



MIDTERM REVIEW
VIENNA PROGRAMME OF ACTION FOR
LANDLOCKED DEVELOPING COUNTRIES
DECEMBER 2019, NEW YORK

Session 1: International Trade and Trade Facilitation

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Outline

- **VPoA Priority 3 Objectives and Actions**
- **Overview of LLDCs Trade Performance**
- **Trade Facilitation**
- **Trade in Services**
- **Recommendations**

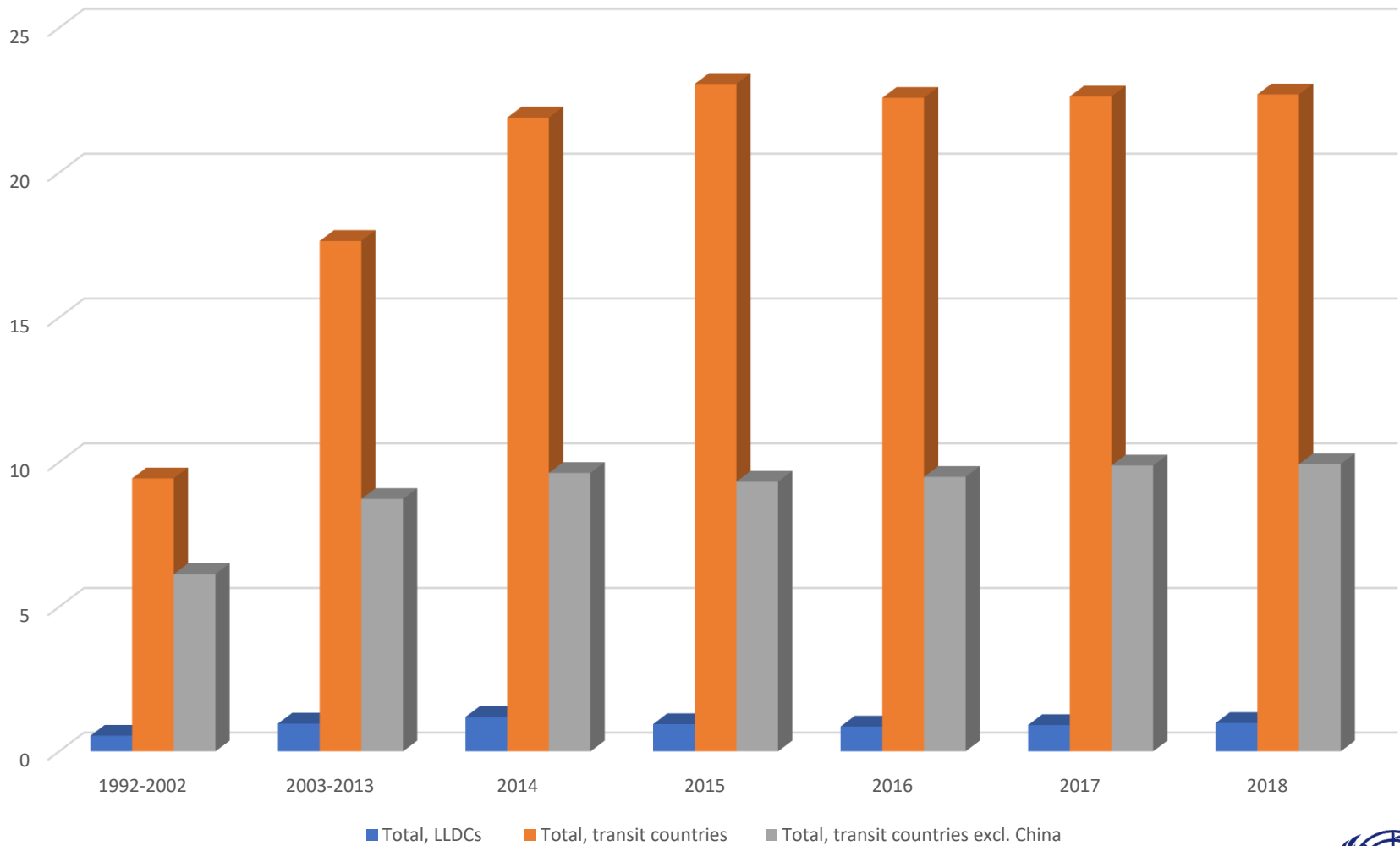


Priority 3: Objectives and Actions

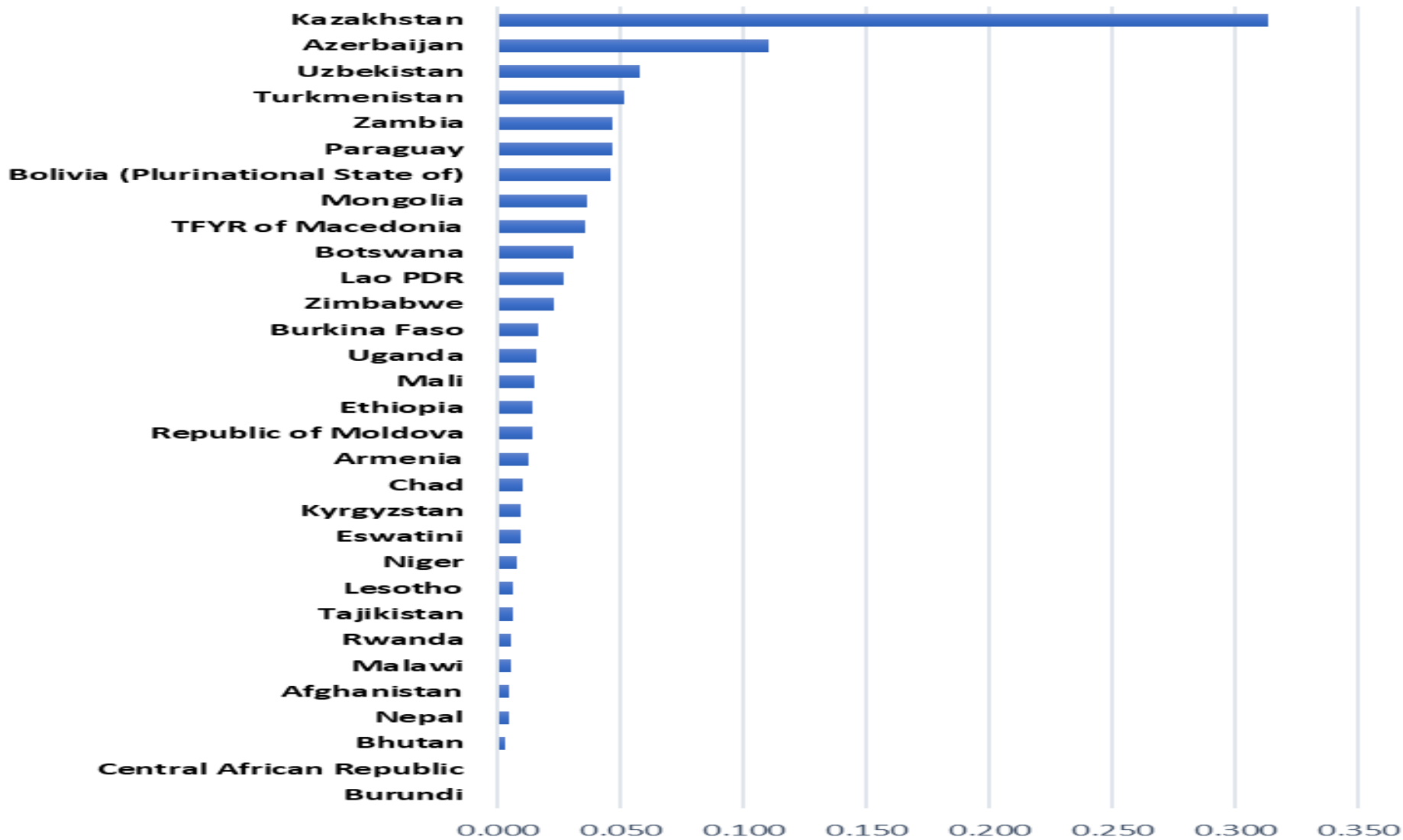
- Significantly increase LLDCs participation in global trade
- Increase the value added and manufacture components
- Build productive capacity
- Promote better business environment
- Address NTB
- Promote trade in services
- Simplify and streamline boarder procedures
- Improve transit facility and their 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



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

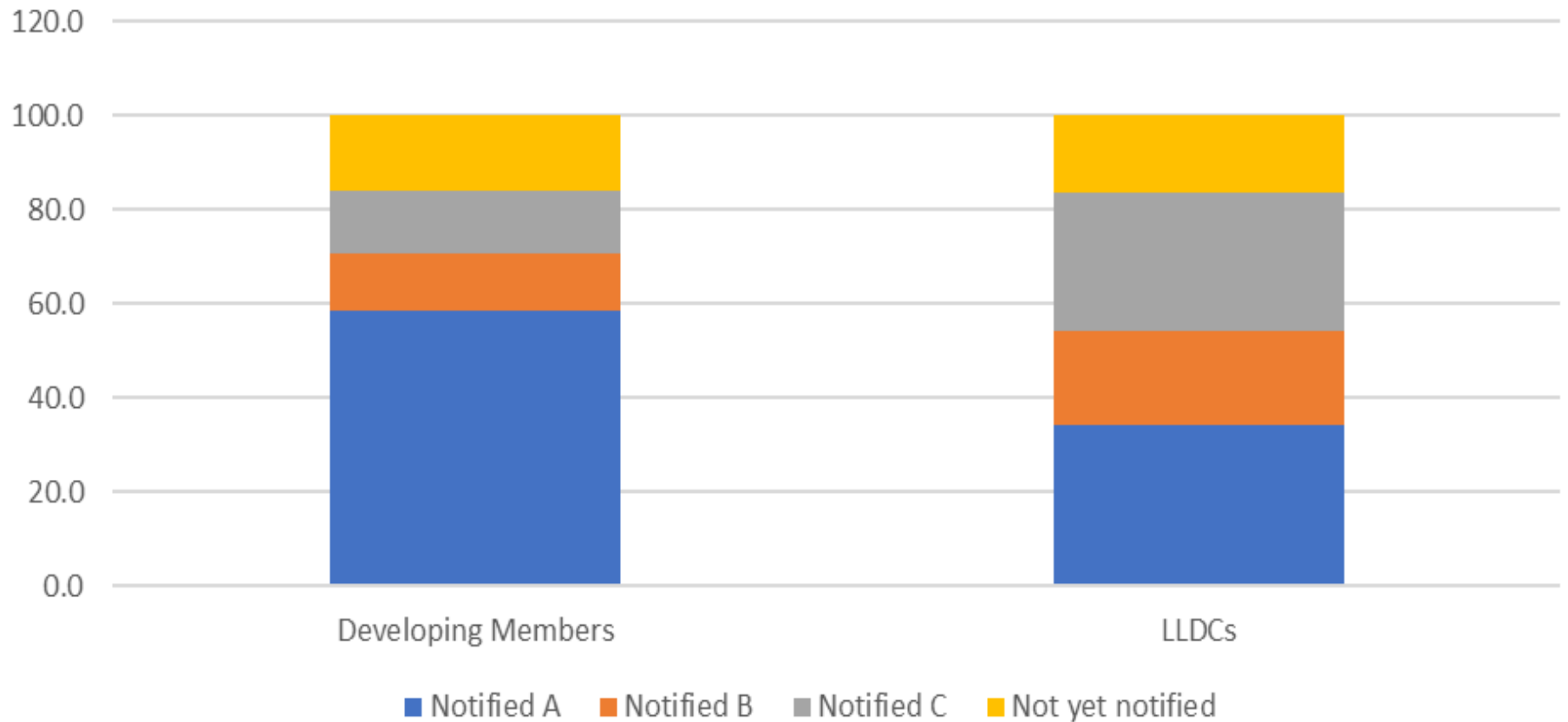


What are the Challenges?

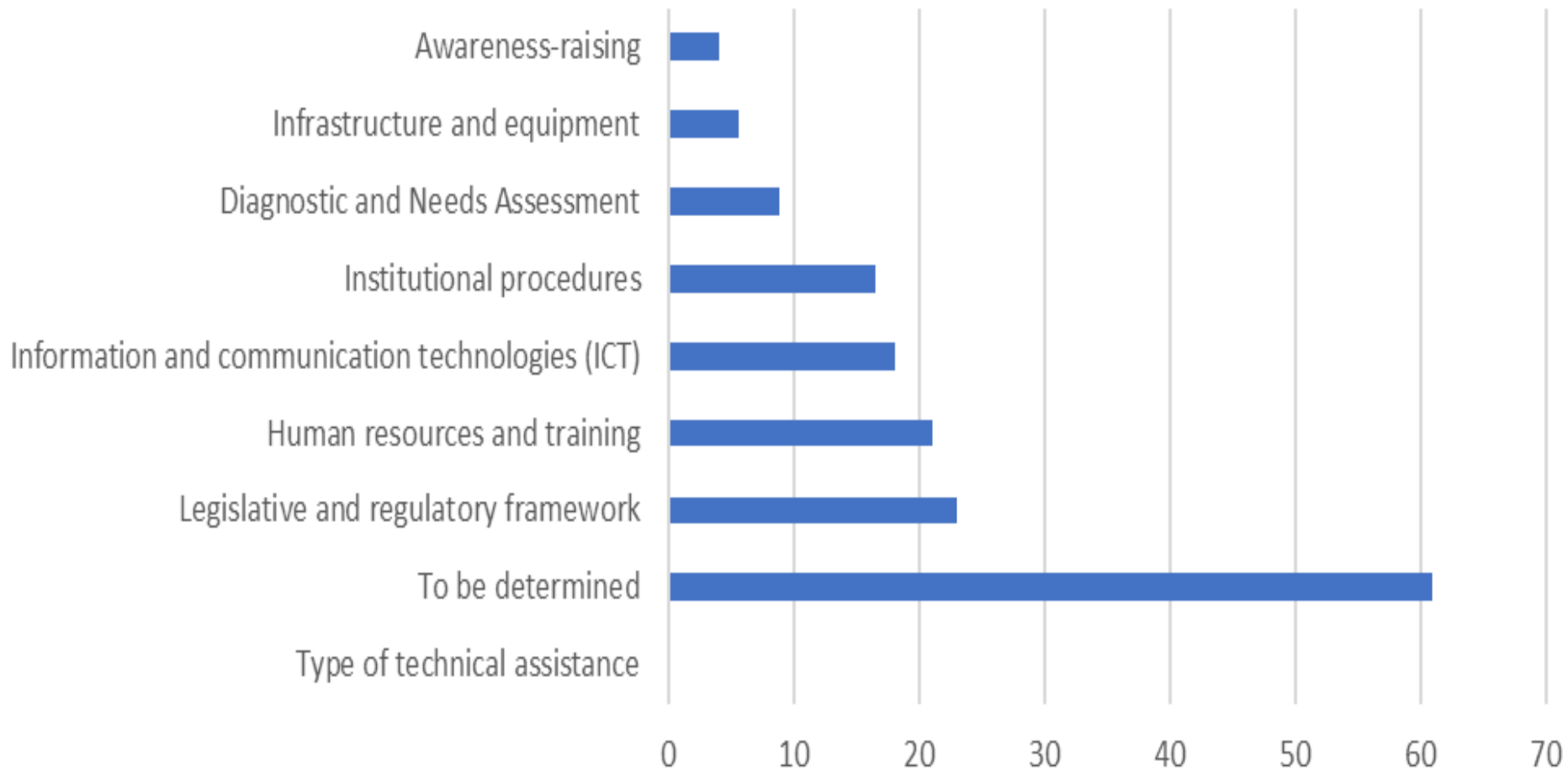
- Low productive capacities
- Business climate
- High trade costs
- Non-tariff barriers
- Tariff escalations and tariff peak
- SMMEs lack the capacity to participate in international trade
- Uncoordinated planning (Strategies are independent of each other)
- Low investment in research and development



Implementation Status-TFA



Technical Assistance needed



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



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