



**STATEMENT DELIVERED
AT THE
TWELFTH SESSION OF THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT
BY
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ACCRA, GHANA

MR. CHAIRPERSON

HEADS OF DELEGATIONS

DISTINGUISHED LADIES AND GENTLEMEN

On behalf of the Government of Malawi, I would like to join others in thanking the people and Government of Ghana for the warm hospitality accorded to my delegation since our arrival in this beautiful city of Accra.

I feel greatly honoured to be given this opportunity to address this Conference being held under the theme '**Addressing the Opportunities and Challenges of Globalisation for Development**'.

Mr. Chairperson, while an increasing number of developing countries have benefited from the process of globalisation, least developed countries (LDCs), including Malawi are struggling to overcome the challenges of globalisation and are facing marginalisation. It is evident from developments in the last decade that the failure by LDCs to integrate into the global economy is largely due to their structural weaknesses.

The LDCs continue to depend on exports of primary commodities which are characterised by low income elasticity of demand and unfavourable terms of trade. The heavy dependence on commodity exports and lack of diversification make LDCs vulnerable to unfavourable changes in international market conditions. Furthermore, LDCs' exports are rendered uncompetitive on the international market due to poor supportive infrastructure which results in high transaction costs, particularly for landlocked LDCs.

Malawi as one of the landlocked LDCs, has over the years been exploring ways of addressing the problem of landlockedness. It has been established that it is possible to link the country to the Indian Ocean by establishing a waterway through the Shire and Zambezi rivers. Once implemented, the project will tremendously reduce Malawi's transport costs to levels comparable to those of countries that have direct connections to sea routes. The project will, therefore, unlock Malawi's trade and investment potential thereby enabling the country to participate effectively in the global economy. The project will also serve other neighbouring landlocked countries such as Zambia and Zimbabwe. Malawi would, therefore, like to seek the support of UNCTAD and the international community for the implementation of this vital project.

Malawi welcomes the institution of the Aid for Trade initiative which is expected to address the bottlenecks that LDCs are facing.

However, there is need to move from planning to effective implementation of the initiative. In this regard, my delegation would like to request UNCTAD to facilitate the expeditious implementation of the initiative and that the implementation mechanisms to be put in place should take into consideration country specific needs and requirements.

Mr Chairperson, Malawi considers food security as a basic requirement for fostering economic development of LDCs. This is why the Malawi Government introduced an Agricultural Subsidy Programme to enable smallholder farmers to buy inputs for food production. Since the introduction of the Programme, Malawi has managed to realise surplus food production, some of which has been exported to neighbouring countries. Although Malawi has achieved this feat, a lot needs to be done to improve productivity and reduce post-harvest losses. There is also need to ensure sustainability of the programme. In this connection, Malawi welcomes the statement by the Secretary General of UNCTAD to include food security issues on UNCTAD's work programme.

The LDCs face serious hurdles in international markets in the form of protected and subsidised markets. The liberalisation of markets that has been effected by developed countries under the Multilateral Trading System has, therefore, not been of much benefit to LDCs. In this regard, Malawi attaches greater importance to the on-going

World Trade Organisation (WTO) negotiations under the Doha Development Agenda. It is disappointing to note that the negotiations have been progressing at a very slow pace. However, listening to the presentations from the various delegations at this Conference, there appears to be renewed efforts towards reaching a deal in the negotiations.

Mr. Chairman, the need for urgency to reach a deal in the negotiations should not overshadow the importance of addressing the needs and concerns of LDCs. In this regard, I wish to underscore the position of LDCs calling on developed countries to eliminate trade distorting domestic support and subsidies, and grant LDCs commercially meaningful duty-free quota-free market access. There is also need for commitment by development partners and the relevant international institutions to provide additional and predictable financial and technical assistance aimed at assisting LDCs to industrialise and diversify their economies, and enable them meet their implementation obligations under the multilateral trading system.

While Malawi is very appreciative of the special and differential treatment granted to LDCs at the World Trade Organisation (WTO), we would like to request UNCTAD and the international community to ensure that there is consistency between what is agreed at the WTO and principles adopted in other trade arrangements. I say this

because in some trade arrangements involving developed countries such as the Economic Partnership Agreements, LDCs are required to take commitments which are inconsistent with principles agreed at the WTO. This is like giving with one hand and taking with the other.

In conclusion, it is my sincere hope that the outcome of this important Conference will make a significant contribution towards mapping strategies that would enable LDCs deal with supply side constraints, diversify production and add value to attain sustainable economic development and catch up with the other developing countries.

I thank you all for your attention.