Statement

By

H.E. Mr. Ahmed Shide
State Minister of Finance and Economic Development of the Federal Democratic Republic of Ethiopia

At

The African Regional Review Meeting on the Implementation of the Almaty Programme of Action

July 16, 2013
Addis Ababa
UNCC
H.E Mr. Gyan Chandra Acharya, Secretary General of the Second UN Conference on LLDC’s, Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small island Developing States

H.E Mr. Carlos Lopes, UN Under-Secretary General and Executive secretary of ECA

H.E Mr. Saleumxay Kommasith, Permanent Mission of the Lao People’s Democratic Republic to the United Nations and Chairman of the Group of LLDC’s Excellencies,

Ladies and Gentlemen

I would like to express my government’s appreciation to Economic Commission for Africa (ECA) and Office of the High Representative Least Developing States, Landlocked Developing Countries and Small Islands Developing States for the excellent manner in which they have convened today’s important meeting. I am extremely pleased to take part in this regional review meeting and I want to assure you of our support during your deliberation in the coming days.

Excellencies,

Ladies and Gentlemen

We in Ethiopia have set a vision to become a lower middle income in ten years from now, and then in subsequent three decades, to move up to upper middle income and eventually transform our country to an advanced high income industrial economy.

We value the development of partnerships at all levels, thus priority areas of Almaty Program of Action are all included in our past three development plans prepared and implemented since 2003. During the Almaty Program of Action implementation period, encouraging achievements have been registered in the economic and social sectors of my country. GDP grew on average by 11% over the past 9 years (2003/4-2011/12). This growth rate is well above the target set of 7% average GDP growth rate required for developing countries to achieve the MDG to reduce poverty by half by 2015. Per capita GDP increased from US$124 in 2003 to US$513 in 2012; absolute poverty declined from 38.7% in 2004/05 to 27.6% in 2011/2012; Food Poverty decreased from 38% in 2004/05 to 32.7% in 2011/12.

In relation to transit policy issues, at the national level, legislative acts of different hierarchy were issued which include, among others: national laws regulating multimodal transport of goods, dry port services enterprise establishing regulations, regulations on
freight forwarding and shipping agency service provisions, enabling legislation for the establishment of Maritime Affairs Authority and now for the establishment of Ethiopian Shipping and Logistics Services Enterprise which is the amalgamation of three government transit and transport logistics companies.

At the regional, sub-regional and bilateral levels, Ethiopia has taken part in the development and finally adoption of the African Maritime Transport Charter. Ethiopia is also actively participating in the COMESA Transport initiatives. In its bilateral relations with the neighboring transit countries, namely The Sudan, Djibouti and Yemen agreements have been reached on port utilization and services to import/ export cargoes and maritime transport cooperation.

In addition, since 2002/2003 encouraging achievements have been recorded in other physical and economic infrastructural developments. The national level road length has increased from 37,018Km in 2002/03 to 56,190km in 2011/12. Road density increased from 33.65km/1000Km2 in 2002/03 to 57.4km/1000 km2 in 2011/12. As a result, the average travel time to all-weather roads declined to 2.9 hours. In the Growth and Transformation Plan (GTP), a total distance of 2,395Km of railway network being underway throughout the country including a 34km Addis Ababa Light Rail Transit (LRT) project. Of the 2,395km of rail way network, which is under construction, 756km is being constructed from Addis Ababa to the nearest sea port of Djibouti, which will have a significant impact in reducing transportation cost by transporting a bulk of export and import goods. With regard to telecommunication services, the number of fixed telephone subscribers increased from 410,630 in 2004/05 to 805,000 in 2011/12 while the number of mobile subscribers increased from 620,000 in 2004/05 to 17.3 million in 2011/12. At the same time, the number of Internet service subscribers increased from 17, 375 in 2004/05 to 2.661 million in 2011/12.

Excellencies,

Ladies and Gentlemen

Though encouraging progress registered, there is a long way to go for the effective implementation of the Almaty Program and bring about sustainable solutions to the problems faced by countries like ours. The Landlocked developing countries continue to face serious constraints and challenges in the areas of trade, transit, and overall socio-economic development.

Ethiopia, as landlocked developing country, faces number of challenges. High transit transportation costs, limitation of technical and technological capacity, imported inflation, limited investable resources and low mobilization of domestic financial resources to finance the massive investment requirement for rapid growth,
implementation and management capacity are some of the key problems that need to be addressed. Most importantly, lack of human and financial resources and lack of technical and institutional capacity are the major development gaps that require immediate solution.

The pressing global challenges, particularly economic and financial crisis, volatility of food prices, energy insecurity and climate change have undermined our national efforts for development. Although we have made considerable progress, this has negatively affected our attempts to attain all the internationally agreed development goals.

Over 90% of Ethiopia’s total import-export trade is carried through the port of Djibouti. Studies show that the estimated total transit costs have been consuming over 18% of Ethiopia’s foreign trade value which is about two million US$ per day. High cost of charges, reduced free time for imported cargos, the untimely availability of empty containers for export cargoes and inadequacy of storage facilities remain the major factors that escalated Ethiopia’s total logistic cost for its import and export trade there by affecting the country’s competitiveness in the international trade. Poor trade logistics penalize importing and exporting firms and it can add about 10% to production cost. In addition to shipping cost, cost of transit of goods from port to the main land is still another burden for the trade competitiveness of the nation.

The pledge made by the international community during the meeting on the Mid-Term Review of the Almaty Programme of Action five years ago brought little effect to address the special needs of our countries due to the sluggish global economic recovery. Furthermore, in most cases, our transit neighbors themselves are often found to be broadly of similar economic structure, beset by scarcities of resources and contribute little to mitigate the effects of multiple global challenges.

It is precisely because of the constraints that I have just mentioned that we need to work even harder to achieve the aims and objectives of the Almaty Declaration and Programme of Action. This Programme is a tool at our disposal with a unique opportunity to galvanize international solidarity and partnership to assist us to effectively participate in the international trade system.

Excellencies,

Ladies and Gentlemen

The tasks ahead of us call for bold action to move the issues of landlocked and transit developing counties high in the regional development agenda and beyond. It was well noted in the Almaty Program of Action that LLDCs, like Ethiopia, cannot by their own fulfill the resources for the projects to develop all infrastructural facilities to solve some the problems faced by being landlocked. We must be firm in our assertions that even though the primary responsibility for implementing the Almaty Programme of Action rests within ourselves, our efforts won’t be effective unless it is supplemented with the necessary international support measures, including through South-South and
triangular cooperation. We believe that the effective and close cooperation and collaboration between the landlocked developing countries and the respective transit neighbors at all levels can also greatly contribute to overcome the challenges that we face today.

I would like to emphasize here that Ethiopia, despite its enormous efforts and the allocation of huge portion of its GDP on infrastructural development like the construction of roads, railways, dry port facilities, telecom and power along the transit routes, needs for a sizable financial and technical assistance of the development partners to adequately attain efficient transit transport system.

Excellencies,

Ladies and Gentlemen

Now that we are on the year of reviewing the Almaty Program of Action, we need to be aggressively firm in our deliberations to put Almaty's assessment in proper perspective and accurately envisaging its extension. We need to voice our concerns and exploit every available opportunity to promote our development agenda in all fora, particularly in this kind of regional review meetings.

On our part, we stand ready to fulfill our commitments to accelerate the actions at the national level for the effective implementation of the Almaty Programme of Action and other related programmes and activities. In this connection, a stronger framework of international cooperation for the LLDCs is vitally important and we must pursue this more vigorously with our partners.

In conclusion Mr. Chairman, the Almaty Program of Action being a clear guiding principle to support the Least Developed Countries, Landlocked Developing Countries & Small Island Developing States, the Government of Ethiopia believes that the upcoming global review of the APoA will send a clear political message to all members of the UN and development partners to put action-oriented support program beyond mere declaration to effectively support LLDCs solve their problems to further strengthen, streamline and operationalise their growth effort. We therefore, urge those with resources to contribute generously to these efforts.

To this end Mr. Chairman, Ethiopia being the biggest LL country in the globe, we urge the Office of the High Representative Least Developing States, Landlocked Developing Countries and Small Island Developing States – (UNHRLLS) and the AUC to grant Ethiopia the status of promoter of the implementation of the APoA and allowed to host African Excellence Centre in this process. Moreover, Mr. Chairman, as out of the LLDCs involved in the APoA, 16 are in Africa, we also urge the establishment of a distinct and dedicated unit in the AUC that should follow-up the implementation of the APoA.
Lastly, but not least, let me commend the key role that the United Nations System has played and continues to play through the Office of the High Representative for Least Developed States, Landlocked Developing Countries, and Small Islands Developing States to mobilize international support and resources for the implementation of the Almaty Programme of Action.

I thank you!