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Statement

by

H.E. Mr. Cheick Sidi Diarra

**Under-Secretary-General
and High Representative
for the Least Developed Countries, Landlocked
Developing Countries
and Small Island Developing States**

**at the International Conference “Prospects of
Transport and Transit Development in Central Asia
and the Caspian Region”**

**Ashgabat, Turkmenistan
16 May 2012**

Honourable Representative of the Government of Turkmenistan,
Mr Martin Marmy, Secretary General of the IRU,
Mr Eduard Biriukov, Secretary General of TRACECA,
The Representative of the Organisation for Security Co-operation in
Europe,
Mr. Andrey Vasilyev, Deputy Executive Secretary, United Nations
Economic Commission for Europe
Distinguished Participants,
Ladies and Gentlemen,

I would like to join the co-organizers of this conference in extending a warm welcome to you all to this Conference.

Allow me at the outset to thank the Government and the people of Turkmenistan for their generous hospitality and for the great commitment and priority that you give to the development issues of the Landlocked Developing countries.

I also wish to extend my gratitude to our partners the International Road Transport Union, The Organization for Security and Co-operation in Europe, the Transport Corridor Europe-Caucasus-Asia (TRACECA) and the United Nations Economic Commission for Europe for the excellent work that they are doing to support the development of efficient transit transport systems in this region.

Mr Chairman,

The thrust of this conference “Prospects of transport and transit development in Central Asia and the Caspian Region”, gives us a great opportunity to discuss and understand the transport and transit development issues that are pertinent to this region and identify practical recommendations that can help countries in this region to fully utilise their trade and development potential. This is particularly important to landlocked developing countries who are a majority in this region.

Landlocked developing countries continue to face difficult transit problems that reduce their competitiveness in the world market. These problems including inadequate transport infrastructure, cumbersome customs and border crossing procedures, remoteness from major international markets, and high transport and trade transaction costs, continue to put these countries at the margin of the global economy.

For example, according to the World Bank's Doing Business 2012 data, Central Asian landlocked countries continue to feature among the group with the highest transport cost to export a container averaging about US \$3000 compared to about \$1000 in transit developing countries and about US \$3600 per container for importing compared to about \$1500 in transit developing countries. These high transport and trade transaction costs, diminish export profits, inflate the prices of imported inputs for manufacturing and discourage investment thereby negatively affecting overall sustainable development in landlocked developing countries.

Mr Chairman,
Ladies and Gentlemen,

The establishment of a secure, reliable and efficient transit transport system, which is the overarching goal of the Almaty Programme of Action, remains therefore critical for landlocked developing countries to be able to reduce transport costs and enhance the competitiveness of their exports on regional and global markets. Reducing these high costs requires investment into hard infrastructure – including the development and maintenance of the physical transport infrastructure in both landlocked and transit developing countries and closing of the missing links - and investment into soft infrastructure - the policy and regulatory reforms including making transit and border regulations more transparent, streamlining administrative procedures, harmonising and standardizing rules and documentation and simplifying border control and procedures.

Mr Chairman,
Distinguished participants,

It is heartening to note that landlocked and transit developing countries in this sub-region have made progress in implementing the Almaty Programme of Action. For example, your countries have made some progress in acceding to some of the international conventions important for improving transit transport such as the Customs Convention on the International Transport of Goods under cover of TIR Carnets which has resulted in the increased use of TIR carnets and has thereby benefitted the region. I call upon your countries to continue to accede and implement relevant multilateral conventions on transit transport and trade.

The landlocked developing countries in this sub-region are also party to regional and sub-regional agreements that have helped in facilitating transit transport and trade. It is also very encouraging to note that your efforts are now paying off. According to the World Bank's doing

business report, the average time taken to complete export formalities has decreased from 66 to 60 days and in the case of import formalities, the time has decreased from 71 to 64 days. However when compared to transit developing countries where the average time to complete export formalities is only 23 days and 27 days for import formalities, further efforts are required to improve trade facilitation and save time.

I would like to applaud the efforts made by your governments with the support of the IRU, the United Nations Economic Commission for Europe, the United Nations Economic and Social Commission for Asia and the Pacific, the Organisation for Security Co-operation in Europe, the World Bank, the Asian Development Bank, the World Customs Organisation, the Transport Corridor Europe-Caucasus-Asia and other stakeholders to remove physical and non-physical barriers to land transport transit operations in the region. I particularly recognise some of the great initiatives being promoted or implemented such as the Silk Road, the New Eurasian Land Transport Initiative, the Black Sea Ring Highway Caravan, Capacity Building for border management, use of the single window concept, one stop border controls, modernization and the increased use of ICTs for customs clearance, the establishment of dry ports and inter-modal transit transport systems, and enhancing the reliability of logistics and supply chains - to mention just a few.

Mr Chairman,
Ladies and Gentlemen,

I am confident that this Conference will identify additional innovative initiatives to improve transit transport systems and trade facilitation to help landlocked developing countries in this region to reap the full benefit of globalisation. Further investment in physical infrastructure development and maintenance along international corridors is also undoubtedly necessary. However the cost implications of meeting the requirements to establish and maintain an efficient transit transport system are of such magnitude that the landlocked and transit developing countries must be supported by increased international support including increased aid commitments for infrastructure development, Aid for trade, increased FDI flows, Public-Private Partnerships, and increased South-South Cooperation. Any progress that can be achieved in the Doha Round of trade negotiations can also bring potential gains to landlocked developing countries in the area of trade facilitation.

Mr Chairman,

Allow me at this point to take this opportunity to inform you that the UN General Assembly agreed to convene in 2014, a comprehensive ten-year review Conference of the Almaty Programme. The Conference will undertake a comprehensive appraisal of the implementation of the Almaty Programme of Action, share best practices and lessons learned, identify obstacles and constraints encountered as well as actions and initiatives needed to overcome them, and develop a new, more comprehensive, common action-oriented framework for the next decade. I look forward to your constructive inputs and active engagement in the preparatory process for the ten year review conference of the Almaty Programme of Action.

In conclusion, I would like to assure you that my Office will continue to fully support your efforts to promote transport and transit development in your region. I wish this Meeting a great success.

I thank you for your kind attention.