FOURTH MEETING OF TRADE MINISTERS OF LANDLOCKED DEVELOPING COUNTRIES

ALMATY, KAZAKHSTAN

12 SEPTEMBER 2012

Theme: Unlocking the Trade Potential of LLDCs

Context
The Fourth Meeting of Trade Ministers of Landlocked Developing Countries is taking place at a time when the global economy continues to struggle to recover from the recent economic and financial crises. Although global trade flows rebounded strongly in 2010 following their collapse in 2009, reaching a 14 per cent year-on-year increase, they fell to 7 per cent in 2011. World trade growth is expected to slow further to 4.1 per cent in 2012. Since the global economic outlook remains challenging it is important that landlocked developing countries (LLDCs) continue to be vigilant and search for ways to unlock their trade potential to generate higher levels of economic growth and sustainable development.

Although the group of LLDCs had experienced enhanced export performance, with the value of merchandise exports growing in nominal terms from USD 33 billion in 2003 to USD 153 billion in 2008, their exports fell by 42 per cent in 2009. In 2010, exports from LLDCs increased to USD 158 billion, a figure that is slightly higher than the pre-crisis period. The share of world exports of LLDCs increased from about 0.5% in 2003 to around 1% in 2010. This increase is mostly due to higher commodity prices which constitute the majority of LLDC exports. Due to this high concentration of exports LLDCs remain vulnerable to external price shocks that may greatly affect their economies. Moreover, the current share of global trade of LLDCs of 1% shows continued marginalization of the group from the world economy.

Lack of access to the sea, remoteness from major markets, inadequate transit facilities, cumbersome customs and border-crossing procedures, regulatory constraints, as well as weak legal and institutional arrangements and inefficient logistics systems in the LLDCs and in transit countries continue to undermine LLDCs’ efforts to be competitive in world markets. These structural and geographical handicaps preventing LLDCs from fully harnessing the potential of trade as an engine for sustainable and inclusive development need to be addressed as called for by the Almaty Programme of Action. The Almaty Programme calls for the
accelerated accession of landlocked and transit developing countries to the World Trade Organization (WTO), enhanced and predictable access to all markets for the exports of developing countries, including landlocked and transit developing countries, provision of assistance on trade facilitation, and improved trade and transport facilitation.

Ministers of Trade of LLDCs held their inaugural meeting in 2005 and over the past years the trade ministerial session has become a regular event that is important for discussing critical issues related to enhancing the trade potential of LLDCs and for articulating a common position on key issues on the international trade agenda. The First Meeting was hosted by the Government of Paraguay and held on 9 and 10 August 2005 in Asuncion. The declaration adopted at the meeting - the Asunción Platform for the Doha Development Round – outlined the common position of LLDCs on international trade that fed into the preparations of the WTO's Sixth Ministerial Conference held in December 2005.

The Second Meeting of Trade Ministers of LLDCs was hosted by the Government of Mongolia and held in Ulaanbaatar on 28 and 29 of August 2007. The Meeting adopted the Ulaanbaatar Declaration that fed into the preparations of the Mid-Term Review of the Almaty Programme of Action.

The Third Meeting of Trade Ministers of LLDCs was hosted by the Government of Swaziland and held in Ezulwini on 21 and 22 October 2009. The Ezulwini Declaration that was adopted at the end of the meeting reaffirmed the need to accelerate the implementation of the Almaty Programme of Action, in particular with regard to trade facilitation, with the ultimate objective of lowering transaction costs, by reducing transport time and enhancing certainty in trans-border trade. Ministers also requested for an expeditious implementation of the Aid-for Trade agenda that should give adequate consideration to the special needs and requirements of LLDCs. They also seized the opportunity to reaffirm their commitment to better articulate their countries’ trade needs and priorities for support, in particular in areas of capacity building for the formulation of trade policies, participation in trade negotiations, implementation of international agreements and in strengthening productive capacities with a view to increasing competitiveness of LLDCs’ products in export markets.

The Fourth Meeting of Trade Ministers of Landlocked Developing Countries is being hosted by the Government of Kazakhstan and will be held on 12 September 2012 in Almaty. This meeting is an important one as it is being held back to back with the High-Level Global Thematic Meeting on International Trade, Trade Facilitation and Aid for Trade to be held on 13 and 14 September, 2012, that is being held as a preparatory event for the Ten-Year Review Conference of the Almaty Programme of Action to be held in 2014 as called for by the General Assembly in its Resolution 66/214.
Objectives of the Fourth Meeting of Trade Ministers

The objectives of the meeting include the following:

i. To develop a common position of the LLDC Group for input into the substantive preparation of the Ten-Year Review Conference of the Almaty Programme.

ii. To develop a common position reflecting the needs of the LLDC Group for trade negotiations.

iii. To articulate a common position in general on strategies, new measures and actions to further improve the trade potential of the LLDCs.

Issues to be discussed

The Ministers will review the progress that their countries have made in participating in the international trading system since the adoption of the Almaty Programme, highlighting major achievements, constraints and emerging drivers of trade and impact on LLDCs.

The WTO accession process for LLDCs poses substantial challenges, both in terms of human capacity and the commitments sought from them. The Ministers will review the progress that countries in the accession process have made, identify the challenges and make suggestions on how to improve the accession process, including in the context of a WTO decision strengthening the guidelines on LDC accession. They will discuss the importance and strategies for enhanced and predictable access to all markets for the exports of LLDCs.

The Ministers will present their country experiences in enhancing trade facilitation in order to reduce transport and transit costs. In particular, they will discuss how special initiatives such as the one stop border post, use of ICTs at the borders, e-tracking of cargo and single windows, have reduced delays at the borders and the benefits of enhanced cooperation and coordination with neighbouring countries through deepened regional integration and establishment of legal frameworks.

The Ministers will discuss how they can strengthen the position of LLDCs in international trade talks. They will share on how they can be more active in the WTO Doha Round of negotiations particularly in the areas of greatest interest to the group, such as market access for agricultural and non agricultural goods, special and differential treatment, and trade facilitation, with the aim of encouraging the adoption of trade disciplines and decisions that address their special concerns and needs and facilitate their fuller integration into the world economy. In this context Ministers will consider how the LLDCs can push for a conclusion of the Trade Facilitation negotiations as part of the Doha round.

Given that the global economy remains challenging, Ministers will discuss how they are addressing the vulnerability of their economies to commodity price volatility and other global related external shocks. In particular they will discuss experiences with diversification of the
productive base, value addition and specialization into sectors where they could be more competitive in the global market.

Ministers will also review how international support measures, including official development assistance, Aid for Trade flows, foreign direct investment, non-concessional development financing or other official flows and other sources of support such as south-south cooperation have helped them to increase their trade potential. They will make suggestions on how to improve the support measures so as to fully harness their trade potential. They will discuss strategies to enhance the role of the private sector to support the fuller integration of LLDCs in the global trading system.

The Ministers are expected to reach consensus on areas of common policy interest in international trade and trade facilitation for the Ten-Year Review Conference.

**Documentation**

i. Almaty Programme of Action: Addressing the Special Needs and Problems of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries

ii. Report of the Secretary-General on the progress in the implementation of the Almaty Programme of Action

iii. General Assembly resolution A/RES/66/214

iv. OHRLLS background paper on international trade and trade facilitation