



REPUBLIC OF BOTSWANA



LLDC Ministerial Meeting on Trade to be held in the margins of the 13th WTO Ministerial Conference

25 February 2024

Abu Dhabi, United Arab Emirates.

Concept Note

Theme: "*Unlocking opportunities for LLDCs in global trade: The role of the Multilateral Trading System*"

BACKGROUND

Landlocked developing countries (LLDCs) face specific constraints marked by a lack of territorial access to the sea. They remain on the periphery of major markets. Their situation is further aggravated by high transit costs and risks. Thus, trade has continued to underperform for development in landlocked developing countries (LLDCs). Since 2004, trade has remained a core priority of both of the United Nations Programmes of Action for the LLDCs: the Almaty Programme of Action (2004-2014) and the Vienna Programme of Action (2014-2014). Yet, the trade performance of the LLDCs has nevertheless languished.

The LLDC share of world trade has fallen slightly in the last decade, with their exports accounting for 1.1% of world trade in 2022, down from 1.2% in 2013, despite representing 7% of the world's population.¹ Exports *per capita* in LLDCs over this time fell too, from \$507 to \$492 per capita.² What's more, the composition of this trade is not conducive to job creation, value addition or sustainable economic development, with 83% of exports from LLDCs remaining concentrated in primary commodities in 2023.³

The Third United Nations Conference on the LLDCs, to be held in Kigali from 18-21 June 2023, is expected to adopt the next 10-year Programme of Action for the LLDCs. The thirteenth WTO

¹ Calculations based on UNCTADStat (2023)

² *Ibid*

³ *Ibid*



Ministerial Conference provides an unparalleled opportunity to consider the role of trade in the next Programme of Action and the function of the multilateral trading system in addressing the unique trade challenges confronted by the LLDCs.

The world economy of today differs substantially from the past. One of the greatest changes is the rapid adoption of digital technologies and growing interest in digitalization, accelerated by the Covid-19 pandemic. World trade in digitally tradable services, a measure of services that can be delivered remotely over computer networks, increased by 21% over the course of the pandemic, reaching \$3.9 trillion in 2022.⁴ Exports of digitally deliverable services from LLDCs increased even more rapidly, by 67%, though from a relatively low base, to reach \$10.6 billion in 2022.⁵

Digital technologies are also changing how traditional trade is handled. Through the WTO Trade Facilitation Agreement, commitments were made to make trade related information available through the Internet and provide for electronic customs payments, each of which have been implemented by 74% and 77% of the WTO membership, respectively, as of 2023.⁶ For LLDCs, implementation rate is lower, at 53.8% for each of these measures. LLDCs need capacity building support to implement the remainder of these measures.⁷ Significant trade cost reductions could be achieved by implementing both digital and traditional trade facilitation measures both within and beyond the TFA.⁸

Efforts have further begun to better consider the special circumstances of the LLDCs within the multilateral trading system. At the twelfth Ministerial Conference of the World Trade Organization, held in Geneva from 12 to 17 June 2022, it was decided that a dedicated session on transit issues would be held annually until the next review of the Trade Facilitation Agreement is completed.

There are many opportunities to strengthen the role of trade in delivering for the development of the LLDCs. Enhanced and better targeted aid for trade, improved market access, support for

⁴ *Ibid*

⁵ *Ibid*

⁶ WTO-Trade Facilitation Agreement Database. 2023. Implementation progress by measures, available: https://www.tfadatabase.org/en/implementation/progress-by-measure?charttype=all_measures&grouping=5

⁷ *Ibid*

⁸ UNCTAD. 2023. Digital and sustainable trade facilitation : Global report, available: <https://unctad.org/meeting/launch-digital-and-sustainable-trade-facilitation-global-report-2023-state-play-and-way>



digitally-deliverable services exports, and accelerated implementation of the Trade Facilitation Agreement would support the trade and productive capacities of the landlocked WTO Members, including landlocked developing countries.

Against this background the proposed ministerial meeting of LLDCs on trade organized on the sidelines of the 13th WTO Ministerial Meeting will discuss the shared challenges and opportunities faced by the LLDCs in seizing trade as a tool for their sustainable development. Specific consideration will be given on how trade can accelerate the achievement of the SDGs in the LLDCs. The meeting will therefore identify trade related priorities to include in the outcome of the Third UN Conference on LLDCs. The meeting will also agree on a common position of the LLDC Group in the context of the 13th Ministerial Conference.

OBJECTIVE

The overarching purpose of the LLDC Ministerial Meeting on Trade is to provide a platform for sharing experiences faced by the LLDCs in overcoming their unique barriers to trade and to identify opportunities to further integrate the LLDCs into the global and regional trading systems.

The specific objectives of the meeting are to:

1. Identify common positions and recommendations by the LLDCs within the context of the multilateral trading system, including specifically within the context of the Thirteenth Ministerial Conference and the future work programme of the WTO.
2. Consider the strategic priorities of the LLDCs in the area of trade, and the multilateral and regional trading systems, for the upcoming Third United Nations Programme of Action for the LLDCs.

EXPECTED OUTCOME

The meeting will provide a platform for LLDCs to engage at political level and build momentum towards the third UN Conference on LLDCs. The Ministerial Meeting will, amongst others, reinforce the political commitment to a productive and successful Conference in Kigali in 2024.



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The meeting will adopt an outcome document with recommendations for the preparations of the Third United Nations Conference.

The meeting will also provide a platform for the LLDCs to discuss and formulate Group position on Trade issues.

The meeting will adopt a Ministerial Declaration.

FORMAT OF THE EVENT

The event will consist of an opening session, an interactive debate, and a closing session. The interactive session will consider and discuss the role of trade in the development of the LLDCs and priorities for the next Programme of Action for the LLDCs.

PARTICIPANTS

The Ministerial Meeting will be attended by Ministers and high-level officials from the 32 LLDCs, transit countries and development partners. Senior Officials from WTO and other international organizations will also be invited to participate, as necessary.

DATE AND VENUE

The meeting will be held on the margins of the Thirteenth WTO Ministerial Conference to be held on 25 February 2024 in Abu Dhabi.