

**Statement delivered by the LLDC Chair  
at the luncheon event  
Promoting Foreign Direct Investment to LLDCs  
At the World Investment Forum**

**25 October 2018, 1:15 to 2:45 pm**

Excellencies, Ladies and Gentlemen

For Paraguay, it is an honour to deliver this statement in our capacity as the Global Chair of the Group of Landlocked Developing Countries. I would like to extend thanks and appreciation to the Secretary General of UNCTAD and the UN-OHRLLS for organizing this important event and for their support towards implementation of the Vienna Programme of Action and continued commitment to the needs of the LLDCs.

The Landlocked Developing Countries face challenges associated with our geography; our growth and development goals are largely related to our ability to advance in physical and digital connectivity, as well as in the structural transformation of our economies, diversification of our exports and effective integration into global and regional value chains.

Foreign direct investment is an important means to financing our development efforts to address these special needs. It has the potential to support building of productive capacity, export growth, technology transfer, the diffusion of productive know-how, managerial skills and capital, the creation of wealth, the opening up of new markets for high value -added products and services and employment generation.

Let me highlight some key points pertinent to promoting FDI to the LLDCs that will help accelerate the implementation of the Vienna Programme of Action and the achievement of the SDGs.

An enabling business environment is crucial for our countries' ability to attract and retain foreign direct investment. We need to develop the policies that can create an enabling environment to attract foreign private investment and also to attract investment in other productive sectors such as agriculture or tourism. We as government have a role to play to enhance the business environment. Developing effective and transparent policies and regulations supportive of private sector development can help steer our economies towards more profitable activities that can at the same time address our special needs and

challenges. Further streamlining of procedures for new businesses is important in order to reduce the number of procedures and cost.

The Ministers of Foreign Affairs of LLDCs met last month in New York and discussed important issues on the topic of revitalizing partnerships to enhance the implementation of the Vienna Programme of Action and the 2030 Agenda for sustainable Development and adopted a Ministerial declaration at the end of the meeting. On FDI, the Ministers called on UNCTAD, UN-OHRLLS, UNIDO, United Nations Commission on International Trade Law, and other international and regional organisations to provide capacity building support to LLDCs to develop more focused policies, strategies and mechanisms.

The development of reliable, sustainable and resilient infrastructure is key in reducing our trade costs, improving our competitiveness and enhancing our integration into the global economy. But the magnitude of investments needed to close the transport infrastructure gap is enormous. FDI can play an important role to provide enhanced assistance towards development of infrastructure in LLDCs, in particular through capacity building for developing bankable implementable infrastructure projects and public private partnerships. Our countries have challenges with regards to the technical expertise required to prepare such projects. We therefore need comprehensive technical assistance or capacity building to support us to develop bankable projects.

The LLDC Group is encouraged by the progress made by LLDCs in ratifying the WTO's Trade Facilitation Agreement, which is crucial in making trade smoother, faster and cheaper. To-date 24 of the 26 LLDCs that are WTO members have ratified the Trade Facilitation Agreement. However, our level of implementation of the agreement is still lagging behind. How can we promote FDI to facilitate our effective implementation of the Agreement? As you know enhanced trade facilitation is what will improve our competitiveness and ability to attract and retain more FDI.

The Group recognizes that inclusive and sustainable industrialization is critical for the structural transformation of our economies and for converting our countries from being landlocked into landlinked. The efforts of LLDCs in creating the enabling domestic environment and conducive policies in this area need to be accompanied by enhanced support to build their productive capacity; to participate in regional and global value chains; and to build capacity of the private sector to participate in international trade.

For LLDCs that have an abundance of natural resources, they need support in areas such as negotiating contracts to ensure that FDI meets national

development objectives, such as infrastructure development, job creation, value addition, and technology transfer.

The midterm review of the Vienna Programme of Action, to be held in 2019, presents an important opportunity for all stakeholders to come together to take stock of what has been achieved, what challenges remain and what can be done to accelerate the implementation of the Vienna Programme of Action. It is important that ways of promoting FDI to LLDCs be considered in the midterm review.

To conclude, it is important that key recommendations from the deliberations of this meeting be forwarded to the preparations of the Midterm Review. Promoting FDI to LLDCs is instrumental in helping them to effectively integrate into and benefit from global and regional value chains, increased trade, achieve sustained economic growth, create meaningful decent jobs and eradicate poverty. It is also important for LLDCs to share successful experiences so that we can learn from each other and replicate successful experiences.

Thank you for your attention.