

# Session 4: International trade as an engine for development

*Strengthening the capacity of experts from SIDS to meaningfully  
engage in the intergovernmental negotiations on the outcome  
document of the Fourth International Conference on Financing for  
Development*

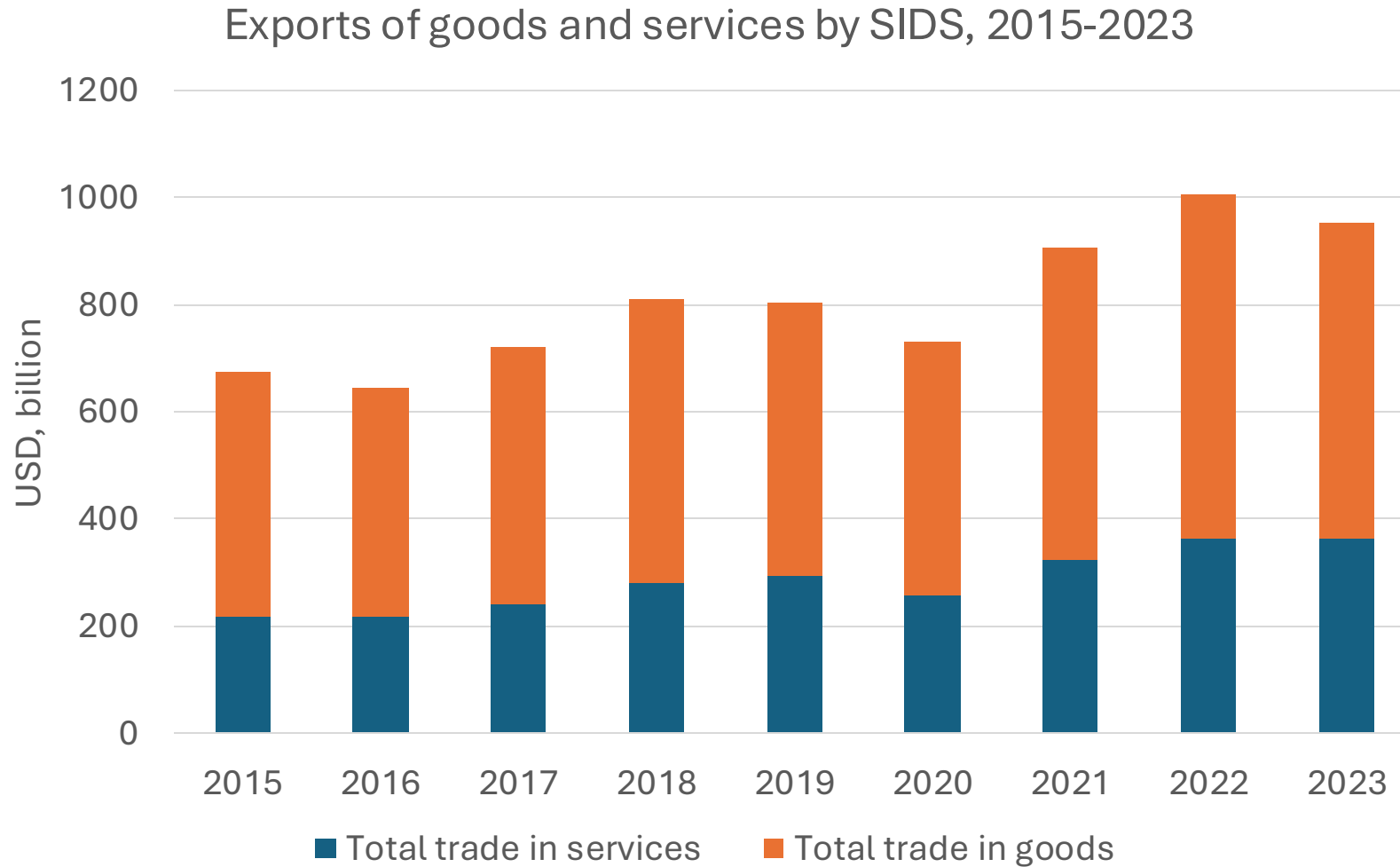
New York, 9-10 December 2024

# Overview

- Progress since the 2015 Addis Ababa Action Agenda
- Commitments by the international community on trade
- SIDS trade-related issues in the FfD4 elements paper
- Guiding questions for the interactive discussions



## Exports in SIDS decreased in 2023, despite strong post COVID recovery

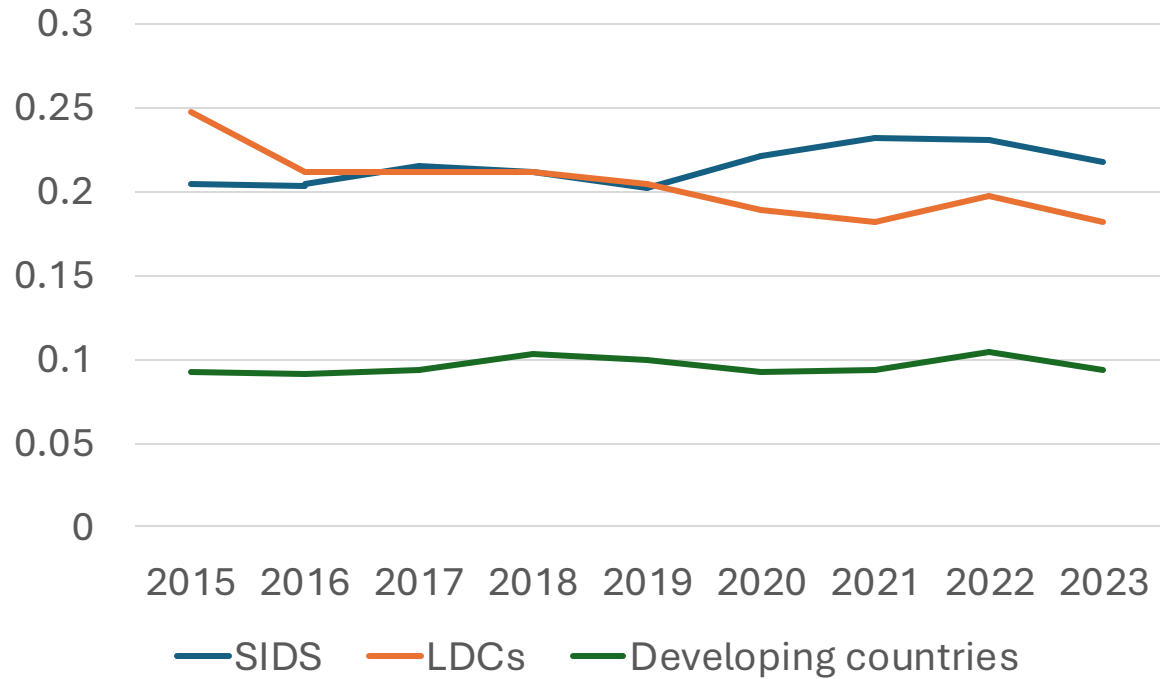


## Share of SIDS' exports in service and goods in global trade is stagnating

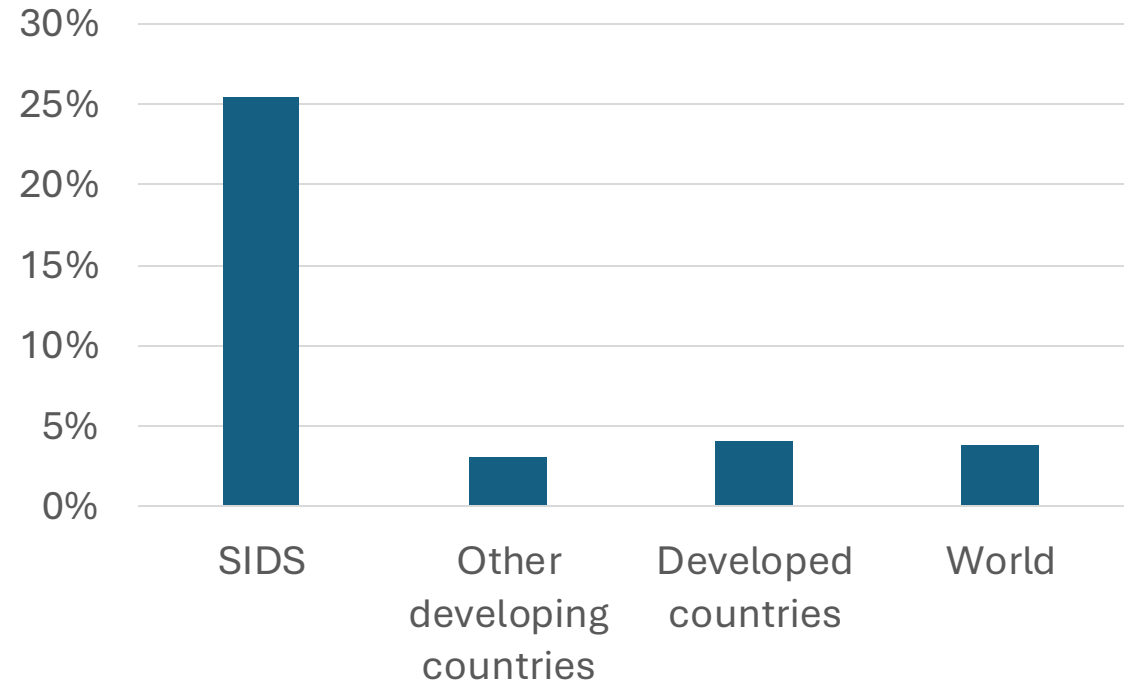


## Export product concentration remain high for SIDS and travel oriented economies

Product concentration in SIDS, 2015-2023



Share of travel in total exports



## International commitments to support trade priorities in SIDS

AAAA	<ul style="list-style-type: none"><li>- Recognize <b>particular vulnerabilities in SIDS</b> and support engagement in trade agreements and world markets</li><li>- Encourage MDBs to <b>address trade infrastructure gaps</b>, with a focus on SIDS</li></ul>
ABAS	<ul style="list-style-type: none"><li>- Designing <b>prioritized trade and investment strategies</b> to consolidate market opportunities in existing sectors and markets and identify opportunities for economic diversification to reduce vulnerability;</li><li>- Enabling <b>market access, in goods and services</b> for SIDS by considering trade rules, as appropriate, that take into account the <b>special circumstances of SIDS</b>, and encouraging the full utilization of preferential market access by improving the application of trade rules and their transparency for SIDS, in compliance with WTO commitments</li><li>- Strengthening local, national, and regional institutions as well as the regulatory and domestic policy environment and <b>trade facilitation bodies</b>;</li><li>- Reviewing and reforming old-generation investment treaties that are in force for SIDS, where desired, with the aim of <b>safeguarding policy space</b> to pursue sustainable development objectives</li></ul>



## SIDS trade related issues (AOSIS submission) in the FfD4 elements paper

A rules-based, non-discriminatory, transparent, open, and fair multilateral trading system

- **Strengthen special and differential treatment for the most vulnerable countries** (Encourage the WTO to strengthen special and differential treatment for developing countries, in particular LDCs, LLDCs and SIDS). [This supports a SIDS call \(AOSIS submission\) to take into account the special circumstances of SIDS.](#)
- **Limit trade measures which restrict or distort trade** (Invite the ECOSOC FfD Forum to consider the impact on sustainable development of unilateral economic, financial or trade measures that are inconsistent with the principles of international law and the Charter of the United Nations). [This supports a SIDS call \(AOSIS submission\)](#)
- **Enhance productive capacities to trade** (acknowledgement that LDCs, LLDCs, and SIDS remain at margins of global trade). [This section supports two ABAS areas \(resilient economies and productive capacities\).](#)



## Other SIDS trade related issues in the FfD4 elements paper

- Take steps to provide special and differentiated treatment for developing countries that are net importers of food products to strengthen food security (**Special and Differential Treatment**)
- Invite UNCTAD to conduct a review of obsolete trade and investment agreements, with the view to accelerate the replacement and termination of obsolete agreements (**Upholding policy space**)
- Develop trade-related physical and digital infrastructure, with attention to transport corridor development and trade facilitation, including trade facilitation agreements (**Enhance productive capacities**)





## Guiding questions for the interactive discussion

- *How can the Fourth International Conference on Financing for Development (FfD4) help advance the trade agenda in line with the needs and priorities of SIDS?*
- *What are emerging issues and areas of concern that should be reflected in the FfD4 outcome document?*
- *What are the priority implementation gaps that FfD4 should address?*

