



REPUBLIC OF ZAMBIA

MINISTRY OF COMMERCE TRADE AND INDUSTRY

Statement for use by

Hon Robert K. K. Sichinga, MP,
On the Occasion of the

High-Level International Workshop
WTO Agreement on Trade Facilitation

“Implications for Landlocked Development Countries (LLDCs)”

[Wednesday 2nd to 3rd June 2014]

Office of the Minister
Ministry of Commerce, Trade and Industry
P.O. Box 31968
LUSAKA, ZAMBIA

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H.E. Mr. Luvsanvandan Bold, Minister of Foreign Affairs of the Government of Mongolia;

Mr. Gyan Chandra Acharya Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States;

Mr. Ratnayake, Director of Trade and Investment Division of ESCAP on behalf of the Executive Secretary of ESCAP;

Ms. Sezin Sinanoglu, UN Resident Coordinator and UNDP Representative, Mongolia;

Let me just recognise all the distinguished personalities that are present with us today.

Distinguished Excellences, Ladies and Gentlemen

I bring warm greetings and good wishes from the Government and the people of Zambia.

On behalf of the government of the Republic of Zambia and the Zambian delegation, which I am privileged to lead, let me express my most profound personal sincere gratitude to our gracious hosts, the Republic of Mongolia, for the kind hospitality accorded to us since we arrived in this beautiful city of Ulaanbaatar.

Let me acknowledge that we appreciate the warmth and friendliness of the people of Mongolia and also the co-operation shown during the preparation of this very important workshop.

We commend you for the successful hosting of this meeting.

Distinguished Excellencies, Brothers and Sisters

The presence of various governments here attending this Conference is a clear testimony to the commitment that **Landlocked Developing Countries (LLDCs)**, have on matters relating to development challenges of LLDCs and Trade Facilitation. This International Workshop, focusing on the implications of the WTO Trade Facilitation Agreement on LLDCs cannot have come at a more opportune time than now.

While we applaud the efforts made at the **Bali Ministerial Decision of 7th December, 2013**, to conclude the WTO Trade Facilitation Agreement, we need to clearly understand how this agreement will impact on LLDCs.

The WTO Trade Facilitation Agreement, was established on the basis of:

1. Article V (Freedom of transit);
2. Article VIII (Fees and formalities)
3. Article X (Publication and administration of trade regulations) of the General Agreement on Tariffs and Trade (GATT) 1994.

The focus of this agreement is simplifying customs procedures by reducing costs, improving their speed and enhancing efficiency. The expectation is that the business community from both the Developed and Developing Countries, would benefit from reduced costs arising from implementing measures contained in this Agreement, as these measures would facilitate the creation of a stable business environment that would be attractive for foreign investment. The gains are estimated at about US\$400 billion to US\$ 1 trillion, from the cost reductions of between 10% and 15%.

Distinguished Excellencies, Ladies and Gentlemen

We therefore believe that the **“Trade Facilitation Agreement”** as concluded in December 2013, at the Bali Ministerial Conference, could if properly and effectively implemented

bring numerous benefits to LLDCs. This agreement alone is not a panacea for all the challenges and concerns that LLDCs have, but it provides an opportunity for moving forward. The potential benefits are generally expected to include the following:

- 1. Speed up customs procedures, especially at entry/border points;*
- 2. Make trade easier, faster and cheaper;*
- 3. Promote and encourage the use of technology;*
- 4. Improve movements of goods in transit;*
- 5. Provide clarity, efficiency and transparency, reduce bureaucracy and corruption;
and*
- 6. Allow for technical assistance to update infrastructure in LLDCs, train customs officials, or for any other cost associated with implementing the agreement*

As LLDCs, we are fully aware that this agreement will enter into force once 2/3 of the WTO Members ratify it. It is against this background that I wish to encourage the LLDCs' members to consider ratifying the agreement. This is because this agreement will, in no doubt, have significant benefits to LLDCs.

Distinguished Excellencies, Brothers and Sisters

Allow me to use this opportunity also to call upon LLDCs, to undertake needs assessments of our technical assistance as well as capacity building support that is required. I am aware that a decision on the work programme on small economies, was taken in Bali in 2013. This could be of relevance to some of the LLDCs as a starting point.

Further, Zambia wishes to call upon the WTO to develop a dedicated Work Programme for the LLDCs. This programme should address the special needs of LLDCs, such as the Trade Facilitation, Aid for Trade, Services, Electronic Commerce and WTO accessions, among others.

Distinguished Excellences, Ladies and Gentlemen

Landlocked developing countries have a huge trade potential which needs be unlocked. In order to unlock this potential, however, it will require team work to deal with issues such as infrastructure, productive capacity, diversification and value addition. The concluding of the Trade Facilitation Agreement will therefore, accelerate the process of unlocking the potential of LLDCs.

For example, Zambia has also established a One-Stop Border Post (OSBP) at Chirundu (border with Zimbabwe) that has seen the reduction in the time spent from crossing the border from 9 days to about 9 hours. There is however, still room for further improvements. Similarly, additional infrastructure is being developed in other border areas such as Kaumbalesa (border with DRC), Katima Mulilo (border with Namibia) and Kazungula (border with Botswana), Nakonde (Border with Tanzania), Mwami (Border with Malawi) and Chanida (Border with Mozambique). These are some of the initiatives that Zambia has embarked on to turn its landlocked status to land linked.

The Trade Facilitation Agreement will, however, not only result in reduced costs of doing business but will also have an impact of regional Trade Agreements. It is therefore imperative that this Workshop also considers the effects that this Agreement will have in the regional groupings such as COMESA, SADC, EAC among others.

Distinguished Excellences, Ladies and Gentlemen

As I conclude, I wish to take this opportunity to encourage all LLDCs WTO Members to implement the Trade Facilitation Agreement, on a provisional basis, in line with paragraph 47 of the Doha Ministerial Declaration which states as I quote

“With the exception of the improvements and clarifications of the Dispute Settlement Understanding, the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as parts of a single undertaking. However, agreements reached at an early state may be implemented on a provisional or a definitive basis. Early agreements shall be taken into account in assessing the overall balance of the negotiations.”

In this regard, I wish to call upon WTO members to consider ratifying this Agreement and ensure that it comes into force for the betterment of the LLDCs.

I wish to also request that members of the LLDCs that have not yet acceded to the WTO benefit from the provisions of technical and financial assistance. Further, it is our desire to see such acceding benefit from the provisions of Section II of the Trade Facilitation Agreement related to Special and Differential Treatment.

I thank you for your attention.