

Trade elements of Doha and the evolving trading landscape

Regional consultation on LDC5 for LDCs in Africa and Haiti

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African LDCs remain marginalized within the global economy...



- Despite progress in international rule-based trade regime, uneven distribution and systemic inequities limit export opportunities and growth potential for LDCs
- Trade deficit between LDCs and developed countries widened from \$13 billion in 2010 to \$76 billion in 2021.
- Although African LDCs exports increased by 35%, from \$107,7 billion in 2020 to \$145,4 billion in 2021, they still account for less than 1% of world trade.
- Many African LDCs are yet to transform away from dependence on commodities
 - In 29 African LDCs, commodities represent more than 60% of exports.
- Most African LDCs are at the bottom rungs of global supply chains.
 - Low manufacturing and export of value-added and high-tech products, which reflect a lack of competitiveness
- With total-trade-to-GDP ratios averaging close to 70% in 2020, rewiring multilateral rules with catalytic effects on LDCs' economies becomes critical.

Pivoting towards a more equitable and sustainable global trade model for African LDCs

More favorable special and differential treatment provisions in areas critical for accelerating industrial transformation and competitiveness of African LDCs

Regionalism as an alternative vehicle to align trade rules with LDCs' interests and development priorities

Enlarge the realm and flexibilities of trade-related intellectual property rights and standards for increased ownership and flow of knowledge, technology, and innovation in African LDCs.

Establishment of more inclusive global financial mechanisms that can address sources of systemic risk and provide LDCs with credible sustainable long-term financing.

AfCFTA – an opportunity to pursue optimal competitive advantages, higher production of value chains and meaningful development outcomes

South Africa – India proposed waiver for patents and other IPRs on coronavirus drugs, vaccines and diagnostics aims to enable local production capacity for pharmaceuticals

BRICS New Development Bank (NDB) aims to provide more effective alternative financing with the use of country systems to manage funds, leveraging of local capital markets, and allocation of loans in local currency.

To enhance African LDCs integration in the global economy, there is a need to...

- Push for strong intersectoral linkages and address supply-side constraints such as the quality of labour, deficiencies in technology and infrastructure, and low levels of private sector investment
- Strengthen the capacity of LDCs to prepare for commodity cycles including in strategic minerals and other commodities whose demand has been affected by climate change
- Implement preferential market access with complementary export capacity-enhancing measures to increase benefits to LDCs.
- Further refine international support measures to prioritize skills and capability development, and respond to the specific needs of the LDCs, including private sector development.



To integrate African LDCs in the global economy, there is a need to...

- Take advantage of new frontiers in the digital economy to strengthen innovation and expand trade opportunities.
- Explore regional markets (AfCFTA) to reduce trade costs and boost exports through cooperation on trade-enhancing infrastructure, value chains for strategic products, and business linkages.
- Boost the presence of LDCs firms in more sophisticated semi-finished and finished goods value chains and global supply chains.



Key areas of UNCTAD's interventions

Enhancing international and regional trade:

- AfCFTA Non-Tariff Barriers Online Reporting, Monitoring and Eliminating Mechanism (<https://tradebarriers.Africa>).
- Regulatory transparency initiative to increase transparency and reduce costs of Non-Tariff Measures, including increasing transparency on regulatory and behind-the-border measures.
- Development of a website on the utilization of trade preferences to provide real-time information on tariff schedule offers and rules of origin.

Supporting structural transformation:

- Analytical and advisory support for the AfCFTA Negotiating Forum, to Phase II negotiations on the AfCFTA competition and investment protocol
- UNCTAD, with UNDP, UNECA, ITC and the Africa Technology and Creative Group has organized a series of dialogues on e-commerce and digitalization in the context of the AfCFTA.
- Publication of a report on Special Economic Zones in support of economic diversification in Africa in the context of the AfCFTA (in collaboration with the African Union and GIZ German cooperation)
- Support to selected African countries in the implementation of the AfCFTA National Strategy (Identification of niche markets and development of feasible investment and industrial policies, aligned with AfCFTA provisions)

Addressing climate change, and environmental degradation:

- Project to support the inclusion of green initiatives in AfCFTA National Implementation Strategies by building the capacity of national and regional experts in 20 African countries (with UNECA).

Thank you!

