

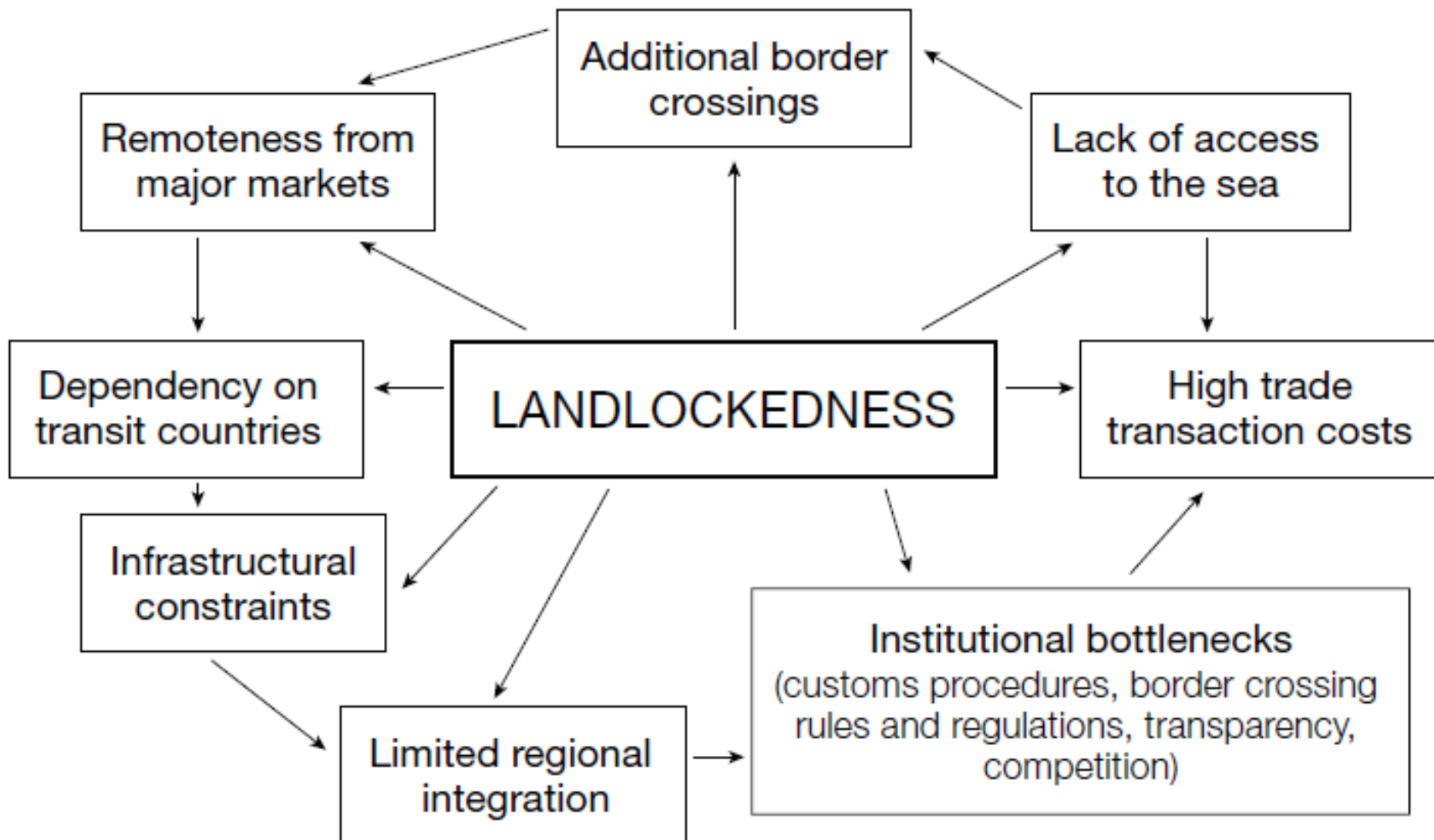
Transport Infrastructure as a key component of productive capacities in LLDCs

- **Sub-regional Workshop on Fostering Structural Transformation and Export Diversification in Selected Asian Landlocked Developing Countries**
 - 16-17 October 2018
 - Ulaanbaatar, Mongolia

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Development Challenges Linked to Landlockedness



Why focus on productive capacity in LLDCs?

Structural challenges faced by the LLDCs:

- Challenges linked to landlockedness
- Lack of diversification
- Heavy reliance on low-value – high-bulk commodities which make LLDCs vulnerable to commodity price volatility
- Decline of value-addition in manufacturing and agricultural sector
- Low technology intensity
- High vulnerability to external shocks
- Slow progress on economic and social development



Socio-economic performance of the LLDCs

GDP growth (2016)

- LLDCs: 2.8%
- Transit countries: 4.8%

Share in global exports (2017)

LLDCs: 0.9%

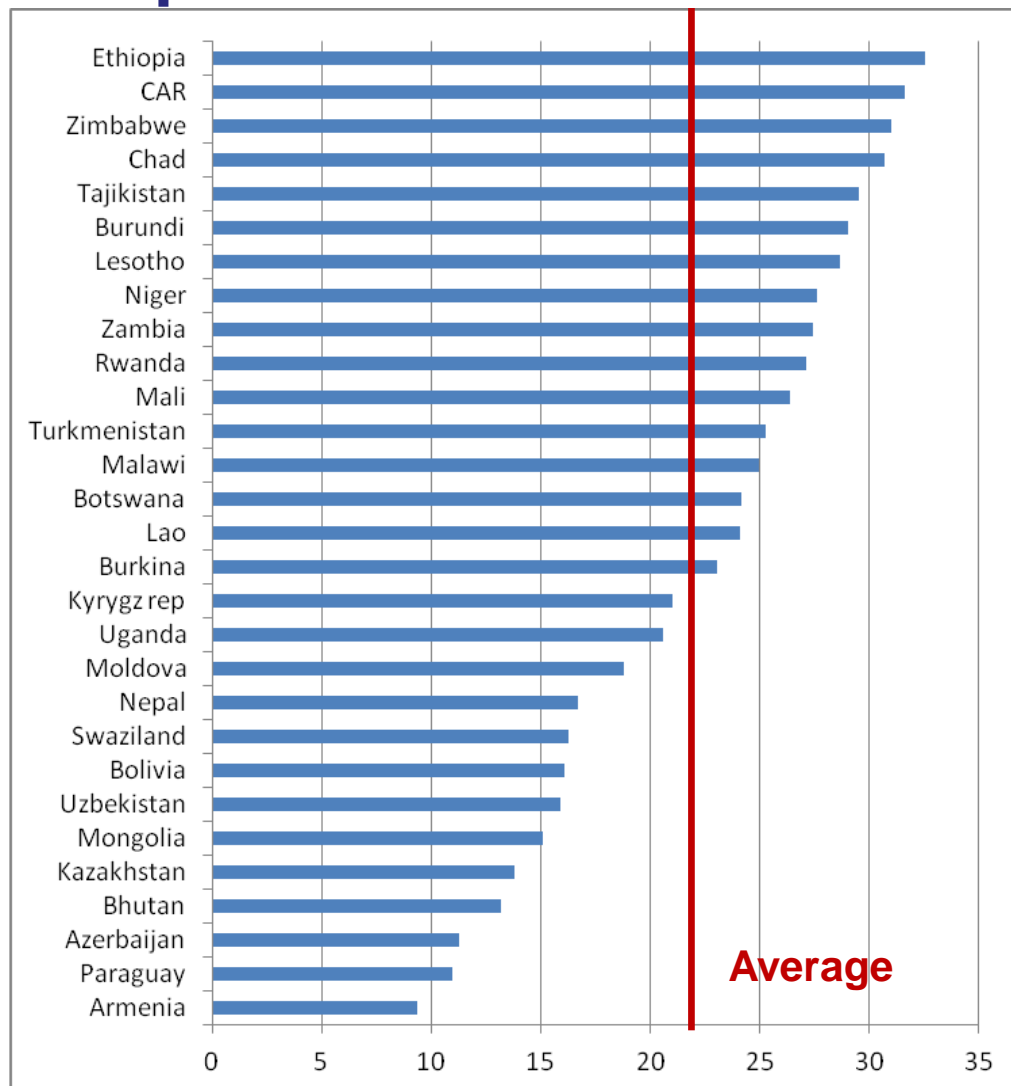
Population below poverty line (2013)

- LLDCs: 31%
- World: 10.9%

HDI (2018)

- LLDCs: 0.582
- World: 0.728

Development cost of landlockedness



Productive capacity building strategy for LLDCs

Main pillars of a strategy for productive capacity building in the LLDCs:

I. Infrastructure

II. Productive resources (natural resources, human capital)

III. Private sector development

IV. Regional integration

V. Financing

VI. Science and technology

VII. Institutions, policy and regulations



Role of transport infrastructure in productive capacity building in LLDCs

- Priority 2(a) of VPoA: Transport infrastructure development and maintenance
- Importance of hard and soft infrastructure

Efficient transport infrastructure is crucial for:

- improving connectivity
- reducing transport costs
- stimulating regional integration
- facilitating trade and integration into global economy
- development of global and regional supply chains
- creating opportunities for diversification
- overall development of LLDCs

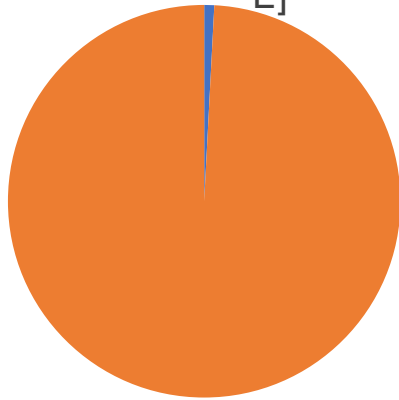


Freight and passenger transport LLDCs vs. Rest of World

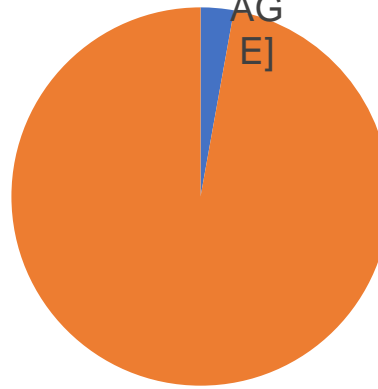
Freight

Passenger

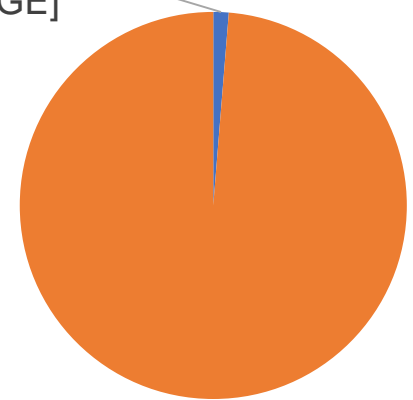
Road
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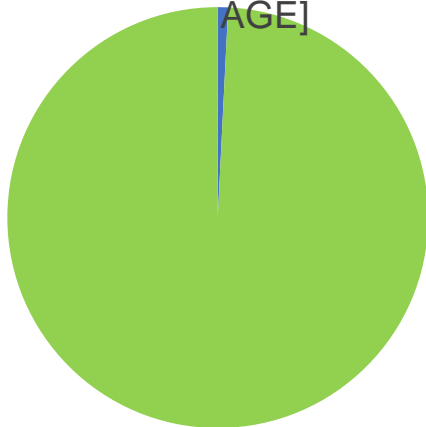
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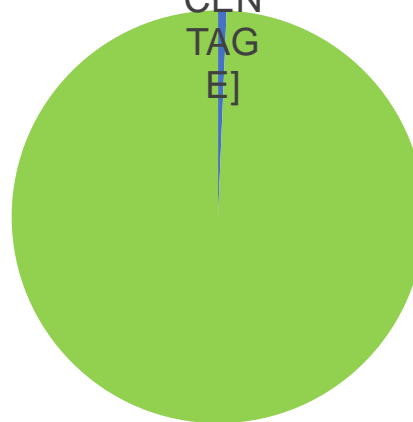
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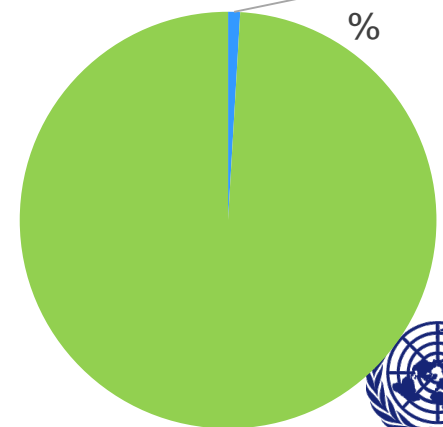
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0.93 %



Road and rail density

	Road density	Rail density
LLDC Region	Kms per 1,000 km ²	
Eastern Asia	5.7	1.2
Eastern Europe and Central Asia	181.1	11.8
South Asia	80.2	-
Latin America	10.6	2.8
Sub-Saharan Africa East	34.7	5.7
Sub-Saharan Africa West	3.5	2.3
All LLDCs	19.1	3.6
Transit countries	191.4	8.6
Global	151.0	9.5

12% of global density

38% of global density



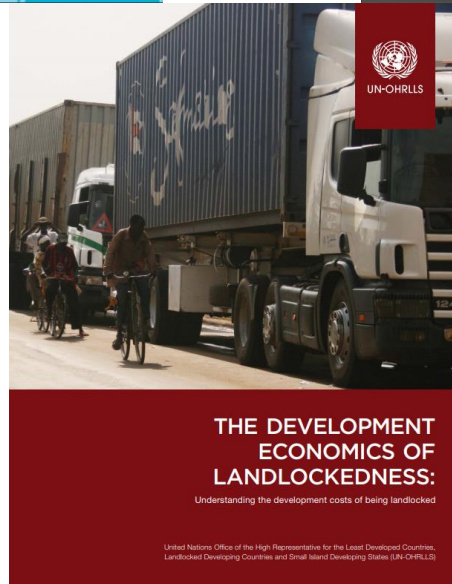
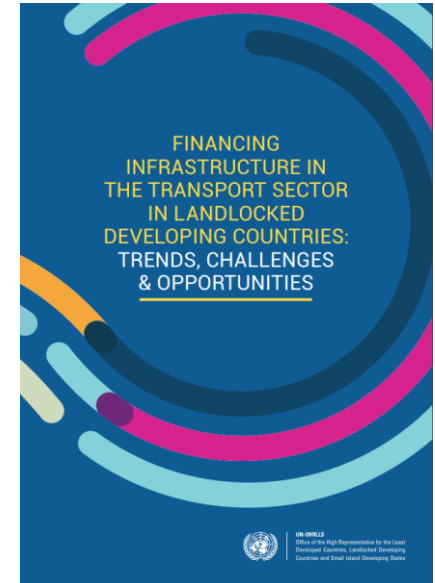
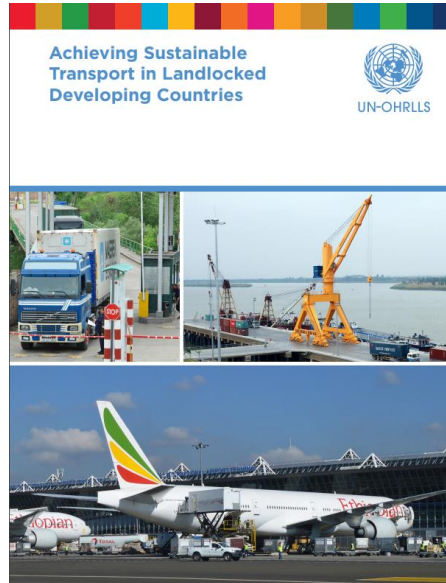
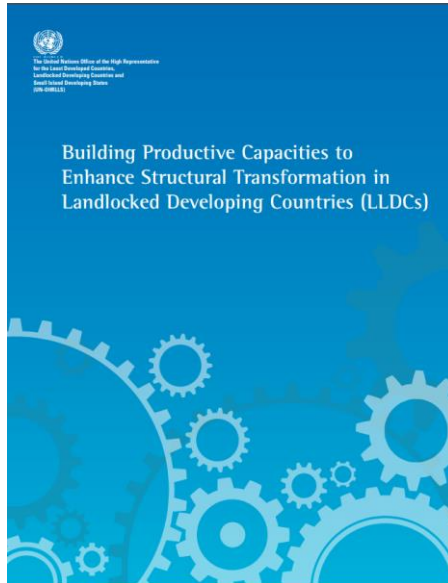
Financing transport infrastructure in the LLDCs

Investment cost to bring road and rail infrastructure of LLDCs to global benchmarks

Region	Additional length		Cost	
	Road km	Rail km	US\$ billion	% of GDP
East Asia	8,300	5,100	37.2	4.2
Eastern Europe and C. Asia	57,900	13,900	171.6	1.4
South Asia	7,700	4,700	34.1	3.9
Latin America	15,200	1,800	37.7	1.7
Sub-Saharan Africa East	53,900	12,700	158.5	1.9
Sub-Saharan Africa West	53,100	8,000	70.3	4.5
Total LLDCs	196,100	46,300	509.3	2.0



UN-OHRLLS relevant publications



Policy recommendations

Interventions

- Expand transport infrastructure coverage and repair existing links in LLDCs and transit countries
- Complete missing links in transport networks, in particular corridors
- Enhance sub-regional and regional cooperation on infrastructure projects
- Improve intermodal connectivity
- Develop regional dry ports, logistic hubs and economic zones
- Attract and utilize various sources of finance for transport infrastructure development



Outcomes

- Reduced transport costs
- Increased trade competitiveness
- Improved connectivity
- More effective integration into the global economy and global and regional supply chains
- Opportunities for diversification and structural transformation
- Attract foreign capital

Thank You

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