

Landlocked Developing Countries Ministerial Meeting

New York, 22 September 2022.

Speech by Rebeca Grynspan (3min)

UNCTAD Secretary General

Dr. Lemogang Kwape, Minister of International Affairs and Cooperation of Botswana and Global Chair of the Group of Landlocked developing countries

Under Secretary General, Ms. Rabab Fatima, UN High Representative of LDCs, LLDCs and SIDS

Honorable Ministers, Excellencies, ladies and gentlemen,

- I hope this meeting would have come at a better time for the world. But it does not. As Secretary General Guterres says, we now **live in a world of cascading crises**. Since 2020, no country, and especially no Land-Locked Developing Country, has had a rest from being in emergency mode. And things are getting worse.
 - *A public health crisis has led to a socioeconomic crisis, which is now rapidly turning into a debt and finance crisis, where up to 60% of low-income countries, and 30% of middle-income countries, are near debt distress.*

- *Climate change* is hitting us harder every year, piling up costs at a time where countries lack the fiscal space to cope with disasters, let alone invest in their own long-term development.
- *Prices* for key commodities are at multiple times the average of the previous decade. In the case of food, at least 50% higher; in energy, twice as high; in shipping, three times as high. And for some fertilizers, also three times as high.
- *Inflation* has returned to all countries; but in developing countries, inflation is being turbocharged by its ugly twin, *depreciation*, as a result of a stronger dollar, fueled by rising interest rates.
- *People are suffering*, with the number of the food insecure tripling in three years to almost 350 million, the extremely poor growing by more than 70 million in just the first three months of this year.
- *And trade*, which many took for granted, can no longer be taken for granted – airspaces are closing, pipelines are being redrawn, maritime routes are taking the long road...
geopolitics, not economics, is now in the driving seat of globalization.

Your excellencies,

- This daunting global context is compounding the structural challenges already faced by LLDCs, and as a result, there are serious risks of reversal of most of the modest gains achieved in LLDCs to meet the SDGs and the Vienna Programme of Action.
- The international community needs to come together and support LDCs in a few key areas of action.
 1. FIRST. Reversing the marginalization of LLDCs in global trade, investments, and output. Trade with LLDCs shrunk more than double the decline of the global average during the pandemic, especially in the services trade. High trade cost (both transport and non-tariff barriers) continues to undermine export competitiveness in LLDCs. This situation makes LLDCs disproportionately exposed to adverse global conditions, such as rising food and energy prices.
 2. SECOND. Closing the trade deficit, which has compounded the countries' ability to finance their development ambitions and meet their debt repayment obligations. External debt levels increased from an average of 58.1 per cent of GDP in 2019 to 64 per cent in 2020 in landlocked developing countries. 9 out of 32 LLDCs are in debt distress situation.

3. THIRD. Fostering productive capacities and structural economic transformation must be at the center of national, regional, and global policies, with a strong focus on infrastructure and transport system.
4. FOURTH. Engaging all stakeholders, including ODA providers, and other developing countries in the context of South-South cooperation, so that they strengthen and broaden their partnership with LLDCs.
5. And, FIFTH, lastly, closing the Digital divide in LLDCs. The pandemic demonstrated the importance of digital technologies and accelerated their adoption. However, in 2021, Internet usage rate in landlocked developing countries was only 35 per cent, far below the world average of 63 per cent.

Honorable Ministers,

- UNCTAD has been a longstanding partner to the LLDCs, providing analytical and technical assistance in areas such as export diversification, trade negotiations, trade and transport facilitation, investment promotion, debt management, science and technology and e-trade readiness.

- Following the Bridgetown Covenant, UNCTAD will continue contributing to the implementation of the Vienna Programme of Action. We are ready to provide substantive support for the Third International Conference on LLDCs to be convened in 2024 and to commit to support the implementation of its outcome.
- We will be by your side always, and especially today.
- Thank you.