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

During Aid for Trade Global Review side event on

Driving trade competitiveness and economic diversification and inclusion of the Landlocked Developing Countries in Global trade through trade facilitation

4 July 2019, 9:00am – 10:00am

Venue: Room E, World Trade Organization
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,
colleagues and friends,

We all know how since the earliest days of humankind, trade is a powerful engine for growth.

Trade is a key element for achieving the Sustainable Development Goals. The 2030 Agenda for Sustainable Development embodies ambitious targets related to international trade. This includes increasing the exports of developing countries and doubling the least developed countries’ share of global exports!

The Vienna Programme of Action for LLDCs, which is an integral part of the 2030 Agenda, already agreed on ambitious trade targets. The VPoA - as we say - foresees a significant increase of the participation of LLDCs in global trade and very importantly strengthened value added and manufacturing components of exports of LLDCs.

We are midway in the implementation of the Vienna Programme of Action, we are four years into the implementation of the 2030 Agenda for Sustainable Development.

Ladies and Gentlemen,

we are not moving fast enough at all!

The targets set continue to be ever more in further and further reach. If we continue on this path, we will not keep promises made.

Instead, we will have to witness the perpetuation and deepening of the long-standing marginalization of LLDCs from international trade.

The LLDCs’ share of merchandise exports declined from about 1.2 percent in 2013 to an estimated 0.98 percent in 2018.

LLDCs’ exports continue to be concentrated on a few commodities, mostly natural resources, exported at low value addition and low technology content and with limited employment generation opportunities.

Geographic features such as the long and thus very costly distances to and from the nearest seaports coupled with a lack of critical transport infrastructure both in LLDCs and transit countries just do not help!

We continue to see productive capacity constraints, and additional border crossings entailing complex procedures all resulting in high if not excessive trade costs in turn marginalizing the LLDCs.

Now, it is fairly elementary to say that high costs reduce competitiveness, diminish export profits, inflate prices of imported inputs for manufacturing, push up the costs of imported capital goods, and discourage investment. But all this continues to undermine the efforts of LLDCs to accelerate sustainable development and benefit from global flows of knowledge, technology, capital and innovation.
LLDCs truly are our litmus test whether or not our promise to "leave no one behind" will be just that - a promise - or will be reality!

It is thus with urgency that we must address the high trade costs faced by LLDCs. This is a key driver on the road to achieving economic diversification and inclusive and sustainable development by and for LLDCs.

Accelerating the implementation of the WTO Trade Facilitation Agreement as well as other trade facilitation initiatives by LLDCs and transit countries is vital.

Most LLDCs have ratified the WTO Trade Facilitation Agreement. LLDCs have shown how critical an importance they attach to this agreement.

The LLDCs have also become more active participants in regional integration and cooperation efforts. This is a good first step but results from these efforts are still to be realized.

All this and more make it urgent that we explore how the persistent high trade costs faced by LLDCs can be adequately addressed and overcome!

Excellencies, Distinguished Delegates, Ladies and Gentlemen

As part of strategic actions we must engage in now and with a sense of urgency, let me brief you on the mid-term review of the Vienna Programme of Action as mandated by the UN General Assembly. This review will be held on 5 and 6 December 2019 in New York.

The review is aimed at identifying practical and forward-looking ways and means to accelerate the implementation of the Vienna Programme of Action and the SDGs.

The implementation of the Vienna Programme is all about bringing tangible impact to the wellbeing of 503 million people in LLDCs. They represent almost 7% of the world’s population.

Our session is one of the VPoA midterm review process preconference events. The recommendations from this session are important.

Here is yours, our chance to contribute to facilitating the achievement of objectives of the VPoA in the remaining five years of its implementation.

I look forward to listening to you and a rich exchange of ideas and action proposals.

Thank you.