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As lead discussant at the UN-OHRLLS Consultative Meeting on LDCs' priorities in the post-2015 development agenda and the FfD Conference
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Thank you, Mr. Moderator.

I must thank UN-OHRLLS, and especially its High Representative Ambassador Gyan Chandra Acharya personally for organizing this meeting at the critical time in UN history. I also thank UN-OHRLLS Office for sending us a very good concept note on international trade, foreign direct investment (FDI) and technology. I hope we can have tangible benefits from our discussion today, and can go back to Manhattan with clearer and stronger position on how to move forward in the several negotiations and discussions that we are juggling with at this time.

2. In the concept note, seven specific questions on trade, FDI, and technology have been raised and I would like to give a general perspective on these issues, and then I hope our discussion will bring out the answer to the questions.

TRADE

3. At the outset, I would like to mention that the position of LDCs in global trade has always been on the margins. In 1971, there were 24 LDCs, and the global share of LDCs was around 1%. In 2013, the number of LDCs is 48, just double, and our share in global trade is 1.23%. On the other hand, our trade deficit is steadily on the rise. Even today, many of the LDCs are heavily dependent on primary commodities, particularly products from extractive sectors, which are subject to high price volatilities, except three: Bangladesh, Cambodia and Haiti. Rest are heavily dependent on extracting sectors or primary commodities. Even those sectors in LDCs are dominated by multinational corporations, leaving the LDCs governments with small percentage of the profits as their share. This is the general scenario of trade for LDCs that we are talking about. Of course there are exceptions, but the points that I raised just now can be taken as

the overall summary. The target of IPoA, doubling the share of LDC trade by 2020, is far from being achieved.

FDI

4. On the issue of FDI, again, LDCs' share in global FDI flows is less than 2%. There have always been the talks about "enabling environment" – an expression favoured by many. Let me share the experience of Bangladesh here. We created the enabling environment decades ago. We changed our regulations, modernized our laws, made our institutions more effective and efficient. We created the "One Stop Service". Yet the foreign investors were shy. The final breakthrough came with the Norwegian telecom giant TeleNor" that agreed to invest in Bangladesh and it is now repatriating billions of dollars of profit every year as Bangladesh cell phone users exceeded 120 million. Since then FDI in Bangladesh has been steady but low. FDI in 2013 was around 1.5 billion dollars. So, creation of enabling environment is necessary condition, but not sufficient condition for FDI. Development partners also need to create incentive mechanisms for their business sectors to explore markets in LDCs.

TECHNOLOGY

5. Regarding technology, there is no doubt that LDCs need to do more, a lot more. Investment in the area of science, technology and innovation (STI) is really negligible in most of the LDCs, with exception of one or two countries. But at the same time, we have to remember two things: (a) most of the LDC governments are busy "fire-fighting". With under-nourished children to feed, with vulnerable population being susceptible to diseases and threat of hunger and famine, with the effort to reduce child mortality, with the task of providing clean water and modern sanitation to the population, the fund allocation for STI takes a back seat; (b) many of the LDCs are heavily dependent on foreign aid for their national budgets, and for national development plans. With strings tied to most of the aid disbursements, the scope of maneuvering the funds to STI unfortunately is very limited in most cases.

ROLE OF DEVELOPMENT PARTNERS

6. These are the situations in the three areas – trade, FDI and STI, and the LDCs are taking appropriate policies. At least I can say that for my own country. Now, we would like to see that same spirit from the international community. I am happy that we are having this consultative meeting with the "Friends of LDCs". May I point out that in all three areas, the development partners have a lot of scope for helping the LDCs for a 'win-win' situation.

ROLE OF DEVELOPMENT PARTNERS IN THE AREA OF TRADE

7. For achieving the export related target adopted in IPoA, a few steps need to be taken simultaneously by the development partners:

i. To grant duty-free quota-free market access to ALL products from ALL LDCs immediately;
ii. To implement transparent, simple, easy-to-abide-by, LDC-friendly Rules of Origin that helps to export under DFQF regime;
iii. To eliminate non-tariff barriers and technical barriers to trade for LDCs;
iv. To strengthen the capacities of LDCs for fulfilling the various standards requirements of their destination countries
v. To provide support for overall strengthening of productive capacity of LDCs, so that they can divert into different productive sectors, resulting in diverse product baskets, and diverse destinations.

8. FAITHFUL implementation of the Bali Package is likely to help LDCs to reach the target of doubling their global market share. The Bali Package on LDCs mention, and I quote: "*Developed-country Members that do not yet provide duty-free and quota-free market access for at least 97% of products originating from LDCs, defined at the tariff line level, shall seek to improve their existing duty-free and quota-free coverage for such products, so as to provide increasingly greater market access to LDCs, prior to the next Ministerial Conference*". If developed countries follow the spirit of the Bali Ministerial Meeting, and indeed improve on their existing DFQF coverage for LDCs, then that will be a positive step.

9. However, we must also note that Bali Package does not specify any deadline for complete fulfillment of the DFQF promise that the developed country members of WTO made in 2005. Therefore, we need to pursue beyond Bali to achieve our goal

ROLE OF DEVELOPMENT PARTNERS IN THE AREA OF FDI

10. FDI has always been seen as an area of interface between public sector, i.e., governments of LDCs, and the private sector of the richer countries (both developed and developing world), the general point being creation of enabling environment by LDC governments would bring in FDI from private sector. But we know that is not the whole part of the story. It is time that the public sector of the developed world, i.e., the governments of the developed countries, step in. If they provide incentives to their private firms for investing in LDCs, that can help movement of FDI to LDCs in a faster way.

ROLE OF DEVELOPMENT PARTNERS IN THE AREA OF TECHNOLOGY

11. On this point, the main onus is on the developed countries, the home of technologies. Article 66.2 of TRIPS Agreement asked developed country Members of WTO to "*provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base*". Unfortunately we are yet to see faithful efforts by developed countries to fulfill this obligation.

12. We have to remember that private firms and enterprises, who in many cases are owners of the technologies, are driven by profit motives, and that is absolutely normal. They do not feel confident about transferring technologies to LDCs for many reasons, one of them being the worry about not being able to protect the patent right. Technology Bank for LDCs can play an important role in this situation. Patent holders can transfer their technologies through this Bank at zero or a minimum fee to the LDCs, with the assurance that their patents will not be violated upon.

13. The other two functions of the technology bank – (a) science and technology depository facility, and (b) science, technology and innovation supporting mechanism – are intended to facilitate the science-policy-interface, and ensure that science and technology gets the due importance that it deserves in national policy framework.

14. I will stop here, and hope to hear from my colleagues on how to address the issues that I mentioned, and in this way, how to find answer for the seven questions posed in the concept note. Before I finish, let me invite you all to the upcoming High Level Meeting on South-South and Triangular Cooperation and Technology Transfer in Dhaka on May 17-18 that hopes to brainstorm and articulate the issues of the South in context of FfD, and the post-2015 development agenda in mobilizing resources for MoI for the "Future we want".

Thank you.
