Statement by Petko Draganov,  
Deputy Secretary-General of UNCTAD

Honourable Ministers and senior trade officials,  
Distinguished representatives of international and regional organizations,  
Ladies and gentlemen,  
Mr. Chairman,  

Today’s meeting brings us back to the great city that gave its name to the first UN-wide programme for landlocked developing countries. Based on the notion of strong partnerships between LLDCs, transit countries, and development partners, the Almaty Programme of Action highlights the pivotal link between efficient cross-border transport, beneficial participation in international trade, and sustainable rates of economic growth.

Allow me to share briefly some of UNCTAD’s general reflections on the progress made by LLDCs so far and the way forward.

The landlocked developing countries as a group have recorded an impressive trade performance in recent years. Total exports increased almost fivefold between 2000 and 2010 growing by more than 20 per cent annually.

However, despite this remarkable achievement, the share of the Group in global trade is still modest at 1.04 per cent in 2010. In fact, it has been receding since 2008, when it reached its peak of 1.21 per cent.

Moreover, their exports tend to be concentrated in a few countries and in a few products. Six countries account for 70 per cent of the total LLDC exports. In terms of products, crude oil and natural gas account for almost 60 per cent of the total, with minerals and metals being the second largest category.

This specialization in transport-intensive raw materials appears paradoxical given the transport constraints faced by landlocked countries. Conversely, exports less sensitive to transport and distance play only a marginal role. For example, trade in services other than tourism, which is of economic importance to a few LLDCs, is still limited and with a low exports value.
Mr. Chairman,

Review process of the Almaty Programme of Action is an opportunity to reflect on the past and more importantly, develop a vision of the future.

It is not premature to state that the Almaty Programme of Action has made a positive impact in several areas.

Firstly, the awareness of the challenges faced by LLDCs has increased globally. Today, they are prominent on the international development agenda, ranging from the Millennium Development Goals and the multilateral negotiations in the WTO to the Doha Declaration adopted at the UNCTAD XIII Conference.

Secondly, concrete areas of success in the implementation of the Almaty Programme of Action can be found in various transit operations and infrastructure projects in Latin America, Africa, and Asia.

Thirdly, LLDCs increasingly benefit from new regional trade agreements. In addition to terms of transport and logistics, many of these include measures for improved transparency, simplification and harmonization of trade documents, and better coordination between border agencies.

As a result transaction costs in international trade are now lower for a number of landlocked developing countries.

The promotion of efficient transport systems is an important objective for these countries. And, these efforts must not stop at the borders. Close cooperation with the transit countries is a *sine qua non* for improved connectivity. The Almaty Programme of Action rightly puts great emphasis on transit policy issues, trade facilitation and infrastructure development. UNCTAD would like to see these amply reflected in a successor document to the Almaty Program of Action.

But the development of adequate infrastructure and transit systems is not sufficient to strengthen the position of LLDCs in international trade. **LLDCs should be able to grow from being land-locked into being land-linked.** Key ingredients of their development policies should be strong regional integration and an economic specialization that fits the geographical location. Investment should be attracted to the production of goods and services less sensitive to distance or transport costs. LLDCs should promote the production of higher value and lower bulk goods, such as precision instruments, IT components and pharmaceuticals, or services in
tourism, education and ICTs. In export agriculture, LLDCs could target high-end crops, off-season and organic produce that lend themselves to cost-efficient transport and premium prices.

Since its inception in 1964 UNCTAD has been associated with the issue of landlocked developing countries. This long-standing involvement has helped understand their needs and problems better as development challenges, which call for more than just technical and infrastructural remedies. We also see a number of emerging challenges and opportunities for LLDCs on the path to sustainable development in the changing physical and economic environment of our planet today.

UNCTAD stands ready to continue its support to the Group and the achievement of its development objectives. I therefore wish this meeting every success.

Thank you very much.