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Issues Note for Theme 4

Enhancing international trade of LDCs and regional integration

Issues Note
International trade can play a critical role in accelerating economic growth,

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of goods, and by USD 23.0 billion in the case of commercial services in 2019. LDCs' 2019 trade deficit was US$ 100 billion,
more than two times higher than in 2011 (USD 40.5 billion), when the trade balance of goods was slightly positive.
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South-South trade
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somewhat limited. Most of the developed Members grant either full or nearly full DFQF market access, with gaps remaining
in a limited number of markets and a few sectors. A number of developing Members have significantly expanded their DFQF
coverage. Most of them grant a significant degree of DFQF market access to LDC products, and a number of them have
reached nearly full DFQF coverage.
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 The predominant share of LDC exports enter developed markets duty free. For
example, Canada's imports statistics reveal that in the year 2018, 90% of imports from LDCs entered the Canadian market
duty free. The utilization of preferential market access by LDCs is similar for other developed markets. Measures need to be
adopted for full utilization of DFQF market access by LDCs.

Preferential rules of origin and non-tariff barriers
Considerable progress has been made towards ensuring that preferential rules of origin are simple and transparent and
contribute to facilitating market access of imports from LDCs. WTO Members adopted two Decisions on preferential rules of
origin for LDCs at the Ministerial Conferences in Bali in 2013 and in Nairobi in 2015.
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 Building on the Bali Decision, the
Nairobi Decision provides detailed guidance for rules of origin with regard to the assessment of subs0-2(s 792 re
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activity represents a vital source for the economies of LDCs and serves as a real instrument to combat poverty in these
countries.

WTO Trade Facilitation Agreement
The WTO Trade Facilitation Agreement (TFA), came into force on 22 February 2017, is aimed at expediting the movement,
release and clearance of goods, including goods in transit. The TFA will make customs procedures more efficient and
thereby help developing countries including LDCs to reduce their trade costs and increase their participation in global trade.
The TFA takes a novel approach regarding S&D treatment providing developing countries and LDCs the flexibility in
determining the timing of the implementation of the provisions as well as to identify provision for which they will need
technical assistance. As of 24 November 2020, 29 out of 36 LDC Members have ratified the TFA. Currently, LDCs have
implemented 34.3% of all trade facilitation measures contained in the TFA.
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 It is import that all LDCs join the TFA and
enjoy full support and flexibility under TFA.

Support to graduation
In 2018, the WTO LDC Group proposed that graduated LDCs with a per capita income below USD 1000 in constant 1990
dollars would remain eligible for providing non-agricultural export subsidies under Article 27.
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 In negotiations on an
agreement on fisheries subsidies, the LDC Group proposed that if an LDC graduates during any transition period for LDCs,
it should remain entitled to utilize the remaining period of delay provided for LDCs.
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 In November 2020, the LDC Group
submitted a proposal for a smooth transition mechanism, which requested that support measures available to LDCs would
be extended to a LDC Member for a period of 12 years after graduation.
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 The LDC Group submitted another proposal for
an extension of the transitional period under TRIPS Article 66.1 for a period of twelve years after graduation.
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E-commerce
The global value of e-commerce is estimated to have reached almost $26 trillion in 2018, equivalent to about 30 per cent of
world gross product. Despite huge potentials, LDCs are not been able to benefit

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and services. Promoting skills development including building e-commerce skills among small businesses, exploring the
scope for women entrepreneurs to engage in e-commerce and leveraging entrepreneurship through business incubators.
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Regional integration
Regional cooperation, including trade integration, and transit cooperation, can facilitate LDCs integration into the global
trading system by, inter alia, increasing the size of markets, improving their competitiveness, and enhancing regional
connectivity and intra-regional trade. It is important to foster more harmonized and effective regional and sub-regional
integration. LDCs need support in promoting subregional and regional cooperation, including export promotion and
improving regional connectivity through trade-facilitating measures.

The way forward
The limited progress against the IPoA targets also warrants an overhaul of existing international support measures (ISMs) in
favour of LDCs.
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 LDCs need stronger support through the Aid for Trade initiative with a view to helping countries to build
infrastructure and diversify exports .Broad