



**Opening Statement
by**

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

at the

**Meeting of Ministers responsible for Trade of
Landlocked Developing Countries**

Asunción, Paraguay

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Foreign Minister Madame Leila Rachid,
Distinguished Ministers and leaders of delegation from the Landlocked Developing
Countries
Dear colleague ECLAC Executive Secretary Jose Louis Machinea,
Dear colleagues from the UN system and other multilateral organisations
Ladies and Gentlemen,

I am delighted to return to this beautiful city of Asunción to participate in this very timely Meeting of the Ministers responsible for Trade of the Landlocked Developing Countries. I would like to express my sincere appreciation to the people and the Government of Paraguay for their gracious hospitality and the excellent arrangements made for this Meeting. We deeply value the guidance and encouragement of Minister Leila Rachid in the whole preparatory process. The United Nations is deeply grateful for the commitment and leadership of Paraguay in promoting the interest of landlocked developing countries as their coordinator on trade and development matters. A word of special appreciation is due for Ambassador Eladio Loizaga for shouldering that responsibility very effectively at the United Nations in New York. I also would like to express my sincere thanks to Minister Soulivong Daravong of the Lao PDR, for his country's able chairmanship of the Group of Landlocked Developing Countries at the global level and for his very important statement this morning.

It is well established that trade is a powerful engine for economic growth, and therefore for prosperity and higher standards of living. To bring the development dimension in the forefront of the Doha Round of trade negotiations, the international community has to agree on measures to ensure that the gains from world trade are shared as equally as possible. To do so, the upcoming Hong Kong Ministerial Conference of the WTO must pay particular attention to the poorest countries in the world, particularly least developed, landlocked and other small and vulnerable economies while setting the stage for the substantive phase of negotiations.

Despite the gains that the international trading system has brought, the landlocked developing countries remain marginalized. 9 of the 31 landlocked developing countries are not members of the WTO. Landlocked developing countries' share of world trade remains miniscule, accounting for only 0.57 per cent of the total exports and 0.64 per cent of the total imports of world merchandise in 2003. The main reason for such poor performance on the part of landlocked developing countries is excessive transit transport costs. Geographical realities coupled with a lack of critical transport infrastructure and additional border crossings entailing complex procedures often pose more significant impediments to trade for landlocked developing countries than tariffs. There is little doubt that without real solutions to the disadvantages that beset the landlocked developing countries, these states will continue to be driven to the outer fringes of the global economy. They will continue to remain sidelined from the main thoroughfares of international trade. In this regard, I would like to emphasize the importance of the full

and effective implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Cooperation adopted at the United Nations Ministerial Conference in 2003 in Almaty Kazakhstan.

Distinguished delegates,

Your meeting has been convened at the appropriate moment of opportunity. By arriving at a common platform on key issues on the international trade agenda, landlocked developing countries will ensure that their voice is heard and acknowledged throughout the negotiation process. My office, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States therefore attaches particular importance to this Meeting. My Office has labored hard over the past months on the planning for this Meeting and supporting the Group of LLDCs for the preparation of the draft Asunción Platform for the Doha Round. I would like to take this opportunity to thank the Government of Japan and the Special Unit for South-South Cooperation of the UNDP for their generous financial support. Here let me also mention that the Government of Japan has sent a special message of support for this meeting that would be presented by the Ambassador of Japan to Paraguay at our meeting later. Also, my thanks go to my colleagues from UNCTAD and UNECLAC for their support to the substantive preparations and the documentation presented by them for our meeting.

Distinguished delegates,

Let me briefly touch upon a few issues that are of critical importance for landlocked developing countries in the context of the Doha Round of trade negotiations.

First, trade facilitation. The WTO negotiations on trade facilitation afford an extraordinary opportunity to landlocked developing countries. Article V on Freedom of Transit, Article VIII on Fees and Formalities, and Article X on Publication and Administration of Trade Regulations of the 1994 GATT Agreement cover the most important aspects of traffic in transit. Therefore, landlocked developing countries should vigorously seek to ensure that freedom of access by all means of transport is effectively operationalized; and that national treatment is provided for all facets of traffic in transit, including charges, transit services providers, customs and administrative operations. Rules and regulations should be made transparent, simple and easy to understand. And an effective monitoring mechanism should be established. Trade facilitation is a complex issue and is especially difficult for landlocked developing countries in view of their dependence on transit policies and facilities provided by their transit neighbours. Therefore, the WTO and other relevant organizations should extend all the necessary technical assistance to landlocked developing countries on a priority basis to strengthen their negotiating capacities.

Second, small and vulnerable economies. As global economic integration gathers a pace, the world community can no longer ignore the plight of small and vulnerable

economies -- those tiny nodes on global trade networks often subject to neglect and marginalization. The WTO work programme for small economies is a critical starting point for addressing these issues. Upon reaching fruition, this seminal work should result in adopting comprehensive responses to address myriad trade-related issues facing small and vulnerable economies.

Third, market access for agricultural and non-agricultural goods originating in landlocked developing countries. As I have already mentioned, trade transaction costs of landlocked developing countries are exorbitant compared to those of other countries. Some central African countries, for instance, spend almost 40 per cent of their export earnings on transport expenses only. To mitigate these heavy burdens, the international community should act urgently to ensure better market access for goods from landlocked developing countries, establish necessary mechanisms and to provide much-needed technical assistance to boost exports from these countries.

Fourth, WTO accession. It goes without saying that the complexities of the accession process itself should not themselves impede the efforts of landlocked developing countries to become beneficiaries of the international trading system. Technical and financial assistance to the landlocked developing countries with their application process would go a long way in expediting their accession.

Finally, there is an urgent need for an increase in demand-driven, country-specific technical assistance programmes for landlocked developing countries. Such assistance is often the most critical kind that can be extended to landlocked developing countries, which lack the necessary infrastructure and human capital that serve as the foundation for domestic technical resources and capacity. Effective programs of technical assistance will help the landlocked developing countries expand supply side capacities to take advantage of trading opportunities already at hand and to allow them to help themselves in their efforts to expand their international trading frontiers.

Transit transport cooperation can receive a significant boost from South-South cooperation, as most transit neighbors of landlocked developing countries are themselves developing nations. Therefore, the establishment of efficient transit transport systems is an area where the untapped potential of South-South cooperation should be fully explored and exploited.

The outcome of this meeting is sure to be a critical contribution to the continuing endeavors of landlocked developing countries to overcome barriers that separate them from the broad currents of world trade. It is of the essence that the landlocked developing countries strengthen their cause by presenting to the WTO a unified position on measures necessary for their effective participation in the international trading system. The United Nations as a whole, and my Office in particular, will continue to support the efforts of the landlocked developing countries toward that worthy and achievable end.

I wish every success in your deliberations.