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Statement

by

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at the Launch of the Book

“Geography Against Development –

A Case for Landlocked Developing Countries”

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In the United Nations Millennium Declaration adopted in 2000, Heads of State and Government recognized the particular needs and problems of landlocked developing countries and urged both bilateral and multilateral donors to increase financial and technical assistance for landlocked developing countries to meet their particular development needs and help them overcome the impediments of geography by developing transit transport systems. Indeed, the Millennium Declaration represents the continued efforts and will of the international community to assist landlocked developing countries at the top of the global policy agenda. This assertion was reiterated in the outcome document of the 2005 World Summit.

The United Nations has long recognized the special needs of landlocked developing countries. In 1957, the United Nations General Assembly recognized the need for adequate transit facilities for landlocked countries to promote international trade. At the time, only six countries were categorized as landlocked. Today, that number has increased to 31 countries encompassing all major continents of the world, and nearly 370 million people are home to a landmass of over 16 million square km.

Landlocked developing countries continue to face steep challenges due to their geographical handicap and face serious constraints in their efforts to achieve the goals of poverty reduction and elevating living standards of their population. Sixteen of the 31 landlocked developing countries are categorized as least developed, and the 2005 Human Development Index records that ten of the twenty lowest-ranking countries are landlocked.

In 2002, although occupying 12.5 per cent of the world's total surface area, landlocked developing countries accounted for only 2 per cent of the developing world's total GDP. Foreign direct investment (FDI) stood at US\$ 5.7 billion in 2001, a mere 0.007 per cent of total world flows. The weak performance of FDI flow to landlocked developing countries exemplifies inadequate physical infrastructures and inefficient transport and communication services. However, efforts by LLDC led to an FDI surge to over US\$ 12.7 billion in 2004.

The powerful link between geography and development is evident when observing the performance of landlocked developing countries. Lacking direct access to the sea, isolated from major economic centers, inadequately equipped with transport infrastructure and hampered by cumbersome transit procedures, landlocked developing countries incur higher transport cost in foreign trade and become less competitive in the world economy.

The physical distances that landlocked developing countries must overcome before reaching international trade routes predictably effect transport costs, which are substantially higher than those of transit and coastal countries. Moreover, the structure of LLDC exports are predominantly low-value bulky commodities, making freight and transit costs highly burdensome in relation to the low value of LLDC exports. Thus, the high costs and problems experienced in linking up with the international market is a formidable challenge for landlocked developing countries. Transit transport policy reform, therefore, is a priority that need continued attention.

In addition to high transit transport costs, landlocked developing countries are also faced with poor infrastructures within their respective borders. The infrastructures of landlocked developing countries are among the most deficient in the world. Fourteen of the 31 landlocked developing countries invest less than 1 per cent of its total GNP for its transport sector. Coastal developing countries have more than three times the stock of paved roads that landlocked developing countries have. Additionally, landlocked developing countries trail in information technology.

Improving and sustaining the physical infrastructure of landlocked developing countries will be crucial in developing the economy of landlocked developing countries and connecting them to the global economy. In doing so, financial and technical development from the international community will be crucial and imperative for the development of landlocked developing countries.

In addition, close regional cooperation in transit transport and trade promotion is of foremost importance for the progress and economic growth of landlocked developing countries. Regional integration and collaboration would allow the dismantling of barriers of trade, cut transaction costs and would encourage economies of scale; all contributing to mutual economic growth of both landlocked and transit developing countries. On the one hand, the integration of landlocked developing countries into the global trading system, like through trade facilitation support, will be greatly advanced by unfettered and cost-effective access to the sea. On the other hand, transit countries would benefit from efficient transit transport services and revenues generated by the provision of such services. In addition, regional economic groupings, transit agreements and bilateral agreements continue to play a critical role in promoting transit transport cooperation.

Today, we live in a world in which countries are intricately intertwined in a global web of interdependence. It is imperative for the international community to bolster their efforts to actively support landlocked developing countries, who not only prefers, but depends on their active support.

The first concerted steps were taken during the United Nations Ministerial Conference of Landlocked and Transit Developing Countries and the Donor Community on Transit Transport Cooperation in 2003 in Almaty, Kazakhstan. The Ministers underlined the unique challenges that landlocked developing countries faced and resolved to coordinate international efforts towards the mitigation of their challenges through the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries.

The Almaty Programme emphasized that efficient transit transport systems can be established through genuine partnerships between landlocked and transit developing countries and their development partners at the national, subregional, regional and global levels while stressing the partnership between public and private sectors. Indeed, the

Almaty Programme is the blueprint for the international community to address the special development needs of landlocked developing countries.

It is in this context that *Geography Against Development* is launched today. Encouraged by the strong support to the cause of LLDCs in Almaty, my Office felt that a comprehensive presentation of the issues relating to the transit transport cooperation would be worthwhile to create an information bank and advocacy tool. Finally, today we are able to launch the publication after some setbacks with the printing process that really took a long time. It therefore does not capture recent developments in LLDCs, like the recent trends in Central Asia that have altered the general perception of landlocked developing countries as a whole. In the first two chapters, the book provides invaluable insight into the general problems and challenges surrounding landlocked developing countries and further investigates specific cases and challenges faced by the 31 landlocked developing countries. Chapter three outlines the legal frameworks at the global, regional and subregional, and bilateral levels while offering brief descriptions of the instruments that have been adopted. Finally, Chapter four elaborates on the international community's efforts in support of landlocked developing countries.

We hope that *Geography Against Development* will help promote awareness to the international community on the serious constraints faced by landlocked developing countries and assist the international movement towards alleviating those challenges and obstacles. Let me end by expressing my appreciation for the tireless efforts made by my colleague Sandagdorj Erdenebileg to bring this publication to light. I also all our colleagues in the UN who helped my Office in one way or the other in this regard.
