

Fourth Inter-Agency Consultative Group Meeting
Remarks by LLDC Group Coordinator on Trade and Development

Ambassador Juan Esteban Aguirre

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Distinguished Mr. Gyan Acharya, Under Secretary General of the UN OHRLLS,
Ambassador Thongphane Savanphet, Permanent Representative of the Lao PDR
Representatives of the regional offices of the United Nations<UN Agencies
(UNCTAD, Desertification Climate Change, Industrial Development, South-
South Cooperation); World Trade Organization; International Union of Road
Transport, International Telecommunication Union; Common Fund for
Commodities; Dear colleagues.

WELCOME

At the outset, let me reiterate our appreciation to Ambassador Acharya and his excellent team for organizing this Fourth Interagency Meeting. Even with all the hard work put in by the Office of the High Representative; the regional meetings; the sectorial meetings; brainstorming sessions, there are still many crucial inputs and elements that can be gathered; promoted and eventually implemented with support from the Agencies based here for our future Programme of Action.

I take this opportunity to reiterate my recognition to all the support received from these agencies present here to promote development in landlocked developing countries and their integration into the multilateral trading system over all these many years. In this year of UNCTAD'S 50TH Anniversary...looking back...we can see the long trajectory and how far we have come along together. With your cooperation, we now have a different outlook. We have become assertive and I dare say far more productive and competitive. We, the landlocked, have become an essential component of any growth strategy, any growth pattern within our regions and subregions. At this point in time, many of you here have good examples of the mutual benefits that becoming partners with any of us, the landlocked, have brought about. And you know because you have been there all along. But, as I say thank you, I also have to say what that very popular song says and I have to ask everyone of you to STAND BY ME. simply because we

want to go even further and farther. And in this sense, I would like to tell you that..

ACHIEVEMENT IN THE MULTILATERAL TRADE FORUM

Late last year, as you well know, we completed negotiation of the trade facilitation agreement at WTO. With some pride, I can tell you that we participated in this process as a group. Naturally and logically, in our preparatory meeting, as a Group we decided to put special emphasis and effort in transit issues. And I believe I can say, with some pride again, that at Bali we ended up with strong language and commitments. As it stands the Agreement strengthens and reaffirms principles stated in the GATT Art. 5; it contains provisions to enhance transparency; and to streamline cumbersome formalities; it establishes treatment no less favorable for goods in transit than those originating in the country of transit itself; there are provisions not to subject goods in transit to charges or unnecessary delays or restrictions once and while in transit. With the Agreement, we are now in a position to demand full compliance of these provisions.

Early this year, we have already met to examine the full impact of these measures on transit. Next week with assistance from UNCTAD and ACWL, we will go into more depth in this examination. We especially like to prepare ourselves to actively engage in the necessary legal scrubbing exercise that has to take place over the next few months. We would like this to be a very straightforward process and we want it completed within the established period. We also believe that we have to move quickly on our implementation commitments as part of our exercise in identifying the support each of us will need for implementation.

EXPECTATIONS IN THE WORK AHEAD FOR MARKET DEVELOPMENT

- *TRADE FACILITATION*

Nonetheless much work it is still needed, as to make LLDCs fully benefited from the TF agreement. Members shall seek to build capacity for the implementation of the agreement and to ensure cooperative commitment of their transit countries in the categorization of obligation especially for transit provision.

- *LLDC TRADE MINISTERS COMUNIQUE IN BALI*

The LLDC group also met in Bali to express its expectations on moving forward on trade negotiations to achieve fair and development-oriented trade rules in the context of the Doha Development Round. The feeling was that the momentum gathered with the Bali outcomes should be used to resume negotiations to promote a better integration of developing countries in the international trading system.

LLDCs Ministers concluded that a special programme that addresses the special needs of the Group at WTO, comprising transit issues, aid for trade and services, would be desirable and may contribute to strengthen the negotiating position of the group.

- *SERVICES*

At Bali also, our delegations took some time to continue our discussions on our development prospects. And UNCTAD'S own Secretary General, Mr. Kitumi gave us an analysis on the importance of the services sector as a development option. LLDC's can take advantage of this sector to enhance productivity and to increase their participation in international trade, given the less sensitive nature of services to transport costs and the edge and gains they provide in terms of competitiveness.

The LLDCs members that will benefit from the service waiver decision for Least Developed Countries should be even more active in exploring this pillar to increase their participation in global trade. We also welcome the support that UNCTAD may continue to provide to our group for the construction of statistics and the identification of potential services sectors that may boost our participation in the international trade.

DIVERSIFICATION AND DEVELOPMENT

At the first interagency meeting held in Geneva, we echoed the last Almaty Trade Minister's declaration that called for a broader development oriented approach, one that would promote structural transformation, diversification and competitiveness for our economies.

Tools such as the trade facilitation agreement and eventual improvements in connectivity will not be sufficient if we do not have new production to be traded. Investment, productivity and competitiveness should be enhanced at the same

time as access to international markets. And connectivity through investment and maintenance of infrastructure must be guaranteed to make development sustainable. All elements of the equation need the same and parallel attention if we are to meet our development goals. We would very much like to see this reflected in our next Programme of Action.

EMERGING CHALLENGES

- *CLIMATE CHANGE AND DESERTIFICATION*

As for the emerging challenges and opportunities, we welcome the study prepared by the UN- OHRLLS with the UNCCC and UNCCD. This is very much in line with our proposal reflecting of pursuing a more holistic approach to get towards more sustainable development. The study provides good recommendations clearly stating that in order to reduce our vulnerability and make growth sustainable and respectful of the environment, we need to diversify production, and make agriculture and transport more efficient to ensure food, water and energy security. In that sense, the recommendation to develop and implement national programs on climate change and diversification; to promote cooperation and capacity building with the international community, especially for LLDC's, is highly relevant and should be part of the outcome document for the next decade.

- *INFORMATION AND TELECOMUNICATION TECHNOLOGY*

Development of information and telecommunication technology is another emerging challenge and opportunity for LLDC's. Connectivity with international fiber optic and other internet facilities is crucial to promote technology and science development; and again to gain in competitiveness as well as to promote trade in services. ITU studies demonstrate that expansion of broadband internet boost growth potential in economies. Therefore it is of special interest to include this element in the future work. In that sense, the work of the International Telecommunications Union (ITU) is of great value to our LLDCs.

Let me end by saying that the roads, highways, ports, transportation, all the infrastructure we are still very much missing must be pursued in this broader context with our neighbors, most of them in different stages of development themselves, so that whatever investment of any physical nature they may provide us landlocked can be justified on the basis of our participation in their value chains, in their manufacturing, industry or agriculture or in any creative way to

integrate our productions. We do believe that, in the immediate future, sustainable growth will come from partnership with other developing countries.

Thank you, Ambassador Acharya, for giving us the chance to address our friends and allies in development...thank you all for your valuable time.