



**THE GROUP OF 77 & CHINA
G E N E V A**

**Statement by the Group of 77 and China
At the Tenth Session of the Trade and Development Commission
Geneva, 12-16 November 2018**

Mr. President, H.E. Mr. Aliyar Lebbe Abdul AZEEZ (Sri Lanka),
Mr. Mukhisa Kituyi Secretary-General of UNCTAD,
Ms. Pamela Coke-Hamilton, Director, Division on International Trade and Commodities, UNCTAD
Ms. Shamika N. Sirimanne, Director, Division on Technology and Logistics, UNCTAD
Ambassadors,
Ladies and gentlemen,

I have the honour to deliver this statement on behalf of the Group of 77 and China.

I would like to extend thanks to the Secretary-General and his team for the opening remarks and preparations for this session of the Trade and Development Commission.

Mr. President,

We very much appreciate the various tools and technical cooperation programmes provided by UNCTAD on trade facilitation and sustainable and resilient transport. We encourage the Secretariat to continue and enhance its invaluable support provided to the members for our group on the ground.

We also congratulate UNCTAD on the 50th anniversary of its Review of Maritime Transport. We appreciate the comprehensive data and maritime country profiles that complement this annual publication. In view of the pace of development in international freight transport, including the sustainability imperative, digitalization, and the consolidation in the shipping industry, the group requests UNCTAD Secretariat to continue its monitoring, research, analysis, advisory services and provision of statistics of international transport connectivity and transport costs.

Mr. President,

The facilitation of international trade and its transport enables trade-led growth, underpins supply chains, links markets and communities and acts as a catalyst for industrialization, growth and participation in global and regional value chains.

The entry into force of the WTO Trade Facilitation Agreement (TFA) poses both obligations and opportunities for developing countries. Trade reforms assist with the removal of barriers and red tape, increase of trade efficiency, lead to simplification and necessary reforms. At the same time, well planned and implemented trade facilitation reforms will enhance compliance and revenue collection of goods imported, exported and in transit. In combination with good governance through transparent procedures, these efforts can significantly foster economic development, in developing countries.

We should also recognize that trade facilitation reforms, including the implementation of the TFA, is particularly challenging for developing and least developed countries. Trade facilitation implementation requires significant efforts and investments in developing and least developed countries, including adaptation and/or introduction of regulations, procedures and processes; significant and continuous human resources development and training; investment in advanced clearance processes and automation of procedures, including necessary hardware; stakeholder engagement at all levels etc.

In view of these challenges, the G77 and China thank the Secretariat for the continuous and valuable support that has been provided to a large number of our members, providing technical assistance and capacity building programs in the field of trade facilitation. We also appreciate that UNCTAD consistently seeks to cooperate with other international organizations in their efforts to provide the best possible package of technical assistance in the field of trade facilitation in a coordinated and efficient manner.

Mr. President,

As shown by UNCTAD's recent intergovernmental work and research on maritime transport, many developing countries and LDCs, especially LLDCs and SIDS, are confronted with high transport costs and low levels of shipping connectivity. The smaller and more vulnerable countries often find it difficult to ensure that technological advances and operational improvements made in the industry are passed on to the importers and exporters in the form of better services and lower freight costs.

Maritime transport remains the backbone of international trade and globalization. Today maritime transport handles over 80% of global trade by volume and over 70% by value. In this context, the strategic importance of the sector as a cross-sectoral enabler of growth and sustainable development cannot be overemphasized. It is, thus, crucial that countries implement efficient, reliable and sustainable transport systems and logistics.

Yet, for many developing countries, access to efficient and sustainable transport systems remains a major challenge. Many developing countries, in particular LLDCs and SIDS, continue to face persistent hurdles that drive up costs and undermine their trade competitiveness. Inefficient transport infrastructure and services, inadequate equipment, human resource capacity constraints, insufficient use of modern transport and logistics management practices, are but some of the main factors that drive up transport costs in these regions.

These challenges are further compounded by concerns such as the heavy reliance of freight transport systems on fossil fuels for propulsion, as well as climate change and environmental degradation. Another layer of complexity is added when considering the rapid growth in digitalization which entails opportunities but also challenges for developing countries. Not all countries are equal in the face of these new trends. Digitalization readiness, extent of know-how, skills levels, absorption capacity and financial resources vary significantly.

Mr. President,

Advancing the Sustainable Development Goals and the climate agenda highlight the need for more sustainable patterns of transport. An industry with long-lived assets and strategic economic importance such as international freight transport needs a long-term view, a shift in thinking and policy, more resources and investments and the involvement of all interested parties, including industry, governments and users.

Finally, the Group appreciates Secretariat's continued efforts to assist LDCs, LLDCs, SIDS and other vulnerable countries/territories through the ASYCUDA Programme by reforming and streamlining the Customs clearance process, increasing trade facilitation and strengthening the Customs institution in Member States.

I thank you.