



Division for Africa, Least Developed Countries and
Special Programmes (ALDC)
UNCTAD

A joint ESCAP-UNCTAD Workshop on “Promoting Structural Economic Transformation in Asia-Pacific Landlocked Developing Countries

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4-7 November 2019, Bangkok, Thailand



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Session 5: Diversification, trade logistics and trade facilitation as tools for development in Asia-Pacific LLDCs

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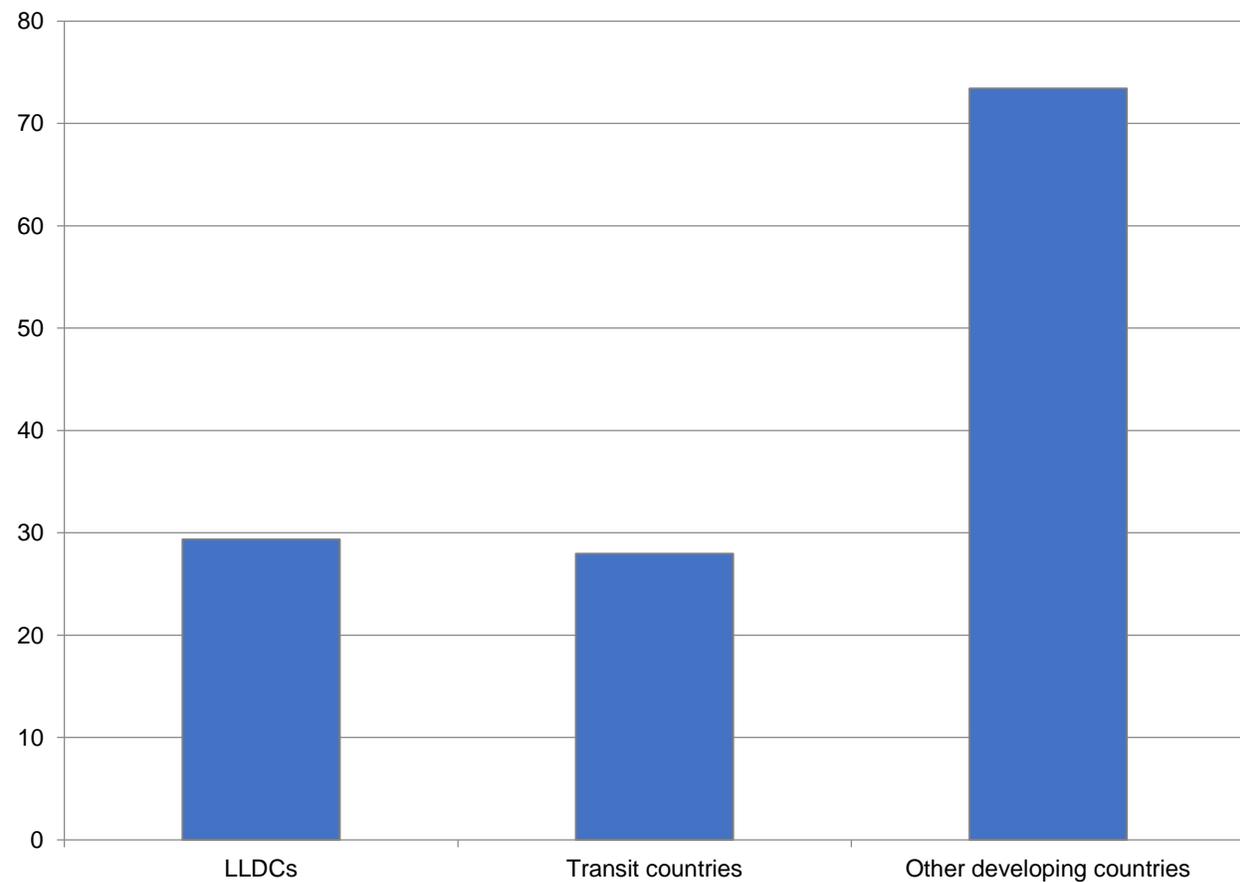
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Successful export diversification requires:

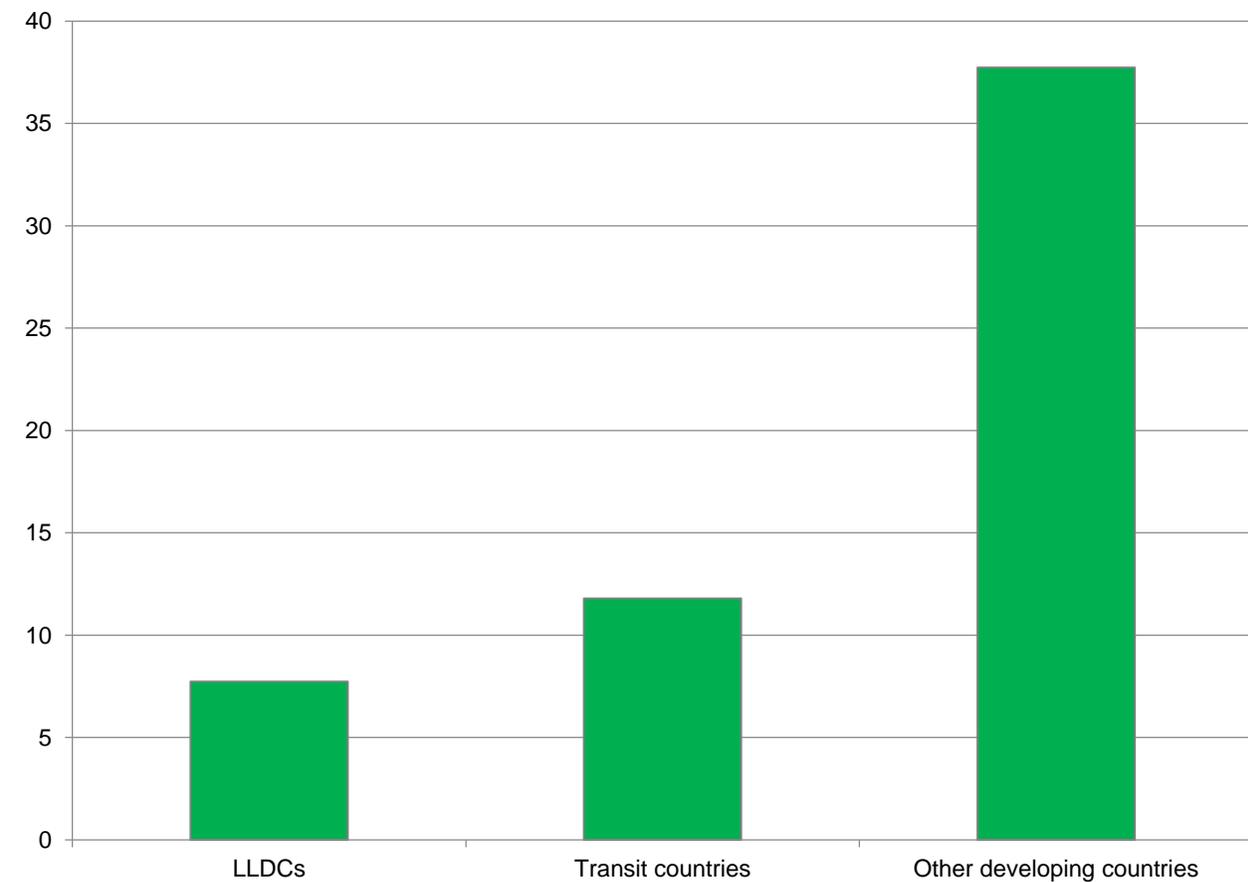
- Development oriented trade facilitation and modern and efficient transport infrastructure;
- Regional and international connectivity
- Technology-driven and rule-based trade logistics
- Flexible regulations, rules and procedures
- Vibrant and capable institutions including the private sector
- Capacity to effectively implement multilateral, regional and bilateral transport and trade agreements such as WTO TFA
- Regional cooperation for regional infrastructure and trade facilitation
- Cooperation between LLDCs and their transit neighbors

Comparison of key transport infrastructure in LLDCs, ODC and Transit countries: (a) Road infrastructure (average): LL

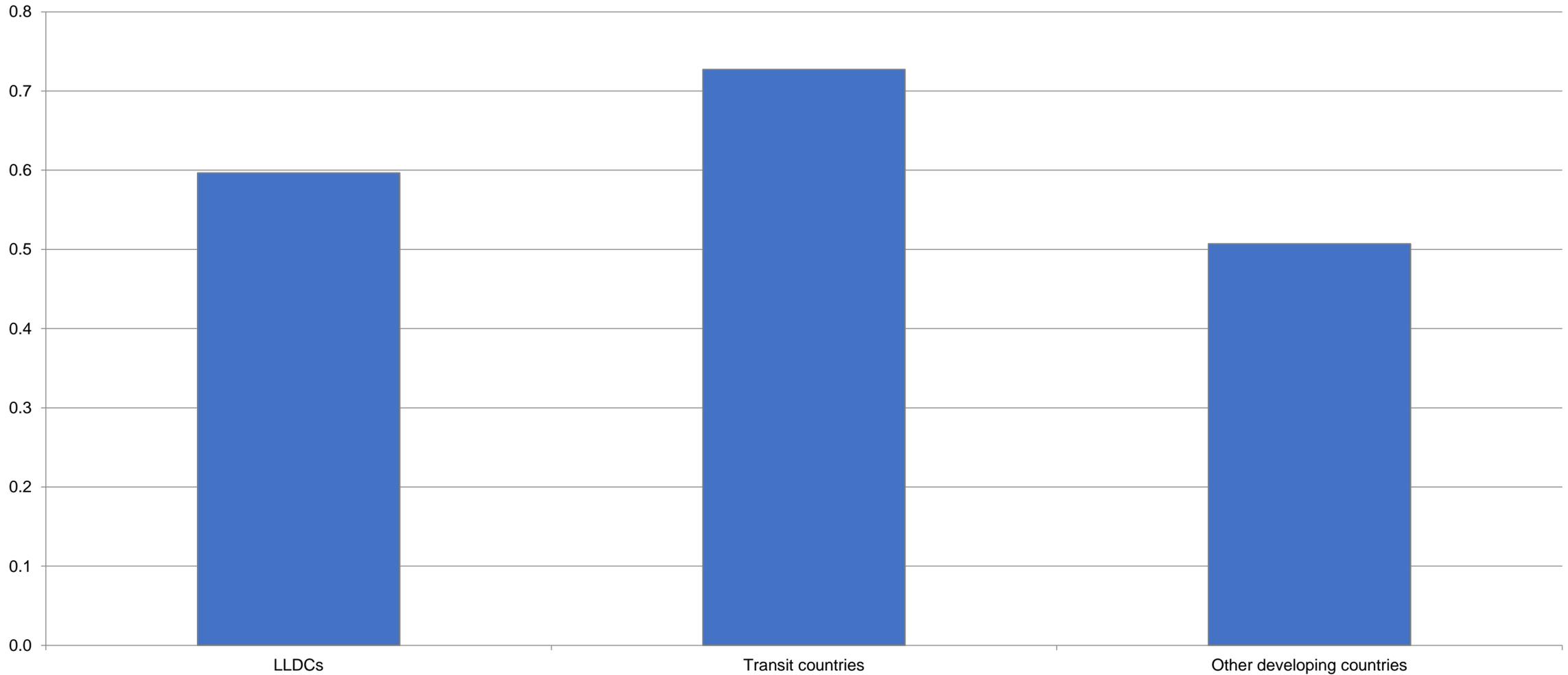
Average Roads paved (% of total roads)



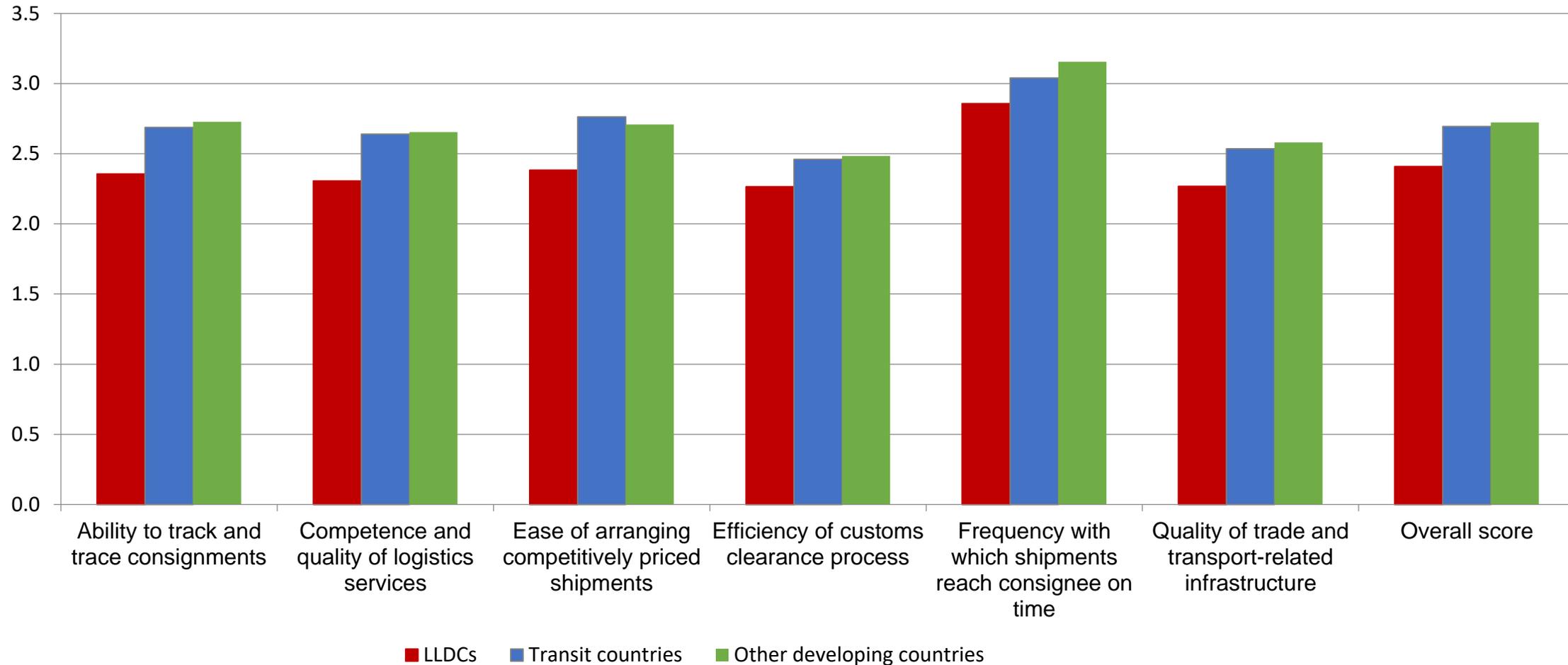
Road density per 100 sq.km of land area



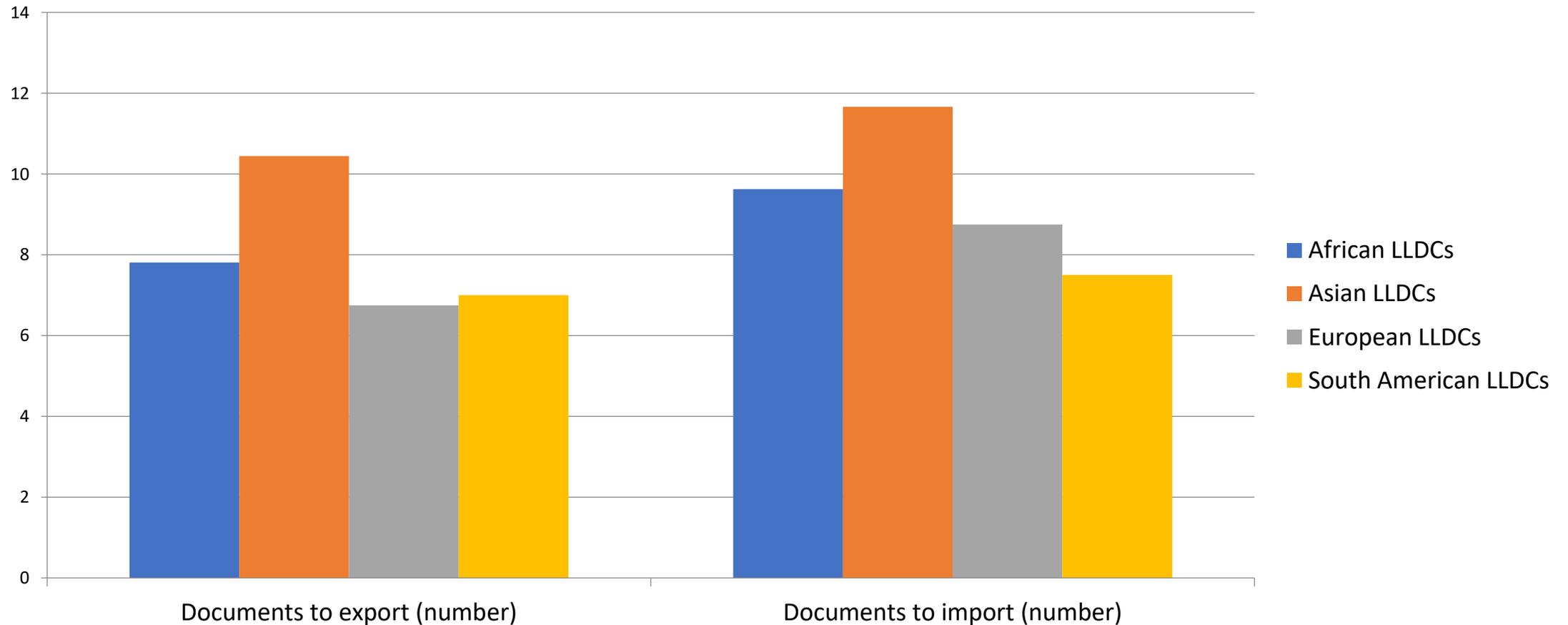
b) Rail Density(Rail lines per 100 sq.km): DCs, Transit, and LLDCs



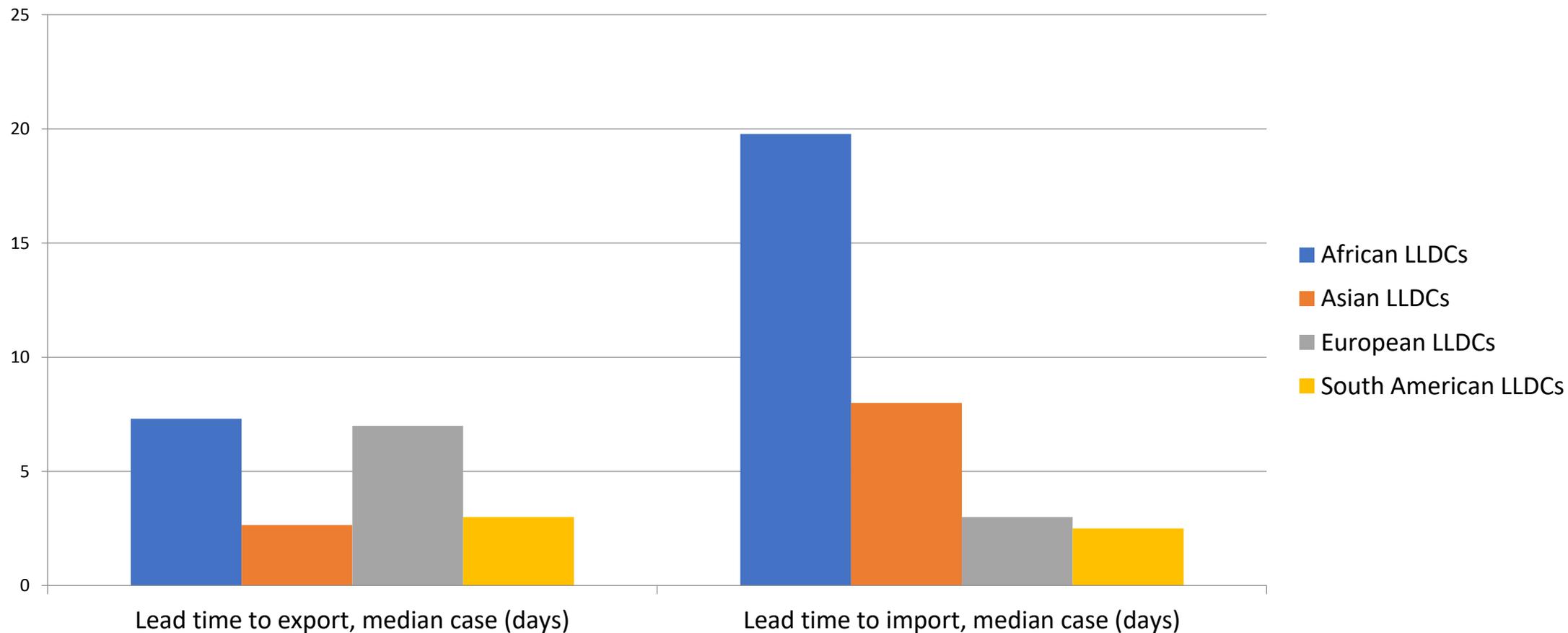
c) Logistics Performance Index: DCs, Transit and LLDCs



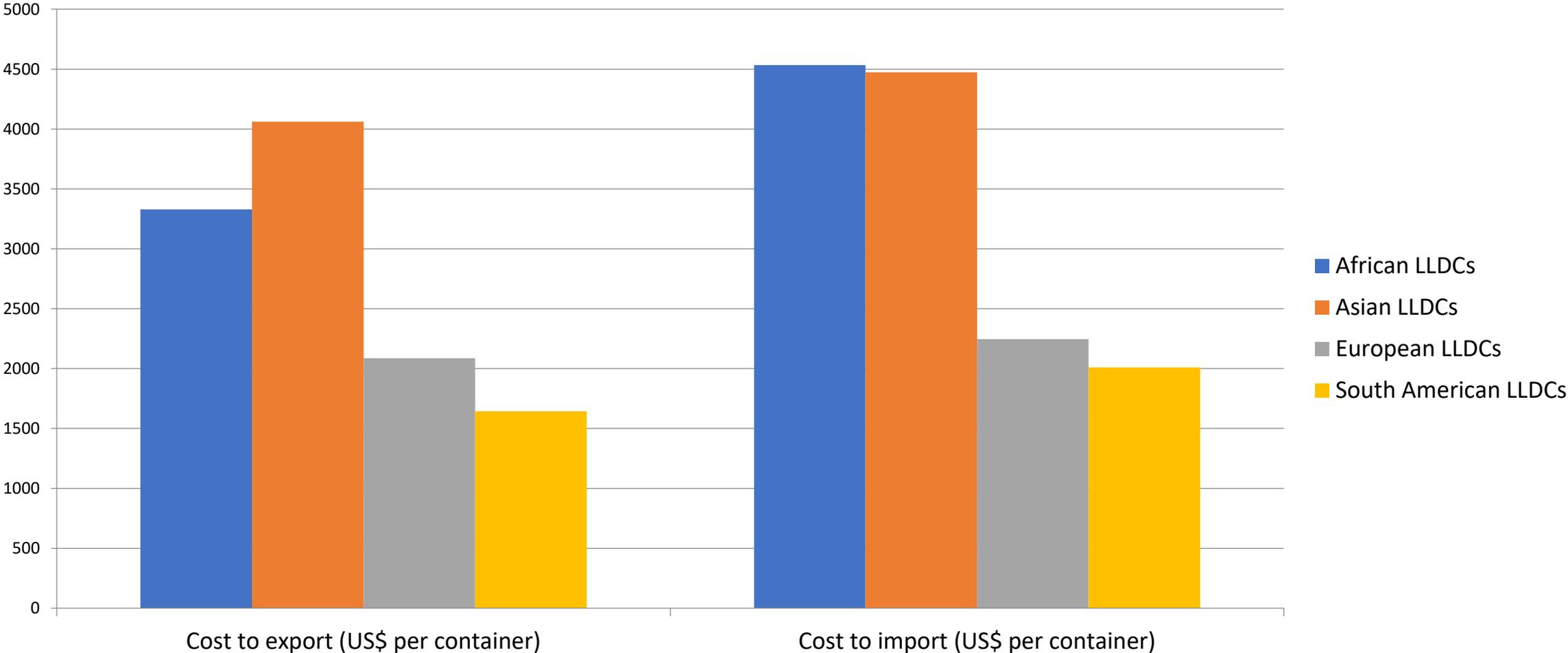
Number of documentation for export and import: Regional performances: Regional for LLDCs



Lead time to export and import (days)

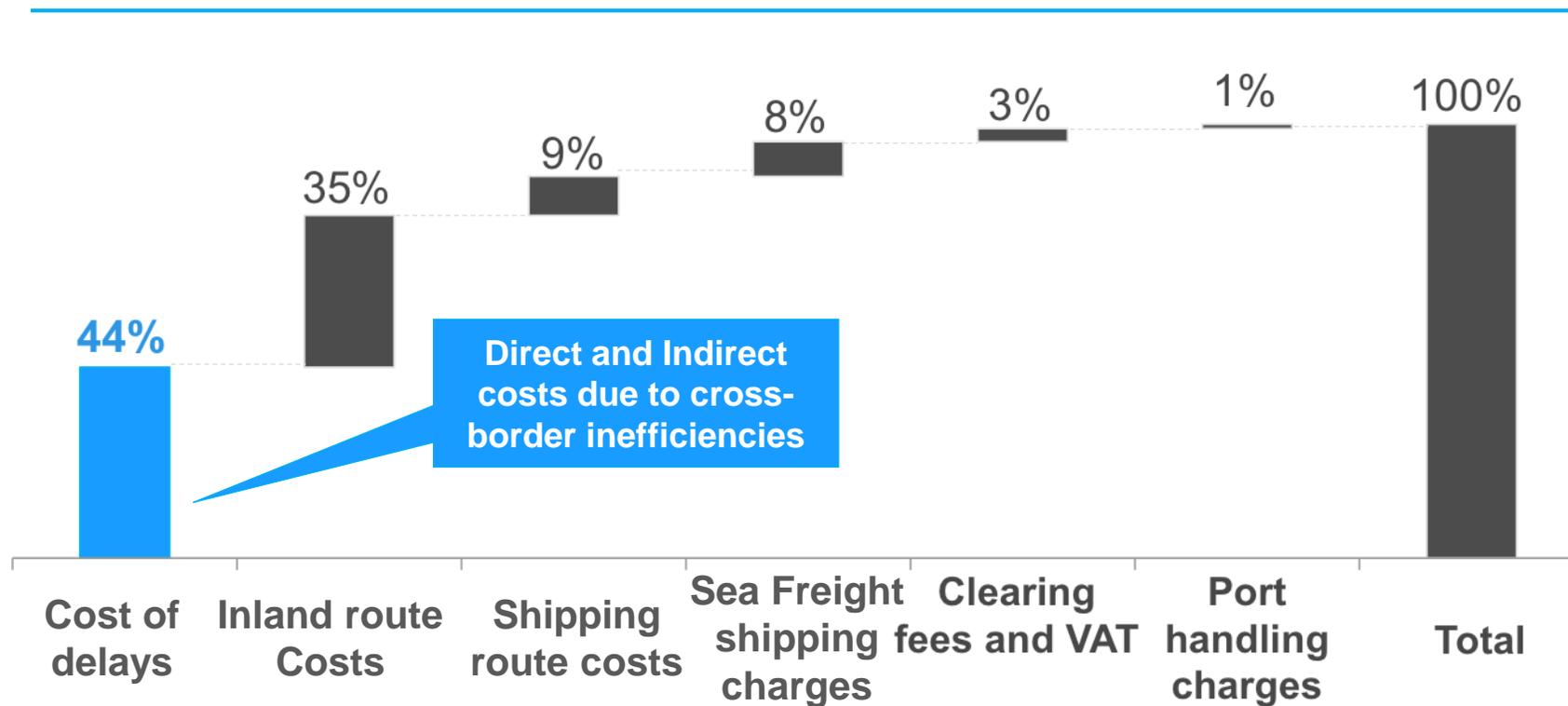


Cost to export an import (US\$ per container)



Trade Facilitation: A brief recapitulation of LLDCs' high trade costs

Transport costs breakdown on the northern corridor (Mombasa-Kigali)



Source: Analytical Comparative Transport Cos Northern Corridor Region, CPCS, June 2010

Concluding remarks with policy implications

- **Trade facilitation and export diversification** should go hand in hand;
- **Streamlining** customs procedures by reducing the number of documentation needed for export and imports is required;
- **Harmonizing** domestic and regional customs procedures with international need to be given equal importance,
- **Automate** customs procedures and introduce risk management systems
- **Promote** greater use of **ICTs in customs modernization** and clearance systems
- **Modernize and upgrade physical transport infrastructure, enhance the role of the private sector (PPP);**
- Effectively **implement regional and international trade facilitation agreements (including WTO TFA);** and
- **Continuously negotiate collaborative** and mutually beneficial transit-transport agreements with transit neighbors.

(continued) Concluding remarks with policy implications

- Business and trade facilitation measures including modernizing customs clearance procedures, trade logistics and infrastructure (soft and hard) are key for successful diversification.
- Public Private Partnerships in the provision of trade services and logistics can enhance diversification prospects
- Absence of **modern trade logistics, cumbersome customs procedures**, and in some cases, small size of the domestic market limit the potential for diversification