

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

04 November 2021

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

Draft Concept Note

Background

Although international trade is recognised as an engine for promoting sustainable development, landlocked developing countries (LLDCs) remain marginalized from global trade. This is largely as a result of long distances from the nearest seaports, poorly developed transport and transit systems and cumbersome transit procedures which translate into high trade costs. To address the challenges of the LLDCs, the first dedicated global conference on LLDCs was hosted by Kazakhstan in 2003 and adopted the Almaty Programme of Action (APoA). The Almaty Programme of Action was succeeded by the Vienna Programme of Action (VPoA) for LLDCs for the Decade 2014-2024 adopted in 2014. The VPoA identifies six priority areas aimed at addressing the special development needs and challenges of the LLDCs that arise from their landlockedness and remoteness in particular: fundamental transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, regional integration, structural economic transformation and means of implementation.

The United Nations General Assembly held the midterm review of the VPoA in 2019 and the review revealed some mixed progress on the implementation of the priority areas linked to trade. The LLDCs' share of global exports declined by 18 per cent during the first half of the VPoA implementation and their share of global export remains below per cent.. LLDCs also continue to be heavily dependent on a very limited number of commodities for their export earnings and therefore highly vulnerable to external shocks. The emergence of COVID-19 has further exposed their vulnerability. According to the WTO, as at April 2020, LLDCs' exports were 40% lower than in April 2019, which is almost twice the COVID-19 induced decline for world exports. As the world trade recovered towards the end of 2020, LLDC exports continue to decline by as much as 8% while global exports grew by 7%

trade costs and delays in delivery of goods including food and medical supplies. In addition, other measures including social distancing measures instituted by governments across the world to combat the pandemic caused a severe reduction in economic activity, the effect of which is likely to have added to challenges already being faced by LLDCs.

About 80 per cent of LLDCs are dependent on primary commodities for more than 60 per cent of their exports. The contraction in the demand for commodities in main export markets during

the pandemic, along with supply challenges because of disruptions to logistics networks as well as the closures of mines, and interruptions in agriculture, directly affecting the supply of these commodities by LLDCs. This has resulted in relatively huge loss of foreign exchange earnings which has serious consequences on socio-economic development including debt sustainability.

The Ministerial Meeting will be attended by Ministers and high-