



LLDC MINISTERIAL MEETING

ENHANCING EQUITABLE, AFFORDABLE, AND INCLUSIVE TRANSPORT CONNECTIVITY AS A DRIVER FOR MORE SUSTAINABLE AND RESILIENT ECONOMIES IN LLDCS

14 AND 15 DECEMBER 2023

YEREVAN, ARMENIA

SPEECH BY DULGUUN DAMDIN-OD

Your Excellencies, Distinguished Guests, and Esteemed Colleagues,

I am sincerely honored to participate in this significant event and to address the pressing "Issues of LLDCs in terms of Trade through ICT," meticulously organized by the UN-OHRLLS.

This gathering holds paramount importance for countries facing unique challenges due to their geographical positioning, economic limitations, and restricted access to the global trade network. These challenges are exacerbated by the profound impacts of the COVID-19 pandemic and the persistent global political crisis.

In this context, the imperative of enhancing global cooperation and coordination cannot be overstated. The adverse effects of the pandemic and the prevailing political challenges are detrimentally impacting sustainable economic growth, social development, and the facilitation of global trade.

To confront the intricate transport connectivity challenges faced by LLDCs, the Vienna Programme of Action (VPoA), an integral component of the 2030 Agenda, delineates transit policy issues, transport infrastructure, and Information and Communication Technology (ICT) as priority areas. The VPoA underscores the necessity of addressing the high trade costs incurred by LLDCs and the crucial integration of these countries into global value chains.

The VPoA articulates objectives focused on integrating LLDCs into global connectivity and enhancing their trade performance. These objectives encompass a substantial

increase in the participation of LLDCs in global trade, with a concentrated effort on expanding exports and diversifying markets and products.

The World Trade Organization's Trade Facilitation Agreement (TFA), which came into force on 22 February 2017, represents a landmark development for the multilateral trading system, particularly benefiting LLDCs. Upon full implementation, the TFA is anticipated to expedite the movement, release, and clearance of goods, thereby significantly reducing trade costs by an average of 14.5%. The TFA underscores the critical role of adequate infrastructure in facilitating transit.

Trade facilitation assumes pivotal significance for LLDCs, where participation in international trade is hampered by inefficient procedures both within and outside their territorial borders. Delays at ports and border crossings, coupled with cumbersome procedures and inefficiencies, impose significant costs on governments, businesses, customers, and the overall economy. The WTO TFA emerges as a crucial and innovative method to establish an international framework for reducing border delays and trade costs, addressing major challenges faced by LLDCs.

Regrettably, the rate of TFA implementation by LLDCs remains relatively low compared to other developing countries, lagging behind the global implementation rate.

Another formidable challenge for LLDCs lies in building a sustainable and resilient economy through ICT and digitalization. The COVID-19 pandemic has accelerated the adoption of online commerce, associated with reduced transaction costs, shorter customs clearance times, and improved supply chain management. E-commerce emerges as a potent force with the potential to enhance productivity, inclusiveness, and consumer choice, thereby facilitating firms' and countries' participation in regional and global trade.

For LLDCs facing additional constraints such as geographical location, small market size, unreliable power supply, underdeveloped financial systems, and limited expertise in the digital economy, e-commerce and e-trading serve as powerful tools to overcome geographical limitations. These platforms offer opportunities for small and medium-sized enterprises (SMEs) in LLDCs to showcase their products globally, fostering cross-border trade and fruitful partnerships.

Digitalization assumes a critical role in trade facilitation by streamlining customs processes, simplifying documentation, and enhancing logistics and supply chain efficiency. Robust investments in digital infrastructure, coupled with the development of digital skills and an enabling policy environment, are essential for LLDCs to fully capitalize on the potential of ICT and digitalization. Collaboration among governments, private sector entities, development partners, and international organizations is imperative to provide the necessary support, expertise, and resources for the digital transformation of LLDCs.

Ladies and Gentlemen,

The International Think Tank (ITLLDC) stands as an inter-governmental organization and a center of excellence dedicated to high-quality research and policy advice. Our mission is to strengthen the analytical capacities of LLDCs in economic growth and poverty reduction. In collaboration with you, we strive to achieve the Sustainable Development Goals and the objectives of the VPoA, contributing to human development and poverty alleviation through international and regional research, policy analysis, capacity building, and expert networking.

We actively collaborate with LLDC governments, international organizations, and development partners, providing support for strategic interventions and fostering a platform for knowledge and expertise sharing between LLDCs and other nations. The ITLLDC places a strong emphasis on prioritizing Information and Communication Technology (ICT) development, recognizing digitalization as the way forward for LLDCs. Investments in digital infrastructure, broadband connectivity, e-commerce platforms, and digital trade facilitation systems are essential for harnessing the benefits of digital trade, overcoming physical barriers, and enhancing market reach and competitiveness.

The imminent emergence of artificial intelligence and the Internet of Things will soon usher in new digital realities, and early investments are crucial to leveraging these advancements effectively.

LLDCs also face the imperative of improving their financial infrastructure through the modernization of payment systems, promotion of digital banking solutions, and strengthening the regulatory framework for cross-border financial transactions. This will undoubtedly facilitate secure and efficient international trade transactions, reduce transaction costs, and enhance financial inclusion in landlocked developing countries.

The crucial path to transforming landlocked countries into land-linked countries lies in increasing connectivity. In this regard, the ITLLDC recommends concerted action among all parties and partners to join the international trade system, fostering better cooperation with transit developing countries, supporting private sector involvement, and intensifying support from the international community and development partners. Implementation of policies and measures aimed at economic restructuring, export-led growth, and development of productive capacities is pivotal for the progress of LLDCs.

The ITLLDC remains committed to substantive engagement in further policy research, data analysis, and capacity-building activities related to LLDCs. We actively seek partnerships with national governments, international and regional organizations, and development partners to advance our shared goals.

In anticipation of an effective and open discussion today, I extend my sincere gratitude to all present.

Thank you.