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**Plenary on Item 5:
UNCTAD's contribution to the implementation
of the Istanbul Programme of Action for
the least developed countries: Second progress report**

Speaker: Asian Group

Friday, 20 September 2013

*Not checked against delivery **

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ASIAN GROUP

**Statement by H.E. Ambassador Mohammad Sabir Ismail,
Permanent Representative of the Republic of Iraq,
on behalf of the Asian Group,
at the sixty session of the
Trade and Development Board**

Agenda item 5:

UNCTAD's contribution to the implementation of the IPoA for LDCs

Friday, 20 September 2013

**Mr. President,
Mr. Deputy Secretary General,
Excellencies,
Distinguished Colleagues,**

I have the honor to deliver this statement on behalf of the Asian Group. The Group associates itself with the statement made by Ecuador on behalf of the Group of 77 and China.

Let me begin by commending UNCTAD for organizing this session on LDCs and for continuing its work to contribute to the implementation of the Istanbul Programme of Action for LDCs. In presenting the second progress report this year, UNCTAD has chosen to focus on one particular theme and we welcome this approach. We thank UNCTAD for the second progress report on 'Measuring and Benchmarking Productive Capacities in the Least Developed Countries' which is a synthesis report of a broader study being conducted by UNCTAD on the theme of productive capacity.

Building productive capacity is the first priority area in the Programme of Action for LDCs. In 2011, in Istanbul, member states agreed to mainstream productive capacities

into the national development policies and strategies of LDCs. To do this, it is essential for the LDCs to know where they currently stand in building their productive capacities. That is why in 2012, in Doha, member states requested UNCTAD to develop quantifiable indicators and related variables to measure economy-wide productive capacities in the LDCs

The synthesis report rightly identifies that the biggest challenges for the LDCs relate to areas where they lag behind other developing countries, namely, physical infrastructure, export diversification, value addition, ICT, and an overall business environment. In this context, we would like to highlight some of the recommendations put forward:

- i. The Report reiterates the need for diversification of exports including value addition, since LDCs largely remain dependant on high volume-low value added exports.
- ii. The importance of enhancing the role of regional development banks in financing productive sectors of LDCs has been stressed. This can help to deepen regional integration and to harness South-South cooperation.
- iii. The proposal that Aid for Trade should include special initiatives on commodity diversification in order to enable LDCs to join regional and global commodity based value chains may be explored further.
- iv. Additionally, the proposal to include a provision for trade-related technical assistance in Aid for Trade in order to build institutional capacities to formulate locally owned trade policies and strategies is noteworthy. This type of assistance could also help LDCs to effectively participate in trade negotiations and implement trade agreements.
- v. The national statistical capacities of LDCs also need to be improved so that quantity and quality of data is improved. This requires effective action by both LDCs and their development partners.

We look forward to the complete study entitled “Benchmarking Productive Capacities in LDCs”. We understand that the study is not a conclusive one and should be seen as an initial step towards identifying the right indicators and benchmarks on productive capacities. While we recognize that such identification is a challenging task, we would also urge that this task be completed at the earliest, as this work will help LDCs to decide their future courses of policy and action and ultimately impact on their prospect of graduation by 2020.

Mr. President,

The Istanbul Programme of Action is ambitious. While it is the LDCs who are first and foremost responsible for achievement of the targets set, we would like to reiterate that this group of the poorest and most vulnerable developing countries in the world cannot do so without the appropriate and sustained level of cooperation from their development and trading partners.

I thank you.