



**Statement**

**by**

**Mr. Gyan Chandra Acharya**

**Under-Secretary-General  
and High Representative for the Least Developed Countries, Landlocked  
Developing Countries  
and Small Island Developing States**

**at the Fifth Meeting of Trade Ministers of LLDCs**

**23 June 2016  
Conference Room W, World Trade Organization**

Honourable Ministers

Mr. Roberto Azevêdo, Director General, WTO,

H.E. Mr. Raymond Mpundu, Deputy Minister of Commerce, Trade and Industry of the Republic of Zambia and Global Chair of the LLDC Group

H.E. Mr. Octavian Calmîc, Deputy Prime Minister, Minister of Economy of the Republic of Moldova

H.E. Mr. Rigoberto Gauto, Vice Minister for Foreign Affairs of Economic Integration Republic of Paraguay and Coordinator of the LLDCs Group on matters related to trade and development in Geneva

H.E. Mr. Michiel den Hond, Ambassador at Large and Special Representative of the Minister of Foreign Affairs of the Kingdom of the Netherlands

H.E. Ms. Veronika Bard, Permanent Representative of Sweden to the UN in Geneva, Co-Chair of the Group of Friends of LLDCs

Mr. Kunio Mikuriya, Secretary-General, WCO

Mr. Christian Friis-Bach, Executive Secretary of UNECE and Under-Secretary General

Ms. Arancha González, Executive Director, ITC

Mr. Joakim Reiter, Deputy Secretary-General, UNCTAD

Excellencies

Distinguished Delegates, Ladies and Gentlemen,

It is an honour and pleasure for me to be here and jointly host this Fifth Meeting of Trade Ministers of LLDCs. My Office is appreciative of the support and partnership from the World Trade Organization. I would like to express my heartfelt thanks to Director General Roberto Azevêdo, for this excellent partnership. Let me also take this opportunity to commend the director General of WTO for his indomitable spirit and forward looking leadership of WTO.

I wish to express my gratitude to the Government of the Kingdom of the Netherlands for their financial contribution towards the successful organization of this meeting.

My sincere thanks and deep appreciation go to Deputy Minister Raymond Mpundu of Zambia for his country's able chairmanship of the Group of Landlocked Developing Countries at the global level. A word of special appreciation is due for Ambassador Mwaba Kasese-Bota for carrying forward that responsibility with a great sense of dedication and very effectively at the United Nations in New York. I would like to commend the Vice Minister Rigoberto Gauto of Paraguay for his country's leadership in promoting the interests of landlocked developing countries as their coordinator on trade and

development matters. Ambassador Juan Esteban Aguirre Martinez has provided a commendable leadership in promoting LLDC interests in Geneva.

I wish to recognize the representatives of the development partners that are here with us today for their support and close involvement in LLDCs' issues and in particular the Co-Chairs of the Group of Friends of the LLDCs – Sweden and Austria.

Most important, I would like to thank the Ministers and delegates from Landlocked Developing Countries for the work that you do at home to promote trade, despite such inherent constraints and also for the great interest with which you have come to attend this important meeting. My thanks also go to the representatives of UN system organizations and other international organizations for their active involvement in this important meeting and their work to support the development efforts of the LLDCs.

Excellencies, Ladies and Gentlemen

It is well established that trade is a powerful engine for economic growth, and therefore it contributes to eradicate poverty, and ensure prosperity. Despite an

increase in the value of exports, LLDCs' participation in international trade, measured as the share of their merchandise exports in global exports, rose from 0.58 per cent in 2003 to a peak of 1.22 per cent in 2012, before suffering a decline to 1.19 per cent in 2014. LLDCs remain marginalized largely as a result of long distances from the nearest seaports coupled with a lack of critical transport infrastructure, productive capacity constraints, and additional border crossings entailing complex procedures that result in high cost of trading. The average import and export costs, as well as other trade logistics, are far worse for LLDCs than most other groups of countries. These high costs reduce competitiveness, diminish export profits, inflate the prices of imported inputs for manufacturing and discourage investment and undermine the efforts of LLDCs to fully gain benefits from global flows of knowledge, technology, capital and innovation. This is the reason so little structural transformation has taken place in these countries. Therefore a holistic approach is critical.

In addition, the LLDCs rely heavily on exports of commodities in particular raw materials, which have little or no value added to them and lack diversification both of exports and markets. The export concentration index for the LLDCs rose from 0.20 in 2003 to 0.42 in 2014. The increasing dependence on commodities exposes LLDCs economies to risks associated with declining

commodity prices and other external shocks. It also prevents LLDCs from connecting to international value chains.

Yet they possess enormous potentials in terms of both human and natural resources. Our objective is how best and how soon can we turn around the situation in these countries with strong and consistent policy measures at the national level and equally robust and multi-pronged support at the international level.

Honourable Ministers, Distinguished Ladies and Gentlemen,

This particular Ministerial Meeting on trade assumes a special significance as a number of developments have taken place on the global arena in recent times.

Indeed the VPoA captures a holistic and comprehensive approach to improving the integration of LLDCs into world trade through its priority areas such as Fundamental transit Policy Issues; Infrastructure Development and Maintenance; International Trade and Trade Facilitation; Regional Integration and Cooperation, Structural Economic Transformation, and Means of Implementation. We can see that we have evolved over the years in setting our

goals. The focus is clearly on a coherent and mutually reinforcing approach that promotes organic link among all the priority areas.

For the first time, we have included structural economic transformation and regional cooperation and integration as priority areas for LLDCs. The rationale is very clear. We wish to turn the land locked countries into land-linked countries with cooperation of transit countries, development partners and UN and other international and regional organisations.

Under the priority area on international trade, the VPoA sets out 4 specific trade related objectives, namely: to significantly increase participation of LLDCs in global trade, with focus on substantially increasing exports; to significantly increase the value added and manufactured component of LLDC exports; to strengthen economic and financial ties between LLDCs and other countries in the same region so as to increase the share of LLDCs in intraregional trade; and invites Member States to consider the specific challenges and needs of the LLDCs in international trade negotiations.

Excellencies, Ladies and Gentlemen

From the Geneva perspective, This meeting is being held after the adoption of the WTO Trade Facilitation Agreement. When the agreement enters into force, its effective implementation will significantly assist in minimizing challenges faced by LLDCs through improving customs efficiency, lowering trade costs, and reducing delays at border crossing. It will also improve transparency, consistency and predictability, which are important measures for all, but critical for LLDCs. I am confident that this meeting would give further impetus to operationalise TFA at the earliest. LLDCs have a lot at stake. Similarly, the elimination of agricultural export subsidies, decision on cotton and on LDC issues and work programme on e-commerce are among the major decisions of the Nairobi Ministerial, which will have positive implications for LLDCs.

From the global perspective, This meeting is being held after the adoption of a historic and forward looking 2030 Agenda for Sustainable Development that includes the SDGs, the Addis Ababa Action Agenda, the Paris Climate Change Agreement, the Sendai Framework for Disaster Risk Reduction. Across these agendas, Member States have committed to eradicating poverty, promoting trade, stimulating structural transformation, fighting inequalities, building peaceful, inclusive, and resilient societies, and securing the future of the planet and the wellbeing of future generations. Principles of universality and leaving



no one behind and an integrated approach to sustainable development are its key features.

The 2030 Agenda stresses the importance of international trade in providing the means of implementation for inclusive economic growth and poverty reduction and overall sustainable development.

The Addis Ababa Action Agenda which complements and helps to contextualize the 2030 Agenda's means of implementation targets stresses that technical assistance and improvement of trade- and transit-related logistics are crucial in enabling LLDCs to fully participate in and benefit from multilateral trade negotiations, effectively implement policies and regulations aimed at facilitating transport and trade, and diversify their export base. The global infrastructure forum, which held its first meeting in Washington DC during the spring meeting of the World Bank should help bridge the infrastructure gap and improve regional connectivity for LLDCs. similarly allocation for aid for trade should continuously be enhanced going to these countries with a view to make progress in trade related infrastructure building and supply side capacity enhancement.

The Paris Agreement is another landmark agreement. The effective implementation of the agreement will help the LLDCs to build their resilience to climate change impacts such as desertification, land degradation, recurrent droughts, and flooding, including glacial lake outburst floods. Similarly, The Sendai Framework calls for adequate, sustainable and timely provision of support, including through finance, technology transfer and capacity-building to countries (including LLDCs) facing specific disaster risk challenges and calls for investment in better resilience.

Excellencies, Ladies and Gentlemen

To a great extent the stars are today aligned. Let us make good use of these developments to enhance the trade potential of the LLDCs and ensure that they are not left behind. We need to find out how best to utilise provisions in the new global development frameworks to use trade for achieving rapid, equitable and sustainable development in the LLDCs. Sustainability also calls for inclusive trade that includes women and marginalized people, rural communities and SMEs.

An important issue here in WTO is to create a dedicated work program for LLDCs, since it is a group that has unique trade-related special needs with transformative potentials.

Looking ahead, the 14th session of the United Nations Conference on Trade and Development is coming up next month, I encourage all the LLDCs to actively participate and make sure that your concerns are taken aboard in the future work of UNCTAD.

In New York, as you know the High-level Political Forum on Sustainable Development will meet from 11 to 20 July 2016. It is important that all the LLDCs participate to ensure that their issues are fully integrated in the follow-up processes of the 2030 Agenda. There is a dedicated session on countries in special situation.

Furthermore the 71st Session of the General Assembly is coming up in September. This is another platform to raise your development concerns and ensure that the processes here in Geneva are taken aboard including by signing onto relevant treaties for facilitating trade.

This is an interesting time. We are all aiming high with our transformative agenda. We are at an inflection point. There is a lot at stake for LLDCs. In the twenty first century with technological revolutions and unprecedented globalisation, LLDCs should not remain a prisoner of geography. On the contrary, with the supportive collaboration of all, they should be bridge builders. It is desirable and doable. I hope that this meeting will energize all of us to look at the issue of LLDCs from this larger perspective and help us come up with right strategy, approach and best practices to promote their share of trade, by enhancing efficiency and competitiveness, by building trade related infrastructure, by enhancing productive capacity and increased value addition including through participation in regional and global value chains leading towards structural transformation of their economy. This will greatly contribute to eradicate poverty and promote sustainable development.

Finally, I wish to assure you that the UN System and international organisations will be your accompanying partner in supporting the LLDCs to unlock their full trade potential so that they would be transformed from landlocked countries into land-linked countries.

I thank you for your kind attention.