Session 1: International Trade and Trade Facilitation
Outline

• VPoA Priority 3 Objectives and Actions
• Overview of LLDCs Trade Performance
• Trade Facilitation
• Trade in Services
• Recommendations
Priority 3: Objectives and Actions

- Significantly increase LLDCs participation in global trade
- Increase the value added and manufacture components
- Build productive capacity
- Promote better business environment
- Address NTB
- Promote trade in services
- Simplify and streamline boarder procedures
- Improve transit facility and their efficiency
- Establish or strengthen national Trade Facilitation Committees – ensure participation of the private sector
- Fully utilize the tools for trade facilitation
Share of Merchandise Exports in global trade (percentage)
Trade Performance within the LLDCs Group

- Kazakhstan
- Azerbaijan
- Uzbekistan
- Turkmenistan
- Zambia
- Paraguay
- Bolivia (Plurinational State of)
- Mongolia
- TFYR of Macedonia
- Botswana
- Lao PDR
- Zimbabwe
- Burkina Faso
- Uganda
- Mali
- Ethiopia
- Republic of Moldova
- Armenia
- Chad
- Kyrgyzstan
- Eswatini
- Niger
- Lesotho
- Tajikistan
- Rwanda
- Malawi
- Afghanistan
- Nepal
- Bhutan
- Central African Republic
- Burundi
Structure of the LLDCs exports

- Highly dependent of export of commodities

- 26 out of the 32 LLDCS are commodities dependent – Commodities account for 60% of their exports

- Share of primary commodity exports reduced since VPoA from 86.7% to 82.3% (share for developing countries is 30%)

Trade in Services

- Services provide productive resources as inputs to other economic sectors and create linkages with production in other sectors.
- Services account for 59% to the value added in total output of developing economies and this include LLDCs.
- LLDCs’ Export of Services grew from 14.60% to 2014 to 20.20% in 2017 but is still dominated by travel tourism (World = 23.51%).
- LLDCs lag behind in the value added of services in many sectors for example in agriculture.
Typical services inputs in the Value Chain

- **Servicification of manufacturing** (R&D, Design, Branding and Sales and Marketing)
- Air transport
- Inland transport
- Energy
- Telecommunication and Internet access (connectivity)
- Utilities
- Education, training and skills (e.g. management training, trade skills, technology fluency), in particular for SMEs
What are the Challenges?

• Low productive capacities
• Business climate
• High trade costs
• Non-tariff barriers
• Tariff escalations and tariff peak
• SMMEs lack the capacity to participate in international trade
• Uncoordinated planning (Strategies are independent of each other)
• Low investment in research and development
Implementation Status - TFA

Developing Members

LLDCs

Notified A  Notified B  Notified C  Not yet notified
Technical Assistance needed

- Awareness-raising
- Infrastructure and equipment
- Diagnostic and Needs Assessment
- Institutional procedures
- Information and communication technologies (ICT)
- Human resources and training
- Legislative and regulatory framework
- To be determined

(Type of technical assistance)
Suggested recommendations

❖ **International trade**

- Addressing trade capacities challenges of the LLDCs (human, institutional and infrastructure) – Enhanced Aid to trade to LLDCs
- Intensify industrialization in the LLDCs through linkages with regional value and global value chains
- Address tariff peaks and escalations as well as non-tariff barriers imposed on manufactured goods
- Enhance intra-regional trade
- Special economic zones/Industrial parks – targeted industries
- Address trade finance challenges faced by the SMMEs
- Multilateral and regional solutions
Suggested recommendations

❖ Trade Facilitation

• The LLDCs need to develop clear trade facilitation implementation plans with clear priorities - measures that can have greater impact have to be prioritised.

• Support to the LLDCs should be enhanced.

• Regional and sub-regional TF initiative need to be supported.

• Full implementation of TFA-including best endeavor measures proven to have greater impact.

• Transit corridors
Thank You

Find out more on the midterm review of the Vienna Programme of Action at

www.lldc2conference.org/mtr