

# Statement by Ambassador Bagher Asadi, Chairman of the Group of 77 (Islamic Republic of Iran), at the Second Ministerial Meeting of Land-locked Developing Countries

New York, 14 November 2001

---

Mr. Chairman,  
Distinguished Ministers,

It gives me great pleasure to speak in the Second Annual Ministerial Meeting of the Land-locked Developing Countries, an august gathering whose participants constitute an important part and parcel of the Group of 77, of the developing community. Allow me, at the very outset, to offer my felicitations on your election to chair this meeting and express my sincere gratitude and appreciation to you, Mr. Minister, and to Ambassador Kittikhoun, for the kind invitation. I enjoyed listening to your opening statement; thanks for a very clear, strong message. I should also like to commend the United Nations Secretary-General as well as the Secretary-General of the UNCTAD and their colleagues for the very good and comprehensive report before us. The report shows very clearly how the challenges facing the landlocked developing countries have become more complex. UNCTAD's long and valuable service to this group of vulnerable economies is known to all of us. It is a pleasure to have Mr. Carlos Fortin with us here, and more so, for the comprehensive statement he just made.

The fifth Meeting of the Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions which was held recently in New York, indicated in clear terms, in its agreed conclusions and recommendations, that despite some positive developments in transport systems, lack of territorial access to the sea, aggravated by remoteness and isolation from world markets and high transit costs and risks, continue to impose serious constraints on the overall socio-economic developments of landlocked developing countries. They have not been able to take full benefit of the new trade and investments opportunities offered by the process of liberalization and globalization. There is little doubt that they need greater assistance to enable them to integrate effectively and beneficially into the global economy. Worse still, as we all know, another sad and unfortunate trend has been at work; that is, the steady decline in the Official Development Assistance (ODA). This steady decline, along with inadequate private financing in recent years, put together, have negatively affected transit systems not only in landlocked developing countries but also in transit countries as most of them are either developing or least developed countries.

UNCTAD's analytical studies fully reflect the gravity of the situation and the difficulties landlocked developing countries face. They underline the importance of transport for the development process in general and for the promotion of national, regional and international trade in particular. These studies also confirm that weak infrastructures and inefficient transit operations result in high transport costs and are major impediments to trade expansion and sustainable development in many landlocked and transit developing countries. According to these studies development of a coherent rural, national and international transport network is essential for stimulating economic activity, opening up productive areas in individual countries and linking them to national, regional and international markets.

These UNCTAD studies also emphasize the need to address non-physical barriers which compromise the competitiveness of landlocked and transit countries, the reduction of high freight tariffs and action to create and strengthen trade and professional transport associations at the national and regional levels. For this purpose, the capacities of governments and regional institutions to undertake reforms, including further simplification, harmonization and standardization of transit procedures and documentation, should be strengthened.

What I just referred to, neither comprehensive nor in detail, do indeed point to the grave situation these countries face, which, no doubt, call for serious efforts and on an urgent basis. But, in addressing what can and should be done, one has to be as realistic and objective as possible. The solution, given all the parameters involved, lies in a well-articulated approach within a an overall balanced framework addressing the wide range of transit problems. Given the inevitable graduality of remedial actions needed to remove the roadblocks, we need to address some immediate needs and basic requirements.

The first and the most important question in this regard relates to the support to be secured from the international community for the needed plans and projects in order to assure their coherence and relevance to broader international efforts. It is rather axiomatic that major improvement in transit facilities and the rehabilitation of transit infrastructure in the landlocked and transit developing countries requires the close cooperation and generous support, financial and otherwise, of the international community at large; the donor community, financial institutions and development agencies.

Mr. Chairman,

Apart from international support, cross border trade is certainly another crucial element for the development of landlocked and transit developing countries. It provides a secure and economical route for transit of products and raw materials originating from landlocked countries as well as revitalizing economic activities among the low income people residing along the transit routes. It is within this framework that reference could be made to the concept of Free Transit Zones, which I suppose everybody agrees, has spill-over effects benefiting all concerned countries through facilitating intra trade. Again, as colleagues know well, the very idea of Free Transit Zones has been developed to overcome the rather familiar problem of proliferation of government controls in landlocked and transit developing countries that cause difficulties in smooth transit and delivery of goods. The suggested free zone shall provide facilities in an environment where government regulations are relaxed. By embarking on this idea it is hoped that governments will realize that a more open approach will result in more prosperity and a conducive environment for business activities as well as investment in physical infrastructure.

Mr. Chairman,

To conclude, let me welcome the decision at the Fifth Meeting on convening in the year 2003 in Kazakhstan a high-level international meeting in order to give emphasis to the development of efficient transit transport system. We look forward to a see a successful meeting with good, substantive - and as you underlined, Mr. Minister, action-oriented - outcome.

Thank you very much, Mr. Chairman.