
27 MAY 2016
ANTALYA, TURKEY

DOROTHY TEMBO
Honourable Ministers
Distinguished Representatives
Ladies and Gentlemen,

The International Trade Centre (ITC), the development agency of the United Nations and the World Trade Organisation, is pleased to participate in and contribute to this important event.

This mid-term review is an opportunity. It is an opportunity to assess how we have collectively delivered on our commitments to the LDCs; and to undertake any necessary course corrections to ensure we focus on results and impact.

Much has changed since 2011 when the Istanbul Plan of Action (IPOA) was launched. Just last year the UN adopted the Global Goals, a plan to ensure extreme poverty is eradicated by 2030. And in 2020- when the IPOA is programmed to conclude- I also expect the economic and social landscape to have undergone important changes. The IPOA process must therefore be a living one: reacting to new realities and responding to new priorities.
Progress made so far has been mixed. LDCs as a group have experienced falling growth rates with a 4.5% figure in 2015 well below the average of the 2001-2010 period. Many of the economies remain primary producers and have not yet been able to take full advantage of the opportunities of value addition which the network of regional and value chains offer; falling commodity prices continue to have an impact on export earnings; and unemployment, especially amongst the youth, is continuing to put pressure on societies.

However the sum is not always equal to the various parts. A number of LDCs have made concrete progress and seen real improvements in areas ranging from improved maternal health to greater access to the internet.

But there is still much to do, especially in the intersection between trade and investment. ITC was pleased to participate in the Private Sector Investment forum held earlier this week. And I am also pleased to see mention of small and medium sized enterprises throughout the outcome document for the Conference. As the only UN agency with a dedicated mandate to work with SMEs, ITC understands the value of investing in the competitiveness of these SMEs which make up over 95% of all businesses in developing countries and a conservatively estimated 60 to 70% of all jobs- including many run by and employing women.
In 2015 ITC launched its flagship publication, the *SME Competitiveness Outlook*, which provides insight into the opportunities and constraints in supporting SMEs to internationalise. This report, which we have termed ‘connect, compete and change for inclusive growth’ is a tool for policy makers and business to understand the reforms that would yield the greatest impact in raising the competitiveness of LDC economies. Let me focus on four of the main findings of relevance to LDCs.

One is standards.

For LDCs to build their productive capacity and be able to trade in value added goods and services, understanding and being able to comply with the growing slate of public and private standards is critical. Compliance requires SMEs in LDCs to improve their access to trade intelligence, and to meet complex technical requirements and costly compliance procedures. A lack of adequate laboratories to undertake national and regional quality assessment is also a pressing issue.
ITC has a dedicated programme to help LDCs to build this compliance, including through access to Standards Map, a freely accessible online tool supporting SMEs to comply with over 200 private standards.

Two is Trade facilitation.

Long waiting times at borders, unnecessary fees and charges, cumbersome formalities, and unclear rules and regulations become serious obstacles to trade, and adversely impact competitiveness and investment. On average, cost to trade in LDCs is 100% higher than in developed economies and time to trade is 230% higher. But addressing this is already underway. One only has to see how some LDCs such as Rwanda are climbing the Doing Business Report every year and how increased investment in both soft and hard infrastructure in the East African region and along the Silk Road in Asia are transforming economies.

This is why it is imperative that LDCs ratify and implement the WTO Trade Facilitation Agreement, identifying areas where capacity is required to implement elements of the agreement.
ITC supports policy makers in LDCs in conceiving and implementing SME-friendly trade facilitation reforms. Over the past 2 years, we have supported over 20 LDCs, from Angola to Mozambique, from Mali to Madagascar, in implementing the WTO Trade Facilitation Agreement, including from establishing export single windows to the setting up national trade facilitation committees. And at the regional level we have also worked with ECOWAS, and UEMOA, to facilitate better understanding of the Agreement and to develop a clear implementation roadmap.

But trade facilitation is not just about border measures. It is also about confronting my third issue which is non-tariff barriers to trade.

ITC has conducted NTM surveys in close to twenty LDCs. These interventions allow the business community to identify what is preventing them from reaching greater levels of competitiveness and creates a roadmap for policy makers to understand which knots need to be untightened to facilitate this.
A clear and powerful message that has emerged from many of these surveys is that some trade-related problems which impact the competitiveness of SMEs often begin at home – and not just at the border of a potential export market. Removing them would help SMEs participate in international trade.

Trade will also be boosted through e-commerce. LDCs and LLDCs have to take advantage of this new frontier of trading goods, services and ideas via electronic networks. In 2013, global B2B e-commerce was estimated at about US$ 15.5 trillion. And this is not just developed country markets - by 2018 Africa's e-commerce market is projected to soar to US$ 50 billion, up from US$ 8 billion in 2013.

But today many LDCs are not taking full advantage of this opportunity and we have to collectively do more to enable “digital dividends”. In our recent study on ‘International E-Commerce in Africa: The Way Forward’ we have analysed gaps identified by SMEs and are working to address some of these which include difficulties with international banking transactions, exclusion from international e-marketplaces, and inexperience with sales taxes and import duties to name a few.
And just as we support LDCs to trade more, we should also focus on facilitating greater value addition, especially in the agriculture sector. Industrialising the agriculture sector is a viable and potentially competitive investment for LDCs. At ITC, we have a model for value chain development that works and can be summed up as “from markets to farmers, and from farmers to markets”. We identify and address problems on the demand side, map market opportunities, and link demand and supply all across the value chain. We have been doing this with coconuts in the Caribbean, cassava in the Pacific, coffee, yams, honey, cotton and cashew nuts in Africa. One example is a recent project in Benin where after one year we were able to catalyse cashew exports worth more than US 30 million by linking demand and supply-in this case to Viet Nam.

And this brings me to my third and final point: facilitating greater South-South cooperation and investment.

There are new opportunities for partnerships between LDCs and emerging countries. We have seen this in our work linking East African countries and India to facilitate greater trade, investment and value addition.
We have seen this in linking South Asian countries to China. We have seen this in linking West African markets to Turkey. There is an untapped potential in South-South and triangular cooperation which is waiting to be explored.

Today ITC delivers around 65% of its interventions in LDCs. The Executive Director Arancha Gonzalez has pledged to increase this even further to 70%. ITC is committed to the LDCs. Committed to a successful implementation of the IPOA and is your partner going forward. You can count on ITC.

Thank you for your attention.