



**STATEMENT BY THE UN RESIDENT COORDINATOR AND UNDP REPRESENTATIVE MR MUSINGA BANDORA AT THE OPENING OF MINISTERS OF TRADE MEETING OF THE LAND-LOCKED DEVELOING COUNTRIES- EZULWINI- SWAZILAND- 21 October 2009**

Honourable Chairperson

The Rt. Hon Prime Minister Honorable Ministers

Honorable members of Parliament

Distinguished Participants, Ladies and Gentlemen

Allow me to begin by welcoming you all and thanking the Government of the Kingdom of Swaziland for hosting this important meeting of the trade ministers of land-locked countries. I would like to thank the Rt Hon Prime Minister for finding time from his busy schedule to grace this occasion.

I am doing this on behalf of the UNDP Administrator and Chair of the UN Development Group, Helen Clark, who had very much wanted to be here but is unable to do so, due to prior commitments. She sends her well wishes and expresses UNDP's continued commitment to promoting a pro-poor trade agenda including in particular easing the predicament of land-locked and least developed countries.

Distinguished participants, recent global economic, political, social, technological and environmental developments have a bearing on

the challenges that land-locked developing countries face. In particular, globalization and the emerging WTO trade architecture especially its General Agreement on Trade in services, presents fresh opportunities and risks for land-locked developing countries.

Globalization is redefining the way we do business within an expanded “global village”. Since land locked countries live in a competitive and rapidly changing global environment, they have to be pro-active to maximize benefits from the globalizing world.

This meeting is taking place at a crucial time given the unfinished business of the Doha Round multilateral trade negotiations; the global financial crisis and economic meltdown and the pressures that this unprecedented crisis has brought to bear on land-locked countries

The crisis has led to contraction of GDP, declining FDI and ODA, reduced state revenues, falling remittances -which in some countries account for as much as total ODA- and loss of trade opportunities. It has impacted negatively on demand for, and prices of, export of goods and services. It has limited access to credit as banks and other financial institutions have become more risk averse which has increased the costs of borrowing. This has, and is, leading to the scaling down of investments, with firms failing to break-even, shedding off jobs or closing altogether. This adversely impacts on poverty reduction and the attainment of the MDGs.

While the rich industrialized countries have responded with financial bail-outs and stimulus packages, the developing world has not mustered the resources for any significant bail-outs. This is why international action is critical to ensuring that the developing countries are not eclipsed by the crises. The deliberation of this meeting should therefore sharpen thinking and feed into the global agenda including the 7<sup>th</sup> Ministerial conference on the Doha Round negotiations in Geneva next month to revive the stalled Doha Round trade negotiations and prepare for the Copenhagen Summit on climate change.

Reduction of trade distorting subsidies by the rich and market access opportunities for LDCs, are key issues that must be resolved as part of a comprehensive agreement. Indeed, in seeking fairness and equity, the need for a common negotiating position for the Land Locked Developing Countries cannot be over-emphasized. Your meeting here is the opportunity to think strategy and agree on common action.

Distinguished participants

The thirty three Land-locked countries represented here -of which there are twenty four in Africa, share common challenges. Overall, your countries do worse than your maritime neighbors. Your countries are vulnerable to circumstances in your neighbors. And much of that can be attributed to the dependence on other countries' transit routes for access to overseas markets-either in the

form of infrastructure; political considerations, peace and stability as well as administrative processes within the transit countries.

These challenges have policy implications. Indeed to address these challenges that limit potential gains from trade and hence limit the resource base for investing in human development, several key policy priorities must be stressed. Land-locked developing countries need to place particular emphasis on improving internal and regional transportation infrastructure, and pursue regional integration strategies. It is only through the regional approach and regional infrastructure programmes, that land-locked developing countries can widen their options and possibly have a voice on their gate way to the sea.

Development of trade capacity, improved export competitiveness, better regulatory frameworks, addressing supply-side constraints, economic diversification and promoting non-traditional exports are some of the required internal measure to boost trade opportunities. They also need to invest in industries that are less susceptible to transport costs. This includes shifting away from exporting primary commodities to the development of service industries and manufacturing sectors for export. The importance of promoting South –South co-operation cannot be over emphasized.

While this is one critical part, the other is about addressing non physical barriers to, and facilitation of trade flows. These barriers are eroding the advantages of tariff preferences such as the Africa Growth Opportunities Act (AGOA) and placing the prospects of

recovery from the present economic crisis in greater jeopardy. It is these barriers to trade including, market access for agricultural and non agricultural export products, rules of origin and standards and quality assurance as well as distorting subsidies on which agreement needs to be reached taking into account the levels of development and the special needs of the land locked developing countries. Needless to say, agreement on economic, financial and legal incentives to encourage FDI flows will be critical as emerging challenges in particular climate change are already having negative impact on the economies of developing countries.

#### Distinguished participants

Let me conclude by reiterating UNDP's continued willingness to support the efforts of land locked developing countries in their quest for fair and equitable trade including through building capacities for trade and services. In this regard participants may be aware of the work that the wider UN has done through the Integrated Framework for Trade, and more especially under the Joint Integrated Technical Assistance Programmes-JITAP- in reinforcing the capacity of LDCs in trade negotiations and in follow-up action. The UN also stands ready to support countries on Aid – for Trade initiatives which should deliver additional resources to improve trade competitiveness of land locked developing countries. We hope that the “Ezulwini Declaration” coming from this Kingdom will echo the common voice of the Land locked developing countries, on the trade issues at hand. I thank you.