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Statement by
H.E. Mr. Yerzhan Ashikbayev
Deputy Foreign Minister of Kazakhstan at the side-event on «Promoting ICTs and E-commerce for Development in LLDCs» (New York, 5 December 2019)

Mr. Chairman,
Distinguished colleagues,
Ladies and Gentlemen,

It is my honour to represent Kazakhstan at this important forum convened by the UNCTAD, ITU, UN Technology, WTO and UN-OHRLLS.

Ensuring universal access to information and communications technologies (ICT) are a sine qua non for Agenda 2030, as well as the Vienna Programme of Action for LLDCs.

As incoming Chair of LLDCs Group, our challenge is to see how modern information technologies can be harnessed by our geographically disadvantaged countries. We need to eradicate poverty and inequalities, stimulate the economy, agriculture and banking, as well as expand education and health care. ICT has infinite potential also to promote gender and youth, and thus strengthen human capital.

The unprecedented expansion of mobile telephony and broadband Internet is impressive, considering that last year, for the first time, the number of people using the Internet exceeded half the global population. Nevertheless, the world is
heavily marked with gross inequities in this field. While 80% of the population in Europe was estimated to be online in 2018, the comparable figure for the LDCs was below 20%, and for the LLDCs it was less than 26%, thus being deprived of advances in their modernization. Our task thus is to collectively see how we can also take advantage of new ways of communicating and lobbying, which transcend international borders, as proven by the waves of revolution that have spread across many countries.

Some of the root causes of limited ICT in LLDCs are found in structural areas, such as science, technology and innovation (STI). Hence, investment in technological infrastructure is another prerequisite for us because of the direct link between investment in research and development (R&D) and economic growth. Yet for most LLDCs, the ratio of expenditure on R&D to gross domestic product remains low which is a key hurdle to build competitiveness, the capacity to absorb and adapt to existing state-of-the-art technologies so necessary to reach Agenda 2030.

Therefore, besides the VPoA, the Secretary-General’s Strategy on New Technologies is another road map for us to follow. And while we progress, we must avoid marginalization and leaving the poorest behind in any country.

**Mr. Chairman,**

Permit me to present Kazakhstan’s efforts in a spirit of sharing and learning from others so that we all go together hand in hand. As the largest LLDC, Kazakhstan is bracing itself for these challenges and strives to achieve sustainable economic growth, economic competitiveness, and improved wellbeing. It is thus taking the bold step of adopting a national programme called “Digital Kazakhstan” in 2017.

I am pleased to say that last year, Kazakhstan was listed 39th in the United Nations’ E-government Development Index.
Kazakhstan also aims to develop high-speed and secure infrastructure for Internet, mobile networks and data. In 2019, the level of penetration of broadband networks in domestic households reached as high as 83.9%, with the hope of providing broadband Internet access to 1,250 rural settlements by 2022.

Furthermore, 124 startup projects were initiated under the new “Astana Hub” International IT Startups Technopark, which was opened last year. In 2019, three startup projects of “Astana Hub” attracted investments totaling $1.6 million.

We are also actively cooperating on ICT connectivity with our neighboring and transit countries. Just recently Kazakhstan and Azerbaijan have launched the construction of the Trans Caspian Fiber Optic Cable stretching over 400 km along the bottom of the Caspian Sea. It will provide for a high-speed and secure data transmission infrastructure, entering the number of leading Europe-Asia trunk routes and occupying a worthy place in world data transit.

**Dear colleagues,**

The global economy is getting increasingly digitalized with the expected global e-commerce market growing to $2.8 trillion by 2023. The global share of electronic commerce in retail turnover in 2018 reached 11.6%.

E-commerce has no territorial boundaries, and is emerging as one of the most comprehensive issues involved for beneficial facilitation of cross border trade in goods through a digital market place and will allow better participation of small and medium size business in international trade. We need to be careful not to eliminate the share of traditional commerce, and small case businesses and private retailers. The task for LLDCs is to prepare these vulnerable entities and people to survive through this inevitable transition.

Businesses in LLDCs face geographical impediments and low level transport infrastructure. Yet at the same time, do have tremendous opportunities for improving their connectivity and decreasing their extra trade
costs. Therefore, we consider it as absolutely essential for LLDCs’ domestic producers to seek new avenues and occupy new markets and find their buyers before being engulfed by the e-commerce deluge.

In the realm of e-commerce, I should note that at the end of 2018, the volume of online trading market in Kazakhstan grew by 1.5 times and amounted to 269 billion tenge (approx. $700 mln). The share of electronic commerce was 2.9%.

Recently, the Government of Kazakhstan has adopted a Roadmap for Electronic Commerce for 2019-2025, which would increase the share of e-commerce in total retail trade to a minimum of 5%.

To stimulate online trading, tax incentives will be also provided before 2023. In 2018, 43,000 jobs were created in e-commerce, with sales on Kazakh Internet growing by 34%. By 2025, we can expect a phenomenal increase of 282%.

**Mr. Chairman,**

To conclude, Kazakhstan as the incoming Chair of the LLDCs group for 2020-2021 will work towards ensuring long-term and inclusive progress for all countries. We will endeavor to accelerate the multilateral partnerships with countries of the North and South, as well as through South-South and Triangular Cooperation. We need to use the vast expertise of the ITU and UNCTAD, other UN entities and international organizations and private partners. We also need enhanced coordination between ITU, UNCTAD, WTO, UN-OHRLLS, the UN Technology Bank, the World Bank and other international agencies together with private businesses and investors.

Despite our limitations, we will work towards optimal 5G development and new technological drivers, such as cloud computing, IOT,
AI, and big data that will be the critical engines for digital transformation in the future.

To conclude, Kazakhstan will dialogue with all of you to consider how we work in 2020. We will leave no stone unturned on behalf of the LLDCs group and form partnerships with others to strive for the much desired goal of digital justice and equality.

Thank you.