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Statement by

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High Representative
and
Under-Secretary-General

Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

During

The Midterm review of the Vienna Programme of Action for Landlocked Developing Countries

Side Event on

Promoting ICTs and E-commerce for Development in LLDCs

Thursday 5 December 2019, 13:15-14:30, CR11

New York
Honorable Ministers,
Excellencies,
Distinguished guests,
Ladies and Gentlemen,

I would like to welcome you to this side event on promoting ICTs and E-Commerce for Development in LLDCs.

It is by now very well understood that Information and Communication Technologies (ICT) is central to enabling countries fully harness their development potentials and achieve all 17 SDGs.

Given that LLDCs are characterized by lack of territorial access to the sea, remoteness and isolation from world markets, ICTs, especially broadband or fast internet can help LLDCs to leap-frog in various areas, including through enhancing efficiency, access to regional and global value chains. Broadband Internet can also deliver innovative services and applications and trigger new business opportunities. It can make it easier for global businesses or consumers to connect with potential trade partners from LLDCs, which would contribute to diversifying LLDCs’ market base.

ICTs can help reduce trade costs and time at border crossings through among others; utilization of computerized facilitation systems, automated single windows, cargo tracking, and e-payments.

Whilst ICTs play such a critical role in development, the world continues to be characterized by significant digital divide, which continues to alienate developing
countries including LLDCs. Taking a look at the 2017 ITU data, at a time when internet usage was almost universal in the developed world, only about 26% were using the internet in LLDCs, albeit some progress since the adoption of the Vienna Programme of action in 2014. Fixed-broadband subscriptions per 100 inhabitants was only 2.3 in 2017 for LLDCs compared to 31.6 for developed countries.

Some of the factors preventing LLDCs from fully harnessing the developmental potential of ICT and digitalization include infrastructural gaps, relatively high cost of ICT services, in particular broadband services, low digital literacy rates, inadequate regulatory reforms and the high cost of accessing submarine cables. The development of Fixed broadband is particularly difficult for LLDCs because of its high prices.

Honorable Ministers, Excellencies,

ICT and e-commerce are inseparable terms as the e-commerce industry is absolutely dependent on ICT for its operations and intensification. The prospective for the growth of e-commerce in the developing countries including LLDCs is very high. Given that ICT is the precondition, lack of ICT infrastructure hampers the rate of e-commerce growth.

Yet, e-commerce presents a huge opportunity for LLDCs to integrate into the regional and global trade. According to UNCTAD, the global e-commerce market reached $29 trillion in 2017 and continues to grow. Participation is however skewed and the majority of developing countries including LLDCs continue marginalized. This is an area that has significant potential for LLDCs.
Honorable Ministers, Excellencies,

There is need to take action to reduce the digital divide and ensure that LLDCs are integrated into the digital economy including e-commerce. If left unaddressed, the yawning gap between under-connected and hyper-digitalized countries will widen further exacerbating existing inequalities.

There is need to enhance support to integrate these countries into the digital economy, including through Aid for Trade. Currently, only 1% of all funding provided by Aid for Trade is being allocated to ICT solutions.

LLDCs are also left in emerging technologies that are enabled by ICT—including artificial intelligence, big data and internet of things. While these technologies, if fully harnessed, offer the prospect of solutions and opportunities for LLDCs to achieve sustainable development, they are also likely to alter the nature of work and the ability of LLDCs to compete and move up the value chain ladder. The challenge in LLDCs and other vulnerable countries is therefore one of bridging the current digital gap and ensuring that they are well positioned in these frontier technologies.

Honorable Ministers, Excellencies,

We are left with five years to the end of the decade long implementation of the Vienna Programme of Action. More can be achieved if we redouble our efforts and accelerate implementation. This side event is an opportunity to discuss how we can achieve this. I therefore look to your engagement and hearing about experiences on
how different partnerships have or can support LLDCs to integrate into digital economy.

Thank you.