Statement

by

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at the Fourth Meeting of Trade Ministers of Landlocked developing countries

Almaty, Kazakhstan

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Mr. Chairman
Honourable Ministers in charge of trade and heads of delegations from the Landlocked Developing Countries
Dear colleagues from the UN system and other international organisations
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of the Secretary-General of the United Nations and on my own behalf I would like to wholeheartedly express my sincere gratitude to Minister Mr. Bakytzhan Sagintayev and the Government and the people of the Republic of Kazakhstan for their gracious hospitality and for the excellent arrangements that have been made since our arrival in Almaty. The Secretary General has also expressed his best wishes for the success of the conference. I wish to commend the great support, commitment, and priority that you give to the development of the Landlocked Developing countries so evidenced by the landmark United Nations Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Cooperation that was adopted at the United Nations Ministerial Conference held right here in 2003.

This support is in line with your dedication to contribute to the purposes and principles of the United Nations including through the promotion of non proliferation, confidence building measures and regional cooperation. I wish to assure you, that your exemplary commitment and generosity to landlocked developing countries is widely recognized within the United Nations system.

My sincere thanks and deep appreciation go to Minister Nam Viyaketh of the Lao People's Democratic Republic, for his country’s able chairmanship of the Group of Landlocked Developing Countries at the global level and for his very important statement this morning. A word of appreciation is also due for Ambassador Saleumxay Kommasith for shouldering that responsibility very effectively at the United Nations in New York. I also would like to commend Paraguay, for the leadership in promoting the interest of landlocked developing countries as their coordinator on trade and development matters in Geneva.

It is a special pleasure and honour to join you, the Ministers and delegates from Landlocked Developing Countries, in this meeting which is my very first official assignment since my appointment as the UN High Representative for the Least Developed Countries, Landlocked
Developing Countries and Small Island Developing States. I would like to assure you of my unwavering commitment in carrying out this major responsibility in support of the most vulnerable countries.

I am also very thankful to our partners in the United Nations system and other international and regional organisations for the excellent work that they are doing to support the efforts by the landlocked developing countries to better harness trade for their development.

Honourable Ministers, Distinguished Ladies and Gentlemen,

Your meeting has been convened at an appropriate moment time. The General Assembly adopted last December resolution 66/214 that calls for the convening of the comprehensive ten-year review Conference of the Almaty Programme of Action in 2014. This particular Ministerial Meeting on trade assumes a special significance as it will help you to come up with a common agreement on key trade issues of landlocked developing countries for input into the substantive preparation of the Ten-Year Review Conference of the Almaty Programme. My office, therefore attaches particular importance to this Meeting.

Honourable Ministers, Distinguished Ladies and Gentlemen,

Among others geography plays a very important role in the trajectory of economic growth and prosperity. Studies by many development economists like Paul Collier and Jeffrey Sachs have shown that the high cost of transport and infrastructure challenges have cost the LLDCs as much as 1.5 to 2 percent of their growth rate. Therefore high transport costs, compounded by delays, fees, cumbersome border crossing and customs procedures, and other regulatory constraints continue to constitute the greatest impediment to LLDCs’ trade competitiveness, equitable access to global markets and the overall welfare of the people.

For example, according to the World Bank’s Doing Business 2012 data, landlocked developing countries have the highest transport cost to export a container averaging about US $2700 compared to about $1000 in transit developing countries and about US $3600 per container for importing compared to about $1500 in transit developing countries. These high transport and trade transaction costs, diminish export profits, inflate the prices of imported inputs for manufacturing and discourage investment thereby negatively affecting overall sustainable development in landlocked developing countries.

Other challenges to increasing trade of landlocked developing countries include limited productive capacity, heavy reliance on primary
commodities, lack of export diversification, other supply-side constraints, and limited market access for some of their products.

Since the adoption of the Almaty Programme of Action there has been increased visibility and recognition of landlocked developing countries on the international level and in the United Nations. The implementation of the Almaty Programme of Action, has contributed to increasing LLDCs’ exports from about 0.5 percent of total world exports to just over 1 percent of world exports. The speakers before me have eloquently highlighted other achievements that have been made in implementing the Almaty programme of Action including enhanced trade facilitation, improved transit infrastructure and connectivity, and increased international support in the form of Official Development Assistance, Aid for Trade, South-South co-operation, and debt relief. However despite this progress much more needs to be done to increase the trade potential of landlocked developing countries. It is true that robust and prudent national efforts are indispensable, but it is also incumbent upon international community to come up with comprehensive and coherent support measures in favour of LLDCs.

Excellencies

Let me briefly touch upon a few issues that are of critical importance for increasing the participation of landlocked developing countries in world trade in the context of the upcoming ten-year review of the Almaty Programme of Action. There is need for coherence at all levels behind the border, at the border and beyond the border.

**First**, investment into hard infrastructure – including the development and maintenance of the physical transport infrastructure in both landlocked and transit developing countries and closing of the missing links is still necessary. Reinforcement of connectivity is key to ensuring rapid development in LLDCs.

**Second**, investment into soft infrastructure or trade facilitation - the policy and regulatory reforms including making transit and border regulations more transparent, streamlining administrative procedures, harmonising and standardizing rules and documentation and simplifying border control and procedures is crucial. In the context of the current trade negotiations, landlocked developing countries should vigorously seek to ensure that their special needs including freedom of access by all means of transport are addressed.
Third, improved market access for agricultural and non-agricultural goods originating in landlocked developing countries is crucial, besides special and differential treatment to them.

Fourth, Continued technical support for LLDCs that are in WTO accession process is vital in order to expedite their accession. They should be provided with necessary flexibility and longer transition frameworks in these negotiations.

Fifth, Regional integration and cooperation is crucial for development of LLDCs. This promotes connectivity, trading capacity, market expansion and upgrading of the value chain for LLDCs.

Sixth, There is need to scale up international support in the form of both technical and financial support to help landlocked developing countries to expand supply side capacities to take advantage of trading opportunities already at hand and to allow them to expand their international trading frontiers. In this regard Official Development Assistance, Aid for Trade, foreign direct investment and South-South cooperation should be fully harnessed to address the physical and non-physical barriers that separate landlocked developing countries from the broad currents of world trade.

Finally, I would like to emphasize that as we prepare to review the Almaty Programme of Action, and develop a new, more comprehensive, common action-oriented framework for the next decade, there is need to address the trade issues in a coherent and holistic manner ensuring that broader aspects of development are also addressed beyond the transport issues. For example efforts to improve the effective participation of landlocked developing countries in the international trading system need to be accompanied by efforts to build productive capacity, promote value addition, diversification, technology transfer, information and communication technologies (ICT), infrastructure development, and improved market access, thereby leading towards betterment of the lives of the people in LLDCs.

Let me conclude by assuring you, that the United Nations as a whole and my Office in particular, will continue to support the efforts of the landlocked developing countries toward that worthy and achievable end.

I wish you success in your deliberations

I thank you for your kind attention.