



Final Version

**Keynote Address  
by**

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It gives me great pleasure to address the Fourteenth Economic Forum of the Organization for Security and Co-operation in Europe, more so as it focuses on the subject that concerns a major area of my responsibilities at the United Nations. Let me commend our host, the OSCE secretariat at its Office of Coordinator for Economic and Environmental Affairs, for the excellent arrangements made for organizing this Forum. It gives me special pleasure to see our moderator Mr. Johannes Linn, with whom I had worked closely during the preparatory process in 2003 for the adoption of the Almaty Programme of Action.

The theme of this Economic Forum is particularly important as trade and transport are inextricably linked. Trade in its turn is engine for economic development. The availability of efficient transport services is a decisive factor in international trade expansion. High trade transaction costs inhibit economic growth by making imports expensive and exports uncompetitive. Developing countries that are landlocked therefore suffer conspicuous disadvantages when competing in global markets against coastal states. Lack of access to the sea and remoteness from major international markets result in prohibitive transit costs for landlocked developing countries; these countries spend on average 2-3 times higher than coastal developing countries and developed economies for international transport services. Excessive transit costs have become a more significant barrier than tariffs for these countries.

It is particularly timely that this Forum is taking place right after the Sixth Ministerial Conference of the World Trade Organization in Hong Kong that put the Doha Development Round fairly back on track. Trade facilitation is one of the topics of the trade negotiations to clarify and improve relevant aspects of the articles of the GATT relating to freedom of transit, fees and formalities connected with importation and exportation, and publication and administration of trade regulations. Transit issue is a prominent element of these negotiations. Internationally binding rules on trade facilitation will certainly facilitate the speedy movement and clearance of goods to further reduce trade transaction costs.

I am pleased that the OSCE is attaching a renewed attention to transit transport problems of the landlocked countries in Central Asian and Caucasus region. There are seven landlocked countries in this region that belong to the LLDCs Group: Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Mongolia and Afghanistan are also included as the partner countries of the OSCE.

Central Asia faces specific international transit transport problems coinciding with their independence. The transport infrastructure and arrangements in place are not appropriate in the new context which requires contact with new markets and new sources of imports. The share of the European Union, Turkey, Iran and China in trade with Central Asia is surging. At the same time there has been little reorientation in transit routes to match this new reality. Commodities remain the major export items for these countries. Continued regional tensions further hinder the smooth movement of goods in transit. Central Asia faces the challenging consequences of being landlocked in their efforts to integrate into the world economy and expansion of regional trade. This is the area where international support is much needed.

Transportation, as means of development, must be dealt with in a holistic manner. In addition to its economic aspect, we must integrate also social, health, environmental and security considerations in transport policy formulation. These considerations are particularly relevant for Central Asia, as the region faces problems related to drug trafficking, cross-border crime, terrorism, migration, unresolved border and territorial dispute etc. There is no simple formula that fits all countries and situations. It is very encouraging, however, that our Forum marks an important step forward to our common efforts to address these issues.

In order to place appropriate emphasis on the persisting problems faced by landlocked developing countries, the United Nations convened the International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor Community on Transit Transport Cooperation held in Almaty, Kazakhstan in August 2003. The Conference resulted in the Almaty Programme of Action; a well focused, comprehensive document which addresses core issues relevant to the progressive integration of landlocked developing countries into the world economy and international trading system through establishing efficient transit systems. The over-arching goal of the Almaty Programme is to forge partnerships to establish a new global framework. This is a landmark document as it is the first ever global programme of its kind endorsed by the General Assembly of the United Nations.

The Programme of Action aims to (a) secure access to and from the sea by all means of transport; (b) reduce costs and improve services so as to increase competitiveness of their exports; (c) reduce the delivered costs of imports; (d) address problems, delays and uncertainties in trade routes, (e) develop adequate national networks; (g) reduce loss, damage and deterioration en route; (g) open the way for export expansion; and (h) improve safety of road transport and security of people along the corridors. To achieve these goals the Almaty Programme identifies specific actions in the five priority areas, namely, fundamental transit policy issues; infrastructure development and maintenance, including rail, road, air transport, inland waterways, ports, pipelines and communications; international trade and trade facilitation; international support measures; and implementation and review of the Programme itself.

In the final outcome document of the 2005 United Nations World Summit, the world leaders re-iterated their commitment to address the special needs of landlocked developing countries through full and effective implementation of the Almaty Programme. This provides us with a renewed mandate to further strengthen our joint efforts for establishing efficient transit transport system around the world including in Central Asia. The United Nations attaches particular attention to the timely implementation of the Almaty Programme. The General Assembly reviews the progress of its implementation on annual basis.

The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States was entrusted with a challenging mandate to ensure the effective implementation of this Programme. To undertake this important task, my Office has prepared a roadmap for the implementation of the Almaty Programme to provide guidance as well as a well-coordinated and coherent approach for the process. The roadmap was endorsed at the inter-agency meeting convened in early February 2004, in New York. It identified areas that would require immediate action. These include the identification of major “missing links” in Africa, Asia and Latin America; the creation of

subregional priority projects to develop infrastructure and facilitate trade; establishment of national trade facilitation boards; coherent and coordinated technical assistance; resources mobilization; and promotion of the accession to international conventions on transit and transport.

To consult on practical aspects of the issue last year, we convened a High-Level Meeting of International, Regional and Subregional Organizations on their role for the implementation of the Almaty Programme Representatives from more than 30 organizations, including the World Bank, the WTO, World Customs Organization, UNCTAD, International Road Transport Union as well as African and Asian regional integration organizations consulted on strategies for establishing efficient transit systems and indicators for measuring the progress. I hope the outcome of this Forum would serve as an important addition to our global efforts to improve transit systems of landlocked developing countries.

The United Nations system organizations have actively embarked on the implementation of the Almaty Programme in cooperation with other relevant international organizations. The World Bank, UN agencies, including the UN Regional Commissions, are making efforts to promote international cooperation aimed at establishing viable transport networks to expand the intraregional and international trade. The Regional Commissions of the United Nations continue to play a major role. I would like to emphasize, as an example, the importance of the Intergovernmental Agreement on the Asian Highway Network, which covers 140,000 kilometers of highways extending to 32 countries that include 12 landlocked developing countries. The Asian Highway has the potential of integrating countries spread across the huge Asian continent and linking them to Europe.

In conclusion, let me express my deep appreciation to the OSCE for its renewed commitment to support landlocked developing countries. We were encouraged by the statement made by His Excellency Mr. Karel de Gucht, Foreign Minister of Belgium in his capacity as Chairman-in-Office of OSCE at the Security Council of the United Nations last Monday, in which the Minister expressed the commitment of the OSCE to help landlocked developing countries and to cooperate with the UN Office of the High Representative in this regard. The Almaty Programme provides us with an excellent framework for our cooperation. The 2005 World Summit also requested us to articulate a set of indicators to monitor the progress in transit transport. This can be one of the areas for our cooperation with OSCE. My Office welcomes enhanced cooperation and is ready to continue our consultations on the details of the framework of collaboration.

I thank you for your attention.