
*Comprehensive High-Level Midterm Review of the Implementation of the
Istanbul Programme of Action for the LDCs for the Decade 2011 - 2020*



Forum on investment opportunities in LDCs

***FDI for Sustainable Development of the LDCs:
Challenges and opportunities***

Opening Statement

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Salutations

1. Excellencies,
2. Colleagues,
3. Distinguished Delegates,
4. Ladies and gentlemen,
5. Good morning.

6. Let me first of all extend warm greetings to all of you on behalf of Her Excellency, Mrs. Ellen Johnson Sirleaf, President of the Republic of Liberia and the people of Liberia and congratulate the UN family for organizing this important series of meetings to take stock of our collective commitments to graduate the weakest and poorest nations in the world. I also would like to thank you and your team Mr. Under-Secretary for your leadership in this effort. Your role is critical to breaking many of our populations from the shackles of poverty in countries like ours.

7. Ladies and gentlemen, as you all know, the first SDG reminds us to “End poverty in all its forms everywhere”. With that in mind, once again we are gathered to reiterate our collective commitment to foster inclusive, economic growth and collectively bolster the resilience of the weakest and poorest countries of our world.

8. Ladies and gentlemen, today we are gathered here to discuss how foreign direct investment can play a role in graduating countries like mine from our current status. Today, 48 LDCs with a total of some 880 million people, account for 12 per cent of world population but less than 2 per cent of world GDP and 1 per cent of global trade in goods. 34 of such countries are in Africa, the most youthful continent with some of the fastest growing economies in the world with a population to reach 1.7 billion by 2030, 20% of the projected global population of 8.5 billion.

FDIs Opportunities and Challenges

9. Distinguished ladies and gentlemen, with a total of 251 actions included in the Istanbul Program of Action, along with 17 Sustainable Development Goals (SDGs), and 169 targets in the 2030 Agenda for Sustainable Development, we have a clear strategic framework and a strong support network set to eliminate extreme poverty. However, these ambitious goals cannot be achieved without increased private sector participation, intervention and innovation.

10. Today I would like us to have a chat about the role FDI can play in fast tracking LDCs in Africa graduation. Many of you know clearly the systemic idiosyncrasies endemic to



LDCs. These get in the way of LDCs transformation as they impact domestic resource mobilization and foster loopholes that leads to the estimated \$50 billion dollars per annum illicit financial flows, double ODA to Africa. It is estimated the over the last 50 years, Africa is estimated to have lost \$1 trillion in illicit financial flows. Many of this is due to weak systems, weak policies and weak legislation. They represent the soft infrastructural investments that no logo can go on, no votes can be won over, no victory celebration, but are the most critical to achieving graduation. Today Africa is investing in the world, to the tune of \$50 billion in illicit financial flows, the world must invest in Africa for strategic, sustainable impact, and FDIs in this area is critical.

11. Ladies and gentlemen Africa needs hard infrastructure and much assistance is in this area because it represents tangible results, but as those investments come to fruition, Africa needs to catch up on the soft infrastructure side. The use of technology can leap frog many of the LDCs to graduation. FDIs must now be targeted at tackling these weaknesses the cause the continent to loose so much needed resources for development. Africa nations can finance their development with their own resources if given the most impactful support.
12. The opportunities are many as the challenges for FDIs, but investment in system upgrades at the ports for example enhances the business climate for growth. Systemic upgrades of government service delivery including the efficient collection of lawful taxes, enhances the formalization of the majority SMEs that operate in the informal sector, and simplification and modernization of laws and other legal instruments, will reduce discretion out of the and impact corruption.
13. Many would say there are many challenges for FDIs accessing markets in LDCs, well many of the challenges they face are also systemic. Africa is undergoing a massive infrastructure upgrade, but that upgrade now must lead to an end, and that end is jobs for its mostly youthful population if it is to reduce poverty. To achieve this, hard infrastructure investments must be equally matched with increased FDIs in soft infrastructure to create an enabling environment for the growth and industrialization of the continent, if we are to graduate many of our countries from the LDCs status.

Creating Inclusive Growth in Liberia

14. Ladies and gentlemen, in Liberia we have embarked on a journey to achieve some this goal. First, we launched The Agenda for Transformation our national development framework, our roadmap to success, sharing with IPoA the same overarching goals of eradicating poverty, creating wealth and meeting sustainable development goals.



15. Since then, our GDP growth has been largely dependent on natural resources, especially iron ore and rubber with no value addition. This, in combination with the devastating effects of the health crisis, led to a GDP plunge from 8.7% to less than 1% in the past years. While the twin effect of the health crisis and the declining global commodity prices on the economy has been significant, they have not stopped the implementation of the Agenda for Transformation and IPoA priorities.
16. We are a resilient people, and while impacting growth, the commodity price crash underlined the dire need for economic diversification, for a new approach with the private sector front and center, with focus on domestic reforms for private sector growth and agriculture at its center.
17. Ladies and gentlemen, agricultural, industrial, and service sectors are the building blocks of trade in Liberia offering huge employment opportunities. We've had quite a number of successes:
 - Liberia acceded to World Trade Organization,
 - Developed the National Trade Policy to enhance business competitiveness,
 - Submitted for enactment, the Competition and Foreign Trade laws,
 - Developed a three year Mitigation plan towards ECOWAS Common External Tariff,
 - To support SMEs, passed the Small Business Empowerment Act, which mandates government spend 25% of its budget for goods and services on SMEs.
 - With the support of the Enhance Integrated Framework and the International Trade Center, we were able to publish the National Export Strategy that highlights key areas in agriculture for FDI and are concluding two additional strategies for tourism and furniture manufacturing.

These instruments will contribute to an enabling environment for FDI with expertise in these areas and foster our economic diversification agenda.

Conclusion

18. Friends, colleagues, the right support and right partners can serve as catalysts for economic transformation that is equitable and inclusive. Current world crisis show that we are all interlinked. Partners like you play a critical role in helping us address the challenges of huge unemployment, vulnerable populations, and our impacted basic services including health and education.
19. FDI specifically is an important catalyst for future development and means of increasing capital available for investment and economic growth required to reduce poverty,



increase skills and employment opportunities, and raise living standards for Liberians. Most of our current FDI is in the extractive sector, but let us now focus on agriculture, agri-processing, and manufacturing to secure Liberia's future. Let us understand what factors can lead each of the 48 economies we are discussing here today to success. What shift is necessary to move towards middle income status?

20. Our task over the next days is to secure a successful conference and exchange ideas, challenges, and implementation plans to create viable, sustainable economies in LDC's.
21. And let us bear in mind that this is a two way street: As much as partners and donors have supported us, let us remember that LDCs import 29.3% of all imports from low- and middle income economies, directly supporting your economies as well.
22. Ladies and gentlemen, our greatest gift to a fragile and transforming nation are the tools to unlock the potential of the private sector; for true economic transformation, sustainable development, peace and stability, can only be realized through the growth of a vibrant and innovative private sector.
23. Your continued support to foster growth is critical in unlocking the potential of our countries. We thank you for this collaboration and continue to be committed to creating transparent, accountable, and responsive public institutions to promote good governance and promote integrity at all levels of society to give you the setting you need to promote investment in Liberia.
24. To all of you, let me say a big thank you for being here and taking time away from your lives to make this a priority. Thank you for organizing this even, for committing to it. Let us indulge in fruitful and healthy dialogue, new friendships, partnerships, and opportunities.

Thank you.