that accession of the LLDCs is eased in view of their limited capacities and it is a good step forward that the Islamic Republic of Afghanistan has now joined as the newest and 164th member of the WTO.

So, let me take this opportunity to share with you that the Seventy-second session of the General Assembly decided that a comprehensive **high-level midterm review on the implementation of the VPoA** will be undertaken in 2019.

On other fronts of progress, this year we also witnessed the entry into force of the Multilateral Agreement for the Establishment of the **International Think Tank for LLDCs**. I thank the Government Mongolia for the generous support to the IITT and for hosting the Think Tank. I equally thank all the LLDCs who have made this possible by ratifying the Agreement and encourage those who have not done so to do so !

I close my few remarks reiterating how critical it now is for all of us to put our words into action.

I wish you all constructive engagements and exchanges during the Ministerial Conference.

It is my sincere hope that the Conference outcome will be responsive to the needs of the most vulnerable members of the Organization and thus the more than 479 million peoples of the LLDCs.

Thank you.