Statement by H.E. Dr. Nam Viyaketh, Minister of Industry and Commerce, Lao People's Democratic Republic, Chairman of the Group of LLDCs

Delivered at the Fourth Meeting of Trade Ministers of Landlocked developing countries

Held in Almaty, Kazakhstan

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- Excellency Mr. Bakytzhan Sagintayev, Minister of Economic Development and Trade of the Republic of Kazakhstan
- Excellency Mr. Manuel Maria Caceres, Vice Minister of External Affairs and Economic Issues of Paraguay, Coordinator of the Group of Landlocked developing countries on matters related to trade and development in Geneva.
- Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. UN-OHRLLS
- Mrs. Valentine Rugwabiza, Deputy Director-General, World Trade Organization.
- Mr. Petko Draganov, Deputy Secretary-General, UNCTAD.
- Ms. Sebnem Akkaya, World Bank Country Manager for Kazakhstan

Honourable Ministers, Distinguished Ladies and Gentlemen,

It gives me great pleasure to address our Fourth Ministerial Meeting in my capacity as the Chairperson of the Group of Landlocked developing countries and on behalf of the Bureau.

I want to start by thanking His Excellency Mr. Bakytzhan Sagintayev, Minister of Economic Development and Trade of the Republic of Kazakhstan, and through him, the Government and people of the Republic of Kazakhstan for hosting this important Meeting, and for the warm welcome we have received since our arrival in Almaty. I wish to commend the great support, commitment, and priority that you give to the development issues of the Landlocked Developing countries.

I would like to thank H.E. Mr. Manuel Maria Caceres, Vice Minister of External Affairs and Economic Issues of Paraguay, Coordinator of the Group of landlocked developing countries on matters related to trade and development in Geneva for his leadership and personal commitment on the development interests of the landlocked developing countries. I am also most grateful to the many Ministers and senior government officials who made strong commitment to be here today, and recognize the great significance that we attach to trade.
I also wish to extend my gratitude to our partners the United Nations system, international organisations, donors and others who are present today.

Honourable Ministers, Distinguished Ladies and Gentlemen,

This is a meeting that our Group decided to hold regularly to discuss critical issues related to enhancing the trade potential of landlocked developing countries and for articulating a common position on key issues on the international trade agenda.

Let me now highlight some of the salient issues regarding the theme of our meeting - *Unlocking the Trade Potential of landlocked developing countries*. Since our last meeting, our countries are on the recovery path from the impact of the global financial and economic crisis. Our exports as a Group that had declined by 42 per cent in 2009 from $154 billion in 2008 increased to $158 billion in 2010, a figure that is slightly higher than the pre-crisis period.

We have achieved some progress in trade facilitation. I particularly recognise some of the great initiatives that have been implemented including use of the single window concept, one stop border controls, modernization and the increased use of ICTs for customs clearance, the establishment of dry ports and inter-modal transit transport systems, and enhancing the reliability of logistics and supply chains - to mention just a few.

Landlocked developing countries are making some progress in acceding to the World Trade Organization. My country for example has made excellent progress in the accession process.

There has been a continued increase in Aid for Trade disbursements to landlocked developing countries, which increased from US$4.7 billion in 2008 to US$6 billion in 2010. Our countries have benefited from increased official development assistance despite the global economic crisis. We have also increasingly benefitted from external financial support under South-South cooperation.

Honourable Ministers, Distinguished Ladies and Gentlemen,

However despite this impressive progress, our countries have not yet reached their full trade potential. Much more remain to be done. Allow me at this juncture to highlight some aspects that require our concerted efforts in order to increase our trade potential.

Our countries still experience high transport and trade transaction costs. This has continued to be a major stumbling block in our pursuit to achieve our trade potential. The establishment of a secure, reliable and efficient transit transport system, which is the overarching goal of the Almaty Programme of Action, remains critical for landlocked developing countries to be able to reduce transport costs and enhance the competitiveness of their exports on regional and global markets.

We need to continue working on developing and maintaining the physical transit transport infrastructure and close the missing links. Our countries should try to continue finding ways of mobilizing domestic resources. However the cost
implications of meeting the requirements to establish and maintain an efficient transit transport system are of such magnitude that the landlocked developing countries must be supported by increased international support including increased aid commitments for infrastructure development, Aid for trade, increased FDI flows, Public-Private Partnerships, and increased South-South Cooperation. Development of complementary infrastructure in the energy and communication sectors is important to improve logistics and connectivity and reduce transit delays.

More needs to be done to improve trade facilitation in order to realistically reduce the high costs associated with crossing the borders. In this regard there is need to further simplify and standardize customs procedures, make transit and border regulations more transparent, and streamline administrative procedures.

The ongoing efforts to support the accession process of the landlocked developing countries are commendable and we call for continued provision of enhanced assistance to countries that are in the accession process. It is important that the individual levels of development and the special needs and problems caused by the geographical disadvantage of being landlocked are fully taken into account during the accession process to the World Trade Organization.

The successful conclusion of the Doha Development Round is of utmost importance to the landlocked developing countries, in particular in the area of trade facilitation, to ensure their unhindered access to and from the sea and to reduce their transit time and cost. We call for the adoption of more ambitious and development-friendly text that would address the issues that are important for the exports and imports of landlocked developing countries. The ultimate objective must be the lowering of transaction costs by, inter alia, reducing transport time and enhancing certainty in trans-border trade.

Let me also note that our export earnings which are highly dependent on commodities remain vulnerable to external price shocks. There is a need to reduce commodity dependence through diversifying our export base, improving our productive capacities and enhancing processing or value addition to our export commodities. We also need to tilt towards more trade in services that are not easily subjected to current obstacles in transit.

Landlocked developing countries can benefit substantially from specialized high quality research, formulation of common positions for concerted actions of the landlocked developing countries at international fora, compilation and sharing of best practices on issues concerning landlocked developing countries and capacity building initiatives on trade issues. In this regard, the international think tank for landlocked developing countries to be set up in Ulaanbaatar, Mongolia, is expected to contribute in this capacity. However the full operationalization of the International Think Tank will take place when the Multilateral Agreement on the Establishment of the Think Tank enters into force after ten landlocked developing countries have become part of the Agreement. In this regard, I wish to call on all of the Governments of the landlocked developing countries that have not yet done so, to come forward and sign and ratify the agreement.

Honourable Ministers, Distinguished Ladies and Gentlemen,
We welcome the UN General Assembly’s resolution that calls for the convening of the comprehensive ten-year review Conference of the Almaty Programme in 2014. This will be a chance for us to assess the implementation of the Almaty Programme of Action thus far and develop a new framework for the next decade. Let us all actively engage in the preparatory process for this ten year review conference.

In conclusion, I would like to applaud the efforts made by our development partners, the United Nations system organisations, other international organisations, the regional development banks, and other stakeholders to remove physical and non-physical barriers to trade in our countries. I hope that you will continue to support our efforts to become better integrated into the global trading system and reach our trade potential.

I trust that our deliberations today will be very fruitful.

I thank you for your kind attention.