

**Asia-Pacific Regional Review Meeting
in Preparation for the Fifth United Nations Conference on the
Least Developed Countries (UNLDC-5)**

**Session 4: "Building trade capacity and effective market access
for LDCs with enhanced regional integration for graduating and
graduated countries"**

**01 September 2021, Geneva, Switzerland (CR Tempus 1 at
UNOG)**

Keynote address - DDG Xiangchen Zhang

Thank you to the co-chairs, Minister Péter Szijjártó and Dr. Biswo Nath Poudel.

Thanks, the co-hosts of this Asia-Pacific Regional Review meeting for inviting me to take part in this important session.

Excellencies, colleagues, distinguished participants,

The LDC5 Conference is taking place against the backdrop of a global pandemic causing profound impact on all economies including LDCs. Being the weakest segment of the international community, with

limited ability and resources to fight such pandemic of enormous scale, the international community has a special role to play to assist LDCs in recovering from the serious economic dislocation.

The integration of LDCs into global economy is a shared objective of the international community. During the last decade, WTO has responded to the calls of Istanbul Programme of Action and has taken a number of important decisions to help LDCs improve their participation in global trade in goods and services. In addition to implementing the special and differential treatment for developing countries and LDCs in WTO agreements, Duty-free and Quota-free market access, Preferential Rules of Origin and LDC Services Waiver have become household names. Important policy flexibilities have also been accorded, including the recent extension of Transition Period under TRIPS to allow LDCs sufficient time to integrate WTO rules and disciplines. The WTO has also been helping LDCs integrating into the global economy and trade by accepting more LDCs to the WTO family and building up their production and trade capacity.

In the meantime, trading landscape is continuously evolving driven by technology and a host of other factors such as production methods and demand patterns. And the COVID-19 pandemic has dramatically led to the rise of digital economy. All these are presenting new extraordinary challenges, in addition to the traditional ones, for LDCs' growth and development.

The production base and export capacity in Asia Pacific LDCs are better than other LDCs – yet they too have been badly hit by the pandemic. Major drivers of LDC export growth have seen the sharpest decline in the pandemic time and recovery remains fragile. The Asia-Pacific LDCs witnessed a 7 per cent decline of their exports in 2020, and their share in world merchandise trade remains static at 0.45 per cent.

The challenges and vulnerabilities of the LDCs including in the Asia Pacific region today remain daunting. It is in this context, the international community should continue and strengthen our efforts through cooperation to prepare LDCs to be fit for purpose for the 21st century.

I wish to highlight three main points.

First, the immediate priority is to have a strong global response to address the most pressing challenges of humankind in this century – to ensure widespread and equitable access to vaccines including in the LDCs where the vaccination rate remains abysmally low. WTO is collaborating with other institutions and all relevant stakeholders to ensure rapid production and distribution of vaccines.

In addition, WTO Members are having dedicated discussions, aiming to have some meaningful results at MC12 its Ministerial Conference later this year to address the pandemic. Trade should remain essential in supporting economic recovery in all LDCs.

Second, the remarkable socio-economic achievements made by LDCs in Asia Pacific region have been significantly dented by the onslaught of COVID-19 pandemic. With the exception of a few, most LDCs in this region are on the graduation path. They will soon achieve an important milestone in their development journey. But new and unforeseen challenges have emerged. We have a role to play to sustain the development efforts of these LDCs.

In the WTO, LDC Graduation is receiving the attention of its highest decision-making body. WTO Members are sympathetic to the concerns of graduating LDCs. There is increased understanding on the problematique of graduating LDCs. We too in the Secretariat are assisting the graduating LDCs to better comprehend the trade impacts from graduation, and the options they could explore to address some of the challenges. This is an area where LDC5 should delve more to see how we could make graduation durable and an irreversible process.

Third, as a medium to long-term strategy, there is no alternative to build the necessary infrastructure in LDCs to benefit from opportunities being created by different forces in global trade. Favourable market

access or enhanced policy flexibility are just one piece of the puzzle. Preferences remain underutilized. The offer of flexibility in the implementation of rules is not taken. We could do more in improving market access opportunities to LDCs. But the central intervention needs to be in capacity building – human, institutional and supply-side. And all these fronts need to be tackled simultaneously – there is no order of preference. Otherwise, we will not be able to help LDCs fully exploit their comparative advantage in trade, neither the competitive advantage that they strive to achieve.

The multilateral trading system can be a tool in achieving development goals. We should work in the next decade to see that trade remains central to deliver growth in LDCs. WTO has always been responsive to the needs of LDCs. And we hope to make continued progress in the coming years to help LDCs benefit from the system and to raise their share in world trade.

At LDC5, the international community should adopt a new generation programme of Action that builds resilience in LDCs, prepare them to fight pandemics and future shocks, provide impetus for expanding export base, increase incomes, raise living standards and ultimately alleviate poverty in LDCs. WTO remains committed to join the efforts of the international community to make a difference in LDCs.

We wish a successful review meeting of the Asia-Pacific LDCs. In fact, we hope a decade later there would not be any need for such a review as nearly all LDCs in this Asia Pacific region would be successful in achieving the milestone of graduation.

WTO remains committed to working with all of you to ensure a successful LDC5 Conference.

I thank you.

(Words: 1034)
