



Opening statement

by

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at the

Opening session of the LDC Ministerial Conference

on 2 November 2019

Emirates Palace Hotel, Abu Dhabi, United Arab Emirates

Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

Good morning.

I have the honour of welcoming you all to this 2019 LDC Ministerial Conference on the eve of the 18th UNIDO General Conference.

Allow me, first of all, to express my gratitude to the Government of the United Arab Emirates for the wonderful hospitality extended to us.

I would also like to thank the United Nations Office of the High Representative for Least Developed Countries, Landlocked Developed Countries, and Small Island Developing States (UN-OHRLLS) for co-organizing this important meeting.

Looking around I see many familiar faces, distinguished representatives of Member States, the private sector, development partners, international financial institutions, and others.

I would like to thank all distinguished participants for attending this meeting today. Your presence reflects your commitment and determination to jointly address the challenges facing LDCs and the way forward for LDCs to attain the goals of the 2030 Agenda for Sustainable Development.

Excellencies,
Ladies and Gentlemen,

The Eighth LDC Ministerial Conference is distinctly different from previous conferences, because of its unique theme “Accelerating industrialization in LDCs: Lessons learned and innovative approaches”.

The theme and spirit of the Conference are timely as today’s meeting forms part of the pre-events leading to the Fifth UN Conference on the LDCs scheduled for 2021.

It is opportune at this gathering to reflect how far we have gone in the implementation of the Istanbul Plan of Action (IPoA) and the commitments made at the High-level Mid-term Review in 2016, particularly in promoting structural transformation of LDCs through industrialization, which befits the UNIDO mandate.

Following the adoption of the IPoA in 2011, UNIDO mainstreamed the UN programme of Action for LDCs through the development and adoption of its own operational strategy 2011-2020 for LDCs.

Two years later, the adoption of the Lima Declaration by UNIDO Member States set the foundation for a new vision of inclusive and sustainable industrial development (ISID), and highlighted the importance of empowering all stakeholders effectively in the industrialization process.

The relevance of ISID as an integrated approach to all three pillars of sustainable development formed the basis for the development of Sustainable Development Goal 9 and the inclusion of industrial development in the 2030 Agenda.

Both the Lima Declaration and the 2030 Agenda stress the particular attention given to the developmental needs of LDCs.

And *inclusive* and sustainable industrial development essentially means that no one should be left behind.

The adoption of the General Assembly resolution on the Third Industrial Development Decade for Africa, IDDA III, in 2016 served as yet another reminder that building productive capacity is critical for the development and graduation of least developed countries, two thirds of which are located on the African continent.

With the ambitions of the Lima Declaration, the 2030 Agenda, the IDDA III and the Agenda 2063 in mind, this important ministerial conference will review the progress made and will look beyond 2020 and the Istanbul Plan of Action.

Excellencies,

Least developed countries are the countries that face the most difficult obstacles to achieve inclusive economic growth and sustainable development.

Paradoxically, many LDCs are resource-rich but poor countries. The challenge is to convert resource-based comparative advantages into competitiveness.

Productive capacity, industrial infrastructure and the structure of the economy play an important role in determining how well raw products, labour and other inputs can be transformed into economically valuable goods and services.

According to UNIDO statistics, during the current period of the Istanbul Programme of Action, manufacturing value added as a percentage of gross domestic product for least developed countries improved slightly from 11.7 per cent in 2011 to 13.2 per cent in 2018.

This is promising, but not enough. More needs to be done.

And even if we consider that a number of least developed countries, among them Djibouti, Lesotho, Togo, the United Republic of Tanzania, and Zambia, are approaching

the graduation thresholds, more needs to be done. Efforts to build the industrial base and human capacities must continue.

LDCs should actually be one step ahead of the global march towards achieving the SDGs in rethinking viable avenues of accelerating a high pace of industrial expansion.

But how can LDCs be competitive in this fast changing world? How can LDCs best position themselves in the context of the fourth industrial revolution?

History tells us that newly industrializing countries and emerging economies grew faster than the growth rate which today's developed countries encountered during the pre-industrial revolution. This was thanks to technical progress making deep inroads into the productive processes of the latecomers in the sphere of industrialization.

The way some of the LDCs also graduated in recent years lends credence to the fact that industrial transformation in LDCs is possible and profitable.

A blend of the real and virtual worlds coupled with the networking within the internet of things, data and people will certainly help to transform the manufacturing sector of LDCs for their benefit.

Two findings of the UNIDO Industrial Development Report 2020, which will be officially launched on Tuesday, are interesting in this regard.

First, the business reality in LDCs is that the adoption of the new digital technologies in local industries depends strongly on their cost-effectiveness as compared to existing technologies and processes. Most often barriers to the adoption of technology are due to insufficient awareness of technology and their application. Consequently, businesses have difficulties to appraise the benefits of these technologies and to assess the expected return on investment compared with the high upfront investments needed.

Second, the latecomers to the fourth industrial revolution, including LDCs, need a solid industrial base to be sufficiently equipped to move up in the technological ladder. Without the industrial base, leapfrogging will be difficult.

Some of the signals that we receive from the achievements made by dynamic stakeholders in LDCs are however very encouraging.

Anecdotal cases include, for example, an entrepreneur in Togo who invented a 3D printer, using e-waste that he collected from landfill sites. The inventor gives a great message to us: "reuse discarded electronics and do it yourself". I would unhesitatingly declare him as a great contributor to "circular economy" which is underpinned by the premise that "waste is not a waste until it is wasted".

Emerging technology hubs in Cambodia, Ethiopia, Madagascar, Rwanda and in many other LDCs show the emergence of dynamic entrepreneurs of LDCs participating effectively in the global value chain.

These are examples that can be replicated and further strengthened. By producing components in a globally fragmented production, complying with international standards and quality control norms, LDCs could successfully connect, comply and compete in global markets.

Excellencies,

Experience is the richest institution.

The sharing of the experiences gained along the way can serve as a guiding force. The lessons learned and evidence-based policies can be catalysts of concrete actions, leading to transformative shifts.

Within its mandate of inclusive and sustainable industrial development, UNIDO has a role to play in this regard.

For LDCs, UNIDO interventions traditionally target commodities and communities and assist industrial stakeholders in climbing the ladder of value addition in globally tradable products.

In view of the fourth industrial revolution in particular, and the urgent need to speed up implementation of the SDGs in the last decade before 2030, UNIDO can act as a platform for the sharing of experiences, knowledge and technologies. UNIDO can help its Member States to establish the partnerships that are necessary to drive sustainable development.

Excellencies,

Ladies and Gentlemen,

The Programme for Country Partnership of UNIDO, known as PCP, integrates the technical cooperation complemented by policy advice. The PCP accords topmost priority to country ownership and leadership in dovetailing UNIDO interventions with the national development agenda. It helps mobilize funds and leverage additional investment towards sectors with high impact potential.

Within the framework of the PCP, UNIDO is a gentle facilitator, while government and industrial stakeholders are determined achievers. The technical assistance provided is designed specifically to unlock large-scale funding from development partners, such as financial institutions and bilateral donors.

The experiences in LDCs, such as Ethiopia and Senegal where the PCP approach is being implemented since 2015, have shown concrete and promising results such as the

implementation of reforms on special economic zones and the development of industrial infrastructure, including industrial parks, agro-poles and centers of excellence.

The PCP family has recently grown to a total number of 10 countries, with latest additions of LDCs such as Cambodia, Rwanda and Zambia. This expansion also shows the growing interest and relevance of the PCP approach to our Member States.

The many lessons learned in the implementation of this innovative PCP model since 2015, can be a good source of inspiration for other countries as well.

Excellencies and dear participants,

I am extremely happy that the Eighth LDC Ministerial Conference focuses on coining innovative approaches to foster inclusive and sustainable industrial development drawing on lessons learned so far.

As we approach the final year of Istanbul Programme of Action and prepare ourselves for the next decade of action for LDCs, lessons from the past are critical. The knowledge gained from those lessons will serve as a source in fostering inclusive and sustainable industrial development.

Let us work together to make the new agenda for action unlock the industrial development potential of LDCs.

Thank you.