There are no translations available.

Landlocked developing countries (LLDC) face very high trade costs, which on average, are almost double than those faced by coastal countries, as a result of the lack of territorial access to the sea and isolation from the world's largest markets, which restrict the free flow of trade and impose constraints on their socio-economic development. The incidence of transport costs and non-tariff measures is also higher in these countries. In 2020, LLDCs suffered a 36 per cent decline in services exports, sharper than in the rest of the world.

Because of these bottlenecks, LLDCs must form meaningful and enduring partnerships with the transit countries through which they trade, so that they can provide important overground transit infrastructure for neighbouring nations, becoming "landlinking" countries.
In order to become a landlinking countries, LLCDs need therefore to focus on the joint development and improvement of key infrastructure and interoperable customs systems with transit countries, so to reduce shipping costs for movement of transit goods.

The WTO report on Easing Trade Bottlenecks in Landlocked Developing Countries identifies some of the areas and issues where targeted steps need to be taken to ease trade bottlenecks, not only by the LLDCs themselves, but also transit countries and organizations involved.

Recommendations include the need for transit countries to provide LLCDs with timely information through notifications on measures and requirements which may affect the transport of goods through their territory. The importance of notification and provision of information to exporters has been brought to light by the COVID-19 pandemic, during which information has proven to be vital for exporters and transporters in order to help to maintain trade flows.

On the other hand, from a regulatory point of view, businesses in LLDCs needs to be encouraged to increase the use of preferential trade schemes embedded in bilateral and multilateral free trade agreements and arrangements, where the direct transportation rule (which requires goods to be directly shipped from one member of a Free Trade Agreement to another in order not to lose the originating status) need to be made more flexible so to better reflect the connectivity challenges LLDCs face. For instance, an issue that may need further attention from the international community is the interplay between rules of origin and trade by the LLDCs. In most cases, for LLCD exports to meet origin requirements and to benefit from tariff preferences, goods needs to be consigned directly from the LLDC to the importing country, which not always is possible for certain shipments from LLDCs.

An additional recommendation concerns the development of transit corridors, an initiative that should be encouraged and further supported by bilateral donors and regional development banks. This recommendation is therefore addressed mainly to donors, that should continue to provide support to these initiatives for a performance bounce-back post-pandemic as they can reduce significantly transit times. An example of transit corridor is the Northern Corridor, linking Burundi, Rwanda, Uganda and the eastern regions of the Democratic Republic of the Congo with the port of Mombasa, in Kenya. Since its launch in 2014, the Northern Corridor had achieved a reduction in transit times for a truck to go from the port of Mombasa to Busia on the border with Uganda from 284 hours in January 2015 to 90 hours in January 2019.