

OPENING STATEMENT BY MR. JAROMIR CEKOTA, ECONOMIC AFFAIRS OFFICER, TRANSPORT DIVISION, UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE, AT THE 15<sup>TH</sup> SESSION OF THE SPECA PROJECT WORKING GROUP ON TRANSPORT AND BORDER CROSSING (PWG-TBC)

(Almaty, Kazakhstan, 7 April 2010)

Excellencies, distinguished delegates, ladies and gentlemen,

It is an honour to address this 15<sup>th</sup> session of the SPECA Project Working Group on Transport and Border Crossing and to convey greetings on behalf of Mr. Ján Kubiš, Executive Secretary of UNECE and Ms. Eva Molnar, Director of the UNECE Transport Division. I should also like to express on their behalf our sincere gratitude to the Government of Kazakhstan for hosting this meeting in Almaty, and for its continuing support of the SPECA Programme.

The name of our Project Working Group reflects the fact that all SPECA member States are landlocked countries. You may be surprised to know that almost half of the world's <u>landlocked</u> countries are UNECE member States, of which nine are classified as *developing*. They are all landlocked but different in many respects.

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Switzerland is wealthy whilst Austria is a high-income member of the EU; the Czech Republic, Hungary and Slovakia joined the EU six years ago, but before they spent fifteen years in transition from central planning; Andorra, Liechtenstein, Luxembourg and San Marino have small but very open economies; Belarus and Serbia have currently no access to sea, but a few years ago – being part of the Soviet Union and Yugoslavia – they were not landlocked.

You may think considerable differences between UNECE members are a handicap. It is not so.

The differences among landlocked members are in fact one of the UNECE's institutional strengths. For example, experience of the Czech Republic, Hungary and Slovakia has shown that "challenges of landlockedness" can be turned into profitable business. In Kazakhstan, where the "National Transport Strategy until 2015" is being implemented, a broadly similar approach to dealing with the "landlockedness" is pursued. Kazakhstan is zeroing in on its hub location in Central Asia to take advantage of vast opportunities in the transit and service sectors.

The UNECE landlocked members include a number of former Soviet republics (Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, the Republic of Moldova, Tajikistan, Turkmenistan and Uzbekistan) as well as the former Yugoslav Republic of Macedonia. These countries are defined as "landlocked *developing* countries". Interestingly, twenty years ago, they were neither landlocked, nor developing nor countries. I am highlighting

this to stress the complexities of the policies required to lift these countries out of the recently acquired landlocked developing status.

Unfavourable geographic factors put landlocked *developing* countries at a distinct economic disadvantage. Export markets are typically far away. Transport infrastructure is often inadequate. Border crossing times – by truck or train – are too long. Transit towards seaports is cumbersome. At the same time, many landlocked countries in the UNECE region have the costliest documentary trade procedures in the world. Therefore, best cost-reducing practices should be shared and disseminated widely.

For landlocked *developing* countries, to integrate into the world economy, efficient transport and transit systems – including effective institutions to support them - are essential. To assist in making this happen, considerable efforts have been made throughout the UN system. The UNECE as well as UNESCAP and other UN Regional Commissions have provided the necessary support within their mandates and according to their expertise.

The UNECE, for its part, has promoted accession to and effective implementation of the UN international conventions, agreements and protocols that it administers. The UN legal instruments are applicable to all modes of inland transport: road, rail, inland waterways and inter-modal transport. Given the complexities of the evolving international trade and the increasing importance of sustainable transport solutions, such instruments need to be reviewed and revised, if necessary.

Trade facilitation is also of utmost importance to landlocked countries. Trade tools created at the UNECE offer many possibilities to lower the cost of trade. The UNECE tools such as the UN Layout Key for trade documents, codes and data element directories, the only global standard for Electronic Data Interchange and 33 trade facilitation recommendations help coping with inefficient trade procedures. Other Regional Commissions have also undertaken a number of initiatives to lower

the cost of trade.

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In closing, let me emphasize that internationally harmonized transport regulations and effective public institutions help making physical transport infrastructure productive, safe and secure. In this regard, the UNECE stands ready to assist you to use UN legal instruments, recommendations and expertise to enhance economic development in your countries. The UNECE, in close cooperation with UNESCAP and other interregional organizations and institutions, has fully supported activities of the SPECA project. We shall continue to do so in the years ahead.

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I wish you every success in your work and thank you for your attention.