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**STATEMENT BY
THE MINISTER OF TRANSPORT, WORKS, SUPPLY AND COMMUNICATIONS,
HONOURABLE YAMFWA MUKANGA M.P.**

AT THE SPECIAL EVENT ON

**WAYS AND MEANS OF FACILLITATING THE PARTICIPATION OF LANDLOCKED
DEVELOPING COUNTRIES IN REGIONAL AND GLOBAL COMMODITY VALUE CHAINS:
CHALLENGES, OPPORTUNITIES AND THE WAY FORWARD.**

1ST OCTOBER, 2014

NEWYORK

Mr. Moderator,
Excellencies,
Distinguished Ladies and Gentlemen,

I wish to start by thanking United Nations Conference on Trade and Development (UNCTAD) for organizing this special event on ways and means of facilitating the participation of Landlocked Developing Countries (LLDCs) in Regional and Global Commodity Value Chains: Challenges, opportunities and the way forward.

This event could not have come at a more opportune time than this as it is common knowledge that more than half of the Landlocked Developing Countries (LLDCs) are commodity dependent. In fact, according to UNCTAD's definition, there are 24 LLDCs or three quarters all countries falling in this category. As LLDCs, we appreciate the role of UNCTAD in addressing trade and development challenges faced by our countries. The LLDCs have greatly benefitted from the Advanced Cargo Information System (ACIS), Automated Customs Data Analysis System (ASYCUDA), trade facilitation and logistics, Investment Policy Reviews and investment guides.

Excellencies, Ladies and Gentlemen,

Commodity dependence is coupled with weak productive-capacities, underdevelopment and widespread poverty. What is more worrying is that our countries heavily rely on natural resources-based commodities, mainly from the agricultural and mining sectors. This scenario makes our countries, highly vulnerable to commodity price fluctuations.

Our major pre-occupation therefore, should be to find ways and means of finding a lasting solution to the challenges we face through such measures as; diversification of our economies, value – addition to the commodities we produce, and enhancing our competitiveness which will enable us join regional and global value chains. This will inevitably call for greater cooperation in fundamental transit policies, laws and regulations with our transit neighbours. It is therefore, gratifying that UNCTAD advocates for a comprehensive development centred agenda for LLDCs which will address more issues other than transport, transit and trade facilitation challenges.

Excellencies, Ladies and Gentlemen,

Structural transformation of our economies is key and there is need for LLDCs to shift from traditional to modern activities which will require moving from low technology and low productivity to high technology and ultimately higher productivity activities. This will need the concerted effort of both the LLDCs and the Development Partners. Further, this will require revising previous and current development policies and strategies pursued in LLDCs as well as redefining international development partnership in their support mechanisms. The development of productive capacities should be cardinal in both domestic policies and international support measures. This requires investments in hard and soft infrastructure, developing institutions, enhancing entrepreneurship acquisition of technology and technological know-how. In this connection it is imperative that in the next programme of action for landlocked developing countries, the enhancement of productive capacity and improving competitiveness should be addressed.

Excellencies, Ladies and Gentlemen,

Regional integration and cooperation should be strengthened under the new concept of developmental regionalism in order to develop regional infrastructure networks which would in turn enhance competitiveness and increase productive capacities. Furthermore, this new concept advocates structural change and growth in member states to set the set goals and also as a means of collectively linking the region into the global web of market relations. The basic strategy is to attract private investment into the region and facilitate cross-border trade, technology transfer and tourism by implementing programmes to strengthen the regional transport network, communications, energy supply, trade facilitation and human resource development. This kind of integration would link landlocked and transit members of a regional grouping more closely and facilitate a coordinated developmental approach.

Excellencies, Ladies and Gentlemen,

Unlocking the trade potential of LLDCs will also require the prioritization of the energy supply. Most LLDCs face the challenge of providing their productive sectors with sufficient, reliable and affordable energy supply. To mitigate this challenge, there is need for more public and private investments in the energy sector. Furthermore, we should continue for exploring other innovative ways of financing energy supply.

Zambia is Africa's foremost and the world's seventh largest copper producer, and in recent years, the third largest producer of cobalt, it however remains a mono-economy dependent these minerals. The copper mining industry has experiences mixed fortunes and at one time faced serious crisis because of a combination of low copper prices on the international markets and

low production which affected the economic performance of the country. Zambia, therefore, has taken steps to diversify the economy in order to reduce overdependence on copper mining.

Zambia's experience and that of many other commodity dependent countries highlights the need to establish means which could assist in deriving the maximum benefits from natural resource wealth in contributing to the advancement of socio-economic objectives.

My own country, has benefitted a lot from UNCTAD support in the areas of trade and investment. The 2014 Economic Development in Africa Report indicates that FDI flows to LLDCs in 2013 fell by 11% to \$29.7 billion, 8 LLDCs increased their FDI inflows with Zambia attracting the most at \$1.8 billion. As LLDCs we need to strive to reach greater heights, and with the help of the international community, we shall attain sustained development and save our people from the poverty cycle.

I thank you.