



Ministerial Transport Conference of Landlocked Developing Countries

Theme: *Ashgabat Process: Financing for Better Connectivity*

15 16 August 2022, National Tourist Zone Avaza, Turkmenistan

Session 4: Accelerating digitalization for enhanced transit and trade facilitation and for sustainable and resilient recovery from COVID-19

16 August 2022 (11:00 am 1:00 pm)

Background note

Multiple borders, cumbersome procedures or regulations at the borders and along transit routes, insufficient transport services, and other non-physical bottlenecks contribute to high transport and trade costs faced by LLDCs. The COVID-19 pandemic has further exacerbated these challenges. The initial closing of borders and the subsequent introduction of new border requirements aimed to curb the spread of the virus as well as the disruptions to global supply chains, including shipping and port operations reduced LLDC's access to maritime transport, and further increased LLDCs' trade costs. The need to enhance transport and trade facilitation has therefore become even more urgent for LLDCs.

The Vienna Programme of Action (VPoA) recognizes that the non-physical barriers, delays and inefficiencies associated with transit, border crossings and ports, including customs procedures and documentation requirements, uncertainty in logistical services, weak institutions and widespread lack of human and productive capacities, continue to make transport and trade costs high and are at the core of the continued marginalization of LLDCs from trade and Foreign Direct Investment.

COVID-19 has worsened trade and transit challenges. For examples, all routes along the Northern Corridor experienced increase in transit time, increasing along the Mombasa-Malaba route from 7 days in the first quarter of 2020 to 11 days by the second quarter and remained relatively high in the third quarter of 2020. In Asia, all major road transport indicators of the CAREC corridors deteriorated between 2019 and 2020. For example, border crossing time average increased to 15.1 hours in 2020 from 12.2 hours in 2019. Average border crossing costs increased to \$199 from \$162.

Enhanced implementation of the United Nations inland transport conventions and the WTO Trade Facilitation Agreement (T

