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## **African Group Intervention on item5**

### **Contribution of UNCTAD to the implementation of the Programme of Action for the Least Developed Countries and Accelerating progress in building productive capacities in least developed countries and other vulnerable developing economies**

**Mr. President,**

I am glad to deliver this intervention on behalf of the African Group, allow me at the outset to welcome H.E Mr. Mahamudu Bawumia, Vice President of the Republic of Ghana and to thank the Secretary General of UNCTAD, Dr. Mukhisa Kituyi for his opening remarks. I would like also to extend my gratitude to the distinguished panellists for their informative presentations.

**Mr. President,**

The African Group associates itself with the intervention made by Tanzania on behalf of G77 and China . Cognizant that more than half of the African Countries are LDCs its in fact, what happens in African LDCs affects the whole continent.

We commend UNCTAD for its continuous support to LDCs in trade and development issues , including implementation of the Istanbul Programme of Action. The LDC Programme of Action has far too many important commitments which cannot all be addressed in this meeting with limited time. Therefore, I will limit my intervention to two important commitments.

#### **"Doubling the share of LDCs exports in global exports by 2020."**

At the time of making this decision in 2011, the share of LDCs in world goods exports was 1.1% according to UNCTAD. In 2016, the share slumped to 1.0% because LDCs' exports in absolute values fell from \$ 201.4 billion to \$ 154.0billion. For African LDCs, this is largely explained by fall in global prices for commodities which continue to be unpredictable. Now they are up but we cannot be sure for how long and whether the windfall will help to reverse the past negative trend.

In Africa, there are about 32 LDCs. In 2016, their total goods exports to the world amounted to \$ 82.2 billion in 2016. Out of this, 14 countries account for 85% and majority 18 account for only 15%.

The main point is that there is an urgent need to address asymmetries in trade even among LDCs so that the spirit of inclusiveness that occupies our public platforms can

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be translated into reality. Few LDCs are likely to benefit more from doubling exports while the majority will continue to be marginalized.

Turning to “**Building productive capacities.**”

There are many factors that we can look at when examining productive capacities and UNCTAD work in supporting African LDCs in doing so is commendable. The economic fundamentals that constitute productive capacities include:

Increased foreign direct investment (FDI) in productive sectors not only in resource - based industries as is the case for most African LDCs. Most FDI goes to oil and mineral countries with very little if any going to manufacturing.

In world shares, this decline was from 2.6% to 1.8%. And that means a lot for LDCs because attracting FDI is one way that they to achieve Agenda 2030 especially the aspect of transforming our world. Therefore, UNCTAD is urged to continue playing an important role in helping LDCs to attract more FDI.

Another important sector that will contribute to improve productive capacity is expanding the manufacturing value added of LDCs to allow them to integrate in global value chains and networks and export manufactured goods. To do this, they need support to increase this sector. In fact, this is a fall from 12% in 1970 compared to the share of 16% for their counterparts in Asia. With declining share of manufacturing in their GDP, LDCs will find it difficult to achieve SDGs and transform their economies.

Although most African LDCs consider agriculture an important contributor to their economies, this sector is underdeveloped and un-mechanized and its share in GDP has also declined from 31% in 1970 to 23% in 2015. How can they use agriculture as a tool for industrial development when the role of agriculture in the economy is declining?

I thank you **Mr. Mr. President**