EU INITIATIVES TO SUPPORT LDC SERVICES SUPPLIERS

Webinar on LDC export performance and facilitating the implementation of the preferences granted to LDCs under the services Waiver

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Introduction

• COVID-19 economic impact heavily impacting LDCs:
  • sectoral specialisation,
  • occupational characteristics
  • financial resources,
  • inadequate access to digital infrastructure
  • insufficient IT skills
  • Fall in tourism revenues and remittances: drying up sources of income for LDCs

• LDCs need to integrate their economies into the world economy by strengthening their competitiveness: Openness to trade

• Sound domestic policies and reforms: good governance + ownership
EU: tools helping LDC & services suppliers

• EU’s unilateral preferences.
  • The EU’s notification of 2015: substantial preferences within all modes of supply and groups of sectors identified in the LDC collective request (more than 155 services sectors)

• EU on-going bilateral negotiation agenda:
  • to improve its trade relations with countries most in need and to address issues that DCs and LDCs face: EU’s Economic Partnership Agreements (or EPAs), which are pro-development agreements (i.e.: ESA5-EU EPA)
Some improvements…

• In trade in services:
  
  • 16% of total services exports were ICT services.
  
  • High Potential for LDCs in digital service exports, participation in global value chains, and the economic inclusion fostered by affordable mobile services, provided they continue to catch up on internet infrastructure and the right policy and business environment.

BUT the EU recognises that LDCs need help to draw the full benefit of services trade:

• LDCs continue suffering from impediments that affect their capacity to trade. We need to look beyond unilateral trade preferences to address them.

• Aid for Trade can help enhance LDC increasing value-adding trade and investment.
EU Aid for Trade

- AfT 2017: is results-driven and provides an integrated approach to aid and investment for trade,
- Focus: creating more and better jobs and on countries in the greatest need, in particular LDCs.
- EU + its Member States: leading Aid for Trade donor with one third of the global Aid for Trade (2018, 13.6 billion euro), increasing proportion to LDC: 3bEUR (22%, 2018)
- Emphasis on services trade (2018):
  - Transport and storage: 605m EUR
  - Tourism: 38m EUR
  - Banking sector: 353m EUR
EU: main partner for LDCs and DCs

- EU + member States provide over half of all global development aid.
  - investing in sustainable and inclusive economic growth and decent job creation in our partner countries, with the ultimate objective of contributing to poverty eradication in the world.
  - 16b committed in 2019 in ODA
  - 254 m directly invested in supporting trade facilitation and aid for trade

- EU Multi-indicative Programme 2021-2027
  - Increased budget contributing to development cooperation by 27%, 123 billion euros
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- Our priorities are based on five partnerships:
  - Green alliances and partnerships
  - Alliances for Science, technology, innovation and digital
  - Alliances for sustainable growth and jobs
  - Partnerships for migration and mobility
  - Partnerships for human development, peace and governance
- COVID response:
  - ST response: addressing challenges and mitigating negative consequences
  - M/LT: building back better: green+ digital+inclusive