



**Third United Nations  
Conference on  
Landlocked Developing  
Countries**

**High-level Thematic**

**Round Table 2**

**Wednesday, 6 August 2025, 10 am - 1 pm**

**Awaza, Turkmenistan**

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**CONCEPT NOTE**

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## High-level Thematic Roundtable 2: Seizing the transformative potential of trade, trade facilitation, and regional integration for landlocked developing countries

### Introduction

International trade offers extraordinary opportunities for achieving economic growth. However, landlocked developing countries (LLDCs) face unique challenges due to their lack of direct territorial access to the sea. These countries must navigate longer and more complex routes to markets, which significantly hampers their trade. LLDCs' exports are also predominantly concentrated in lower-value added products, primarily commodities, making them particularly vulnerable to external shocks. These factors severely limit their ability to fully benefit from international trade.

The impact of these challenges is starkly reflected in trade statistics. In 2024, LLDCs accounted for just 1.2 percent of world trade in merchandise goods and a mere 0.8 percent of services trade, despite representing over 7 percent of the global population.<sup>1</sup> Furthermore, 82 percent of LLDCs' exports consist of raw materials and fuels, which leaves their economies undiversified and highly susceptible to price fluctuations.<sup>2</sup> This concentration in primary commodities results in relatively few jobs and minimal economic value added. When primary commodities are excluded, LLDCs' share of world trade plummets to just 0.4 percent.<sup>3</sup>

Since 2004, international trade has remained a core priority of both the Almaty Programme of Action for LLDCs (2004-2014) and the Vienna Programme of Action for LLDCs (2014-2024). Despite progress, significant challenges have persisted, undermining development. Ambitious action is required to unlock the potential of trade for LLDCs. Recent trade tensions, tariff uncertainty, and pressures on the multilateral trading system have further highlighted the vulnerabilities of complex supply chains, as well as the importance of resilient transit systems. Amid shifting global dynamics bold actions are now needed to ensure that the opportunities of trade can be fully seized for delivering the Azawa Programme of Action for LLDCs for the decade 2024-2034 (APOA).

### Progress achieved

During the commitment period of the Almaty Programme of Action, the share of world trade accounted for by LLDCs' exports more than doubled, from 0.6 per cent in 2003 to 1.2 per cent in 2013. However, progress has since tapered off, with the LLDC share of world trade remaining flat at 1.2 per cent as of 2024.<sup>4</sup> Their services exports reflect a similar trend, rising from 0.5 per cent to 0.8 per cent between 2003 to 2013 before stagnating at 0.8 per cent up to 2023.<sup>5</sup> Progress was undermined by the COVID-19 pandemic, which had a disproportionate impact on the trade of LLDCs, which relies on relatively more complex supply chains.

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<sup>1</sup> Calculations based on UNCTAD Stat (2025)

<sup>2</sup> *Ibid*

<sup>3</sup> *Ibid*

<sup>4</sup> *Ibid*

A persisting challenge facing the LLDCs is that their exports are concentrated in primary commodities. As many as 27 of the 32 LLDCs are classified as ‘commodity dependent’, following the UNCTAD definition of more than 60 per cent of merchandise exports being primary commodities. Since 2003, much of the growth in the value of exports from LLDCs has been due to increases in world commodity prices, rather than a transformation of that trade into higher value or more diversified goods.

### **Digital trade and e-commerce**

Digital trade and e-commerce could offer new pathways for overcoming geographical obstacles faced by LLDCs. The COVID-19 pandemic accelerated opportunities in this area, with exports of digitally deliverable services from LLDCs increasing by 105 per cent between 2019 and 2023, reaching \$13.5 billion.<sup>6</sup> Nevertheless, LLDCs’ total share of global services trade has not shown any significant change in the last decade, suggesting that LLDCs are merely keeping up with global trends in the trade of digitally deliverable services.

Many LLDCs face continuing challenges in developing foundational enablers for digital trade, including affordable digital infrastructure, digital literacy and skills, and conducive domestic and international digital regulatory frameworks. Resolving these challenges remains a prerequisite to seizing the theoretical promise of digital trade for circumventing the burden of being landlocked.

### **Multilateral trading system**

The multilateral trading system can help to address the specific constraints faced by LLDCs in international trade. For this reason, trade ministers from LLDCs at the 13<sup>th</sup> WTO Ministerial in February 2024 called for a specific Work Programme for LLDCs under the auspices of the WTO to study their special needs, challenges, and vulnerabilities. This request was underscored in the APoA.

Six LLDCs also remain at different stages of accession to the WTO. The APoA calls for technical assistance and capacity-building to LLDCs to complete the process of accession to the WTO and to fulfil their commitments and to integrate into the multilateral trading system.

### **Trade Facilitation**

Trade costs are estimated to be 30 per cent higher for LLDCs than for coastal developing countries, owing in part to the additional barriers that LLDCs face in trading across a multiplicity of borders. Initiatives to facilitate trade are valuable, including the WTO Agreement on Trade Facilitation (TFA) and efforts to strengthen transport corridors. In recognition of the role of the TFA in addressing transit issues, the WTO’s 12<sup>th</sup> Ministerial Conference decided that the Trade Facilitation Committee would hold a dedicated session on transit issues annually until the next review of the Trade Facilitation Agreement was completed and called for the strengthening and continuation of these sessions.

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<sup>5</sup> *Ibid*

<sup>6</sup> Calculations based on UNCTAD Stat. (2025). International trade in digitally-deliverable services, value, shares and growth, annual

The current implementation rate of the TFA stands at 86.1 per cent for all developing countries, but only 71.1 per cent for LLDCs<sup>7</sup>. Additional support is required to assist both LLDCs and transit developing countries to implementing fully the TFA. For LLDCs, reducing friction at borders is critical to maintaining competitiveness and resilience.

## Regional Integration

Regional trade can offer a powerful tool for LLDCs to integrate into regional value chains and diversify their exports. While, only 18 per cent of LLDCs' overall exports are manufactures, this proportion rises to 30 per cent in the context of their regional trade.<sup>8</sup> Boosting regional trade can help LLDCs' to increase their manufacturing exports and support their much-needed industrialization and structural transformation.<sup>9</sup> Over the course of the commitment period of the Vienna Programme of Action, from 2013 to 2022, LLDCs' regional exports of manufactures increased by 70 per cent, much higher than the 16 per cent growth of their total exports of goods to all partners.

Significant progress was made in regional trade agreements and initiatives involving LLDCs, including the commencement of trade under the African Continental Free Trade Area in 2021, development of economic corridors like the Trans-African Highway, and the launch of the Single African Air Transport Market in 2018. The number of regional trade agreements that each LLDC is a party to has increased, on average, from 3.3 in 2014 to 4.3 in 2023.<sup>10</sup> The African Collaborative Transit Guarantee Scheme of the Afreximbank announced its first-ever multi-border transit bond in October 2023 for Zambia. Further efforts are needed to improve the implementation of these initiatives while taking specific and new steps to address trade transit issues within regional frameworks.

## Way forward

The APOA sets ambitious targets for trade, trade facilitation, and regional integration. A key target is to significantly increase LLDCs' participation in world trade, aiming to at least double their global merchandise exports by 2034. The APOA also focuses on diversifying trade by increasing the value-added and manufactured component of exports, as well as by expanding services exports and e-commerce. There is a specific target to double exports of trade in services by 2034.

The APOA also commits to addressing non-tariff measures and reducing or eliminating arbitrary or unjustified non-tariff barriers – keys to unlocking improved trade. Support for LLDCs in their WTO accession process and integration into the multilateral trading system is also prioritized. APOA aims to simplify and streamline documentation and border crossing procedures, with the goal of substantially reducing port and border delays and costs. It also seeks to improve transit facilities and efficiency to reduce the time and cost of clearing goods between and through transit countries.

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<sup>7</sup> As at May 2025

<sup>8</sup> Calculations based on UNCTAD Stat (2025)

<sup>9</sup> *Ibid*

<sup>10</sup> OHRLLS calculations based on WTO Regional Trade Agreements Database (2025)

Some key commitments include promoting the full implementation of the WTO Agreement on Trade Facilitation, supporting LLDCs' participation in standards-setting organizations involved in trade facilitation, and substantially increasing the implementation rate of measures under the UN Global Survey on Digital and Sustainable Trade Facilitation. The APOA also emphasizes increasing regional and sub-regional trade, with targets to substantially increase LLDCs' share in intra-regional trade and create provisions on transit trade within regional trade agreements. The APOA also takes note of LLDCs' ambition to establish a work programme under the WTO.

Against this backdrop, this roundtable will discuss strategies, lessons learned and strategic approaches for leveraging trade opportunities to drive sustainable development in LLDCs, in alignment with the key priorities of the APOA.

### Guiding Questions

1. How can LLDCs respond to changing trade-related challenges and opportunities, including the emergence of digital trade and green growth or navigating trade tensions?
2. What role should regional integration play in transforming LLDCs' trade?
3. How can the multilateral trading system respond to support the specific trade-related challenges faced by LLDCs?
4. How should partnerships be forged with transit countries, development partners and institutions, to support trade diversification and growth in LLDCs?