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

(UN-OHRLLS)

Statement by

Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

at the High-level Symposium on Strengthening Multilateralism and Multilateral Trading System in the Age of Globalization

Friday 27 April 2018
10:00am-12:00pm, Conference Room #5

New York
Excellencies and colleagues
Professor Jeffrey Sachs,

I am pleased to join you in this important discussion on how the vulnerable groups of countries, 91 in total and grouped as Least developed countries, landlocked developing countries and small islands states, can benefit from global trading opportunities, and how to promote the interests and priorities of these countries in the multilateral trading system.

International trade is a key driver in opening sustainable development opportunities for the vulnerable groups of countries.

The 2030 Agenda recognizes international trade as an engine for inclusive economic growth and poverty eradication, and an important means to achieve the Sustainable Development Goals. It also embodies some ambitious targets in the field of trade, such as, significantly increasing the exports of developing countries and doubling the least developed countries’ share of global exports by 2020.

However, the benefits of globalization are not distributed evenly across the world and it is worrisome to witness the long-standing marginalization of the most vulnerable countries in international trade. Since the adoption of the 2030 Agenda, the share of LDCs merchandise export has declined to 0.97 per cent of the global total in 2017. The LLDCs’ share of merchandise trade as a percentage of the world total remained at just 0.91% in 2017. The small island developing states are also facing unique challenges to participate in the international trading system.

The LDCs and the LLDCs continue to rely on the export of commodities which are greatly affected by volatile commodity prices. Diversification from commodities is there utmost importance to these countries. A conducive and supportive multilateral trading system is, therefore, necessary to support the efforts of these countries to achieve successful structural economic transformation.

It is a matter of concern that the WTO is currently at the crossroads regarding the negotiation of new rules that should address the imbalances in the multilateral trading system.

The increase in the adoption of protectionist measures and domestically driven, inward-looking approaches are also of grave concern to these countries as they further marginalise the vulnerable countries.

The most vulnerable countries need to have preferential market access for their goods and services through the full implementation of Duty-Free Quota-Free (DFQF) market access, preferential rules of origin and the application of a services waiver. However, extending trade preferences will not be enough to increase their shares in global trade. They should also be supported in improving their supply responses and in better linking to regional and global markets. Allocating a significant share of Aid for Trade (AfT) to these three groups of countries as well as providing them with targeted support in order to implement their commitments under the Trade Facilitation Agreement will go a long way towards enabling them to fully reap the benefits of improved market access.

The digital economy and e-commerce provide a vital opening for the vulnerable countries to become more effectively integrated into the global value chain. The cross-border trade e-
commerce currently accounts for 12% of global trade and it is growing. The vulnerable countries have yet to realise the benefits of e-commerce due to a number of issues including inadequate ICT infrastructure, weak legal and regulatory frameworks and undeveloped financial system. The multilateral discussion on e-commerce should therefore consider the capacity needs of the vulnerable countries.

Excellencies,

Exactly two weeks ago, OHRLLS organized an ambassadorial level briefing for LDCs, LLDCs and SIDS on WTO trade negotiations. The Deputy Director-General of WTO, Dr Agah updated Member States on the outcome of the 11th WTO Ministerial Conference and progress of work to date.

Ambassadors from the vulnerable groups of countries voiced their concerns on the bleak impasse at the multilateral trade negotiations and highlighted the special challenges and priorities of LDCs, LLDCs and SIDS in the post-Buenos Aires era.

It was the second meeting that OHRLLS organized with WTO to apprise the Member States on the ongoing processes in the multilateral trade negotiations and on how to take it forward in pursuit of developing the benefits of international trade for the most vulnerable countries.

The Member States concluded that the multilateral trading system must be strengthened. And it must be robust and responsive to its members’ needs and priorities and promote global economic cooperation.

Excellencies,

The groups of LDCs, LLDCs and SIDS face structural impediments and capacity constraints. We are faced with a formidable challenge in ensuring full integration of the vulnerable groups of countries into global trade if we are to meet the SDG targets.

The fulfilment of the 2030 Agenda requires concrete actions, and open, transparent and inclusive dialogues and continued engagement, rebuilding trust and confidence.

I reiterate that global challenges can only be addressed through multilateral solutions. The multilateral trading system continues to remain the most beneficial for all countries, especially the vulnerable ones.

It is time to reinvigorate the multilateral trading system and make it more development-oriented. Let us translate our commitment into actions and deliver on the promise of leaving no one behind.

Thank you.