



UN-OHRLLS

Statement by

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High Representative
and
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Least Developed Countries, Landlocked Developing Countries and Small
Island Developing States**

During the

**LLDCs Ministerial Meeting on Trade to be held in the margins of the 12th
WTO Ministerial Conference**

**Theme: Towards sustainable, resilient COVID-19 recovery: Bridging the
LLDCs' trade gap**

Virtual Meeting

04 November 2021, 11:00hrs – 13:00hrs (Geneva time)

- Honourable Ministers, Excellencies, Distinguished Delegates, Ladies and Gentlemen

I think you will agree with me that the last 18 months have been among the toughest in living memory for developing countries, including the landlocked developing countries.

The global pandemic has shut down major sectors of our economies and slowed down trade. For LLDCs, the pandemic has exacerbated their vulnerabilities and has reversed the modest developmental progress made over recent years.

LLDC growth fell from 4.3% in 2019 to -2.4% in 2020.

Foreign Direct Investment contracted by 31% in 2020.

Food security deteriorated in the wake of disrupted supply chains and price increases.

According to the WTO, as world trade recovered towards the end of 2020, exports in LLDCs continued to decline, by as much as 8%, and their share of global exports remain below 1%.

Several factors have exacerbated the impact of COVID-19 on LLDCs' trade, as well as their overall development.

First, their dependence on international trade is much higher than the global average.

Second, LLDCs rely more heavily on commodity exports.

The sharp decline and high volatility in commodity prices have impacted the LLDCs' balance of payments and increased their debt vulnerability.

This also means they do not have enough foreign currency assets to finance imports, including inputs for manufacturing. And this, in turn, means these countries are even further marginalized from global trade. Moreover, low

levels of diversification make LLDCs much more vulnerable to external shocks.

Third, the COVID-19 restrictive measures imposed by LLDCs and their transit neighbors, has had a significant impact on the timely delivery of and access to essential goods.

This includes food, medical supplies, and fuel, and they have also increased the already high trade and transportation costs for LLDCs.

These unilateral restrictive measures impact regional integration and retard the progress made on implementing trade facilitation reforms.

During the pandemic, we also witnessed a dramatic rise in e-commerce and accelerated digital transformation. While enabling more transactions, the trend also exacerbated a very real digital divide.

The latest figures show that only 27% of the population in LLDCs used the Internet, compared to 87% in developed economies.

The rise in e-commerce, therefore, further disadvantaged these countries.

The major challenges to improving ICT connectivity in LLDCs include higher broadband costs compared to coastal countries; inadequate infrastructure; and limited digital literacy.

Excellencies,

We are some way from achieving most of the trade related objectives of the Vienna Programme of Action (VPoA).

There has not been a significant increase in the participation of LLDCs in global trade. Nor have we seen substantially diversified markets and exports - or reduced trade costs for that matter.

Achieving SDG target 17.11 to significantly increase the exports of developing countries by 2020 has also been missed. Even before the COVID-19 pandemic, the prospects of these targets being met were implausible.

Given these factors, I must say, the picture looks gloomy - but all is not lost.

We can report some progress on a few of the key priorities of the VPoA.

All the LLDCs that are WTO Members have ratified the WTO Trade Facilitation Agreement and continue to make progress in its implementation. However, more remains to be done to achieve the required 100% implementation rate. Enhanced support towards the implementation of the Agreement is therefore necessary. This support is also needed by transit countries.

We have seen that LLDCs have continued to pursue regional integration and cooperation and enhanced linkages with the global economy and value chains.

As part of their response to COVID-19, some LLDCs increased their use of digital tools to streamline border processes.

Such moves included digitization of trade-related documents, which can serve as peer learning models for other LLDCs.

Also, some regional economic communities have developed transport, cross border transit and trade facilitation regulations aligned with international guidelines.

Honourable Ministers, Excellencies,

Urgent, strengthened and focused support support is required to support LLDCs' recovery from COVID-19, as well as to build more resilient economies post COVID-19.

This support should come from development partners, transit countries, South-South partners, the UN Development System, Multilateral Development Banks, International Financial institutions, the private sector, and foundations.

Solidarity is an ethos that must be renewed. And we cannot over-emphasise the need to enhance the Aid for Trade support to LLDCs. There is need to address the trade capacity, finance, infrastructure, and technology needs of LLDCs.

An enabling and favorable multilateral trading environment is also fundamental for the integration of the LLDCs into global trade. We therefore recognize the critical role of the WTO in ensuring that the most vulnerable countries are not left behind in a bid to grow the global economy.

The Twelfth WTO Ministerial Conference presents an excellent opportunity to adopt progressive approaches to overcoming the pandemic and to build back better.

To achieve economic diversification and integration into regional and global value chains, LLDCs need to achieve progress in key areas, such as:

Addressing tariff and non-tariff barriers;

Building the necessary infrastructure;

And undertaking capacity building.

The acute phase of the pandemic is far from over, and the limited availability and unequal distribution of vaccines poses new challenges. Recovering from this crisis will be a challenge for the foreseeable future.

However, the situation also presents opportunities to “build back better”. Measures taken in response to COVID-19 can accelerate the integration of LLDCs in global trade and advance the cause of sustainable development.

Working with you, my office will continue to pursue strong advocacy and outreach activities to leverage wider and deeper global partnerships in favour of LLDCs.

I wish to emphasise the importance of national coordination in facilitating the implementation of the VPoA, as well as other international agreements.

Therefore, we are establishing a National Focal Points Network for LLDCs - comprised of designated capital based national focal points. We have recommended that the national focal points could be drawn from among officials working in National Trade Facilitation committees. Through this Network, we aim to strengthen coherence and coordination at the national, regional, and global levels on LLDC-related issues. The inaugural meeting of the Network will be held from 3-4 December in Geneva.

Honourable Ministers, Excellencies, ladies, and gentlemen,

In closing, I encourage us all to use this opportunity today to engage in frank discussions about our collective efforts to foster increased trade and development. To make real those words we keep hearing – build back better – and to empower that phrase with tangible outcomes for the LLDCs.

I thank you for your attention.