
Asia-Pacific Landlocked Developing Countries and the Vienna Programme of Action's Implementation

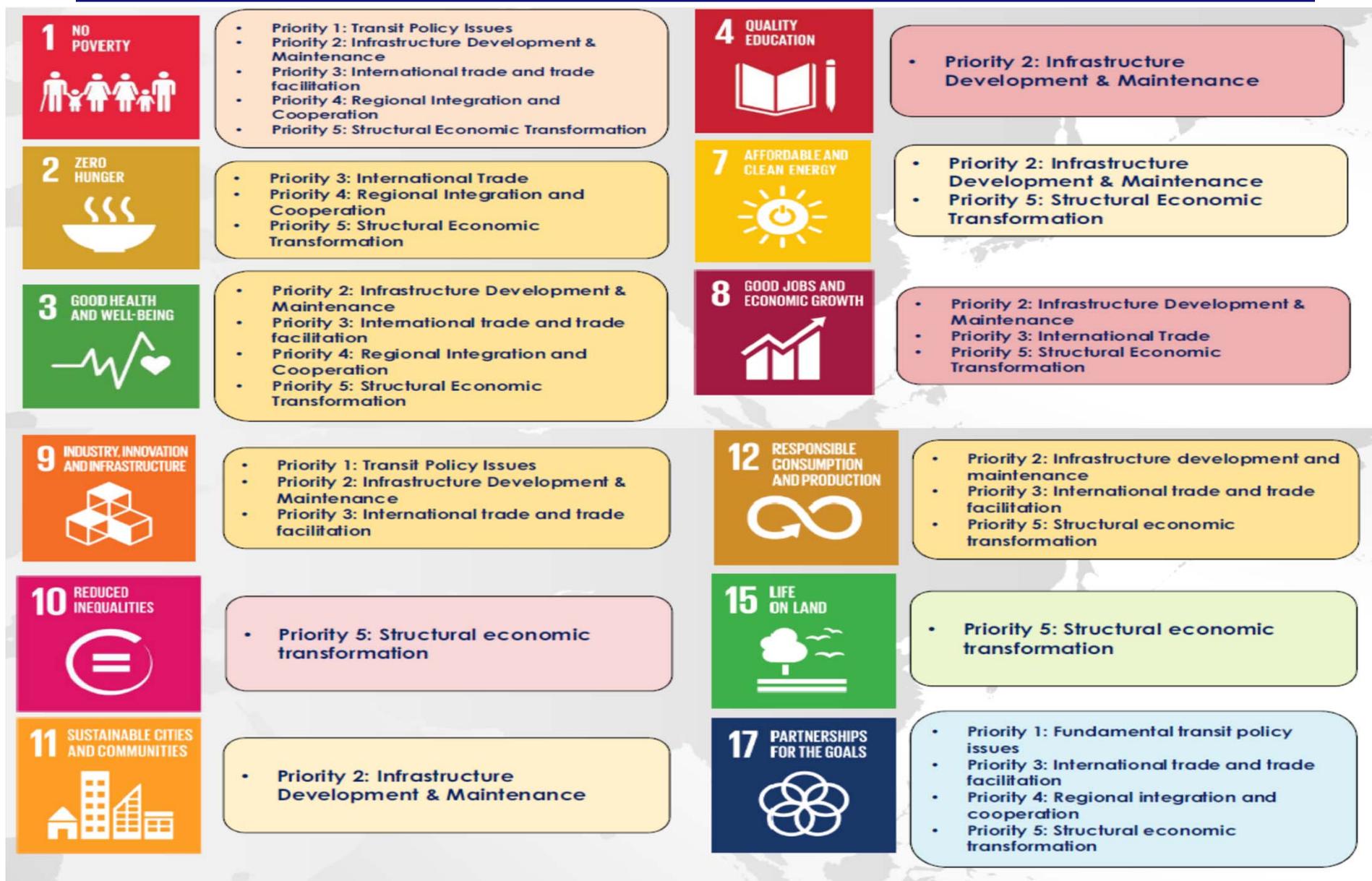
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Structural transformation and poverty reduction
in the Asia-Pacific countries with special needs
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Vienna Programme of Action

- The Vienna Programme of Action is the principal programme of the United Nations that addresses issues related to development of developing states that lack direct access to the sea, which impedes their ability for international economic interaction, consequently making development a more strenuous process.
- Its overarching goal “is to address the special development needs and challenges of landlocked developing countries arising from landlockedness, remoteness and geographical constraints in a more coherent manner and thus contribute to an enhanced rate of sustainable and inclusive growth, which can contribute to the eradication of poverty by moving towards the goal of ending extreme poverty”.
- Taking into consideration the particular predicaments of landlocked developing countries **the Vienna Programme of Action identifies six priorities of action**: fundamental transit policy issues (priority 1), infrastructure development and maintenance (priority 2), which includes transport infrastructure (priority 2a) and energy and communications technology infrastructure (priority 2b), international trade (priority 3a) and trade facilitation (priority 3b), regional integration and cooperation (priority 4) and **structural economic transformation (priority 5)**. The final priority (priority 6) refers to means of implementation.

Vienna Programme of Action and SDGs



Priority 5 (Structural economic transformation)

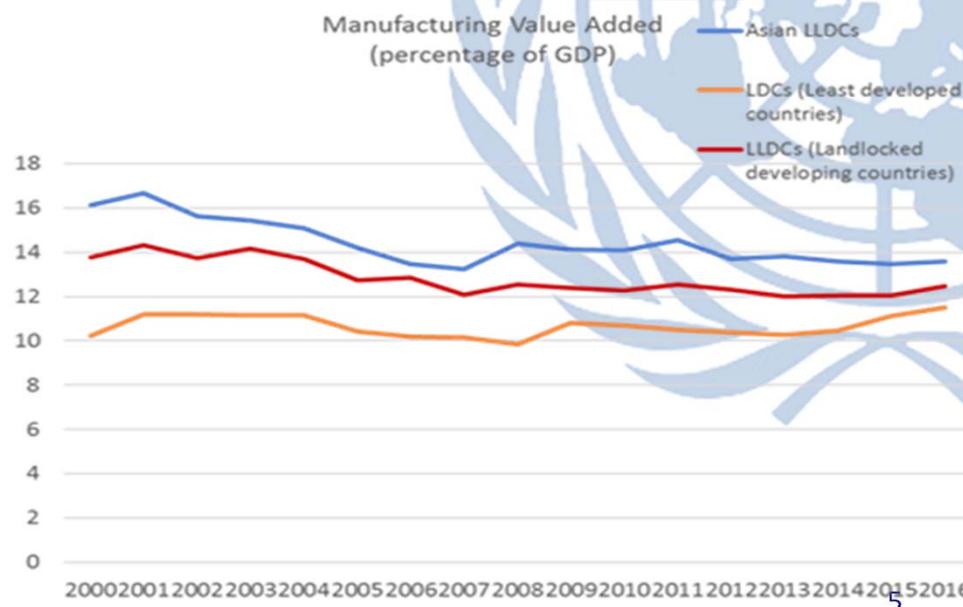
Specific objectives:

- To increase value addition in the manufacturing and agricultural sectors, with the aim of achieving inclusive growth and sustainable development;
- To increase economic and export diversification;
- To promote service-based growth, including from tourism, with a view to increasing its contribution to the national economy;
- To encourage the inflow of foreign direct investment in high-value added sectors.



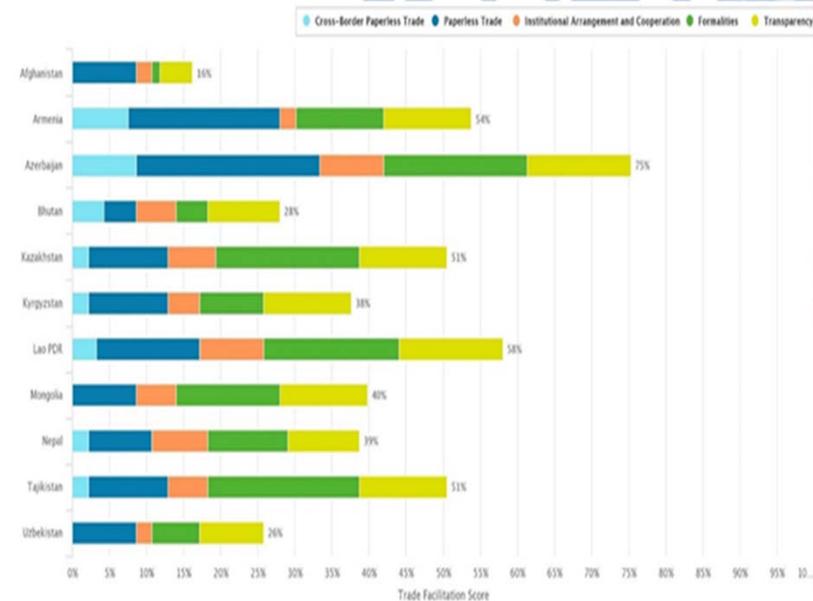
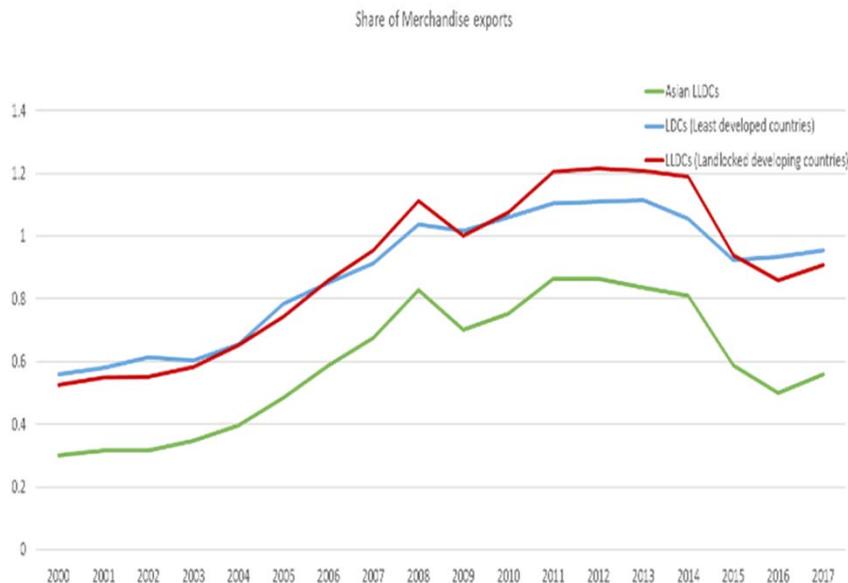
Priority 5

- Asia-Pacific LLDCs are lagging behind in structural economic transformation;
- They have faced challenges in achieving structural transformation, as high trade costs render imports of manufacturing inputs expensive and make manufacturing exports uncompetitive;
- Overall the share of the manufacturing sector in LLDCs has had remained constant at around 13-14% of GDP since the year 2000, and there has not been any improvement in the diversification index of LLDCs;
- While the average share of manufacturing value added in total GDP tends to be larger in Asia-Pacific LLDCs than in LLDCs overall (about 13.5% in 2016), it has been on a declining trend since 2000, when it stood at 16%;
- In Asia and the Pacific, the levels of export concentration have been higher than in LLDCs as a whole, and have remained virtually constant since 2000;
- **Structural economic transformation is among the most pressing issues, if Asia-Pacific LLDCs are to embark on an effective trajectory towards sustainable development.**



Priority 3 (International trade and trade facilitation)

- Progress in Priority 3 has fallen short of expectations;
- The share of LLDCs in global merchandise exports has decreased, while exports remained highly concentrated in a few commodities;
- Asia-Pacific LLDCs continue to face challenges related to overdependence on commodity exports, high trade and transit costs, as well as institutional and technological challenges undermining their participation in the global economy;
- The region's implementation of trade facilitation and paperless trade measures vary widely across LLDCs. The implementation of the trade facilitation measures specified in the WTO TFA is relatively high, at 50–70 per cent.



Priority 4

(Regional integration and cooperation)

- The process of regional integration and cooperation has had mixed results;
- It has had two distinctive features; (a) sub-regional economic integration and cooperation, and (b) international organizations' efforts at supporting harmonization of policies and cooperation among the states of the region;
- (a) ASEAN Economic Community (AEC), Eurasian Economic Union (EAEU), Belt and Road Initiative (BRI);
- (b) The United Nations Special Programme for the Economies of Central Asia (SPECA); The Intergovernmental Agreement on Dry Ports.



Priority 1

(Fundamental transit policy issues)

- An important progress in the ratification of international agreements on transit related issues, both by landlocked and transit countries has been made;
- There is still room for improvement, as presently 5 out of 12 landlocked and 7 transit countries participate in less than half of 20 international conventions/agreements of relevance to transit;
- Despite this progress, the exact targets (i.e. reducing the travel time along corridors and the time spent at land borders and significantly improving intermodal connectivity), are still not met in all the main transport corridors in the region;
- In some cases, such as the land border clearance time in some road corridors, the situation has even deteriorated;
- For intermodal connectivity, an important step forward was made with the entry into force of the Asian Dry Port.

Priority 2

(Infrastructure development and maintenance)

- As far as transport infrastructure is concerned, there remain major missing links in the Asian Highway and the Trans-Asian railway networks, and the infrastructure quality in the Asia-Pacific landlocked developing countries continues to be perceived by their trading partners as one of the weakest links leading to a suboptimal logistics performance;
- In the area of ICT, Asia-Pacific countries have recognised that regional integration and cooperation could improve access to affordable and resilient broadband connectivity. As a result, they have endorsed the Asia-Pacific Information Superhighway (AP-IS) initiative – a regional intergovernmental platform that facilitates dialogue between government officials, regulators, telecom operators, donors, research think tanks, non-governmental organisations to discuss actions on connecting missing fibre-optic cable links between countries.