



CONCEPT NOTE

Lecture and discussion on the “Law of the sea and interests of landlocked developing countries (LLDCs) Mongolia in Perspective”

The International Think Tank for Landlocked Developing Countries (ITT-LLDCs) in cooperation with the Mongolian Maritime Administration is organising a lecture on the “Law of the sea and interests of landlocked developing countries” to be presented by the distinguished professor P.M. Mukherjee on June 18, 2014.

Introduction

Development of a country depends on the size of its foreign trade. Thus rapid economic development is witnessed in coastal economies and cities and regions of countries that are located nearby the sea.

The cities in the eastern part of China, for example, located nearby sea coasts are more developed and contribute remarkably to the economic development of the country.

Other countries with access to the sea engage in foreign trade with less cost and difficulties by introducing advanced technology to their industrial sector with lower costs thereby entering the international market poles easier.

However, landlocked countries face numerous challenges in gaining access to foreign trade and to major economic centres of the world. Most of landlocked countries are either developing countries and some of them are categorised as least developed countries.

The fact that LLDCs import commodities from other countries with access to the sea at extremely high cost causes weak purchasing power and worse quality of life among citizens of LLDCs. Furthermore the price of export goods is increased due to the high cost and difficulties of supplying domestically produced goods and services to the international market via transit transportation. This poses additional challenges to the competitiveness of their goods and services on the world market, which further limits the economic development of LLDCs.

Consequently it is vital for LLDCs to use and implement in practice the articles of part 10, “Right of access of landlocked states to and from the sea and freedom of transit” of the UN Convention on the Law of the Sea, accepted and ratified by most UN member countries, to consider linking them with economic development and to give further analysis and conclusion.

Relevance to landlocked developing countries

In 1776, Adam Smith observed that the inland parts of Africa and Asia were the least economically developed areas of the world. Almost two hundred and forty years later, the Human Development Report 2013 still painted a stark picture for most of the world's landlocked countries. 15 countries out of 32 LLDCs have a low level of human development and the rest have a medium level of human development¹.

Distance alone, however, cannot explain why landlocked countries are at a disadvantage compared with equally remote, inland regions of large countries. For instance, some regions of China, India and Russia lie further from the coast than many landlocked countries like Azerbaijan and Moldova. While these inland subnational regions indeed face great distance-based cost disadvantages relative to their maritime counterparts but they do not have to face the challenges of border crossing that Smith also identified.

For a majority of regions, the average trade cost of landlocked countries is nearly double that of their neighbouring countries. The notable exceptions are Bhutan, Laos, and Swaziland. These countries do not engage in significant volumes of transoceanic trade, instead exporting overwhelmingly to their immediate neighbours, India, Thailand and South Africa, respectively².

Nearly all landlocked countries export less per capita than the average of the regional maritime countries. In line with their higher trade costs, landlocked countries on average export less than one-half of the per-capita amount of their maritime neighbours. A regional breakdown shows that landlocked countries of western Africa are faring the worst in relative terms, exporting only 12% of their maritime neighbours' value on a per-capita basis. Meanwhile, the southern African landlocked countries fare the best in relative terms, exporting nearly 70% of the per-capita value of their maritime neighbours. M.L.Faye also indicated that countries with less foreign trade face more difficulties related to internal politics and infrastructures. LLDCs face additional challenges caused by their full dependence on infrastructure, political relations, peace, social and political stability and administration systems of their neighbours.³

As for Mongolia, its foreign trade depends on the economic situation of its two neighbouring countries. Thus it is necessary for Mongolia and other landlocked developing countries to see beyond their neighbouring countries and diversify their import as well as their export destinations.

Sharing of knowledge and experiences on active participation of LLDCs in regional and international trade and transit transportation are crucial for landlocked developing countries.

In addition, it is significant to reduce or eradicate obstacles faced by LLDCs to enter the international market with a policy of tackling the negative effects of landlockedness within already existing legal structures.

Even though landlocked countries differ from each other in terms of society, culture, infrastructure and economic development, rules of international law apply equally to all

¹ UN, Human Development Report, 2013.

² M. L. Faye et al, The challenges facing land-locked developing countries, 2004.

³ See above.

landlocked countries. Thus it is vital to analyse the articles of the international conventions and agreements on the law of the sea, related to landlocked countries and share the results of analysis with all LLDCs. Furthermore it is significant to support LLDCs to do research and analysis and strengthen their capacity to negotiate within international organizations.

Goal and objectives of the lecture

During the lecture, necessity of LLDCs to maintain maritime transportation, provisions to these countries by the UN Convention on the Law of the Sea and opportunities to implement them in practice and reflect them on related policies and strategies will be discussed. Furthermore there will be a discussion on best practices of LLDCs that maintain successful foreign trade relations with their transit neighbours. The participants will also be provided with opportunities to exchange views, experiences and knowledge within the topic of the lecture.

The following issues will be discussed during the lecture:

- Activities of maritime transportation and its impact on the economy;
- Changing trends of law on maritime transportation;
- UN conventions on “The Law of the Sea” and “Transit Trade of Landlocked Countries” and explanation of general understanding on the rights of LLDCs provided by these conventions;
- Analysis on how to use and improve/develop the rights provided by these legal documents and conclusion;
- Activities of maritime transportation/ conditions and opportunities to enter the network of maritime transportations;
- Cost and common issues related to maritime transportation;
- Maritime transportation insurance;
- Port utilisation by landlocked countries.

Expected outcomes from the lecture and exchange of view

- All participants will gain important knowledge on the abovementioned issues and international conventions on law of the sea;
- Advice and recommendations will be provided on how Mongolia could benefit from the provisions provided by the international convention and how the convention could be developed and further improved for implementation in practice;
- The recommendations could be used for further development of national policies.

Date and venue of the event

The lecture will be organised at the International Think Tank for LLDCs in Ulaanbaatar city, Mongolia at 2 p.m., June 18, 2014.

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UN House
United Nations Street-14
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Ulaanbaatar 14201
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Participants

60-80 attendees including specialists from related Ministries and agencies of Mongolia, representatives from resident LLDC Embassies, representatives of resident and non-resident diplomatic missions, international organisations, researchers, academia, students, lawyers, private enterprises, press and media.

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