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**United Nations Office of the High Representative for the Least
Developed Countries, Landlocked Developing Countries and
Small Island Developing States (UN-OHRLLS)**

Statement by

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Least Developed Countries, Landlocked Developing Countries
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at the

**High-Level session on Realizing LDCs' Trade Potentials
9th Global Review of Aid for Trade**

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**Hon'ble Ministers,
Excellencies,
Distinguished Delegates,**

I thank the WTO for organizing this session on realizing the trade potentials of LDCs.

International trade can be a key driver in transforming the economies of the LDCs.

The Doha Programme of Action (DPOA) for LDCs has identified international trade as a focus area for action and set an ambitious agenda for promoting trade and regional integration in LDCs for the next decade.

If DPOA is fully implemented, LDCs can achieve significant gains through international trade, including by capitalizing on the multilateral trading system under the WTO.

Excellencies,

Allow me to highlight six specific areas outlined in the DPOA that can support LDCs in realizing their trade ambitions.

First: the DPOA makes specific commitments to ensure full and expeditious implementation of the decisions of the WTO Ministerial Conferences pertinent to LDCs. These include:

- **Duty-free and quota-free market access**
- **Simplified and transparent rules of origin**
- **Preferential treatment to services and service suppliers of LDCs**
- **Capacity building support**

However, these commitments remain largely unfulfilled.

Despite considerable efforts, LDCs' exports continue to face high tariff and non-tariff barriers.

Non-tariff barriers, such as stringent sanitary and phytosanitary standards hinder their market access.

It is imperative to address these issues which stand in the way in realizing the full implementation of the WTO Ministerial Decisions on LDCs.

Second: the DPOA sets an ambitious target to double LDCs' share of global exports by 2031.

Regrettably, no progress has been achieved in this regard.

Despite representing approximately 13% of the world's population, LDCs continue to account for less than 1% of global trade.

Their overall trade deficit continued to widen, reaching a new high of over USD 124 billion in 2022.

LDCs need targeted support and interventions from development partners to boost trade capacity through diversification and structural transformation.

There are also huge untapped potentials of South-South trade, which can boost their export.

Third: LDCs need massive investment for trade capacity building, including in diversification, improved value chains, enhancing technology content, and meeting necessary standards.

Currently, LDC exports are heavily concentrated in a few primary commodities, making them vulnerable to price fluctuations.

The DPOA sets clear and ambitious targets to increase aid for trade support to LDCs, aiming to double it by 2031.

In 2022, the share of Aid for Trade disbursements to LDCs was 28%, which was worth about US\$ 14 billion.

However, disbursements have fallen short of the DPOA target.

Development partners and multilateral development banks must provide enhanced trade financing, including aid for trade to LDCs.

Fourth: the international community made a firm commitment to promote regional economic integration and enhance regional connectivity.

The establishment of the Africa Continental Free Trade Agreement is a milestone initiative in this regard.

The LDCs need more such initiatives like this to reap the full benefits of intra-regional trade.

The DPOA sets a target to fully implement the WTO Trade Facilitation Agreement. This aims to reduce trade barriers and streamline customs procedures.

LDCs need enhanced financial and technical support in this regard. This can reduce trade costs for LDCs by up to 14% and enable further regional integration and trade.

Fifth: E-commerce and digital trade, have the potential to connect businesses in remote economies, especially MSMEs and startups, to global markets and increase the comparative advantage of the LDCs.

The DPOA makes a strong call upon development partners to provide support for building and gaining access to adequate energy infrastructure, internet, digital infrastructure, Fintech, and developing transparent and fair regulations.

Access to technologies, including through operationalization of Article 66.2 of the TRIPS agreement, is going to be vital in this regard.

Finally: the DPOA calls upon development and trading partners to extend trade preferences to graduated countries. This is especially crucial now as 15 LDCs are at various stages of graduation.

The DPOA facilitated the launch of the Sustainable Graduation Support Facility (iGRAD). This is an important inter-agency support mechanism led by my Office to support graduating and graduated countries. More support is needed to fully operationalize iGRAD.

I am happy to note that MC13 has taken two important decisions on smooth transition support measures for graduated countries to benefit from dispute settlement; and technical assistance and capacity building support after graduation.

We look forward to more such developments in WTO.

The WTO has an important role to play in fulfilling DPOA's commitment to incentivizing graduation and ensuring that "graduation is a reward, not a punishment" for the LDCs.

Excellencies,

I am pleased to inform you that my Office has established a new partnership with the WTO to support the implementation of trade-related goals and targets for the 45 LDCs. We plan to undertake joint programmes in this respect, and we shall be counting on your support in taking that forward.

Let me conclude by highlighting the tremendous potentials of the 45 LDCs and their 1.1 billion people.

They present significant opportunities for expanding markets, reaching broader consumer bases, and fostering the growth of innovative industries. And with a huge youth population they continue to benefit from the demographic dividend.

Investing in the trade capabilities of LDCs is therefore, a strategic economic imperative.

This approach can stimulate economic advancement within these countries while also advancing global stability and prosperity.

By promoting a more inclusive, interconnected, and resilient international trade framework, the benefits extend universally, benefiting people and communities worldwide.

Let me rest it here.

I look forward to a fruitful discussion.

I thank you.