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,

High Representative

and

Under-Secretary-General

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

at the Ambassadorial level meeting of LDCs, LLDCs and SIDS on WTO trade negotiations in the post-Buenos Aires era

Friday 13 April 2018
10:00am-1:00pm, General Assembly Hall
New York
Distinguished Chairs of LDCs, LLDCs and SIDS
Deputy Director-General of the WTO
Excellencies
Ladies and gentlemen,

It is my distinct pleasure to welcome you all to the Ambassadorial level meeting of LDCs, LLDCs and SIDS on the WTO trade negotiations in the post-Buenos Aires era.

Mr. Yonov Frederick Agah, Deputy Director-General of the World Trade Organization, thank you for being with us for the second time in a row to provide us with a briefing on the WTO trade negotiations. I know how busy your schedule is, so indeed thank you!

This meeting has a double purpose:

One

bridging the gap between New York and other capitals where important rules, regulations and norms are set on developmental issues.

Two

a platform to share key aspects of ongoing processes in the multilateral trade negotiations and how to take this forward to ensure we seize the potentials offered by international trade for the sustainable and inclusive development of the most vulnerable countries.

It had been our collective hope that the WTO eleventh ministerial conference in Buenos Aires last December, would conclude with concrete decisions. It had been our hope to see agreement on certain negotiating areas and to see a roadmap for future work in other areas.

MC11 could not reach agreement on any substantive issues at the multilateral level.

No direction emerged on how to move forward ongoing negotiations on issues related to agriculture, fisheries, and services.

This is at best an impasse and at worst a very bleak picture.

It is a situation which is of major concern to many countries and especially LDCs, LLDCs and SIDS.

Yes, the multilateral trading system is facing significant challenges at present.

BUT, we must keep in mind that every crisis, every threat also harbours hopes and opportunities.

The challenge we have to live up to is to find new ways to move forward.

Rebuilding trust and confidence among the WTO membership is especially important in the wake of the Buenos Aires conference.
As the history of humankind has taught us, transparent and inclusive dialogue and continued engagement among all parties is what makes for peaceful, sustainable and inclusive growth paths.

Excellencies

Ladies and gentlemen,

International trade is a key driver in opening up sustainable development opportunities for LDCs, LLDCs and SIDS.

The respective Programmes of Action for LDCs, LLDCs and SIDS that is

the Addis Ababa Action Agenda and

the 2030 Agenda for Sustainable Development

emphasize the enabling role of international trade in promoting sustainable development and articulate the priorities of the three groups of countries in international trade.

The potential is huge.

But, we are yet to fully seize on the potential inherent in trade for sustainable and inclusive development. This owes to a range of structural, systemic and procedural constraints.

International trade has stagnated in recent years after enjoying robust growth in the first few years of this century.

For the LLDCs, LDCs and SIDS this largely owes to plummeting commodity prices, protectionist measures in some instances, erosion of preferences, restrictive market entry measures and deceleration of activities associated with global value chains.

Prospects for trade are also under increasing stress with more domestically driven, inward-looking approaches, especially in major trading nations.

The global community’s 2030 Agenda sets an ambitious target of doubling the least developed countries’ share of global exports by 2020.

This is now less and less within reach.

It is a matter of grave concern that since the adoption of the 2030 Agenda, the share of LDCs merchandise export is moving downwards and has reached 0.97 per cent of the total global share in 2017.

Take the Bali and Nairobi agreements and we note stagnation in the realization of their objectives.

If we just look at the LLDCs, their share of merchandise trade as percentage of the world total remained at a mere 0.91% in 2017.
LLDCs remain marginalized and are at risk of being left behind.

Remoteness from seaports is a contributing factor coupled with a lack of critical transport infrastructure, productive capacity constraints, and a generally excessively high cost of trading.

Often prohibitive trading costs reduce competitiveness, diminish export profits, inflate the prices of imported inputs for manufacturing and discourage investment.

This precludes LLDCs from fair and full participation in the global trade flows including those of services, of knowledge, technology, capital and innovation.

If we are to live up to the key promise of Agenda 2030 of leaving no one behind, we must ensure effective implementation of the WTO trade facilitation agreement and related trade facilitation reforms.

If we are to live up to the promise of Agenda 2030, we must ensure improved ICT, energy and transport infrastructure as well as enhanced support for trade capacity building.

The Small Island Developing States are facing unique and very complex challenges to participate in the international trading system.

The challenges ranging from fragmented small size, to remoteness from markets, narrow export base, limited negotiating capacity to their high climate change vulnerability are well documented.

What we need now is intensified efforts to support their integration into regional and global trading systems.

This is why the work programme on small economies of the WTO is so important and relevant for the SIDS group.

However, we don’t see any progress in this area. SIDS need increased international support to promote their trade in services, which constitute a considerable share of their GDP.

We truly are faced with the question whether we can afford to leave the LLDCs, LDCs and SIDS behind.

Delivery on the development dimension of the Doha round and progress and full realization of the Bali and Nairobi Packages for LDCs must be just that DELIVERY - time for words alone has run out.

The WTO Trade Facilitation Agreement (TFA) is expected to provide a much-needed boost to stressed global and regional trade growth by easing the cross-border movement of goods, reducing costs and simplifying trade procedures.

The groups of LDCs, LLDCs and SIDS all face capacity constraints and it is again delivery on the promise of the Agreement that is a must.
Increased financial and technical assistance to connect and compete in international markets. Aid for trade (AfT) are all vitally important for these three groups of countries to build their capacity to trade in goods and services and achieve inclusive and sustainable growth.

Concluding negotiations on fisheries subsidies by 2019 is vitally important, especially for SIDS, in order to help achieve the UN Sustainable Development Goal 14.6. This is also relevant in the context of the first World Ocean Conference of the United Nations held in 2016.

And as I said previously, progress in the work programme for small island economies is urgently needed to address the challenges and priorities of SIDS.

The list of tasks is considerable - but we are running out of time and standing still is no option. In the face of deadlock in multilateral trade negotiations, countries are pushing accords on a piecemeal basis on sectoral issues like e-commerce, MSMEs or investment.

While recognizing the complementarity of bilateral, sub-regional, regional and plurilateral trading regimes, the multilateral trading system has consistently shown the most beneficial for all countries, especially the vulnerable ones.

In agenda 2030, we the global community, made the promise to leave no one behind. Promises are only worth their action and action reflecting the voice and participation of those already left furthest behind in all trade-related negotiations is vitally important.

I will stop here and give the floor to ....