



CONCEPT NOTE

Experts Group Meeting on enhancing trade and trade facilitation for increased diversification and the structural economic transformation of LLDCs

29 – 30 November 2021

Geneva

Background

Landlocked developing countries (LLDCs) face special trade and development challenges, arising from their lack of territorial access to the sea and geographical remoteness from international markets. Lack of territorial access to the sea, isolation and remoteness from world markets and high transport and transit costs impose constraints on the overall socio-economic development and trade competitiveness of the 32 LLDCs. High trade costs negatively affect the LLDCs competitiveness in international trade. LLDCs have not been able to adequately harness the benefits of open trade such as investment finance, technology and services needed to further improve productive capacity in sectors such as agriculture, industry and services that are needed to achieve structural economic transformation.

Many LLDCs remain reliant on a few export commodities, which often have low value addition. Due to their reliance on exports of primary commodities, LLDCs are vulnerable to external shocks, such as those arising from volatile commodity prices, climate change and natural disasters. The COVID-19 pandemic has further exposed the LLDCs' vulnerabilities. The vulnerability presents fiscal and monetary policy challenges as well as to achieving sustainable development by LLDCs.

In terms of economic vulnerabilities, small domestic markets, undiversified economies, and remoteness from the global markets, render these economies unattractive as destination for foreign direct investment. They are marginalized from the global and regional value chains and this impacts their ability to advance development efforts.

The Vienna Programme of Action (VPoA) for LLDCs for the Decade 2014-2024, which is also an integral part of the 2030 Agenda for Sustainable Development, acknowledges the importance of structural economic transformation in addressing the development challenges of LLDCs. Structural economic transformation – a gradual increase in value addition of the output of a given economy – lies at the center of developmental advancements.

The VPoA priority area on structural transformation aims to achieve increased value addition in the manufacturing and agricultural sectors, with the aim of achieving inclusive growth and sustainable development, increase economic and export diversification, promote service-based growth, including from tourism, and encourage the inflow of foreign direct investment in high-value added sectors. International trade can play a catalyst role in achieving structural economic transformation. Integrating LLDCs in global trade is therefore vital including through building their productive capacities and addressing the high trade costs that they continue to face. Given their unique challenges, LLDCs require unique and accelerated approach to trade facilitation including achieving efficient transit cooperation.

The Expert Group Meeting will highlight the linkages between international trade and trade facilitation and economic diversification and structural economic transformation, and value-addition in LLDCs and implications for the achievement of the SDGs.

Objectives of the meeting

The meeting will review the stance of the LLDCs in achieving structural economic transformation. The meeting will also review the linkage between the international trade, trade facilitation and structural economic transformation and the achievement of the SDGs by the LLDCs. It will explore trade policies for accelerating structural economic transformation in LLDCs. The meeting will provide inputs to a report on Enhancing Trade and Trade Facilitation for Economic Diversification and Structural Economic Transformation in Landlocked Developing Countries.

Expected outcome

The meeting will make policy recommendations on accelerating structural economic transformation and the role of trade and trade facilitation and will provide inputs to the report on Enhancing Trade and Trade Facilitation for Economic Diversification and Structural Economic Transformation in Landlocked Developing Countries.

Format of the meeting

The meeting will consist of several sessions focused on discussing the key issues. For each session, there will be a panel of experts that will make brief presentations to kick start the interactive discussion. The panel presentations will be followed by an interactive dialogue with members of the audience.

Working Language

The working language of the Expert Group Meeting is English.

Organizers

The meeting will be organized by UN-OHRLLS in close collaboration with WTO.

Participants

Participants invited to attend the event will include technical experts from the UN, international and regional organizations, as well as officials from LLDCs, other Member States, and academia.

Background Documents

- Vienna Programme of Action for Landlocked Countries for the Decade 201-2024
- Draft report on Enhancing Trade and Trade Facilitation for Economic Diversification and Structural Economic Transformation in Landlocked Developing Countries
- WTO report on transit for LLDCs
- WTO Trade Facilitation Agreement (TFA)
- Report of the Secretary-General on the Implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (A/74/113)