



International
Trade
Centre

STATEMENT BY
ITC EXECUTIVE DIRECTOR

SESSION 4 – BUILDING TRADE CAPACITY AND
EFFECTIVE MARKET ACCESS FOR LEAST
DEVELOPED COUNTRIES WITH ENHANCED
REGIONAL INTEGRATION FOR GRADUATING
AND GRADUATED COUNTRIES

ORGANIZED BY THE GOVERNMENT OF
BANGLADESH, UN-OHRLLS AND UN-ESCAP

1 SEPTEMBER 2021

9:00 A.M. – 11:00 A.M.

PAMELA COKE HAMILTON
EXECUTIVE DIRECTOR

- His Excellency Dr. Biswo Nath Poudel, Vice-Chairman, National Planning Commission of Nepal,
- Mr. Valdis Dombrovskis, European Union Trade Commissioner
- Mr. ZHANG Xiangchen, Deputy-Director General, World Trade Organization (WTO)
- Distinguished panelists and participants,

It is my pleasure to join you for this important session on building trade capacity and ensuring effective market access. A few years ago, I had the privilege of building the trade capacity of Caribbean SIDS including one LDC, to gain access to the EU markets under the CARIFORUM-EU EPA. During that time, I learnt first-hand the importance of building capacity from the ground up and strengthening regional integration for trade to flourish in these countries.

I believe that the architects of the Istanbul Programme of Action wisely included trade as a priority area that deserved special attention. They saw the great potential of regional economic integration and cooperation in creating new opportunities for trade, investment, production, supply chains, and markets. Doubling the share of LDCs exports by 2020 was a bold but much needed target.

This target can be achieved in the future, but it requires us putting our collective minds together and having a clear strategic roadmap to get there.

We must first, however, empower MSMEs in LDCs to drive inclusive growth and prosperity that could accelerate their graduation and help graduated countries to continue an upward developmental trajectory.

Today, I would like to propose a few ideas I consider to be priority.

The first is to **strengthen productive capacities including the development of circular economy schemes**. Working in LDCs has taught us that they need partners capable of delivering hand-holding support that would lead to more sustainable trade, which is both good for the planet and achieves prosperity.

Secondly, we need to **ensure economic diversification for long-term stability**. This cannot succeed without the promotion of both domestic and foreign direct investments into value chains that have high potential for local value addition, exports, and job creation.

Economic diversification will only be successful if climate change adaptation strategies and policies can help to mitigate against environmental vulnerabilities. This is particularly important for graduated SIDS such as Vanuatu and Samoa and for graduating countries like São Tomé and Príncipe.

Thirdly, we need to **support connectivity through digitalisation and E-commerce**. E-commerce became even more essential for MSMEs during the pandemic to navigate disruptions and connect to new markets. We must work hard to ensure that MSMEs in LDCs benefit, thereby closing the digital divide.

Fourthly, we need to **enhance the regional integration process**. For most Asian graduating LDCs such as Bhutan and Nepal, trade is first intra-regional as they have India, China and to some extent Thailand, as their main trading partners. For instance, in terms of merchandise exports, India accounts for 81% of Bhutan's exports and 56% of Nepal's exports. The intra-regional trade of these countries is mainly covered by regional trade agreements including bilateral agreements. It is crucial to ensure these agreements eventually lead to more extensive regional integration efforts.

Finally, as we empower MSMEs, **women and youth must remain at the centre of all post COVID-19 pandemic recovery strategies**. Women-led MSMEs have been especially hard hit, with many reporting revenue losses of over 50%, largely due to their smaller size, informality, and concentration in heavily affected sectors.

Our future plan should take a people-centred approach to build resilient livelihoods for everyone on the planet, and it must give primary consideration to the most vulnerable.

At the ITC, we are working closely with LDCs to support their efforts to integrate into the multilateral trading system. What does it mean in concrete terms?

At a macro-level, we are helping LDCs to have a conducive business ecosystem where trade transactions and particularly export related operations are simplified.

At a meso-level, we are strengthening the operational capacities of business support organizations to provide an adequate portfolio of services to the private sector, particularly MSMEs, women and youth.

At a micro-level, we are building the productive capacities of enterprises and entrepreneurs to become more competitive, increase their export performance, generate more businesses, and create decent jobs.

We are aware that there is no “silver bullet” to succeed with the graduation process, so we commit to continuing our offer of tailor-made solutions at the country level.

To conclude, I strongly recommend that the upcoming Doha Programme of Action for LDCs, places MSMEs at its centre. Let’s focus on concrete actions and measures to build resilience and competitiveness of LDC economies. This simply must be at the heart of the future programme. This is how we will make the structural transformation of both graduating and graduated LDCs a reality.

Thank you. (773 words)