
Sub-Committee on Least-Developed Countries

**MARKET ACCESS FOR PRODUCTS AND SERVICES OF EXPORT INTEREST TO
LEAST-DEVELOPED COUNTRIES**

Note by the Secretariat¹

I.	INTRODUCTION	3
II.	LDC EXPORT PROFILE.....	3
A.	TRENDS IN LDC TRADE IN GOODS AND SERVICES	4
B.	LDC PARTICIPATION IN WORLD MERCHANDISE TRADE	10
1.	Global Trends.....	10
(a)	Total exports	10
(b)	Major Products.....	13
(c)	Major Markets.....	15
C.	LDC PARTICIPATION IN WORLD TRADE IN SERVICES	17
1.	Global Trends.....	18
2.	Tourism.....	19
III.	EVOLUTION OF TRADE BALANCES OVER THE DECADE	21
A.	MERCHANDISE TRADE BALANCES OF LDCS	21
B.	TRADE BALANCES BY PRODUCTS	25
IV.	MARKET ACCESS CONDITIONS FOR LDC EXPORTS	26
A.	INTRODUCTION.....	26
B.	TRENDS IN MARKET ACCESS FOR PRODUCTS OF EXPORT INTEREST TO LDCS	29
C.	TARIFF ESCALATION FACING LDC EXPORTS IN DEVELOPED MARKETS.....	31
D.	TARIFF TREATMENT OF LDC EXPORTS IN SELECTED MARKETS	33
(a)	Market access conditions faced by LDC exports in selected developed countries	35
(b)	Market access conditions facing LDC exports in selected developing countries	38
V.	CONCLUSIONS	42
ANNEX	44

¹ This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

List of Tables

Table 1:	Trends in LDCs exports of goods and commercial services, 2000-2009.....	6
Table 2:	LDCs and world trade in goods and commercial services, 1980-2009.....	7
Table 3:	Export prices of primary commodities, 2000-2009.....	12
Table 4:	Top 20 LDC exports by market share, 2008.....	15
Table 5:	Commercial services exports by LDCs, 2000-2009.....	19
Table 6:	Summary of LDC GATS commitments in tourism.....	20
Table 7:	LDCs' terms of trade, 2000-2009.....	23
Table 8:	LDCs' exports and imports: evolution of volume, unit value and value, 2000-2009.....	24
Table 9:	Coverage ratios of imports by exports of the LDCs, 2000-2009.....	25
Table 10:	LDCs' merchandise trade balance by product groups, 2000-2008.....	25
Table 11:	Trends in tariff treatment on merchandises imported by developed countries, 1996-2008.....	30
Table 12:	Average tariffs by degree of processing and by exporting region, 1996-2008.....	32
Table 13:	Tariff treatment of LDC exports in selected developed markets, 2008.....	37
Table 14:	Tariff treatment of LDC exports in selected developing markets, 2008 or latest....	39

List of Charts

Chart 1:	Evolution of LDCs exports of goods and commercial services, 2000-2009.....	4
Chart 2(a):	Share of top three LDC products in their total merchandise exports, 2008.....	5
Chart 2(b):	Share of commercial services in total exports by LDCs, 2008.....	5
Chart 3:	Export prices of primary commodities, 1999-2009.....	11
Chart 4:	Development in merchandise trade volume of LDCs and developing economies, 2000-2009.....	13
Chart 5:	Composition of LDC exports by major products, 2009.....	14
Chart 6:	Top 20 markets for LDC exports of goods, 2000-2009.....	16
Chart 7:	Composition of imports from LDCs by region, 2009 or most recent year.....	17
Chart 8:	International tourist arrivals in selected LDCs and world exports of travel, Q1 2008-Q1 2010.....	20
Chart 9:	LDCs' merchandise trade: value indices and trade balances, 1990-2009.....	21
Chart 10:	Evolution of LDCs' merchandise trade, 2000-2009.....	22
Chart 11:	LDCs' coverage of imports by exports, product groups 2000-2008.....	26
Chart 12:	Effective preference margin of LDCs' exports for selected product groups, 1996-2008.....	31
Chart 13:	Tariff escalation on LDCs exports to developed markets since the end of Uruguay Round.....	33

List of Boxes

Box 1:	LDC trade and the global financial crisis.....	8
Box 2:	Mirror data for exports from Africa to Europe.....	18
Box 3:	LDCs' competitiveness and export-transaction costs.....	28
Box 4:	The utilization of preferences.....	35

List of Annex Tables

Annex Table 1:	Merchandise exports and imports of LDCs by selected country grouping, 2009....	44
Annex Table 2:	Export prices of primary commodities, 2000-2010.....	46
Annex Table 3:	Leading merchandise exports of LDCs in 2008.....	47
Annex Table 4:	Imports from LDCs by major markets and product groups, 2000-2009.....	49
Annex Table 5:	Coverage ratios of imports by exports of the LDCs, 2000-2009.....	51
Annex Table 6:	Measures in favour of exports originating from LDCs.....	52

I. INTRODUCTION

1. This note prepared by the Secretariat responds to paragraph 7 of the WTO Work Programme for Least-Developed Countries (LDCs), which mandates an annual review of market access for products originating from LDCs (WT/COMTD/LDC/11). It builds on previous Secretariat studies by updating the information on trends in LDC trade and market access conditions, covering goods and, to some extent, trade in services.² The evolution of LDC trade balances by country and by product has received special attention in this document. Moreover, data has covered the period 2000-2008/2009 with a view to looking at the trade performance of LDCs during the time-span of the Brussels Programme of Action (BPOA) for the LDCs (2001-2010). This note is also a contribution to the Fourth UN Conference on LDCs (LDC-IV) which will undertake a review of the BPOA, including in the area of trade to chart a new course of actions to promote growth and development in the LDCs.

2. The note is divided into four main parts, in addition to this introduction. Chapter II, on export profile, provides a description of the recent trends of LDC trade flows, both in goods and commercial services. It includes an analysis of LDC exports by main products and market destination, including the export of tourism services. Chapter III analyses the evolution of trade balances by country and product groups, and the coverage of imports by exports. Chapter IV is devoted to market access conditions facing LDC exports, including a review of the utilization of preferences. A concluding section summarizes the findings of the note, while a series of annex tables provide Members with additional background information and references. The note does not pretend to be comprehensive in covering all aspects that condition market access for LDC products. It should therefore be read in conjunction with previous notes prepared on this topic to gauge the different factors that determine market access for LDCs.

3. A few words of caution are required about the statistical coverage of LDCs, which is characterized by its incompleteness and untimeliness. Despite advances in the production of national data and their compilation by the Secretariat, these limitations remain acute when it comes to quarterly or monthly statistics. In many cases, the Secretariat had to rely on mirror statistics, using imports reported by LDC partners, while remaining data gaps had to be imputed. In particular, mirror statistics were compiled from databases such as the UN COMTRADE or Global Trade Atlas, which contain comprehensive coverage of the developed countries' trade, and substantial coverage for trade of major developing countries and economies in transition. This allows estimating the share of the LDCs' trade with not just developed countries but also with developing economies.

4. The disadvantage of using mirror data is that it does not allow to take into consideration intra-trade among the LDCs, as well as trade with non-reporting developing economies. This is a serious handicap when South-South trade is becoming one of the most dynamic dimensions of international trade. In addition, the total figures based on mirror data may differ from total exports as reported by the LDCs. A special effort has been made to use national reported figures for total trade.

II. LDC EXPORT PROFILE

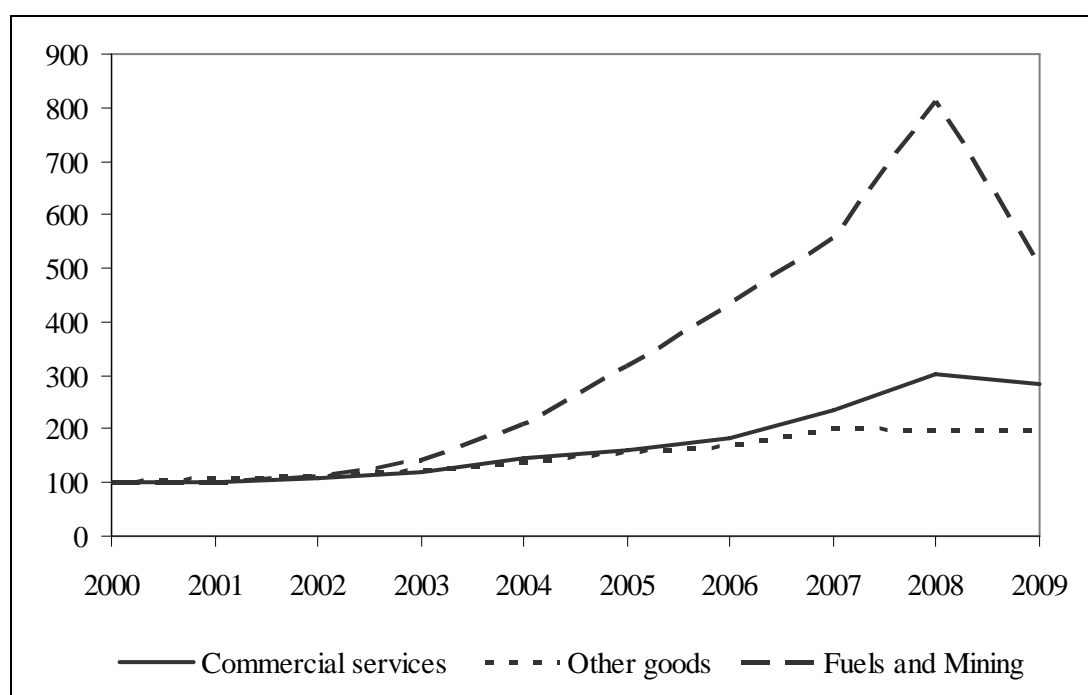
5. This chapter first reviews the global trends observed for LDC trade in goods and services during the 2000s, and the impact of the 2008-2009 global financial crisis. The LDCs' participation in merchandise trade and commercial services is analysed in the subsequent sections.

² Since 2005, the following special topics have been covered: (i) textiles and clothing (WT/COMTD/LDC/W/37); (ii) Non-tariff measures (NTMs) (WT/COMTD/LDC/W/39 and its addenda); (iii) LDC trade in services (JOB(07)/32/Rev.1 and JOB(07)/148); (iv) LDC trade in food and agricultural products (WT/COMTD/LDC/W/43 and JOB(08)/49); (v) preference utilization (WT/COMTD/LDC/W/41/Rev.1); and (vi) impact of the global financial crisis (WT/COMTD/LDC/W/46/Rev.1).

A. TRENDS IN LDC TRADE IN GOODS AND SERVICES

6. The rapid increase in the total value of goods and services exported by LDCs during the 2000s came to an abrupt halt in 2008, in the wake of the global financial crisis. The growth of merchandise exports had accelerated since 2003, largely due to the rise in oil and commodity prices, while the exports of services rose more markedly after 2006, a change that could be attributed to the dynamism of tourism and the higher prices of transport services (see Chart 1). Despite a drop of 28 per cent in 2009, goods exports registered an average annual growth rate of 14 per cent over the 2000-2009 decade, almost twice the growth of world trade during this period (8 per cent). The respective figures for commercial services are 12 per cent for LDCs compared with 9 per cent for world trade.

Chart 1: Evolution of LDCs exports of goods and commercial services, 2000-2009
(Index, 2000=100)



Source: WTO Secretariat.

7. Export concentration has been a structural characteristic of LDC economies (see Chart 2). The rise in commodity prices has reinforced this feature. Due to the lower degree of development of their productive sectors, LDCs are heavily dependent on a few products where they enjoy some degree of comparative advantage (primary commodities as far as trade in goods is concerned, and tourism for services exporters). Even when LDCs were able to diversify into manufacturing, the range of exported products was usually limited to a few labour-intensive industries, mostly in clothing.

8. On average, almost three quarters of total merchandise exports depended only on three main products (composition varies from LDC to LDC). For instance, for eight LDCs, the top three products accounted for more than 95 per cent of their export receipts, illustrating the vulnerability of these economies to fluctuations in international trade. Some LDCs also depended on services exports for a sizeable share of their total export receipts. Travel, a close proxy of tourism receipts, is the dominant sector, especially for small islands where it represents the main source of export revenues.

Chart 2(a): Share of top three LDC products in their total merchandise exports, 2008

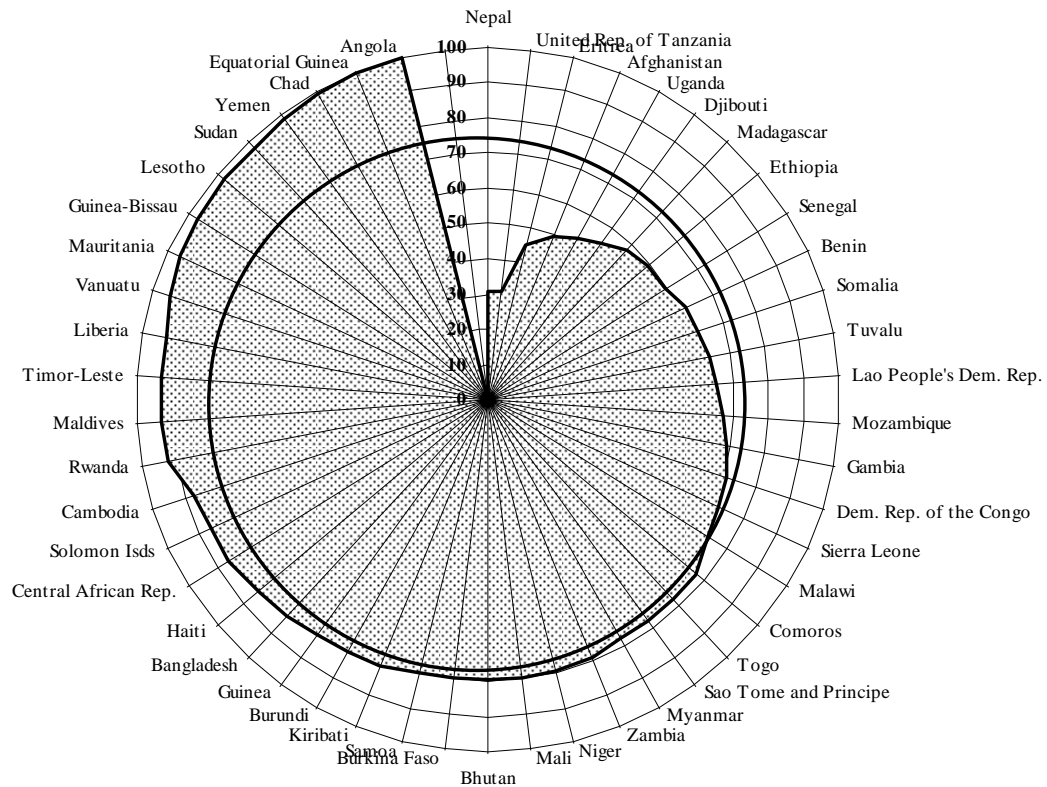
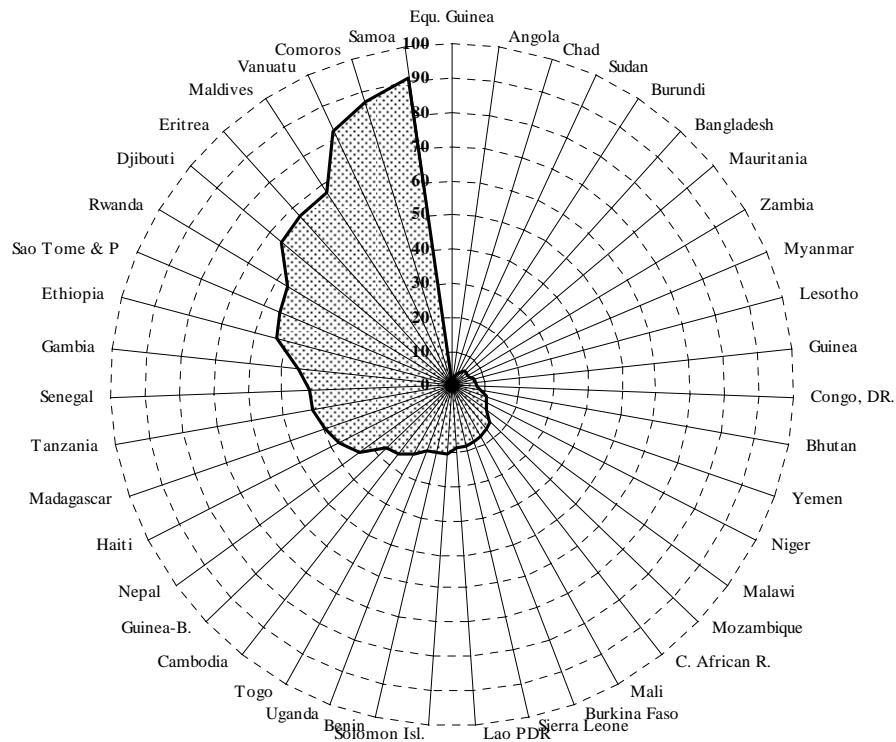


Chart 2(b): Share of commercial services in total exports by LDCs, 2008



Source: WTO Secretariat.

9. The dependence on a few products and services does matter when the global economy goes through a period of high volatility, as was the case in the last two years. While the value of sales of fuels and mining decreased abruptly in 2009 (-37 per cent), and heavily influenced the decline of total exports of goods (-28 per cent), the sales of services were more resilient to the crisis and fell by only 5 per cent (see Table 1). Indeed, the 2008-2009 global crisis had a differentiated impact on the exports of goods, which in turn was to a large extent related to the volatility of the international prices during this period. As explained in Box 1, the exports of fuels and minerals registered a "V" shaped drop-and-recovery profile, while sales of agricultural goods and manufactures which were initially less affected in the first few months of the crisis recovered slowly in the second quarter of 2009 and has remained flat since then (*id est*, experiencing more a "squared root" type of profile).

Table 1: Trends in LDCs exports of goods and commercial services, 2000-2009
(Billion dollars and percentage)

	Values		Annual rate of growth									
	2000	2009 ^a	2001	2002	2003	2004	2005	2006	2007	2008	2009 ^a	2000-2009 ^a
Total goods and commercial services	42.1	137.1	3.9	7.8	15.3	28.7	30.7	24.0	25.7	30.0	-25.9	14.0
Total goods	35.9	119.6	4.1	7.9	16.5	29.8	33.7	24.9	25.4	30.3	-28.1	14.3
Fuels and Mining	15.6	79.3	0.7	12.9	24.1	48.6	51.3	36.6	28.6	45.4	-37.1	19.8
Other goods	20.4	40.3	6.8	4.2	10.6	13.2	13.4	7.0	19.2	-1.6	-0.2	7.9
Commercial services	6.1	17.4	2.5	7.2	8.0	21.6	10.2	16.0	27.9	27.4	-5.3	12.3

^a Preliminary estimate.

Source: WTO Secretariat.

10. Over the 2000-2009 decade, the share of LDCs in world trade (exports plus imports) increased, from 1.21 per cent to 2.09 per cent, a positive development in a period marked by a favourable orientation for total international trade, which increased 7.8 per cent in yearly average during the decade (see Table 2). The 2008-2009 crisis did not lead to a fall of LDCs' share in world trade in goods, rather the share increased from 2.04 per cent in 2008 to 2.15 per cent in 2009, although the share of LDCs in services trade declined slightly from 1.99 per cent to 1.85 per cent. Unfortunately, this resilience of LDC trade in goods during the recession was mainly due to the positive orientation of their imports, while the market share for their exports retreated below the 1 per cent mark. As a result, the group recorded a large trade deficit in 2009, following three consecutive years of surplus (2006, 2007 and 2008) (see Chapter III for more information on trade balances).

Table 2: LDCs and world trade in goods and commercial services, 1980-2009
(Billion dollars and percentage)

	1980	1990	1995	2000	2005	2006	2007	2008	2009	Annual percentage change 2000-2009
Total trade in goods and commercial services ^a										
World	2313	4209	6224	7856	12772	14664	17038	19554	15471	7.8
LDCs	49	57	74	95	201	241	305	397	323	14.6
Share in world	2.11	1.36	1.18	1.21	1.58	1.64	1.79	2.03	2.09	...
Total trade in goods ^a										
World	1929	3408	5047	6384	10346	11930	13778	15863	12225	7.5
LDCs	39	45	57	76	165	199	249	323	263	14.9
Share in world	2.03	1.32	1.13	1.18	1.60	1.67	1.81	2.04	2.15	...
Total trade in commercial services ^a										
World	384	800	1177	1472	2426	2734	3260	3691	3246	9.2
LDCs	10	12	17	19	36	42	56	74	60	13.5
Share in world	2.53	1.52	1.42	1.31	1.48	1.52	1.70	1.99	1.85	...
Goods exports										
World	1941	3433	5106	6379	10372	11989	13867	15933	12339	7.6
LDCs	16	20	25	36	82	102	128	166	120	14.3
Share in world	0.82	0.57	0.48	0.56	0.79	0.85	0.92	1.04	0.97	...
Commercial services exports										
World	365	780	1172	1484	2488	2823	3388	3826	3350	9.5
LDCs	2	3	5	6	10	11	14	18	17	12.3
Share in world	0.68	0.42	0.45	0.41	0.39	0.40	0.43	0.48	0.52	...
Goods imports										
World	1917	3383	4988	6389	10321	11871	13689	15793	12110	7.4
LDCs	23	25	32	40	84	97	122	157	143	15.3
Share in world	1.21	0.75	0.65	0.62	0.81	0.82	0.89	0.99	1.18	...
Commercial services imports										
World	402	820	1182	1460	2364	2646	3132	3555	3143	8.9
LDCs	7	9	11	13	26	30	41	55	43	14.0
Share in world	1.79	1.09	0.97	0.90	1.11	1.14	1.31	1.55	1.36	...

^aWorld trade is calculated as the average of world exports and imports. Total LDC trade in this table is approximated as the sum of their exports and imports. This measure thus inflates the data by double counting trade among LDCs, which could not be removed owing to the absence of data broken down by origin and destination. "Intra-LDC trade" is however not so large to affect the analytical value of the data.

Source: WTO Secretariat.

11. The sharp contraction of the global economy that began in the second half of 2008 hurt the LDCs during a phase of particularly rapid growth of their exports of goods and services. As shown in the table in Box 1, LDCs' merchandise exports has been consistently outperforming world trade since the last quarter of 2007, and by a large margin. The effect of the financial crisis on trade was perceptible in the fourth quarter of 2008. While the crisis touched its bottom in March 2009, yearly growth rates remained negative up to the third quarter of 2009. All in all, world trade dropped by 22.7 per cent in value and 12 per cent in real term during 2009.

Box 1: LDC trade and the global financial crisis³

As a group, the LDC exports were particularly affected by the falling commodity prices during the initial phase of the crisis, while other product groups were more resilient. The annualised numbers returned into positive territory at the end of 2009 and experienced high year-on-year growth rate due to a combination of economic and statistical factors (world economy remained buoyant and 2010 quarterly figures were compared to a very low 2009 base).

Table Box 1: Annualized quarterly variation of merchandise exports, 2007-2010

	2007				2008				2009				2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
World: Total merchandise	15	13	15	19	22	26	21	-10	-30	-32	-24	3	25
LDCs: Total merchandise	10	10	12	43	57	69	59	-3	-42	-45	-38	8	55
Agricultural products	14	14	20	19	18	13	13	-1	-19	-9	-9	8	11
Food	16	15	18	24	17	13	19	3	-7	6	-1	6	0
Fuels and mining prods	8	6	17	58	83	101	80	-4	-53	-55	-47	9	86
Manufactures	17	21	-3	15	6	2	12	-3	-6	-5	-5	3	-1
Clothing	10	9	6	5	12	15	10	10	5	-1	-3	-5	-6

Note: Data for LDCs are based on mirror statistics from a large sample of developed and developing importing countries, and Secretariat estimates.

Source: WTO Secretariat.

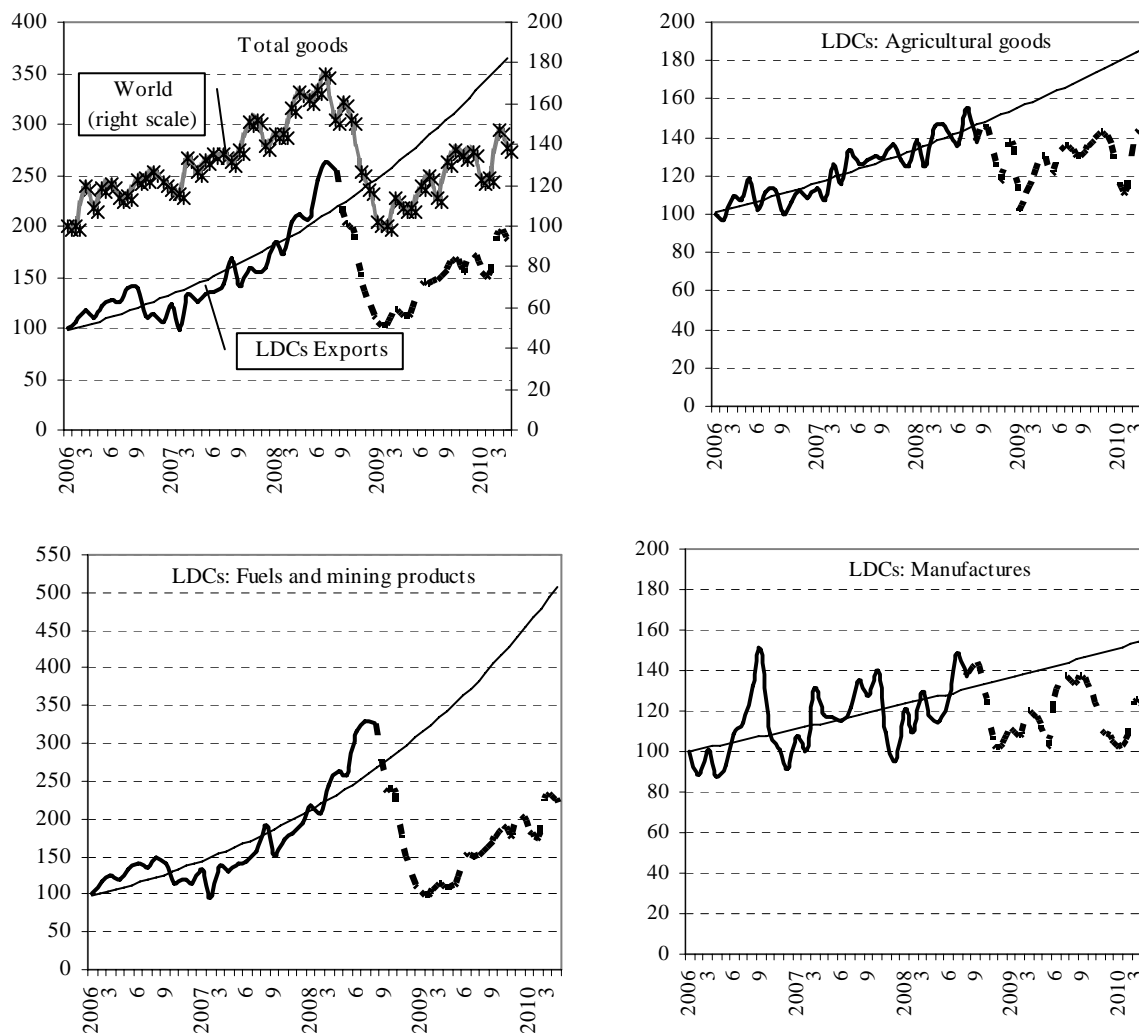
The positive figure recorded by total LDC trade is, once again, heavily influenced by the weight of fuels and minerals in total LDC exports. This specificity, and the comparative evolution of each product groups during and after the crisis, are more clearly observable in Chart Box 1. While the demand and prices for fuels and minerals bottomed out sharply after the third quarter of 2009, the exports of agricultural products and manufactures have stagnated. In all cases, the level of exports in the first quarter of 2010 are still far from the value that could have been expected, even if the pre-crisis trend had continued unaltered.

Fuels and mining appear to be the sole group that have rebounded to the pre-crisis growth path, albeit from a lower level, due to the positive orientation of large emerging countries, an important market for these exports. In other words, for this product group, 2008 could be considered as a "bubble year" and, after a correction in the last quarter of 2008 and the first quarter of 2010, the markets are returning to their earlier trends.^{4/} On the other hand, world demand for the other product groups –which are more labour intensive– looks "stuck in neutral", reflecting the slower recovery of industrialised economies that represent the main markets of destination for these exports.

³ This text synthesizes and updates the analysis presented in WT/COMTD/LDC/W/46/Rev.1 of 26 February 2010.

(Box 1 cont'd)

Chart Box 1: Monthly evolution of LDC exports by main product groups, January 2006-April 2010
(Indices, January 2006=100)



^{a/} Discarding 2008 as an outlier (a bubble year) for analytical purpose is the option retained, for example, by the ITC report on "LDC Trade recovery in 2009", January 2010.

Note: Dotted line corresponds to the "crisis period", after September 2008. Trend line shows the extrapolated trend, based on pre-crisis observations. Data are based on mirror statistics from most major trading partners.

Source: WTO (on the basis of official data and Secretariat estimates).

B. LDC PARTICIPATION IN WORLD MERCHANDISE TRADE**1. Global Trends**

12. Both the trends and the composition of LDC exports during the 2000s have been influenced by the emergence of large developing countries, as well as developments in international prices for commodities. The large emerging countries offered new markets of destinations for LDC products and contributed to a rapid increase in the international price of commodities. At the same time, the globalization of production networks, while offering new opportunities for low-cost producers, increased competition in labour-intensive manufacturing exports and put a cap on their price increase.

(a) Total exports

13. The growth and composition of merchandise trade of LDCs during the 2000s was considerably influenced by the rise of the large emerging countries in the international landscape, which influenced both prices and quantities.⁴ Over the 2000-2009 period, LDC exports increased 14 per cent annually. This overall robust performance hides a deep disequilibrium between oil and other extractive commodities (20 per cent annual growth) and the other products (8 per cent).

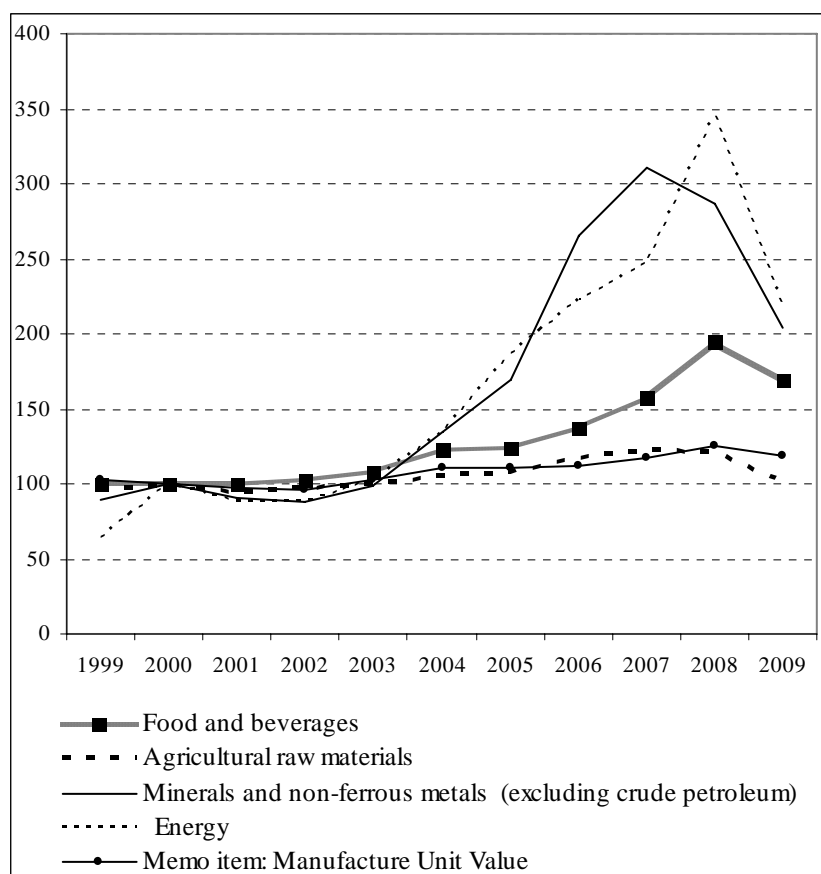
14. Year-to-year developments have been principally determined by the evolution of international prices. Chart 3 presents the evolution of prices over the 2000-2009 period corresponding to three groups of products. The most dynamic one is constituted by energy (principally oil and coal) and minerals. The price of these commodities had experienced a rapid growth since 2003, and peaked in 2007 (minerals) and 2008 (energy), before dropping abruptly during 2009. Even after the 2008-2009 price correction, these products were priced in 2009 more than twice their 2000 value.

15. The international prices for food and beverage products started to accelerate in 2005. While prices of this product group declined during the crisis, they were still higher in 2009 than in 2007 (before the "bubble" 2008 year). In this context, a number of supply-related factors had been favourable to the LDCs: the price of staple food (cereals, usually imported by LDCs) was lower due to bumper harvests, while those of coffee, cocoa, tea and oilseeds remained strong.⁵ The international price of sugar rose markedly during 2009, due to sustained global demand and poor harvest in some major sugar producing countries.

⁴ As pointed out in Box 1, these new players have also influenced the outcome of the 2008-2009 global crisis.

⁵ Since then, reduced wheat harvests in Europe during 2010 have pushed the price of cereals.

Chart 3: Export prices of primary commodities, 1999-2009
(Indices, 2000=100)



Source: WTO Secretariat.

16. The average price of non-food agricultural commodities and manufacture increased very slowly during the 2000s. While these products did not benefit from the 2008 bubble, they nevertheless registered a decrease in prices in 2009, which dragged them almost back to their 2000 values (over the period, the price of agricultural raw material remained practically constant, while the average price of manufacture rose by less than 2 per cent annually, against 8 per cent for all primary commodities, see Table 3).

Table 3: Export prices of primary commodities, 2000-2009
 (Annual and quarterly percentage changes)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009 Q-o-Q				2010 Q1	Annual average 2000-2009
											Q1	Q2	Q3	Q4		
Food and beverages	-0.4	0.4	2.7	5.1	13.2	1.5	10.3	15.1	23.3	-13.1	2.3	9.5	-2.0	2.1	2.2	6.0
Agricultural raw materials	4.7	-5.0	1.8	3.8	5.4	1.6	8.6	5.0	-0.8	-16.8	-13.7	-0.9	14.2	8.2	8.1	0.1
Minerals and non-ferrous metals (excluding crude petroleum)	12.1	-9.7	-2.7	12.3	36.2	26.5	55.9	17.5	-7.9	-28.7	-18.2	16.2	18.1	8.9	6.4	8.3
Total of above	4.5	-4.0	0.8	6.9	18.6	10.3	23.1	14.1	7.5	-18.7	-6.4	9.5	5.8	5.1	4.5	5.8
Energy	56.1	-11.6	-0.4	16.7	31.1	38.7	19.2	10.5	40.1	-36.9	-21.1	20.2	12.0	10.2	3.9	9.0
All primary commodities	32.6	-8.9	0.1	13.0	26.6	29.1	20.6	11.8	27.6	-31.0	-15.7	15.8	9.6	8.3	4.1	8.0
Memo item: Manufacture Unit Value	-2.1	-2.9	-1.3	7.5	6.9	0.0	1.6	4.7	6.7	-4.9	1.9

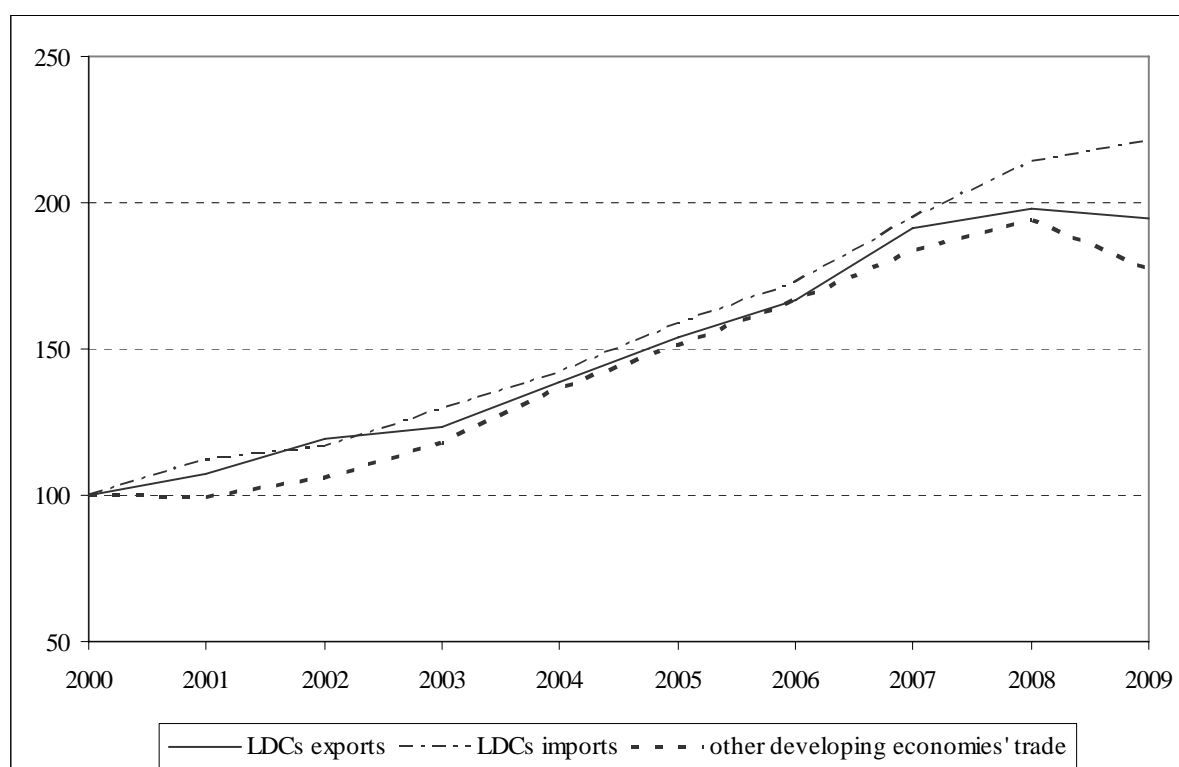
Note: Period averages calculated from IMF indices based on dollar prices. The data for manufacture corresponds to unit values. The quarterly figures are not seasonally adjusted.

Source: WTO Secretariat.

17. Table 3 also provides disaggregated (quarterly percentage) figures for export prices of primary commodities. In fact, it makes clear that the overall yearly variation hides, two trends: a decrease, initiated at mid-2008, and a recovery, perceptible since the second quarter of 2009.

18. Finally, Chart 4 shows that the 2008-2009 crisis affected LDC trade more in terms of prices than in quantities. Trade volumes slowed down, but kept increasing by 1.5 per cent in 2009, as a result of stagnating exports and growing imports. In comparison, trade volumes dropped by 8.7 per cent in other developing countries. This positive development showed that the crisis did not severely affect the import capacity of most LDCs, even if the combination of stagnating exports and rising imports led to a record trade deficit in 2009 (see Chapter III).

Chart 4: Development in merchandise trade volume of LDCs and developing economies, 2000-2009
(Indices, 2000=100)



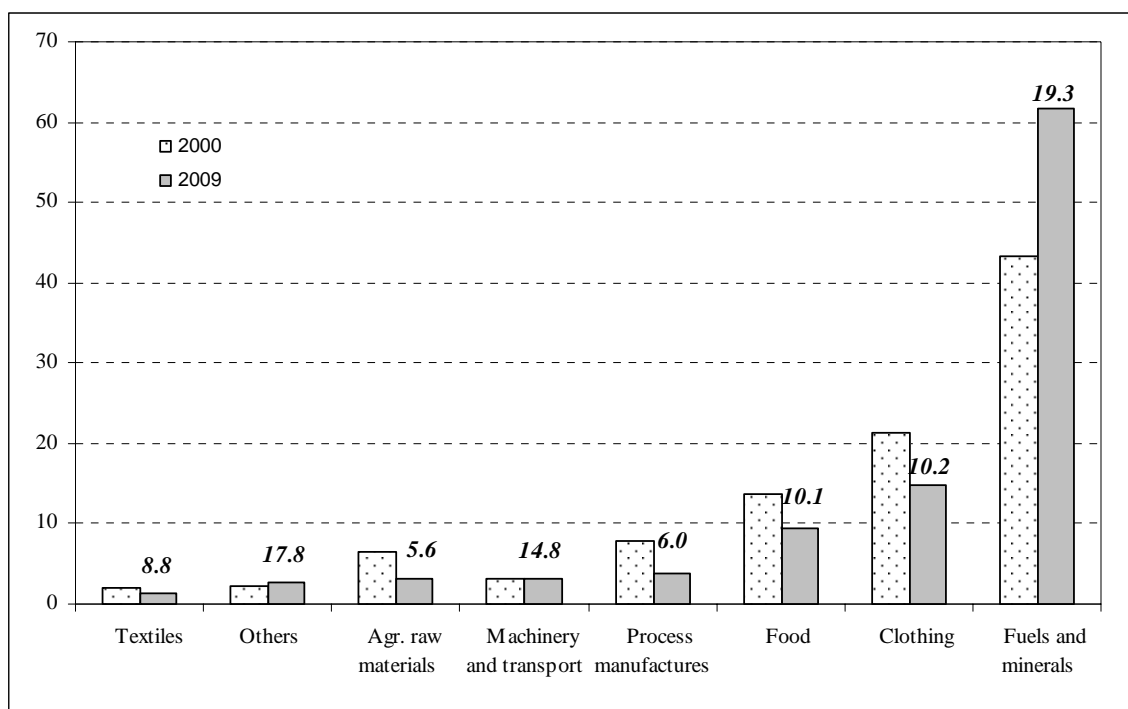
Source: WTO Secretariat. LDCs' data have been computed based on deflators sourced from UNCTAD.

(b) Major Products

19. Both the composition and the growth rate of LDC exports were greatly conditioned by price developments. Chart 5 shows clearly that the dominance of extractive activities, already evident in 2000, gained in strength during the decade, with fuels and minerals representing more than 60 per cent of all LDC exports in 2009. Its dynamism, driven principally by better prices and by an increase in capacity, dwarfed all other products. Clothing is the second category of exports representing about 15 per cent of all LDCs' export revenues. Over the period, this group increased its exports by an annual rate of 10 per cent. Considering the quasi-stability of the prices of textile and clothing products over the whole period, it indicates that almost all progress in exports was due to

larger exported volumes. Food, the third important category of LDC products, weigh somewhat less than 10 per cent of their total exports.⁶

Chart 5: Composition of LDC merchandise exports by major products, 2009
(Percentage)



Note: Number over 2009 bar indicates average annual growth rate 2000-2009.

Source: WTO Secretariat.

20. A closer look at the disaggregated figures shows the acute concentration of LDC exports on a few product groups (see Annex Table 3: Leading merchandise exports of LDCs in 2008). Chapter 27 of the HS nomenclature (mineral fuels, mineral oils and derivatives) make up 77 per cent of total export (2008 figures). The second HS chapter, HS61 (articles of apparel and clothing, knitted or crocheted) represents only a meagre 6 per cent; together with HS62 (apparel and clothing, not knitted), they barely pass the 11 per cent mark. The following three HS chapters are all products of extractive activities: ores (HS26), copper (HS74) and pearls and precious stones (HS71). Among the food and agricultural exports, fish and crustacean (HS03) represent the top exports but account for merely 1.7 per cent of total LDC exports.

21. Nevertheless, for some HS subheadings, the LDCs have been able to gain considerable market share. Some, as in cobalt and derivatives, are due to the absolute advantage that some exporters enjoy for these rare metals, while others are due to the abundance of non-renewable natural resources, such as oil. But for other products, as in the case of clothing, some LDC exporters have been able to successfully compete in low-cost segments of the markets.

⁶ By comparison, commercial services accounted for nearly 13 per cent of total LDC exports.

Table 4: Top 20 LDC merchandise exports by market share, 2008
(million of dollars and percentage)

Product Description (HS04)	LDC exports		World exports	
	Value	Share in Total Exports	Value	LDCs' Share in Total
Cobalt ores and concentrates. (2605)	944	0.6	1 404	67.2
Aluminium ores and concentrates. (2606)	917	0.5	4 272	21.5
Cobalt mattes and other intermediate products of cobalt metallurgy (8105)	813	0.5	3 968	20.5
Dried leguminous vegetables, shelled (0713)	959	0.6	6 058	15.8
T-shirts, singlets and other vests, knitted or crocheted. (6109)	2 900	1.7	22 870	12.7
Wood in the rough. (4403)	1 557	0.9	13 016	12
Men's or boys' shirts, knitted or crocheted. (6105)	686	0.4	5 949	11.5
Unmanufactured tobacco; tobacco refuse. (2401)	999	0.6	8 811	11.3
Men's or boys' shirts. (6205)	1 167	0.7	10 533	11.1
Jerseys, pullovers and similar articles, knitted or crocheted. (6110)	4 148	2.5	41 091	10.1
Men's or boys' suits, ensembles, jackets, blazers, trousers (6203)	2 855	1.7	28 459	10
Woven fabrics of cotton, containing 85 % or more by weight of cotton (5208)	756	0.4	8 449	8.9
Cotton, not carded or combed. (5201)	873	0.5	10 378	8.4
Petroleum oils, crude (2709)	102 100	60.6	1 502 615	6.8
Coffee, whether or not roasted or decaffeinated (0901)	1 184	0.7	17 901	6.6
Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts (6104)	695	0.4	10 611	6.6
Crustaceans, whether in shell or not (0306)	873	0.5	14 722	5.9
Refined copper and copper alloys, unwrought. (7403)	2 500	1.5	47 196	5.3
Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts (6204)	2 088	1.2	40 680	5.1
Fish, frozen, excluding fish fillets (0303)	811	0.5	16 990	4.8

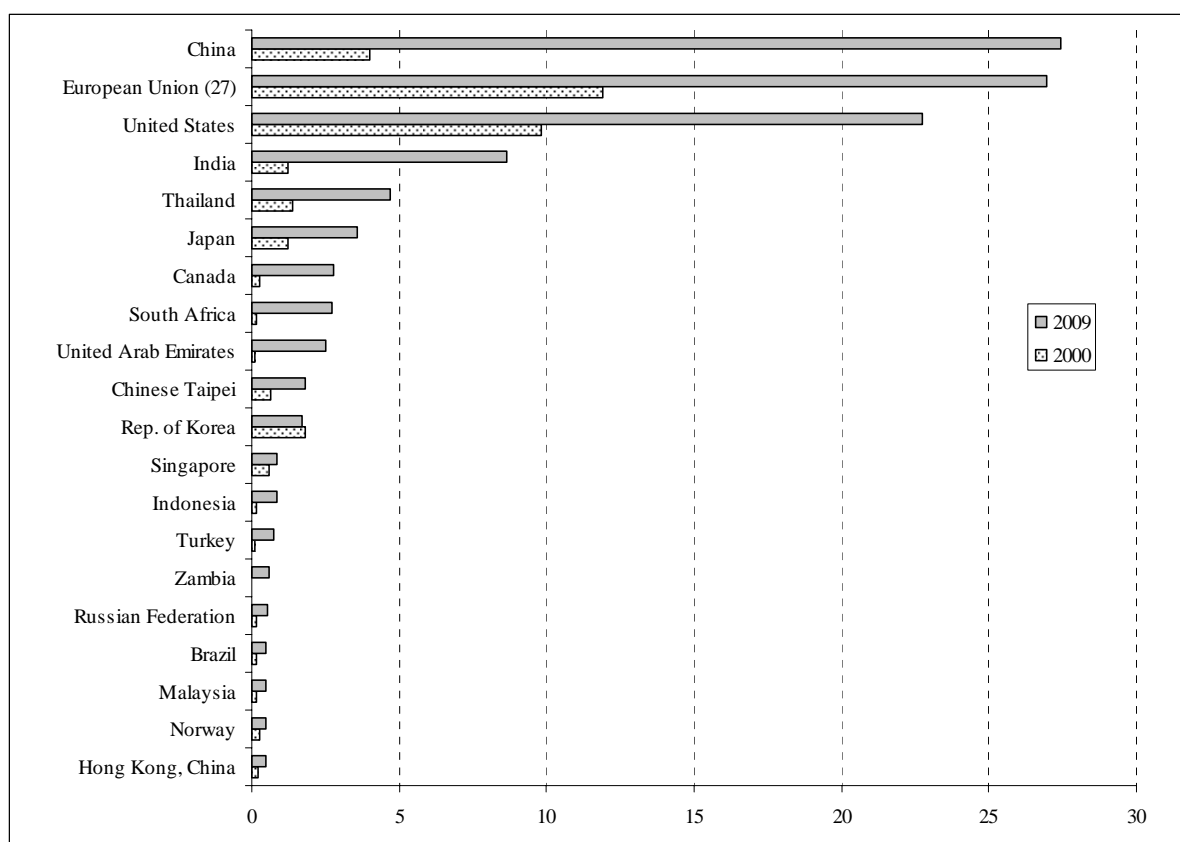
Source: Annex Table 3.

22. The evolution LDCs' export structure hides the large diversity of an individual country's situation. As mentioned previously, some of them are highly dependent on a few products (usually oil), while others are more reliant on agriculture or manufacture. Some LDCs depend heavily on services exports. Each country specificities and endowment in natural resources influence the evolution of its trade performance. This specificity will be analysed in more detail in the chapter on trade balances.

(c) Major Markets

23. The geographical landscape of exports changed dramatically during the 2000s, especially with regard to the top five markets of destination. Chart 6 shows that China moved to the first place, followed by the EU and the US. These three economies clearly dominate the market, with imports from LDCs higher than US\$20 billions in 2009. At the same time, India's imports from LDCs have been increasing rapidly during the period, placing it in the fourth position while Thailand stands at the fifth position, mainly due to large imports of energy products from Myanmar.

Chart 6: Top 20 markets for LDC exports of goods, 2000-2009
(Billion dollars)



Source: WTO, based on UN Comtrade Database.

24. During the 2000s, LDCs gained market share in the two most dynamic emerging markets (China and India). This trend coincided with a larger share in their total exports of "fuels" and "other minerals" – the two dynamic products at global level.⁷ Gains in market share were also registered in developed or higher-income developing economies such as Canada, Japan, Chinese Taipei and the US.

25. The product composition of LDC exports varies widely according to the markets of destination. The destination of LDC exports, in value, are almost equally balanced between developed and developing countries.⁸ But the composition of trade by product groups varies from region-to-region, and from country-to-country, depending on the degree of complementarities between LDCs' supply and importers' demand and the relative advantages in LDC products competing with national ones (see Annex Table 4).

26. The Commonwealth Independent States (CIS), Europe and developed Asia have a more balanced composition of imports from LDC, between agricultural, mining and manufacture products.⁹ Developing Asia and South and Central America exhibit high concentration in fuels and mining

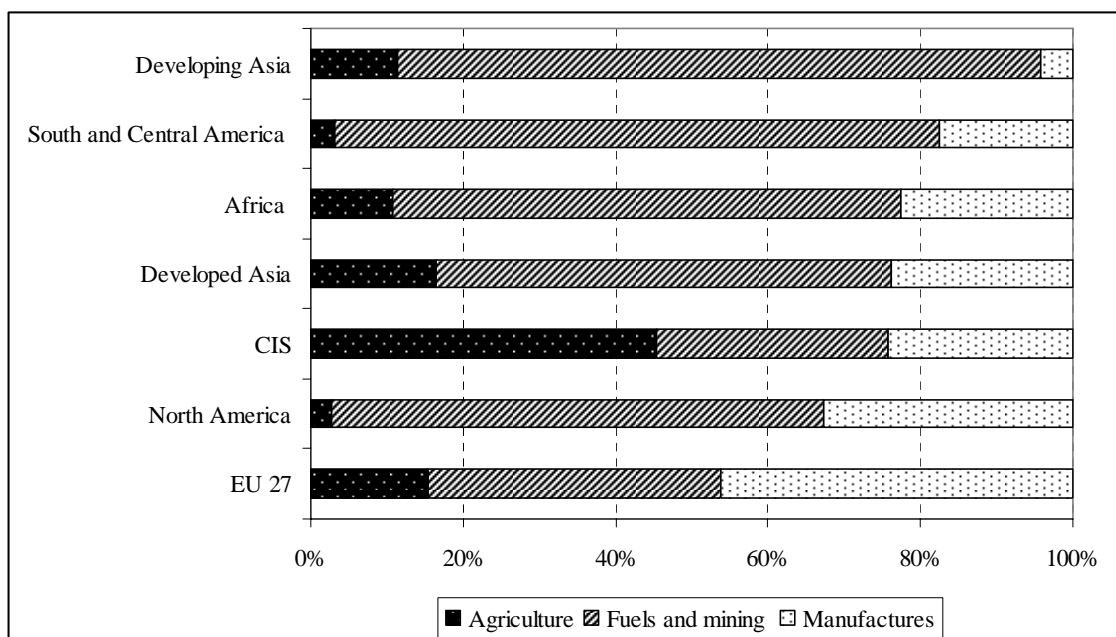
⁷ However, LDCs have been losing ground in the relative dynamic niche of "process manufactures", i.e., capital-intensive industries such as iron and steel, pharmacy, chemicals and other semi-finished products.

⁸ Considering that some regional transactions, in particular cross-border trade, are underreported in official statistics, it is even possible that for LDCs exports, South-South trade is now more important than South-North trade.

⁹ A balanced composition is measured by a low variance between product groups.

products, with the remaining Asian imports mainly are agricultural products. Africa and North America stand in the middle (North America's imports from LDCs are predominantly manufactures). Although, the level of development of the importing market is not the only determinant for the structure of imports from LDCs, it can be said that the higher the income in the importing market, the larger the share of manufacture goods imported from the LDCs (see Chart 7).

Chart 7: Composition of imports from LDCs by region, 2009 or most recent year



Source: Annex Table 4.

C. LDC PARTICIPATION IN WORLD TRADE IN SERVICES

27. Although exports increased by 12.3 per cent annually over the 2000-2009 period, the participation of LDCs in international trade in commercial services remains limited. The share of LDC exports in services trade was estimated to be 0.5 per cent in 2009, only marginally improved from the level in 2000 (0.4 per cent).¹⁰ Nevertheless, due to the higher labour content in producing services, the impact of trade in commercial services on economic and social developments is considered larger than, for example, those of fuel or mineral exports, which are the leading LDC export products.

28. Data for international tourism receipts are sketchy for developing countries, especially the LDCs; receipts from international tourism are usually collected on the basis of travel data as reported in balance of payments.¹¹ In some cases, it is possible to use mirror data from developed countries (see Box 2), but the coverage of such exercises remains limited. For this reason, the analysis of trade in services presented in the following section will not enter into the origin and destination of flows.

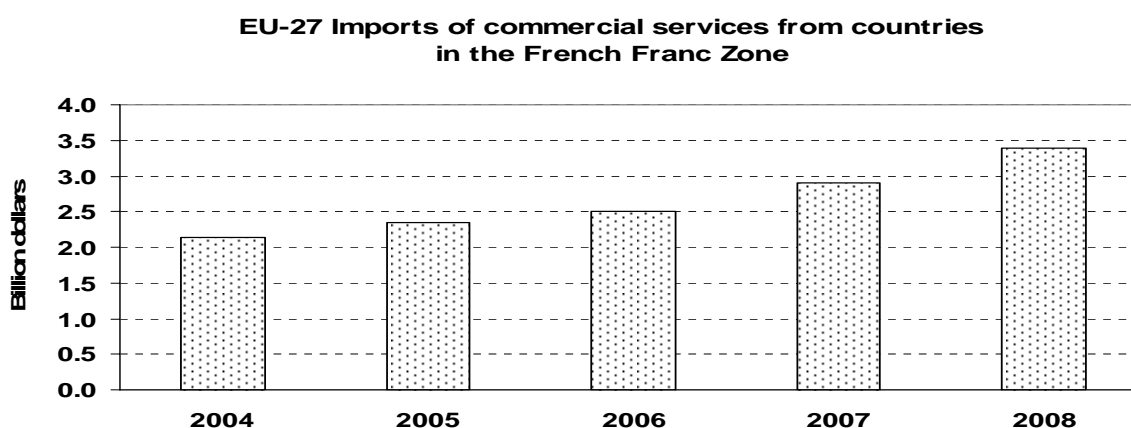
¹⁰ Trade in services in this note refers only to commercial services.

¹¹ In the balance of payments, travel is defined as the acquisition of goods and services for own use or to give away, which are acquired by non-residents during visits to that economy. To maintain his/her condition as non-resident, his/her visit should usually last less than a year. This definition is larger than what could be defined more strictly as "international tourists".

Box 2: Mirror data for exports from Africa to Europe

The European Union reports its trade in commercial services with countries in the French Franc Zone (FFZ), which are predominantly LDCs.¹² According to EU(27) data, imports from this group of countries reached US\$3.4 billion in 2008, up from US\$2.1 billion in 2004. This variation represents an average annual increase of 12 per cent since 2004.

In 2008, EU(27) payments relating to transportation services, mainly sea freight transport and port services, accounted for 38 per cent, and travel and other commercial services for 31 per cent, respectively. Business, professional and technical services represented the largest portion of other commercial services imports. Their weight in total EU(27) commercial services imports was low, with a stable share of 0.2 per cent over the years. However, for the FFZ countries, their exports to the EU(27) represented almost 30 per cent of their total commercial services exports.



Source: WTO Secretariat.

1. Global Trends

29. The evolution of commercial services exports, which had followed the trends observed for agricultural and manufacture goods in the first half of the 2000s, accelerated in 2006 and sustained high rates of growth during 2007 and 2008 (see Table 5). The rise was particularly strong in the exports of travel (a close indicator of tourism receipts), with average annual growth above 30 per cent in 2007-2008. This activity, which is dependent on the demand from households in developed economies, was less affected by the 2008-2009 crisis than initially feared. While the activity dropped by 9.4 per cent at world level, the decline for the LDCs was limited to 4 per cent.

30. After travel, other commercial services, were very dynamic in the pre-crisis period, growing at more than 25 per cent year-on-year average in 2007 and 2008.¹³ This category was least affected by the crisis, and dropped by only 2 per cent in 2009. On the contrary, "transportation", closely related to the evolution of merchandise trade, suffered a decline of 13 per cent in 2009, in line with what was observed in the volume of international trade.

¹² The French Franc Zone consists of the following 14 African countries: Burkina Faso, Benin, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Gabon, Equatorial Guinea, Mali, Niger, Senegal, and Togo.

¹³ The category "other commercial services" includes, *inter alia*, incomes for licenses and royalties, as well as transactions such as construction, computer and information, and other business services (legal, accounting, management and public relation services). These services are sometimes traded involving the presence of natural persons in the recipient countries (mode 4).

Table 5: Commercial services exports by LDCs, 2000-2009

<i>Value</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ^a
Commercial services	6 125	6 278	6 729	7 271	8 840	9 746	11 309	14 467	18 424	17 444
Transport	1 222	1 267	1 357	1 511	1 740	2 190	2 537	2 943	3 713	3 217
Travel	2 874	3 179	3 479	3 769	4 661	5 158	5 914	7 878	10 143	9 748
Other commercial services	2 029	1 831	1 893	1 991	2 439	2 398	2 858	3 647	4 569	4 477
<i>Growth Rate</i>										
Commercial services	...	2.5	7.2	8.0	21.6	10.2	16.0	27.9	27.4	-5.3
Transport	...	3.7	7.0	11.3	15.2	25.8	15.9	16.0	26.2	-13.4
Travel	...	10.6	9.4	8.3	23.7	10.7	14.6	33.2	28.8	-3.9
Other commercial services	...	-9.8	3.4	5.2	22.5	-1.7	19.2	27.6	25.3	-2.0
<i>Composition</i>										
Commercial services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Transport	20.0	20.2	20.2	20.8	19.7	22.5	22.4	20.3	20.2	18.4
Travel	46.9	50.6	51.7	51.8	52.7	52.9	52.3	54.5	55.1	55.9
Other commercial services	33.1	29.2	28.1	27.4	27.6	24.6	25.3	25.2	24.8	25.7

^a Preliminary estimate.

Source: WTO Secretariat.

31. Over the 2000-2009 period, travel, which had been the most dynamic export, increased by an annual average of 14.5 per cent. As a consequence, in 2009, tourism represented close to 56 per cent of services income. Transport, the smaller component of total service exports, grew by an average of 11 per cent over the period, and other commercial services by only 9 per cent.

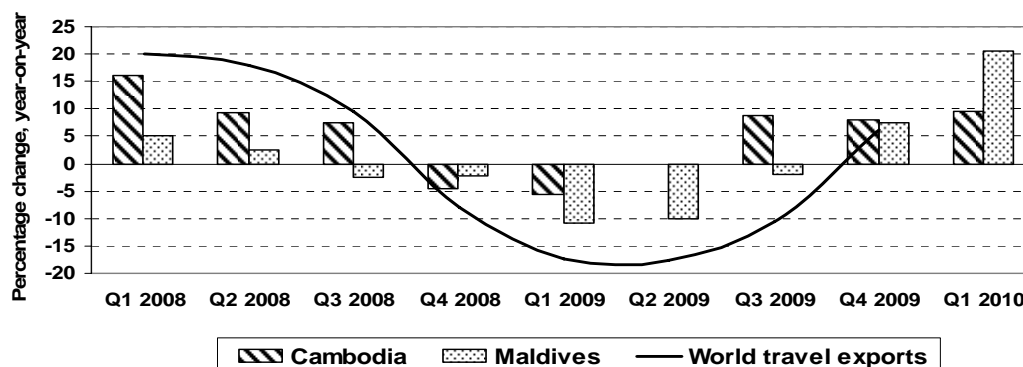
2. Tourism

32. The development dimension of tourism, a relatively new export activity for LDCs, is being increasingly recognised.¹⁴ Based on available data, between 2000 and 2009, receipts from international tourism in LDCs expanded by more than 14 per cent annually, higher than the growth rate for other developing economies (10 per cent) and double the total world average (7 per cent).

33. The 2008-2009 crisis did not spare the tourism industries, but affected the sector by a lesser degree than the other sectors. Since many tourist arrivals in the LDCs originate from developed countries, where the financial crisis initiated, there was a serious risk of a sharp slowdown. However, available data tend to show that this sector was relatively resilient to the crisis. Travel receipts decreased, but by less than 4 per cent, which is a relatively positive development considering the strength of growth in the two preceding years (33 and 29 per cent in 2007 and 2008, respectively). Additionally, the quarterly figures available for selected countries indicate a significant rebound starting in the third quarter of 2009 (see Chart 8).

¹⁴ See, *inter alia*, "FDI in Tourism: The Development Dimension", UNCTAD Current Studies on FDI and Development No 4 (2007) and its special issue No 6 on East and Southern Africa (2008); "LDC Poverty Alleviation and the Doha Development Agenda: is Tourism being Neglected?", Dale Honeck, WTO Staff Working Paper (2008).

Chart 8: International tourist arrivals in selected LDCs and world exports of travel,
Q1 2008-Q1 2010



Source: UNWTO and WTO Secretariat estimates

34. LDCs are still minor players in the world tourism. In 2009, they represented 3 per cent of total travel exports from developing countries, and 1 per cent of world total. But their market share is growing rapidly, indicating the existence of comparative advantage in this line of export activity.

35. Like in other low-income countries, tourism in LDCs is dependent on inward foreign direct investment, and many LDCs have taken steps to promote investment in this sector. In particular, most of those LDC that are WTO Members have made commitments in tourism under the GATS, albeit the coverage varies from country-to-country and is often limited to one or two sub-sectors (see Table 6). The largest sources of FDI in tourism have long been the EU and the US, but more recently, an emerging flow of South-South investment has been observed.¹⁵

Table 6: Summary of LDC GATS commitments in tourism

Countries	1	2	3	4	Total	Countries	1	2	3	4	Total
Angola	X				1	Malawi	X	X	X	X	4
Bangladesh	X				1	Mali	X				1
Benin	X				1	Mauritania	X	X	X		3
Burkina Faso	X	X			2	Myanmar	X	X			2
Burundi	X	X	X		3	Nepal	X	X			2
Cambodia	X	X	X		3	Niger	X	X	X		3
Central African Rep.	X	X	X	X	4	Rwanda	X				1
Chad	X	X			2	Senegal	X	X			2
Congo RP	X	X	X		3	Sierra Leone	X	X	X	X	4
Djibouti	X				1	Solomon Islands	X				1
Gambia	X	X	X		3	Tanzania	X				1
Guinea	X		X		2	Togo	X	X	X		3
Guinea-Bissau	X				1	Uganda	X	X			2
Haiti	X				1	Zambia	X	X	X	X	4
Lesotho	X	X	X		3	Total	30	19	14	4	67

Note: Column (1) Hotels and Restaurants; (2) Travel Agencies and Tour Operators Services; (3) Tourist Guides Services; (4) Other. "X" indicates at least a partial commitment in the sub-sector concerned.

Source: Dale Honeck, "LDC Poverty Alleviation and the Doha Development Agenda: is Tourism being Neglected?", WTO Staff Working Paper 2008-03.

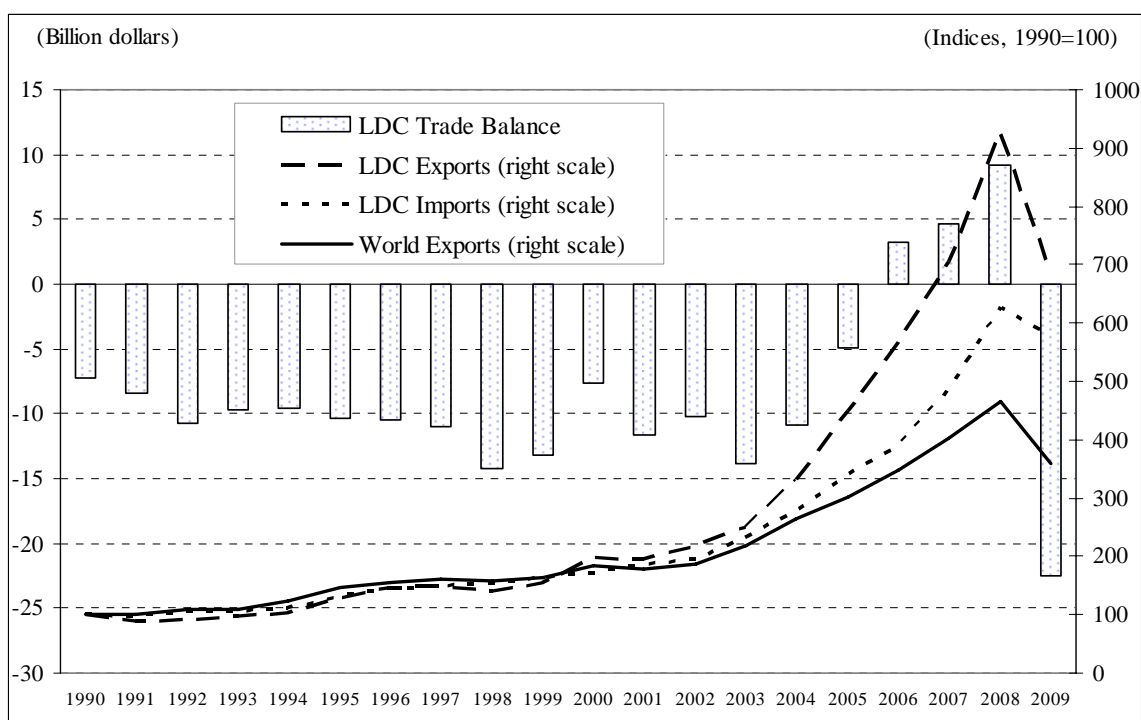
¹⁵ UNCTAD (2007, op. cit.).

III. EVOLUTION OF TRADE BALANCES OVER THE DECADE

36. The LDCs as a group posted deficit in their merchandise trade balance up to 2005. However, due to the rapid growth in the price of extractive commodities, this trade deficit turned into a surplus since 2006 and remained so until 2008. If one considers only the trade volumes, after deflating for prices, the quantum of imports increased faster during the 2000s, even in the years where the LDCs registered surplus trade balance. Taking a basis of 100 for year 2000, imports volumes reached an index of 214 in 2008 (when LDCs registered their highest trade surplus), compared to an index of only 196 for exports.

37. The drop in oil and mineral prices during the 2008-2009 global crisis, combined with a larger drop in exported volumes, led to a record deficit of US\$22 billion in 2009 (see Chart 9). Adding up the negative balance in trade in services, the trade deficit amounted to US\$49 billion. This global picture masks very different situations for individual LDCs and within product groups. This Chapter illustrates these differences, with a review of the movement in prices and quantities affecting the two components of the merchandise trade balance: imports and exports.

Chart 9: LDCs' merchandise trade: value indices and trade balances, 1990-2009



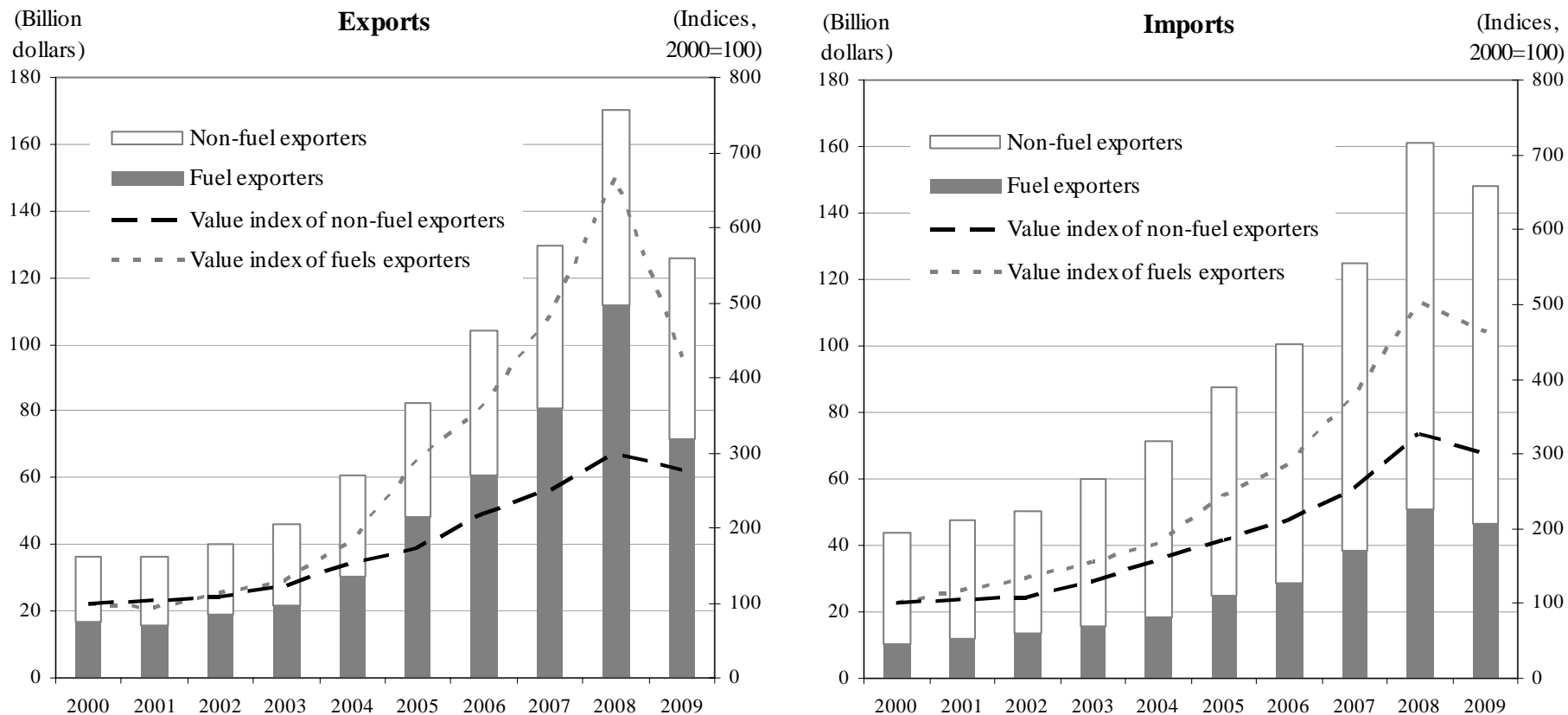
Note: Values on the left-hand scale and indices on the right hand.

Source: WTO Secretariat.

A. MERCHANDISE TRADE BALANCES OF LDCs

38. Chart 10 shows the comparative dynamics of imports and exports between oil and non-oil LDC exporters. The trade surplus registered by the LDCs was entirely due to the oil exporters. This group registered a surplus at the beginning of the 2000s. The surplus margin increased from 2003 due to high international oil prices. The collapse of oil prices in 2009 reduced somewhat the gap between oil and non-oil LDC exporters, without closing it (between 2000 and 2009, the value of exports was multiplied by more than 4 for oil exporters and less than 3 for the rest of LDCs).

Chart 10: Evolution of LDCs' merchandise trade, 2000-2009
(Billion dollars and indices, 2000=100)



Note: Values on the left-hand scale and indices on the right hand.
Source: WTO Secretariat.

39. The right-hand side of the graph indicates that imports rose more rapidly for fuel exporters, than their exports; but the value of exports increased more rapidly than that of imports consolidating their surplus. The reverse is unfortunately true for non-oil exporters, a group which was already in a deficit in 2000, and saw the value of its imports (which include oil) rising faster than the value of its exports. Thus, their deficit continued to persist during the decade.

40. The evolution of trade balances for different categories of LDC exporters is closely related to the evolution of the international terms of trade, *id est*, the relative evolution of the average unit prices of exports compared to imports. Table 7 indicates that, over the decade, LDCs as a group enjoyed a positive variation of 2 per cent (annual average), while the terms of trade remained constant for the larger group of developing economies. As can be observed from the individual growth rates presented for the 2007-2009 period, and summarized by the coefficient of variation over the decade, this overall improvement has also been characterized by large year-to-year fluctuations.

41. The table indicates also that only few LDCs benefited from this improvement, namely fuel and mineral exporters. On the other side of the spectrum are manufacture exporter LDCs whose terms of trade deteriorated by an average of -4 per cent annually, followed by agricultural exporters (-1 per cent). Those LDCs, whose average unit value of exports was increasing only slowly, had at the same time to pay more for their imports of oil and minerals.

Table 7: LDCs' terms of trade, 2000-2009
(Percentage)

	Annual variation				Coefficient of variation 2000-09
	2000-09	2007	2008	2009	
Developing economies	0	0	1	-4	4
LDCs	2	-1	8	-16	14
<i>of which</i>					
- Agricultural exporters	-1	2	0	7	5
- Fuel exporters	5	1	22	-29	30
- Mineral exporters	4	0	-2	-3	17
- Manufacture exporters	-4	-7	-13	15	16
- Diversified and other exporters	0	-4	-2	4	2

Source: WTO Secretariat, on the basis of deflators sourced from UNCTAD.

42. Separating the influence of prices and volumes allows a more precise analysis of the source of trade imbalances over the period. Table 8 indicates that in terms of volume, almost all LDC exporters increased their sales by 7 to 8 per cent annually, with a significant degree of year-to-year fluctuations. The difference between the groups is entirely due to the changes in prices (the average unit value of their total exports), with annual increase ranging from 1 per cent (for manufacture exporters) to 9 per cent (for oil exporters). On the contrary, fuel and mineral exporters registered higher imports than the other LDCs, while the average unit cost of imports followed roughly a similar pattern. The comparison between the increase in total value of exports compared to that of imports indicates also that, with the exception of fuel exporters, merchandise trade balances tended to deteriorate for all other groups.

Table 8: LDCs' exports and imports: evolution of volume, unit value and value, 2000-2009
(percentages)

	Volume		Unit Value		Value	
	YoY variation ^a	Coef. of variation ^b	YoY variation	Coef. of variation	YoY variation	Coef. of variation
Exports						
Developing economies	7	25	4	20	10	43
LDC	8	25	7	35	15	57
<i>of which:</i>						
Agricultural exporters	7	22	5	23	12	44
Fuel exporters	8	27	9	46	18	68
Mineral exporters	7	18	8	37	16	52
Manufacture exporters	8	29	1	6	10	34
Diversified and other exporters	3	9	6	25	9	30
Imports						
Developing economies	7	26	3	17	10	42
LDC	9	28	5	21	14	48
<i>of which:</i>						
Agricultural exporters	8	25	6	22	14	46
Fuel exporters	14	41	4	17	18	57
Mineral exporters	10	30	5	21	15	49
Manufacture exporters	6	18	5	23	11	40
Diversified and other exporters	5	18	6	26	11	43

^a Average annual rate of growth over the 2000-2009 period.

^b Standard deviation divided by average variation.

Source: WTO Secretariat, on the basis of deflators sourced from UNCTAD.

43. Table 9 confirms that the coverage ratio of imports by exports increased up to 2008 for fuel exporters from 164 per cent in 2000 to 216 in 2008 before falling back to 154 in 2009.¹⁶ Mineral exporters improved their import coverage slightly during the decade, but remained in deficit. The situation of agricultural and manufacture exporters deteriorated markedly, losing respectively 7 and 8 percentage points between 2000 and 2009. The disequilibrium between exports and imports is more acute for agricultural exporters, which in 2009 covered only about a third of their import bill with their merchandise export earnings. The group of "others" indicates a coverage ratio almost as low as agricultural exporters (37 per cent), but this group is very heterogeneous.

¹⁶ Hundred per cent coverage represent a perfect balance between imports and exports, with surpluses leading to a higher value of the indicator. Trade deficit implies that the receipts from exports cover less than 100 per cent the import bill.

Table 9: Coverage ratios of imports by exports of the LDCs, 2000-2009
(ratio of groups' total exports to imports, expressed in percentage)

	2000	2005	2006	2007	2008	2009
Developing economies	105	109	112	111	108	106
Least-developed countries	83	94	103	103	105	85
- Agricultural exporters	41	34	34	37	35	34
- Fuel exporters	164	195	207	208	216	154
- Mineral exporters	68	68	83	77	73	73
- Manufacture exporters	65	62	66	60	55	57
- Diversified and others	42	36	35	28	30	37

Note: Indicators based on total exports and imports for the reference group.

Source: WTO Secretariat.

44. As a matter of fact, the individual situation of LDCs may differ significantly (see Annex Table 5). Even within the group of oil exporters, some LDCs presented a deficit in their merchandise trade. It was the case for Sudan and Yemen, with a coverage ratio of 81 and 66 per cent, respectively in 2009. Among the mineral exporters, Zambia was able to generate a trade surplus after 2005, while the rest of the LDCs in this sub-group posted a deficit. In the case of Sierra Leone and Tanzania, the coverage ratio remained below 50 per cent. No LDC in the other products groups was able to generate a trade surplus in the second half of the 2000s, even if two agricultural exporters (Central African Republic and Guinea-Bissau) were able to do so in the early 2000s.

B. TRADE BALANCES BY PRODUCTS

Table 10: LDCs' merchandise trade balance by product groups, 2000-2008
(billion dollars, FOB/FOB)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total merchandise ^a	-7.6	-11.7	-10.2	-13.8	-10.8	-4.9	2.6	3.9	7.8
- Agriculture ^b	-0.5	-1.1	-1.4	-2.9	-2.8	-3.1	-4.7	-7.0	-11.0
- Fuels	10.3	9.7	12.1	14.7	23.2	36.7	45.3	62.0	88.2
- Non-fuel minerals	1.0	1.6	1.5	1.9	3.6	4.7	7.8	8.6	10.6
- Manufactures	-16.5	-17.7	-19.8	-24.3	-31.2	-39.0	-49.7	-57.0	-75.8

^aTrade balances for the respective product groups are estimated based on WTO network of world merchandise trade by products and regions and refer to FOB valuation on both export and import sides. These estimates do not add up to the total merchandise trade balances, which are calculated from official statistics and calculated as FOB-based exports minus CIF-based imports.

^bIncludes forestry and fishery products.

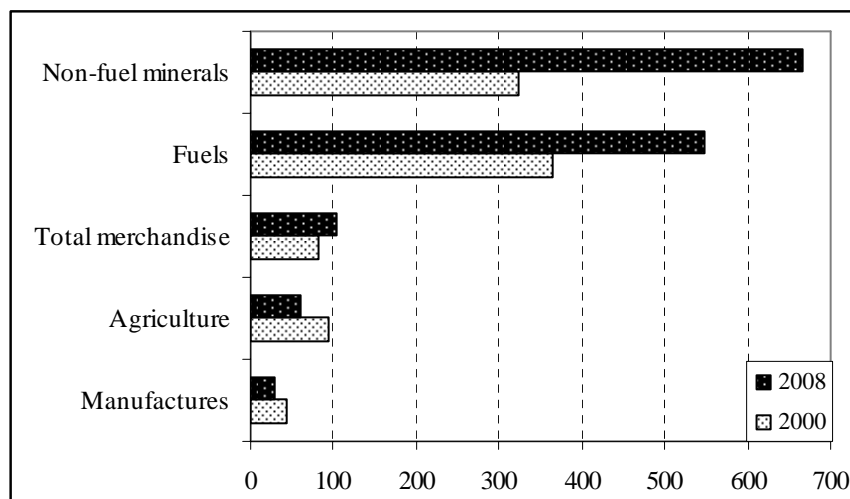
Source: WTO Secretariat.

45. The review of trade balances by product groups (see Table 10) shows that LDCs as a group have a surplus in fuels and minerals, and a deficit in agricultural and manufacture products. Between 2006 and 2008, this trend led to an overall positive trade balance.¹⁷ But, as 2009 showed, the surplus, based on an increasing reliance on oil exports, is vulnerable to international market fluctuations. Additionally, the evolution in the structure of exports and imports by product group shows a rising specialization in extractive commodities, and growing imbalances in manufacture and in agricultural products. The deficit in manufactures is expected considering the low level of domestic

¹⁷ Data on the composition of LDC exports and imports is not complete to extend the analysis to 2009.

industrialization and the rising internal demand - thanks to both population and income growth. The agricultural coverage rate, which was close to 100 per cent in 2000, dropped to 61 per cent in 2008 (Chart 11). The latter situation of deficit in agricultural products is a relatively new phenomenon, and reflect the fact that household consumption has been rising faster than domestic production.¹⁸

Chart 11: LDCs' coverage of imports by exports, product groups 2000-2008.
(percentage)



Note: Coverage ratios for the respective product groups are estimated based on WTO network of world merchandise trade by products and regions and refer to FOB valuation on both export and import sides. These estimates do not correspond exactly to the cover ratios provided for total merchandise, which are calculated from official statistics and calculated as FOB-based exports minus CIF-based imports.

Source: WTO Secretariat.

IV. MARKET ACCESS CONDITIONS FOR LDC EXPORTS

A. INTRODUCTION

46. LDCs have traditionally benefited from non-reciprocal preferences for their merchandise exports in developed country markets. In recent years, an increasing number of developing countries have granted preferences to LDCs, under a series of multilateral, regional and bilateral schemes. A summary of the measures undertaken by WTO Members in favour of LDC exports is provided in Annex Table 6.

47. While preferential market access to developed countries remains central to the export-diversification strategy of LDCs, in particular for their most labour-intensive products, South-South trade has grown rapidly, representing 19 per cent of world trade and 49 per cent of total developing countries' exports. The role of emerging countries as source of trade dynamism in a post-crisis scenario is expected to increase, in a situation where demand emanating from most developed countries may remain depressed.

48. Market access conditions to other developing countries is therefore an important supplement to enhance export opportunities for LDCs. Promoting multiple growth poles for LDC exports can make an important contribution to their economic growth and its sustainability. Nevertheless, the coverage and quality of the statistical information for preferential schemes in operation in developing

¹⁸ But the imbalance does not appear related to a widening gap between population and per capita income. Further statistical analysis at country level did not show any significant correlation between the evolution of the import coverage during the 2000s and the respective change in population or per capita income.

countries is still limited. The following sections will therefore focus mainly on market access conditions in developed countries.

49. Before analysing the conditions of market access for LDCs products, it is useful to have in mind that these preferential treatments, instead of providing a clear advantage to LDC products, may merely compensate for the higher logistic and transaction costs exporters have to face in these countries. The magnitude of these additional costs in comparison to other exporting countries can greatly reduce the effective preference margins that LDCs receive for their exports as indicated in Box 3. Because these structural impediments limit the capacity of LDCs of seizing the opportunities offered by improved market access, preferential treatments need to be complemented by greater support for trade capacity building in the LDCs, including through Aid-for-Trade Initiative and Enhanced Integrated Framework (EIF).

50. As highlighted in a recent document on the developmental aspects of the Doha round of negotiations¹⁹, lowering trade-related transaction costs can result in a significant improvement in a country's ability to compete effectively in the global economy. This has been widely recognized by the developing countries and LDCs, which also acknowledge the importance of trade facilitation for the attainment of their development objectives. Numerous examples point to a range of benefits that can be realized by taking measures to facilitate trade, including faster clearance times, improved revenue collection, enhanced border controls and security, lower administrative costs, and enhanced competitiveness of domestic business in its home market as well as in export markets.

¹⁹ WT/COMTD/W/143/Rev.4.

Box 3: LDCs' competitiveness and export-transaction costs

Trading involves a series of transaction costs - delays, documents and administrative fees - that increase domestic prices. When these transaction costs are significantly higher than those of the competitors, as it is often the case in LDCs, they may lead to loss of market share or missed business opportunities. These costs are part of the supply constraints that frequently reduce the international competitiveness of LDCs and limit their trade potential.

The comparison of transaction costs confirms that LDCs face a comparative disadvantage when exporting goods (see the table below). Time required by export procedures, including the waiting time between procedures and during unloading of the cargoes, is particularly high compared with other groupings. The higher unit costs that LDCs face (almost US\$1,800 per container, which is 63 and 95 per cent more than in the OECD and East Asia & Pacific, respectively) greatly reduce the effective preference margins that LDCs receive for their exports.

This applies in particular to the case of landlocked developing countries and LDCs. Facilitating transit traffic along with facilitating their own cross-border trade can produce significant reductions of transit times. For example, improvements achieved for the Trans-Kalahari Corridor shortened the average transit time between South Africa's Gauteng and Namibia's Walvis Bay port from an average of four days to less than 48 hours.*

Table Box 3.1: Cost of exporting merchandise, 2009 or most recent surveyed period^a

Grouping or region^b	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)
World average	6.7	24.0	1 390
Least-developed Countries	7.7	35.2	1 773
East Asia & Pacific	6.7	23.1	909
Eastern Europe & Central Asia	6.5	26.8	1 582
Latin America & Caribbean	6.8	18.6	1 244
Middle East & North Africa	6.4	22.5	1 035
OECD	4.3	10.5	1 090
South Asia	8.5	32.4	1 364
Sub-Saharan Africa	7.8	33.6	1 942

^a Procedural requirements for exporting a standardized cargo of goods. Every official procedure is counted - from the contractual agreement between the two parties to the delivery of goods along with the time necessary for completion.

^b Defined according to World Bank definition, which may not coincide with WTO regional denominations; countries part of the LDC group may also be included in different regional groups defined by the World Bank.

* <http://www.tradeinvestafrica.com> and USAID Southern Africa Global Competitiveness Hub.

Source: World Bank Doing Business Project -Trading Across Borders. Complete information about the indicators' compilation methodology is provided on www.doingbusiness.org/MethodologySurveys/TradingAcrossBorders.aspx

B. TRENDS IN MARKET ACCESS FOR PRODUCTS OF EXPORT INTEREST TO LDCs

51. Table 11 shows trends in the tariff treatment that LDC exports received in developed country markets between 1996 and 2008. The LDCs have benefited from duty-free and quota-free (DFQF) treatment on MFN dutiable tariff lines thus creating incentives to trade under these favourable conditions. On the contrary, most of the improvements recorded for developing countries in general were due to elimination of tariffs under MFN treatment, rather than an extension of true preferential treatment.²⁰

52. Table 11 exemplifies this situation. The share of true preferential duty-free treatment for the group of developing countries has been fluctuating around 20 per cent for the last ten years. The LDCs, however, have been increasingly benefiting from a true preferential access, from only 35 per cent of their exports in the late 1990s to some 50 per cent in 2008. The share of true preferential duty-free access is particularly high for textiles and clothing (63 and 64 per cent, respectively), while it is only 26 per cent for agriculture. Average results for the LDC group may hide quite large heterogeneities at the individual level.

²⁰ "True" preferential duty-free access is defined as products being exempted of duty on otherwise dutiable imports under MFN treatment.

Table 11: Trends in tariff treatment on merchandises imported by developed countries, 1996-2008 (percentages)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
a. Duty-free treatment of exports (excluding arms and oil)													
Developing countries ^a	54	55	54	63	65	64	69	71	76	76	77	78	80
of which true preference ^b	19	20	20	18	16	17	19	19	21	20	20	19	19
Least-developed countries	78	77	78	72	70	71	74	78	80	80	79	80	81
of which true preference ^b	35	35	40	33	35	40	43	48	51	49	53	52	49
Agricultural goods													
Developing countries ^a	65	67	65	63	63	64	62	63	66	66	66	67	70
of which true preference ^b	24	26	27	16	16	19	16	18	23	23	24	25	25
Least-developed countries	93	92	96	86	88	98	96	94	92	92	93	93	92
of which true preference ^b	54	49	53	13	16	29	28	30	26	27	31	33	26
Textiles													
Developing countries ^a	17	17	18	24	24	22	26	26	38	34	34	36	36
of which true preference ^b	14	14	15	20	20	18	21	21	31	27	27	27	28
Least-developed countries	68	66	62	55	50	47	47	57	66	67	71	74	77
of which true preference ^b	54	53	50	45	40	38	37	48	51	51	56	59	63
Clothing													
Developing countries ^a	8	8	9	14	14	14	22	22	34	31	29	28	27
of which true preference ^b	8	8	9	14	14	14	22	22	34	30	28	28	27
Least-developed countries	57	53	51	47	45	46	52	60	66	63	63	62	64
of which true preference ^b	57	53	51	47	45	46	52	60	65	63	63	62	64
b. Average tariff on exports (trade weighted)^c													
Agricultural goods													
Developing countries ^a	10.5	9.9	9.9	9.5	9.2	9.2	9.4	9.4	9.1	8.8	8.5	8.3	8.0
Least-developed countries	3.8	3.8	3.6	3.7	3.6	2.7	2.8	2.8	3.0	3.0	2.7	1.9	1.6
Textiles													
Developing countries ^a	7.3	7.2	7.0	6.6	6.5	6.6	6.0	5.8	5.2	5.2	5.2	5.1	5.1
Least-developed countries	4.6	4.6	4.4	4.3	4.1	3.9	3.8	3.5	3.2	3.2	3.2	3.2	3.2
Clothing													
Developing countries ^a	11.4	11.4	11.2	10.9	10.8	11.3	10.0	9.7	8.6	8.3	8.3	8.3	8.2
Least-developed countries	8.2	8.1	8.0	7.9	7.8	7.7	7.4	7.0	6.4	6.4	6.4	6.4	6.4

^a All developing countries, including LDCs.

^b The true preference margin is calculated by subtracting from the total duty-free access all products receiving duty-free treatment under the MFN regime. The indicators are based on the best available treatment, including regional and preferential agreements.

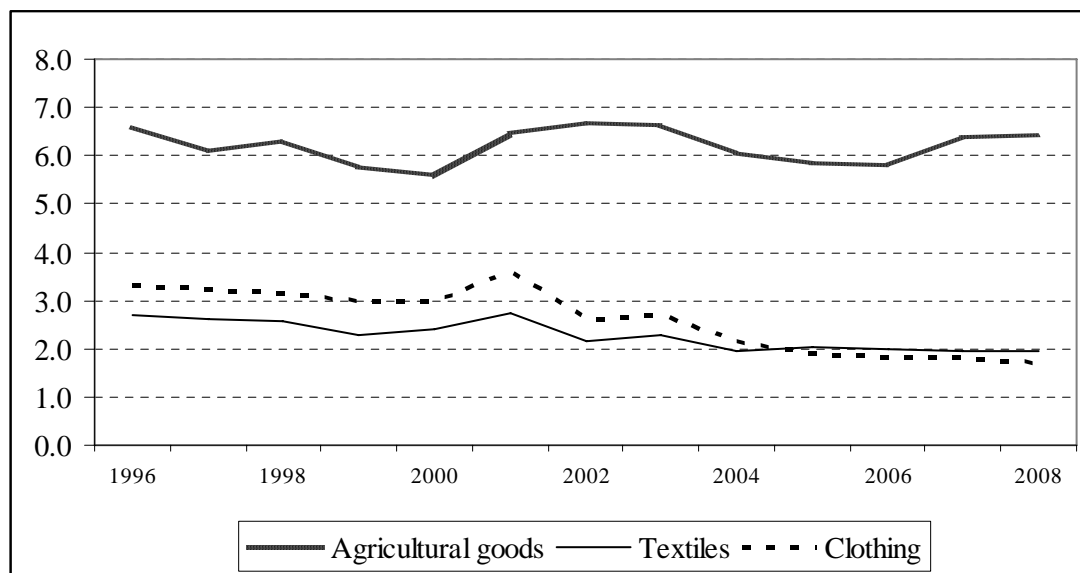
^c The average tariffs are weighted by trade flows and based on best applicable tariffs (MFN and preferential treatments granted to LDCs and developing countries). Average tariffs were weighted using a standard export structure based on 2000-2001 data, to limit the impact of the year-to-year changes in export composition and relative prices on the indicators.

Source: Based on CAMAD compiled by ITC, UNCTAD and WTO.

53. The second panel of data in Table 11 shows the average tariff charged by developed countries on agricultural goods as well as textile and clothing products for developing countries in general and LDCs in particular. While the average tariff fell over the period 1996-2008, it is also relevant to observe the comparative evolution of these average tariffs to analyse the effective preference margin received by the LDCs over their most direct competitors (see Chart 12). Compared to the treatment received by all developing countries, the preference margin is especially significant in the case of agricultural products. The difference between the average tariff faced by LDC agricultural exports in relation to the group of developing countries is higher than 6 percentage points, and has been stable over time. However, in contrast, the preference margin on products such as textiles and clothing is

much lower (around two percentage points below the average tariff faced by developing countries) and has been decreasing over time.

Chart 12: Effective preference margin of LDCs' exports for selected product groups, 1996-2008



Note: The effective preference margin is computed as the difference, in percentage points, between the average tariffs faced by LDCs in developed markets and those paid by all developing countries.

Source: Based on CAMAD compiled by ITC, UNCTAD and WTO.

C. TARIFF ESCALATION FACING LDC EXPORTS IN DEVELOPED MARKETS

54. Tariff escalation, when duties charged are higher for processed goods than for raw materials, are of special importance to the LDCs which aim at diversifying their export structure including by adding more value in their products. The extent of tariff escalation, (Chart 13) calculated as the difference between the average tariff for unprocessed primary commodities and processed goods, is not homogeneous for the LDC group (Table 12). The difference is attributable to the type of products exported by each region (especially for final goods) but, more importantly, to the difference in the preferential treatments granted to LDCs by the developed countries under regional and bilateral agreements. As can be seen from Table 12, the group of small islands, which had faced the highest extent of escalation immediately after the conclusion of the Uruguay Round, is now enjoying the lowest differential between processed and unprocessed products. The situation of African LDCs is quite similar, with an original feature that the higher tariffs are found for semi-processed intermediary goods (in particular textile products) instead of final consumer or investment goods. Asian LDCs face the steepest curve due to the high average tariffs faced by their clothing exports.

Table 12: Average tariffs by degree of processing and by exporting region, 1996-2008

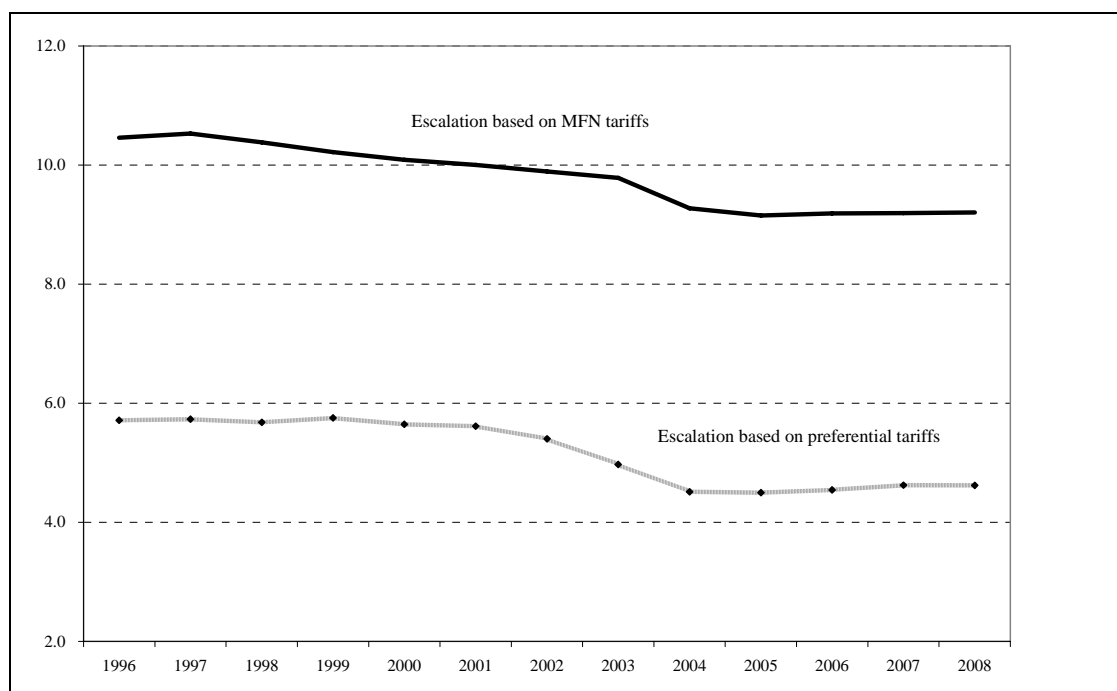
	Product categories	1996	2000	2005	2008
LDC Group	Primary commodities	0.9	0.5	0.5	0.4
	Intermediary products	3.0	2.4	2.2	1.2
	Final products	6.6	6.2	5.0	5.0
– Africa	Primary commodities	0.7	0.6	0.5	0.3
	Intermediary products	3.5	2.5	2.2	1.3
	Final products	4.0	3.5	0.2	0.1
– Islands (Oceania and Caribbean)	Primary commodities	1.6	4.9	1.2	0.5
	Intermediary products	0.9	0.7	0.7	0.6
	Final products	10.9	9.8	1.2	1.2
– Asia and Middle East	Primary commodities	3.5	0.7	1.0	0.8
	Intermediary products	1.3	0.9	0.8	0.7
	Final products	8.8	8.2	6.6	6.6

Note: Average tariffs include preferential treatments, when applicable.

Source: Based on CAMAD compiled by ITC, UNCTAD and WTO.

55. As can be observed from Chart 13, tariff escalation is less significant in preferential tariffs than MFN, indicating that preferences are granted across a wide spectrum of products. Since the launch of the Doha Round there has been a sharp drop in the indicator, for both MFN and preferential tariffs. Since 2004, however, the indicator shows a slight upward trend due to the increasing weight of clothing facing relatively higher tariffs, in the LDCs' total exports.

Chart 13: Tariff escalation on LDCs exports to developed markets since the end of Uruguay Round



Note: The indicator is computed as the absolute difference in percentage points between the average tariff on processed goods and the average tariff on unprocessed goods.

Source: Based on CAMAD compiled by ITC, UNCTAD and WTO.

D. TARIFF TREATMENT OF LDC EXPORTS IN SELECTED MARKETS

56. The information on preferential treatments presented in Table 13 focuses on the GSP treatment specific for LDCs, excluding other preferential agreements. It is important to note that data is not always comparable across countries for a number of reasons. Some countries, like Australia, Canada, Japan or Switzerland, rely almost exclusively on their LDC-GSP treatment to grant preferences, while others, like the EU and the US also grant preferences to LDCs under other schemes (Economic Partnership Agreements, in addition to EBA for the EU; the African Growth and Opportunity Act or the Caribbean Basin Initiative for the US). Some products excluded in the general LDC-GSP treatment may be included in the regional schemes; this is, for example, the case for exports of textiles and clothing to the US. Another bias which affects any inter-country comparison of tariffs comes from the different definitions of import values used by custom administrations to calculate the duty. While the entry price (equivalent to CIF) is usually used by custom authorities to base the import tax, a few countries (e.g., US) define it as the price actually paid or payable for merchandise when sold for exportation (similar to Free Alongside value, FAS), excluding the costs of freight and insurance.²¹

²¹ The difference between CIF and FAS custom values for the US is about 3 per cent (6 per cent for AoA agricultural products) on average of total imports. Data on the CIF/FOB margin for imports point that the difference can be much higher for developing countries. According to UNCTAD ("Review of Maritime Transport, 2007" UNCTAD/RMT/2007), in 2005 the CIF/FOB difference for Africa was 10 per cent, compared to a world average of 6 per cent.

57. The first two columns of data in Table 13 present the number of duty-free tariff lines granted to LDCs; these can be compared with the MFN regime detailed in the last columns of the table. These statistics are further refined to tariff lines with actual imports from LDCs, both under MFN and under the LDC scheme. The comparison of duty-free tariff lines under the LDC scheme with duty-free tariff lines under the MFN scheme indicate the extent of "true" preference, as mentioned in the preceding sections. A second panel of data indicates the resulting average tariffs, weighted by the value of the respective trade flows. Statistics are broken down into agriculture, non-agriculture, ores and petroleum products. As for the preceding section, it is important to note that these indicators are based on the preferential tariff, under the assumption that existing preferences are fully utilized by exporters. This is not always the case because the actual utilization of non-reciprocal preferences requires the fulfilment of certain conditions, or involve administrative costs which might turn out to be prohibitive. As mentioned in Box 4, the average rate of utilization of preferential schemes in 2008 in selected developed countries was 87 per cent.

Box 4. The utilization of preferences

The analysis of LDCs market access presented in this chapter is based on the hypothesis that "best tariffs" (i.e, the lowest tariffs available, either under LDC or other preferential schemes) are fully utilized. The benefits of non-reciprocal preferential market access are not however always fully utilized, as some preferential regimes may concern products that are not commonly exported by LDCs, or have conditions that either impede their use (for example rules of origin or other non-tariff measures) or are of limited interest for exporters relative to other options (for example, when preferences are granted for a limited period of time and therefore may not justify the administrative costs of shifting from one scheme to another).^{1/}

Preparing an indicator on the utilization of preferences poses several statistical difficulties. One is the availability of comprehensive and comparable official data on preferential schemes. In addition, a product exported by a LDC can be eligible to more than one preferential regime, while the export should only take place under one of them: a low rate of utilization for one specific regime is not necessarily an indication of a low rate of preference utilization for preferential schemes in general.

The following table presents the aggregate results obtained for four developed economies: Australia, Canada, the EU and the US for 2008. This indicator covers the intensive margin aspect of preferences.^{2/} On average, 52 per cent of LDC imports are eligible to some sort of preferential scheme (this indicator excludes duty exemption extended as part of the MFN treatment). The average rate of utilization of the preferential schemes is 87 per cent. As can be seen, rates of utilization vary according to countries, but are over 80 per cent and can reach more than 93 per cent in the case of the US.

Table Box 4: Utilization of preferences, 2008

Market ^a	Percent of total LDC imports		Imports entering under preferential regime as a percent of eligible imports
	Eligible to any preference	Entering under any preference	
Australia	63.2	54.2	85.7
Canada	23.9	20.7	86.6
EU (low estimate) ^{b,c}	36.6	29.9	81.5
EU (high estimate)	36.7	31.1	85.1
US ^d	77.0	72.0	93.5
Average ^e	51.8	46.2	87.4

^a Results are not directly comparable between preferential schemes, due to difference in coverage and reporting. Indicators for Australia includes GSP, LDC and Forum Islands preferences; the EC provides LDC benefits to all LDCs with the exception of Myanmar; US beneficiary countries include LDCs, excluding Eritrea, Lao People's Democratic Republic, Maldives, Myanmar, Senegal, Solomon Islands and Sudan.

^b Include GSP and other preferential schemes such as Everything But Arms and the Cotonou Agreement.

^c The range depends on the handling of "unknown treatments" that were compiled for the European Union countries due, *inter alia*, to the variety of their preferential schemes and the unsystematic publication of their preference. The higher limit of the interval was obtained when the "unknown treatments" are considered as entering the market under preferential treatment; the lower limit is obtained when "unknown treatments" are treated as MFN treatment.

^d All preferential programmes: African Growth and Opportunity Act (AGOA); Caribbean Basin Initiative (CBI); Generalized System of Preferences (GSP); and GSP for Least-developed beneficiary developing countries (GSP-LDBC).

^e Weighted by total LDC imports entering the reporting markets.

Source: WTO.

^{1/} On non-tariff measures on products of export interest to the LDCs, see WT/COMTD/LDC/W/39, 4 July 2006; for a review on preference utilization on sectors of interest to LDCs, see WT/COMTD/LDC/W/41, 16 October 2007.

^{2/} An indicator of preference utilization for the extensive margin would require a time series analysis of the impact of trade preferences in creating trade in previously non-trade tariff lines.

(a) Market access conditions faced by LDC exports in selected developed countries

58. Table 13 presents detailed information on market access conditions in selected developed markets for the year 2008 under their LDC duty scheme (excluding other preferential agreements). Most developed countries have been providing total or nearly total duty-free status to LDC exports, both in terms of tariff lines and import value. The US grants duty-free access to almost 100 per cent

of the value of imported agricultural goods, as only 6 tariff lines are dutiable out of a total of 222 registered imports from LDCs. The share of duty-free imports was much lower (24 per cent) for non-agricultural products because 540 traded tariff lines remain dutiable under the general LDC scheme (African LDCs may benefit from other preferential schemes such as the AGOA).

59. The review of selected, importing developed country markets shown in Table 13 reveals that overall 91 per cent of imports from LDCs were duty-free in 2008.²² The coverage of preferential duty-free access is 100 per cent or close to it for non-agricultural raw materials (principally minerals and fuels). Over 91 per cent of agricultural products actually exported (tariff line with imports) benefit from duty-free treatment, while this percentage drops to 74 per cent in the case of manufactured products (non-agricultural products excluding ores and petroleum). This result is largely attributed to the MFN tariffs faced by Asian LDC exporters of clothing in the US market, while other LDCs may benefit from DFQF treatment for these products under other preferential schemes.²³

²² This result, unlike Table 11, includes oil, and its coverage focuses only on the "LDC" duty scheme, excluding other preferential schemes that may also include LDCs.

²³ Despite entry through the MFN tariffs, Bangladesh and Cambodia consolidated their positions in the US market when quotas were lifted (WT/COMTD/LDC/W/42/Rev.1).

Table 13: Tariff treatment of LDC exports in selected developed markets, 2008

Market	Sector	LDC duty scheme					Imports from UN-LDCs ^b (million US\$ and percentage)				Memo items			
		Number of tariff lines		Number of tariff lines with imports from LDC beneficiaries ^a			TOTAL	Dutiable	Duty free (%)	Weighted applied duty ¹	Number of MFN tariff lines			Imports from World (million US\$)
		Dutiable	Duty free (%)	Total	Dutiable under MFN	Dutiable under LDC scheme					TOTAL	Duty free tariff lines (%)	Tariff lines with world imports	
Australia	Total	0	100.0	924	580	0	186.6	0.0	100.0	0.0	6,002	46.2	5,517	187,023
	Agriculture	0	100.0	116	37	0	18.3	0.0	100.0	0.0	748	71.3	629	8,370
	Non-agriculture ^c	0	100.0	806	543	0	168.3	0.0	100.0	0.0	5,219	42.2	4,863	163,210
	Ores	0	100.0	2	0	0	0.0	0.0	100.0	0.0	33	100.0	24	424
	Petroleum	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2	100.0	1	15,019
Canada	Total	95	98.9	1,956	1,166	2	3,793.9	0.2	100.0	0.0	8,432	51.4	8,210	399,848
	Agriculture	95	93.1	268	118	2	38.5	0.0	99.9	0.0	1,368	39.0	1,252	26,199
	Non-agriculture ^c	0	100.0	1,678	1,048	0	1,012.0	0.1	100.0	0.0	7,030	53.6	6,925	338,651
	Ores	0	100.0	9	0	0	65.6	0.0	100.0	0.0	33	100.0	32	3,007
	Petroleum	0	100.0	1	0	0	2,677.8	0.0	100.0	0.0	1	100.0	1	31,990
European Union	Total	66	99.3	3,620	2,788	36	36,118.1	531.9	98.5	0.1	9,699	24.5	9,417	2,066,122
	Agriculture	41	98.0	595	442	28	2,873.7	/308.6	89.3	0.0	2,002	18.2	1,792	123,644
	Non-agriculture ^c	25	99.7	3,004	2,346	8	15,217.9	223.3	98.5	0.2	7,654	25.7	7,585	1,511,778
	Ores	0	100.0	19	0	0	1,523.9	0.0	100.0	0.0	41	100.0	38	31,230
	Petroleum	0	100.0	2	0	0	16,502.6	0.0	100.0	0.0	2	100.0	2	399,470
Japan	Total	165	98.2	891	554	19	7,632.3	8.5	99.9	0.0	9,033	40.9	7,869	750,644
	Agriculture	70	96.2	141	79	2	317.6	0.0	100.0	0.0	1,860	25.8	1,437	55,929
	Non-agriculture ^c	95	98.7	742	475	17	2,223.1	8.4	99.6	0.0	7,134	44.6	6,398	510,758
	Ores	0	100.0	7	0	0	61.2	0.0	100.0	0.0	37	100.0	32	28,208
	Petroleum	0	100.0	1	0	0	5,030.5	0.0	100.0	0.0	2	100.0	2	155,750
New Zealand	Total	0	100.0	699	428	0	25.8	0.0	100.0	0.0	7,293	57.7	6,396	34,267
	Agriculture	0	100.0	74	19	0	8.2	0.0	100.0	0.0	1,005	63.8	795	3,210
	Non-agriculture ^c	0	100.0	625	409	0	17.5	0.0	100.0	0.0	6,254	56.5	5,588	27,696
	Ores	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	33	100.0	12	3
	Petroleum	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	1	100.0	1	3,358
Norway	Total	2	100.0	680	250	1	322.5	6.0	98.1	3.8	7,035	83.5	6,397	87,692
	Agriculture	1	99.9	72	32	1	16.8	5.8	65.5	73.0	1,349	36.6	1,061	5,735
	Non-agriculture ^c	1	100.0	605	218	0	141.1	0.2	99.9	0.0	5,651	94.6	5,320	80,777
	Ores	0	100.0	2	0	0	9.8	0.0	100.0	0.0	33	100.0	15	673
	Petroleum	0	100.0	1	0	0	154.8	0.0	100.0	0.0	2	100.0	1	507
Switzerland	Total	8	99.9	771	644	1	240.4	0.1	100.0	0.0	8,371	17.8	7,750	182,000
	Agriculture	8	99.6	146	112	1	73.2	0.1	99.9	0.0	2,282	17.8	1,863	10,974
	Non-agriculture ^c	0	100.0	625	532	0	167.2	0.0	100.0	0.0	6,054	17.3	5,858	166,936
	Ores	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	33	100.0	27	4
	Petroleum	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2	100.0	2	4,085
United States	Total	1,834	82.4	1,667	1,093	546	33,211.6	7,056.3	78.8	3.6	10,450	35.8	10,036	2,009,769
	Agriculture	278	84.5	222	140	6	341.9	0.3	99.9	0.0	1,792	20.3	1,523	83,054
	Non-agriculture ^c	1,556	81.9	1,437	950	540	9,318.3	7,056.1	24.3	12.8	8,613	38.8	8,475	1,663,395
	Ores	0	100.0	6	1	0	132.2	0.0	100.0	0.0	43	76.7	36	3,917
	Petroleum	0	100.0	2	2	0	23,419.3	0.0	100.0	0.0	2	0.0	2	259,403

^a Beneficiaries are countries eligible to the national LDC scheme; some UN-LDCs may be excluded; non-UN LDCs may be included.

^b Forty-nine LDCs as listed by the UN.

^c "Non-agriculture" covers NAMA products with the exclusion of ores and petroleum.

¹ Excludes non-ad valorem duties.

Source: IDB-WTO

(b) Market access conditions facing LDC exports in selected developing countries

60. The information available for developing countries on existing preference schemes for LDCs is limited. With a few exceptions, the analysis of market access conditions in developing countries is to study the treatment actually received by the LDC exports to these markets, mostly on an MFN-basis, as indicated by the share of duty-free imports and average tariffs, weighted by the import values.

61. LDC-specific information available in Table 14 on DFQF treatment is limited to three reporters, Korea, Chinese Taipei and Turkey. It shows a significant degree of heterogeneity, the extent of duty free treatment varying from 33 to 79 per cent of tariff lines. Compared to the MFN duty-free tariff lines, it can be seen that Korea and Turkey grant respectively an additional 47 per cent and 56 per cent of duty-free tariff lines while Chinese Taipei offers an additional 1.4 per cent of duty-free access. In all cases, the agricultural sector remains more protected than NAMA, with ores and oil more open than the rest of non-agricultural products.

62. Since only a few developing country Members notified their LDC scheme to the Secretariat, the analysis of LDCs' market access conditions mainly rely on the MFN treatment. The (weighted) average tariff faced by LDCs in developing countries was only 1.6 per cent in 2008, due to a high concentration of exports in oil and minerals (74 per cent of total), which entered duty free or faced very low MFN duties. On the remaining products, the duty rates were much higher for agriculture (13.5 per cent) than manufacture (3.6 per cent). This situation hides a wide dispersion of tariffs facing South-South trade, and the potential for further improvement of LDCs' market access in developing countries.

63. Some developing country Members grant extensive, and even full duty-free access on agricultural and non-agricultural products, under the MFN regime. It is, in particular, the case of Singapore and Hong Kong, China.

Table 14: Tariff treatment of LDC exports in selected developing markets, 2008 or latest

Market	Sector	LDC duty scheme ^d					Imports from UN-LDCs ^b (million US\$ and percentage)				Memo items			
		Number of tariff lines		Number of tariff lines with imports from LDC beneficiaries ^a			TOTAL	Dutiable	Duty free (%)	Weighted applied duty ¹	Number of MFN tariff lines			Imports from World (million US\$)
		Dutiable	Duty free (%)	Total	Dutiable under MFN	Dutiable under LDC scheme					TOTAL	Duty free (%)	Tariff lines with world imports	
Brazil	Total	-	-	239	225	-	2,761.5	108.7	96.1	0.8	9,765	7.3	8,356	171,984
	Agriculture	-	-	15	15	-	1.6	1.6	0.0	8.9	945	8.4	698	7,507
	Non-agriculture ^c	-	-	220	208	-	215.4	106.7	50.5	9.7	8,773	7.2	7,623	146,380
	Ores	-	-	2	2	-	0.3	0.3	0.0	2.0	45	0.0	33	1,523
	Petroleum	-	-	2	0	-	2,544.1	0.0	100.0	0.0	2	100.0	2	16,573
Chile ²	Total	-	-	193	193	-	951.3	951.3	0.0	6.0	7,705	0.5	6,494.0	42,570
	Agriculture	-	-	12	12	-	0.4	0.4	0.0	6.0	1,048	0.0	791.0	3,136
	Non-agriculture ^c	-	-	178	178	-	36.7	36.7	0.0	6.0	6,614	0.5	5,683.0	33,251
	Ores	-	-	2	2	-	0.2	0.2	0.0	6.0	41	0.0	18.0	1,187
	Petroleum	-	-	1	1	-	913.9	913.9	0.0	6.0	2	0.0	2.0	4,996
China	Total	-	-	1,084	928	-	39,365.8	2,082.1	94.7	0.5	7,758	8.4	7,200	1,128,155
	Agriculture	-	-	134	128	-	589.6	587.4	0.4	22.7	1,087	6.9	866	53,589
	Non-agriculture ^c	-	-	931	800	-	2,374.3	1,494.7	37.0	3.2	6,631	8.2	6,302	859,736
	Ores	-	-	18	0	-	2,076.5	0.0	100.0	0.0	39	71.8	31	85,499
	Petroleum	-	-	1	0	-	34,325.4	0.0	100.0	0.0	1	100.0	1	129,331
Egypt ²	Total	-	-	-	-	-	-	-	-	-	5,489	8.7	-	-
	Agriculture	-	-	-	-	-	-	-	-	-	743	13.3	-	-
	Non-agriculture ^c	-	-	-	-	-	-	-	-	-	4,712	8.0	-	-
	Ores	-	-	-	-	-	-	-	-	-	33	3.0	-	-
	Petroleum	-	-	-	-	-	-	-	-	-	1	0.0	-	-
Hong Kong, China	Total	-	-	721	0	-	666.0	0.0	100.0	0.0	6,946	100.0	5,914	392,122
	Agriculture	-	-	59	0	-	40.3	0.0	100.0	0.0	939	100.0	780	13,285
	Non-agriculture ^c	-	-	659	0	-	614.1	0.0	100.0	0.0	5,972	100.0	5,111	378,802
	Ores	-	-	3	0	-	11.7	0.0	100.0	0.0	34	100.0	23	35
	Petroleum	-	-	0	0	-	0.0	n.a	n.a	n.a	1	100.0	0	0
India	Total	-	-	1,671	1,585	-	6,620.6	6,242.3	5.7	7.6	11,277	2.8	9,495	311,821
	Agriculture	-	-	276	255	-	1,491.3	1,169.9	21.6	14.7	1,431	4.3	946	9,108
	Non-agriculture ^c	-	-	1,383	1,318	-	2,079.1	2,022.1	2.7	6.8	9,785	2.6	8,504	217,826
	Ores	-	-	11	11	-	202.0	202.0	0.0	2.0	60	0.0	44	4,922
	Petroleum	-	-	1	1	-	2,848.3	2,848.3	0.0	5.0	1	0.0	1	79,965
Kenya ²	Total	-	-	683	536	-	299.4	213.1	28.8	12.5	5,261	22.9	4,431	8,989
	Agriculture	-	-	146	133	-	145.6	138.0	5.2	19.4	704	9.9	524	1,032
	Non-agriculture ^c	-	-	536	403	-	153.8	75.1	51.1	6.5	4,523	25.0	3,893	7,222
	Ores	-	-	1	0	-	0.0	0.0	100.0	0.0	33	9.1	13	4
	Petroleum	-	-	0	0	-	0.0	n.a	n.a	n.a	1	100.0	1	731

Market		LDC duty scheme ^d					Imports from UN-LDCs ^b (million US\$ and percentage)				Memo items			
		Number of tariff lines		Number of tariff lines with imports from LDC beneficiaries ^a			TOTAL	Dutiable	Duty free (%)	Weighted applied duty ¹	Number of MFN tariff lines			Imports from World (million US\$)
		Dutiable	Duty free (%)	Total	Dutiable under MFN	Dutiable under LDC scheme					TOTAL	Duty free (%)	Tariff lines with world imports	
Korea, Republic of	Total	4,367	62.8	918	799	604	1,805.9	1,222.8	32.3	1.9	11,729	15.8	10,543	435,274
	Agriculture	1,395	11.8	131	128	112	44.2	10.2	77.0	13.4	1,581	3.9	1,301	18,519
	Non-agriculture ^c	2,953	70.7	782	668	489	1,490.8	962.0	35.5	1.5	10,090	17.4	9,194	319,814
	Ores	9	81.3	2	0	0	20.3	0.0	100.0	0.0	48	79.2	39	11,085
	Petroleum	10	0.0	3	3	3	250.6	250.6	0.0	3.0	10	0.0	9	85,855
Malaysia ³	Total	-	-	1,259	650	-	342.0	34.5	89.9	1.5	12,585	48.9	11,868	117,053
	Agriculture	-	-	223	101	-	71.8	5.5	92.3	0.7	1,564	61.1	1,425	6,950
	Non-agriculture ^c	-	-	1,034	549	-	217.1	29.0	86.6	2.2	10,979	47.0	10,413	107,354
	Ores	-	-	1	0	-	11.8	0.0	100.0	0.0	39	100.0	27	122
	Petroleum	-	-	1	0	-	41.3	0.0	100.0	0.0	3	33.3	3	2,628
Mexico	Total	-	-	960	818	-	430.9	235.0	45.5	16.3	12,078	19.1	11,037	305,464
	Agriculture	-	-	44	41	-	39.3	37.2	5.2	15.7	1,198	12.5	1,004	23,335
	Non-agriculture ^c	-	-	912	773	-	388.8	194.9	49.9	16.4	10,835	19.9	9,999	280,805
	Ores	-	-	4	4	-	2.9	2.9	0.0	5.3	43	9.3	33	1,324
	Petroleum	-	-	0	0	-	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2	0.0	1	0
Pakistan ³	Total	-	-	351	272	-	430.4	75.7	82.4	2.5	6,910	5.8	3,899	14,341
	Agriculture	-	-	130	87	-	248.7	63.0	74.7	3.6	803	15.1	437	2,693
	Non-agriculture ^c	-	-	220	185	-	181.7	12.7	93.0	1.1	6,073	4.5	3,456	7,970
	Ores	-	-	1	0	-	0.0	0.0	100.0	0.0	33	9.1	5	79
	Petroleum	-	-	0	0	-	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	1	100.0	1	3,598
Singapore ³	Total	-	-	1,947	2	-	386.8	1.7	99.6	0.0	10,688	99.9	9,449	233,751
	Agriculture	-	-	251	2	-	81.6	1.7	97.9	0.0	1,216	99.5	1,000	5,926
	Non-agriculture ^c	-	-	1,693	0	-	295.1	0.0	100.0	0.0	9,434	100.0	8,427	207,390
	Ores	-	-	1	0	-	0.0	0.0	100.0	0.0	36	100.0	20	41
	Petroleum	-	-	2	0	-	10.1	0.0	100.0	0.0	2	100.0	2	20,393
South Africa ⁴	Total	-	-	1,744	856	-	1,055.9	156.0	85.2	2.1	6,664	52.9	5,865	57,899
	Agriculture	-	-	202	110	-	114.8	104.1	9.3	10.0	880	42.4	786	3,128
	Non-agriculture ^c	-	-	1,527	746	-	305.0	51.9	83.0	5.4	5,750	54.2	5,051	45,157
	Ores	-	-	14	0	-	51.6	0.0	100.0	0.0	33	100.0	27	375
	Petroleum	-	-	1	0	-	584.5	0.0	100.0	0.0	1	100.0	1	9,240
Taipei, Chinese ⁵	Total	5,931	33.0	595	436	383	4,168.9	54.1	98.7	0.1	8,853	31.6	8,016	237,069
	Agriculture	1,071	25.0	72	49	45	57.8	25.4	56.1	6.2	1,428	24.4	1,107	9,705
	Non-agriculture ^c	4,859	34.2	518	387	338	1,228.9	28.7	97.7	0.2	7,383	32.7	6,883	192,494
	Ores	0	100.0	4	0	0	0.1	0.0	100.0	0.0	40	100.0	25	2,034
	Petroleum	1	50.0	1	0	0	2,882.1	0.0	100.0	0.0	2	50.0	1	32,837
Thailand	Total	-	-	1,549	1,389	-	7,900.1	4,714.7	40.3	1.3	8,301	18.1	7,769	178,652
	Agriculture	-	-	195	186	-	252.2	112.0	55.6	3.8	1,145	3.3	962	7,501
	Non-agriculture ^c	-	-	1,342	1,195	-	4,794.6	4,563.4	4.8	3.2	7,119	20.3	6,780	140,826
	Ores	-	-	10	8	-	39.3	39.2	0.0	1.0	34	44.1	24	358
	Petroleum	-	-	2	0	-	2,814.1	0.0	100.0	0.0	3	100.0	3	29,967

Market		LDC duty scheme ^d					Imports from UN-LDCs ^b (million US\$ and percentage)				Memo items			
		Number of tariff lines		Number of tariff lines with imports from LDC beneficiaries ^a			TOTAL	Dutiable	Duty free (%)	Weighted applied duty ¹	Number of MFN tariff lines			Imports from World (million US\$)
		Dutiable	Duty free (%)	Total	Dutiable under MFN	Dutiable under LDC scheme					TOTAL	Duty free (%)	Tariff lines with world imports	
	Total	2,515	79.3	661	522	56	704.2	132.5	81.2	4.3	12,160	23.7	9,839	184,289
	Agriculture	1,785	17.8	71	46	44	137.7	119.2	13.4	20.9	2,171	12.6	1,118	10,047
Turkey	Non-agriculture ^c	727	92.7	588	476	12	565.9	13.3	97.6	0.3	9,946	25.9	8,698	157,760
	Ores	3	92.7	2	0	0	0.7	0.0	100.0	0.0	41	92.7	22	844
	Petroleum	0	100.0	0	0	0	0.0	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2	100.0	1	15,639
	Total	-	-	-	-	-	-	-	-	-	8,300	30.6	-	-
	Agriculture	-	-	-	-	-	-	-	-	-	1,145	11.3	-	-
Viet Nam	Non-agriculture ^c	-	-	-	-	-	-	-	-	-	7,118	33.5	-	-
	Ores	-	-	-	-	-	-	-	-	-	34	73.5	-	-
	Petroleum	-	-	-	-	-	-	-	-	-	3	33.3	-	-

^a Beneficiaries are countries eligible to the national LDC scheme; some UN-LDCs may be excluded; non-UN LDCs may be included.

^b Forty-nine LDCs as listed by the UN.

^c "Non-agriculture" covers NAMA products with the exclusion of ores and petroleum.

^d "Number of tariff line with imports" relates to MFN scheme except for Korea, Chinese Taipei and Turkey.

^{1/} Excludes non-ad valorem duties.

^{2/} Reference year is 2007.

^{3/} 2008 tariff, 2007 trade.

^{4/} 2008 tariff, 2006 trade.

^{5/} HS 2002

⁻ Data on preferential treatment of LDC exports if not available/not relevant.

Source: IDB-WTO

V. CONCLUSIONS

64. The 2008-2009 global economic crisis hit the LDC exports during a phase of dynamic growth, which had outpaced those of other developing and developed countries. The total exports of goods and services of LDCs had increased 30 per cent in 2008, but declined to 26 per cent in 2009. As a consequence, the surplus trade balances that the LDCs as a group enjoyed in three consecutive years (2006, 2007 and 2008) swung to negative in 2009. While the LDCs, as a group, is a net exporter of fuels and minerals, trade balances are negative for manufacture and agriculture. The short-term development of LDC trade in the post-crisis period so far does not present an encouraging sign in relation to these two groups of products. While exports of fuels and minerals rebounded strongly from the crisis in the first quarter of 2009, exports of agricultural and manufacture products remained mostly static, due to the sluggish recovery of their principal export markets - developed economies.

65. Over the 2000-2009 decade, the total exports of LDCs registered an average annual growth rate of 14.6 per cent, which was nearly twice the world average (7.8 per cent). The share of LDC exports in world trade in goods increased from 0.56 per cent in 2000 to 1.04 per cent in 2008, and thereafter slightly declined below the 1 per cent mark in 2009 (0.97 per cent) owing to the global economic crisis. The share of LDC exports in world trade in commercial services remained largely static throughout the decade, increasing marginally to 0.5 per cent in 2009 from 0.4 per cent in 2000.

66. A major source of this impressive growth of merchandise exports during the decade was the increase of international prices of fuels and mining products, which account for more than 60 per cent of total LDC exports today. Clothing is the second category of exports, followed by food products (15 and 10 per cent of total LDC exports, respectively). Export concentration continues to be the distinctive feature of LDC trade. On average, LDCs depend on only three products for more than 70 per cent of their exports receipts. While the export base remained narrow, LDCs have been able to somewhat diversify the market destinations for their products. A dominant feature has been the increasing importance of developing country markets, which absorbed 49 per cent of total exports of LDCs in 2009, up from 43 per cent in 2005. In particular, China is now the leading market destination, absorbing 21 per cent of LDC merchandise exports in 2008. The LDC products that feature prominently in the imports of developing countries include mineral fuels, wood products, cotton, copper, as well as some food products such as vegetables and oil seeds. The categories for which developed country markets remain a dominant export destination are that of textiles and clothing, food and beverage products.

67. The last decade has witnessed significant improvements in market access opportunities for LDC exports. Almost all developed Members of the WTO meet the threshold of providing DFQF market access to at least 97 per cent of products originating from the LDCs. In addition to non-reciprocal preferences effected through LDC-specific GSP schemes, some developed Members have provided market access improvements to a selected group of countries including LDCs (e.g. Africa Growth and Opportunity Act (AGOA), Economic Partnerships Agreement (EPAs)). The developing countries have also taken concrete steps to provide improved market access to the LDCs, through multilateral, regional and bilateral initiatives. Emerging countries like Brazil, China and India now grant or are in the process of granting a significant degree of market access to LDC products.

68. The review of tariff treatment of LDC exports in selected developed markets indicate that in 2008 the overall duty free imports of developed markets from LDCs was 91 per cent. Petroleum and ores imports from LDCs were duty free. Ninety-one per cent of agricultural imports originating from the LDCs was duty free while the percentage dropped to 74 per cent in case of non-agricultural products. The trends in average tariff (trade weighted) on merchandises indicate significant

preference margin for agricultural products. Tariff escalation is less significant in preferential tariffs than MFN, indicating that preferences are granted across a wide spectrum of products.

69. The information on developing countries' existing preference schemes for LDCs is limited. The average tariff faced by LDCs in developing countries was only 1.6 per cent in 2008, due to a high concentration of exports in oil and minerals (74 per cent of total), which entered duty free or faced very low MFN duties. On the remaining products, the duty rates were much higher for agriculture (13.5 per cent) than manufacture (3.6 per cent). South-South trade is characterized by wide dispersion of tariffs, indicating the scope for further improvement of LDC market access in developing country markets.

70. The rapid conclusion of the Doha Round could further improve market access opportunities for LDC products, including through the full implementation of the DFQF market access for LDC products. At the same time, improvements in the area of preferential rules of origin is required, which available evidence suggests to be one of the hindrances for full exploitation of the preferences granted to the LDCs. Another area that warrants immediate attention is trade transaction costs which reduce the competitiveness of LDC exports in the world market. And, most importantly, in order to make qualitative improvement, LDCs need to diversify production and export base – for which the Enhanced Integrated Framework and the Aid-for-Trade Initiative could provide the much needed platform for a tangible contribution in LDCs' trade capacity.

ANNEX

Annex Table 1: Merchandise exports and imports of LDCs by selected country grouping, 2009
(Million dollars and percentage)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2009	2000-09	2007	2008	2009	2009	2000-09	2007	2008	2009
LDCs	126354	14.9	24.5	31.4	-25.2	148204	14.5	23.8	29.3	-8.0
Exporters of agricultural products	9531	12.1	32.8	20.8	-4.7	28422	14.5	21.2	26.1	0.3
Afghanistan	560	16.9	21.8	8.7	3.7	3970	14.5	9.2	7.1	31.5
Benin	1000	11.0	42.2	9.9	-13.0	2040	14.3	53.9	11.6	-3.3
Burkina Faso	850	16.9	6.0	11.3	22.6	2083	14.6	27.2	20.2	3.3
Burundi	64	2.8	0.9	-2.4	11.2	402	11.7	-25.9	26.2	-0.1
Central African Republic	120	-3.2	14.2	-16.7	-20.0	300	11.0	23.4	20.0	0.0
Comoros	13	-0.8	39.1	-8.1	2.4	150	14.9	25.8	24.1	-16.7
Ethiopia	1596	14.1	22.5	25.4	-0.4	7963	22.7	19.7	39.8	-0.9
Gambia	15	0.0	9.2	11.2	7.8	304	5.5	23.8	2.6	-7.7
Guinea-Bissau	115	7.1	44.6	16.8	-8.0	230	16.3	32.2	16.1	17.9
Kiribati	15	17.2	55.0	53.4	0.0	68	6.1	10.6	-0.2	-2.8
Liberia	150	-8.4	26.9	21.1	-38.1	552	-2.1	7.0	62.9	-32.2
Malawi	920	10.4	46.7	4.3	10.8	1700	13.8	14.2	19.8	3.0
Rwanda	193	15.7	20.0	48.1	-26.4	1227	21.6	34.5	55.4	7.1
Samoa	12	-2.0	45.0	-27.5	3.8	204	7.6	3.8	9.6	-17.9
Sao Tome and Principe	9	12.9	-11.7	56.4	-15.9	114	16.0	11.6	44.2	-0.3
Solomon Islands	163	10.1	35.5	28.0	-22.4	270	12.7	32.4	14.6	-17.9
Somalia	400	8.4	20.7	20.0	-4.8	740	8.9	9.1	22.2	-15.9
Timor-Leste	...	-	-	-	-	...	-	-	-	-
Togo	800	9.2	11.1	28.6	-11.1	1500	11.5	13.8	17.9	-9.1
Uganda	2478	20.6	68.3	35.2	-8.3	4310	12.1	36.6	29.6	-4.8
Vanuatu	58	9.2	2.2	13.8	1.4	294	14.5	5.6	36.7	-6.2
Fuel exporters (a)	72615	17.6	32.5	37.8	-34.5	47186	18.5	32.2	32.3	-7.9
Angola	40080	19.7	39.3	44.0	-37.3	17000	21.1	55.6	53.6	-19.0
Bhutan	496	19.1	62.6	-22.9	-4.5	529	13.1	25.3	2.7	-2.0
Chad	2800	35.4	9.4	18.0	-35.3	1950	22.4	14.8	9.7	14.7
Equatorial Guinea	9100	26.5	24.4	55.7	-42.8	5200	31.2	17.3	65.0	33.0
Myanmar	6710	16.9	38.1	9.5	-3.3	4316	6.7	29.2	29.5	0.6
Sudan	7834	17.7	57.0	31.4	-32.9	9691	22.6	8.7	6.6	3.6
Yemen	5594	3.6	-5.3	20.4	-26.2	8500	15.5	40.2	22.8	-18.7
Manufacture exporters	22563	9.5	7.7	17.0	-3.3	39675	11.1	17.6	27.3	-6.1
Bangladesh	15084	10.0	5.5	23.4	-1.9	21833	10.5	16.0	28.3	-8.5
Cambodia	4200	13.1	10.7	6.6	-3.6	6200	13.8	14.0	19.7	-4.7
Haiti	576	6.8	2.6	-8.1	20.1	2050	7.9	3.9	37.7	-11.5
Lesotho	750	14.6	10.9	14.7	-15.0	1950	10.3	15.9	15.4	-2.7
Madagascar	1140	3.7	25.6	5.2	-12.4	3250	12.8	46.1	51.0	-18.3
Nepal	813	0.1	4.6	7.7	-13.9	4392	12.1	24.3	15.6	22.7
Exporters of non-fuel minerals^b	19206	16.1	12.5	23.0	-13.0	26258	15.2	21.2	29.7	-13.3
Congo, Dem. Rep. of	3100	15.9	16.4	48.1	-22.5	3600	20.0	20.4	27.3	-14.3
Guinea	1010	4.7	16.5	11.6	-24.7	1400	9.6	27.4	31.4	-12.5
Lao People's Dem. Rep.	940	12.3	4.6	17.6	-13.4	1260	10.0	0.5	31.9	-10.3
Mali	2100	16.2	0.4	27.2	6.1	2644	14.1	20.1	33.6	-9.4
Mauritania	1370	16.2	2.6	27.5	-23.4	1430	13.6	36.7	21.7	-26.3
Mozambique	2147	21.8	1.3	10.0	-19.1	3764	14.0	6.3	31.4	-6.1

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2009	2000-09	2007	2008	2009	2009	2000-09	2007	2008	2009
Niger	900	13.7	30.6	32.7	2.3	1500	16.0	21.0	30.6	0.0
Sierra Leone	231	37.7	6.1	-12.1	7.0	520	14.9	14.3	20.1	-2.6
Tanzania	3096	17.3	16.1	36.4	2.0	6347	17.2	25.7	33.5	-10.9
Zambia	4312	19.1	22.5	10.4	-15.4	3793	16.1	30.3	26.3	-25.1
Diversified and others^c	2439	9.3	4.6	37.1	-9.8	6663	11.1	28.0	29.8	-26.3
Djibouti	75	10.1	5.3	18.4	9.1	410	7.9	41.0	21.2	-28.5
Eritrea	15	-9.5	7.7	13.5	0.0	540	1.5	3.0	3.9	1.9
Maldives	169	5.0	1.2	45.0	-48.9	967	10.7	18.3	26.6	-30.3
Senegal	2180	10.1	5.0	36.8	-4.8	4713	13.4	32.7	34.0	-27.8
Tuvalu	0	45.9	80.4	117.4	50.0	33	23.3	22.0	68.9	25.0
World^d	12490000	7.6	15.6	15.1	-22.5	12682000	7.3	15.0	15.5	-23.2

^a Includes exporters of electricity (Bhutan).

^b Includes exporters of gold (normally classified in n.e.s. according to the UN Standard International Trade Classification) and diamonds (normally included in manufactures according to the UN classification)

^c Includes exporters without a clear specialization in a specific category of goods.

^d Includes significant re-exports and imports for re-export.

Note: Data for 2009 are largely estimates.

Source: WTO Secretariat

Annex Table 2: Export prices of primary commodities, 2000-2010
(Indices 2005=100)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009				2010	
											Q1	Q2	Q3	Q4	Q1	Q2
Food and beverages	80	81	83	87	98	100	110	127	157	136	128	140	137	140	143	143
Food	81	82	84	88	100	100	111	127	157	134	126	139	135	136	140	140
Cereals	78	82	94	95	102	100	122	159	222	161	165	170	153	157	152	140
Wheat	75	83	97	96	103	100	126	167	214	147	152	163	137	135	128	116
Maize	90	91	101	107	114	100	124	166	227	168	170	179	154	171	165	160
Rice	71	60	67	69	85	100	106	116	243	205	217	193	208	201	200	166
Barley	81	99	115	110	104	100	123	181	211	135	122	136	128	153	151	155
Vegetable oils and protein meals	72	70	82	96	111	100	103	143	193	154	138	165	156	157	157	158
Meat	79	85	80	82	100	100	95	99	103	98	96	99	99	99	110	121
Beef	74	81	80	76	96	100	97	99	102	101	94	100	105	105	120	131
Lamb	70	81	91	99	103	100	96	101	106	91	84	90	96	95	92	88
Swine meat	88	91	70	79	105	100	94	94	96	82	84	86	78	82	101	119
Poultry	80	86	85	90	102	100	94	106	115	116	117	118	117	112	113	117
Seafood	112	99	85	84	88	100	121	113	113	114	104	121	118	112	125	138
Fish	90	71	72	74	82	100	125	112	119	121	104	129	129	122	138	155
Shrimp	180	181	124	117	105	100	105	116	91	85	104	87	73	74	73	72
Sugar	81	82	70	77	83	100	133	102	117	152	113	131	172	191	198	134
Bananas	73	101	91	65	91	100	118	117	146	147	153	150	144	142	140	154
Oranges	43	71	67	81	101	100	98	114	132	108	95	103	102	131	118	129
Beverages	78	66	76	80	83	100	108	123	152	154	141	145	159	173	168	170
Coffee	76	54	54	59	70	100	112	129	150	132	127	131	132	136	138	153
Cocoa beans	59	70	115	114	100	100	103	127	167	187	168	168	192	222	214	208
Tea	115	92	83	90	92	100	112	98	125	145	122	131	160	166	147	131
Agricultural raw materials	93	88	90	93	98	100	109	114	113	94	87	86	98	106	115	117
Timber	90	83	82	86	96	100	108	107	109	102	109	102	98	98	97	92
Cotton	107	87	84	115	112	100	105	115	129	114	99	109	117	130	147	163
Wool	83	78	101	113	105	100	104	144	138	115	88	108	122	142	153	144
Rubber	46	40	51	72	87	100	140	153	174	128	98	110	132	172	210	237
Hides and skins	122	129	123	104	102	100	105	110	98	68	52	49	82	91	103	111
Minerals and non-ferrous metals (excluding crude petroleum)	59	53	52	58	79	100	156	183	169	120	96	111	131	143	152	162
Copper	49	43	42	48	78	100	183	194	189	141	94	127	160	181	197	191
Aluminium	82	76	71	75	90	100	135	139	136	88	72	79	95	106	114	110
Iron ore	44	46	45	49	58	100	119	130	216	155	156	155	155	155	155	257
Tin	74	61	55	66	115	100	119	196	250	184	150	184	197	206	233	241
Nickel	58	40	46	65	94	100	163	251	143	99	72	88	119	119	135	152
Zinc	82	64	56	60	76	100	237	235	137	120	86	107	128	160	165	147
Lead	47	49	46	53	91	100	132	265	215	177	119	154	198	235	227	200
Uranium	30	31	35	40	65	100	171	355	230	167	169	169	169	162	151	147
Total of above	74	71	72	76	91	100	123	140	151	123	110	120	127	134	140	143
Energy	54	47	47	55	72	100	119	132	185	117	93	111	125	137	143	145
Natural gas	60	60	48	63	70	100	115	117	174	110	146	104	91	97	110	112
Crude petroleum	53	46	47	54	71	100	121	133	182	116	83	111	128	142	144	147
Coal	53	65	54	57	113	100	104	138	266	149	151	138	147	159	196	206
All primary commodities	59	54	54	61	77	100	121	135	172	119	99	115	126	136	142	144

Note: The indices are period averages based on dollar prices. The quarterly figures are not seasonally adjusted.

Source: WTO

Annex Table 3: Leading merchandise exports of LDCs in 2008^a
(Million dollars and percentage)

Product Description (HS02)	LDC exports				World exports	
	Value	Share in Total Exports	Exports to		Value	LDCs' Share in World
			Developed economies	Developing Economies		
All commodities (HS0 to HS9)	168,608	100.0	84,893	82,984	11,800,897	1.4
Mineral fuels, mineral oils and products of their distillation (27)	112,245	66.6	52,533	59,713	2,490,506	4.5
Petroleum oils, crude (2709)	102,100	60.6	50,230	51,871	1,502,615	6.8
Petroleum gases and other gaseous hydrocarbons (2711)	7,230	4.3	1,460	5,769	285,434	2.5
Petroleum oils, other than crude (2710)	2,512	1.5	806	1,706	526,226	0.5
Articles of apparel and clothing accessories, knitted or crocheted (61)	10,552	6.3	9,934	543	127,946	8.2
Jerseys, pullovers, cardigans, waist-coats and similar articles, knitted or ... (6110)	4,148	2.5	3,875	238	41,091	10.1
T-shirts, singlets and other vests, knitted or crocheted (6109)	2,900	1.7	2,748	125	22,870	12.7
Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts (6104)	695	0.4	660	31	10,611	6.6
Men's or boys' shirts, knitted or crocheted (6105)	686	0.4	647	37	5,949	11.5
Articles of apparel and clothing accessories, not knitted or crocheted (62)	7,784	4.6	7,154	580	134,834	5.8
Men's or boys' suits, ensembles, jackets, blazers, trousers (6203)	2,855	1.7	2,683	157	28,459	10.0
Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts (6204)	2,088	1.2	1,945	135	40,680	5.1
Men's or boys' shirts (6205)	1,167	0.7	1,053	109	10,533	11.1
Ores, slag and ash (26)	4,772	2.8	1,835	2,892	191,463	2.5
Copper ores and concentrates (2603)	1,268	0.8	37	1,231	37,186	3.4
Iron ores and concentrates (2601)	1,153	0.7	797	356	104,765	1.1
Cobalt ores and concentrates (2605)	944	0.6	66	878	1,404	67.2
Aluminium ores and concentrates (2606)	917	0.5	805	90	4,272	21.5
Copper and articles thereof (74)	3,404	2.0	510	2,894	108,966	3.1
Refined copper and copper alloys, unwrought (7403)	2,500	1.5	367	2,133	47,196	5.3
Natural or cultured pearls, precious or semi-precious stones (71)	3,189	1.9	1,416	1,769	298,836	1.1
Diamonds, whether or not worked, but not mounted or set (7102)	1,890	1.1	1,159	727	94,580	2.0
Fish and crustaceans, molluscs and other aquatic invertebrates (03)	2,829	1.7	1,713	1,058	66,093	4.3
Crustaceans, whether in shell or not (0306)	873	0.5	708	141	14,722	5.9

Product Description (HS02)	LDC exports				World exports	
	Value	Share in Total Exports	Exports to		Value	LDCs' Share in World
			Developed economies	Developing Economies		
Fish, frozen, excluding fish fillets (0303)	811	0.5	168	610	16,990	4.8
Wood and articles of wood; wood charcoal (44)	2,295	1.4	314	1,980	83,055	2.8
Wood in the rough, whether or not stripped of bark or sapwood, or roughly (4403)	1,557	0.9	132	1,425	13,016	12.0
Cotton (52)	1,688	1.0	88	1,601	38,551	4.4
Cotton, not carded or combed (5201)	873	0.5	64	809	10,378	8.4
Woven fabrics of cotton, containing 85 % or more by weight of cotton (5208)	756	0.4	4	752	8,449	8.9
Coffee, tea, mate and spices (09)	1,526	0.9	1,196	316	25,780	5.9
Coffee, whether or not roasted or decaffeinated (0901)	1,184	0.7	1,054	117	17,901	6.6
Edible vegetables and certain roots and tubers (07)	1,159	0.7	172	983	27,855	4.2
Dried leguminous vegetables, shelled (0713)	959	0.6	68	890	6,058	15.8
Aluminium and articles thereof (76)	1,113	0.7	1,011	102	107,866	1.0
Unwrought aluminium (7601)	1,017	0.6	1,003	14	46,219	2.2
Tobacco and manufactured tobacco substitutes (24)	1,031	0.6	482	406	19,013	5.4
Unmanufactured tobacco; tobacco refuse (2401)	999	0.6	481	376	8,811	11.3
Oil seeds and oleaginous fruits (12)	858	0.5	285	563	61,961	1.4
Edible fruit and nuts; peel of citrus fruit or melons (08)	834	0.5	218	592	53,271	1.6
Other base metals; cermets; articles thereof (81)	819	0.5	456	363	17,852	4.6
Cobalt mattes and other intermediate products of cobalt metallurgy (8105)	813	0.5	456	358	3,968	20.5
Ships, boats and floating structures (89)	783	0.5	296	488	51,637	1.5
Salt; sulphur; earths and stone; plastering materials (25)	783	0.5	125	658	49,242	1.6
Iron and steel (72)	782	0.5	20	761	350,562	0.2
Other made up textile articles; sets; worn clothing and worn textile article ... (63)	731	0.4	560	167	33,556	2.2
Total of above	159,176	94.4	80,315	78,430	4,338,845	3.7

³ Based on imports from LDCs by 135 countries and economies reporting their trade to the United Nations Comtrade database.

Source: WTO, based on UN Comtrade database.

Annex Table 4: Imports from LDCs by major markets and product groups, 2000-2009
(Million dollars and Percentage)

Regions and major markets ¹	All Commodities					Agricultural products					Fuels and mining products					Manufactures				
	Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change	
	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009
Africa²	1182	10345	100	70	31	425	1109	11	9	13	455	6900	67	102	40	297	2329	23	43	29
South Africa	174	5062	100	87	52	50	164	3	-9	16	47	4561	90	96	77	78	335	7	75	20
Nigeria	120	1038	100	24	31	86	43	4	-35	-8	3	31	3	-13	33	31	965	93	31	54
Egypt	101	734	100	215	28	78	118	16	-5	5	17	602	82	627	57	6	15	2	-24	12
Mali	83	713	100	7	31	3	33	5	-54	35	52	514	72	51	33	28	166	23	-35	25
Zambia	35	654	100	191	44	4	14	2	7	17	25	573	88	219	48	5	66	10	145	38
Malawi	23	645	100	128	52	9	116	18	171	37	3	193	30	12	65	10	336	52	396	55
Kenya	47	302	100	1	26	21	139	46	-16	27	11	87	29	47	30	15	74	25	-1	22
Côte d'Ivoire	64	291	100	2	21	48	214	73	42	20	4	56	19	-53	40	11	20	7	31	8
Sudan	25	194	100	65	29	10	9	5	-42	0	2	0	0	-39	-49	14	184	95	84	38
Ethiopia	247	190	100	319	-3	5	34	18	211	26	236	145	77	489	-6	5	10	5	7	8
Ghana	137	134	100	8	0	30	17	13	-16	-7	31	23	17	45	-4	73	94	70	7	3
Morocco	53	128	100	6	12	51	106	83	11	10		5	4	-70	-	2	17	14	92	34
Tanzania	17	89	100	74	23	2	18	21	4	29	4	43	48	96	36	11	28	32	138	13
Senegal	4	87	100	101	47	2	39	45	263	43	0	40	46	68	87	2	8	9	-9	23
Mauritius	53	83	100	67	6	25	44	53	17	7	20	28	34	7546	4	7	11	14	-1	6
Americas	10625	27003	100	-41	11	692	722	3	-16	0	4811	17436	65	-50	15	5064	8571	32	-9	6
North America	10167	25735	100	-36	11	556	681	3	-16	2	4530	16431	64	-44	15	5024	8350	32	-9	6
USA	9825	22718	100	-36	10	495	570	3	-17	2	4486	14807	65	-44	14	4788	7143	31	-12	5
Canada	288	2758	100	-28	29	36	79	3	7	9	44	1586	58	-42	49	207	1021	37	11	19
Mexico	54	259	100	-42	19	25	32	13	-29	3	0	38	15	-80	70	29	186	72	-4	23
South and Central America	458	1268	100	-78	12	136	41	3	-21	-13	281	1005	79	-82	15	41	222	17	34	21
Brazil	179	504	100	-82	12	80	9	2	-17	-22	85	398	79	-85	19	14	97	19	8	24
Peru	7	229	100	-72	48	2	1	1	-51	-3	4	221	96	-73	56	1	7	3	-11	33
Chile	102	214	100	-88	9	0	1	0	76	53	95	200	93	-89	9	7	14	6	38	8
Ecuador	19	88	100	-41	19	0	16	19	-9	55	17	68	77	-47	17	1	4	4	-2	16
Uruguay	64	85	100	-60	3	0	0	0	-65	-3	63	82	96	-61	3	1	3	4	-7	17
Venezuela	26	59	100	761	10	19	0	1	-57	-34		1	1	333	-	7	58	98	931	27
Argentina	25	32	100	-7	3	2	7	21	89	17	16	1	2	59	-29	7	25	77	-20	15

Regions and major markets ¹	All Commodities					Agricultural products					Fuels and mining products					Manufactures				
	Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change		Value		Share of total	Annual percentage change	
	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009	2000	2009	2009	2009	2000-2009
Guatemala	0	28	100	114	68	0	2	7	38	30		22	80	107	-	0	4	13	347	56
El Salvador	1	14	100	-34	30	1	0	2	-38	-6	0	13	94	-33	97	1	0	3	-56	-5
Colombia	34	10	100	-56	-13	33	2	22	-81	-26	0	0	0	-100	-24	1	8	77	-15	25
Costa Rica	2	4	100	-25	9	0	1	28	30	22	0	0	0	4691	-24	2	3	72	-36	6
Asia and Pacific	11877	51150	100	-28	18	2703	6001	12	-5	9	8023	42010	82	-31	20	1131	2848	6	-9	11
China	4007	27448	100	-30	24	274	1576	6	-1	21	3650	25574	93	-32	24	83	298	1	29	15
India	1202	8540	100	24	24	617	2114	25	13	15	293	5583	65	41	39	287	838	10	-20	13
Thailand	1398	4711	100	-40	14	337	555	12	-33	6	1027	4044	86	-39	16	27	110	2	-72	17
Japan	1238	3569	100	-53	12	588	575	16	-10	0	448	2254	63	-64	20	200	644	18	11	14
Chinese Taipei	660	1798	100	-57	12	91	92	5	-29	0	539	1662	92	-59	13	29	44	2	-1	5
Korea, Republic of	1828	1710	100	-5	-1	74	130	8	1256	37	1691	1421	83	-11	-2	64	159	9	29	11
Singapore	585	841	100	109	4	158	108	13	767	24	239	469	56	259	8	186	83	10	-30	-9
Indonesia	177	838	100	-10	19	120	113	13	-31	-1	28	681	81	-7	43	29	44	5	5	5
Malaysia	177	489	100	-5	12	115	230	47	-20	8	43	193	39	28	18	18	65	13	-4	15
Hong Kong, China	227	480	100	7	9	137	151	32	20	1	3	19	4	-67	22	87	309	64	16	15
Pakistan	157	377	100	-22	10	131	269	71	-22	8	18	85	23	-23	19	8	23	6	-11	13
Australia	165	237	100	26	4	29	35	15	-9	2	40	4	2	256	-23	95	197	83	33	8
Philippines	43	84	100	47	8	26	45	53	26	6	4	23	27	-	22	13	17	20	-25	2
New Zealand	12	28	100	9	10	6	9	34	-15	5	0	1	3	-70	33	6	18	63	48	13
Europe and CIS	12403	30286	100	-24	10	2986	4838	16	-8	6	2390	11470	38	-44	19	6939	13701	45	1	8
EU 27	11828	28838	100	-25	10	2883	4417	15	-8	5	2224	10971	38	-45	19	6636	13177	46	0	8
Norway	244	485	100	44	8	12	19	4	-11	6	3	283	58	52	64	227	183	38	41	-2
Switzerland	100	251	100	4	11	33	79	31	6	10	3	0	0	-81	-34	65	168	67	0	11
CIS	231	712	100	-19	13	59	323	45	-4	21	160	216	30	-40	3	11	173	24	1	36
Russian Federation	134	523	100	-20	16	37	258	49	24	24	86	116	22	-50	3	10	148	28	1	35
Ukraine	62	159	100	5	11	12	50	32	18	18	50	93	58	4	7	0	15	10	5	58
Kazakhstan	4	18	100	-45	20	3	8	43	11	11	0	7	37	-57	114	0	4	20	8	31
Belarus	7	10	100	17	5	7	6	54	-2	-2	-	0	0	133	-	0	5	45	15	29
Kyrgyzstan	0	1	100	-25	16	0	1	61	14	14	-	-	0	-	-	0	0	39	-50	19
Azerbaijan	24	1	100	-97	-32	0	0	48	15	15	23	-	0	-	-	0	0	52	-71	62

¹Countries ranked by value of 2009. Regional totals are based on the information available, and may not coincide with aggregate trade figures.

²2000-2008 only, as no comprehensive 2009 coverage was available.

Sources: UN Comtrade database and GTIS, Global Trade Atlas database.

Annex Table 5: Coverage ratios of imports by exports of the LDCs, 2000-2009
(percentage)

LDCs ^{a/}	2000	2005	2006	2007	2008	2009	average 2000-2009
LDCs^{a/}	83	94	103	103	105	85	89
Agricultural exporters	41	34	34	37	35	34	36
Afghanistan	12	16	16	18	18	14	12
Benin	64	57	60	55	55	49	59
Burkina Faso	34	37	45	37	34	41	37
Burundi	34	22	14	18	14	16	22
Central African Republic	138	73	78	72	50	40	90
Comoros	33	12	9	10	7	9	21
Ethiopia	39	22	22	22	20	20	24
Gambia	8	3	4	4	4	5	5
Guinea-Bissau	105	85	58	64	64	50	81
Kiribati	9	6	10	14	21	22	11
Liberia	49	42	34	40	30	27	47
Malawi	71	44	45	58	50	54	58
Rwanda	25	29	27	24	23	16	26
Samoa	13	6	5	7	5	6	8
Sao Tome and Principe	10	14	11	9	9	8	11
Solomon Islands	75	56	56	57	64	61	67
Somalia	56	49	44	49	48	54	52
Togo	65	55	51	50	55	53	61
Uganda	30	50	46	57	60	58	46
Vanuatu	30	25	22	22	18	20	24
Fuel exporters	164	195	207	208	216	154	171
Angola	261	289	363	325	305	236	261
Bhutan	59	67	99	128	96	94	75
Chad	58	324	248	237	255	144	161
Equatorial Guinea	243	539	406	431	407	175	356
Myanmar	69	198	179	191	162	155	139
Sudan	116	71	70	101	125	81	91
Yemen	176	104	110	74	73	66	106
Mineral exporters	68	68	83	77	73	73	72
Congo, Dem. Rep. of	118	96	85	82	95	86	96
Guinea	109	104	108	99	84	72	99
Lao People's Dem. Rep.	62	63	83	87	77	75	70
Mali	68	71	85	71	68	79	75
Mauritania	78	44	117	88	92	96	77
Mozambique	31	74	83	79	66	57	64
Niger	72	52	54	58	59	60	59
Sierra Leone	9	46	59	55	40	44	37
Tanzania	48	51	45	42	43	49	50
Zambia	90	71	123	115	101	114	90
Manufacture exporters	65	62	66	60	55	57	62
Bangladesh	72	67	74	67	64	69	69
Cambodia	72	79	77	75	67	68	76
Haiti	31	32	31	31	21	28	29
Lesotho	27	46	46	44	44	38	42
Madagascar	75	50	55	47	33	35	58
Nepal	51	38	34	28	26	19	36
Diversified and others	42	36	35	28	30	37	37
Djibouti	15	14	16	12	12	18	15
Eritrea	8	2	2	3	3	3	4
Maldives	28	22	24	21	24	17	26
Senegal	61	45	43	34	35	46	48
Tuvalu	0	0	0	1	1	1	1

^{a/} Weighted average

Note: Coverage ratio of imports by exports = (exports/imports*100)

Annex Table 6: Measures in favour of exports originating from LDCs^a

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	References
Australia	Duty- and quota-free entry Entry into force: 1 July 2003	LDCs	All products	WT/COMTD/N/18
Belarus	Harmonized System of preference by the Eurasian Economic Community (EAEC) Entry into force: May 2001	47 LDCs	Duty-free access for all products	WT/TPR/S/170
Brazil	Duty-free and Quota-free scheme for LDCs	LDCs	Duty-free and Quota-free access for products from LDCs covering 80 per cent of all tariff lines to be granted by mid-2010.	WT/COMTD/LDC/M/55
Canada	GSP – Least-developed Countries' Tariff Programme (LDCT) Entry into force: 1 January 2003, extended until 30 June 2014	LDCs	With the exception of over-quota tariff items for dairy, poultry and egg products, Canada provides duty-free access under all tariff items for imports from LDCs	WT/COMTD/N/15/Add.1 and Add.2 WT/COMTD/W/159
China	Asia-Pacific Trade Agreement (APTA) ^b – amendment to the Bangkok Agreement Entry into force: 1 September 2006	Bangladesh Lao PDR	In addition to 1,697 products (with average margin of preference of 26.7 per cent) available to all APTA members, tariff concessions granted exclusively to LDC members on 161 products with average margin of preference of 77.9 per cent	WT/COMTD/N/22
		Bangladesh	On top of Asia-Pacific Trade Agreement (APTA), unilateral special preferential tariffs (zero rated) are offered on additional 87 tariff lines	Information received from the Government of China
	Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China Entry into force: 1 January 2006	Cambodia	Duty-free treatment on 418 tariff lines	Information received from the Government of China
		Cambodia	On top of Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, unilateral special preferential tariffs (zero rated) are offered on additional 420 tariff lines	Information received from the Government of China
	Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China Entry into force: 1 January 2006	Lao PDR	Duty-free treatment on 330 tariff lines	Information received from the Government of China

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	References
		Lao PDR	On top of Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, unilateral special preferential tariffs (zero rated) are offered on additional 399 tariff lines	Information received from the Government of China
	Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China Entry into force: 1 January 2006	Myanmar	Duty-free treatment on 220 tariff lines	Information received from the Government of China
		Myanmar	On top of Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, unilateral special preferential tariffs (zero rated) are offered on additional 226 tariff lines	Information received from the Government of China
	Forum on China-Africa Co-operation	LDCs in Africa having diplomatic relations with China	By 1 January 2008, 30 LDCs in Africa came under the cover of DFQF market access. Zero tariff treatment will be phased-in for 95 per cent of products, starting with 60 per cent of products in 2010	WT/COMTD/W/164 WT/COMTD/M/77
	Special preference tariff	Afghanistan, Maldives, Samoa, Vanuatu and Yemen	Unilateral special preferential tariffs (zero rated) are offered on 286 categories of products	Information received from the Government of China
EU	GSP - Everything But Arms (EBA) initiative Entry into force: 5 March 2001	LDCs	Since 1 October 2009, the EBA has been granting DFQF access for all products from all LDCs (except arms and ammunitions).	WT/COMTD/N/4/Add.2 and Add.4 WT/TPR/S/214/Rev.1
	Economic Partnership Agreements (EPAs)	79 African, Caribbean and Pacific (ACP) countries, 40 of which are LDCs	EPAs include provision for duty-free and quota-free market access. As of September 2010, a full EPA was signed by the 15 countries in the Caribbean Forum of ACP states (CARIFORUM), of which Haiti is an LDC. Interim EPAs are signed by the following LDCs: (i) Southern African Development Community (SADC): Lesotho and Mozambique; (ii) Eastern and Southern Africa (ESA): Madagascar (signatures by Comoros and Zambia are pending). Interim EPAs are initialled with the East African Community (EAC), which includes four LDCs: Burundi, Rwanda, Tanzania and Uganda.	WT/TPR/S/214/Rev.1 WT7COMTD/LDC/W/46/Rev.1/Corr.1 http://ec.europa.eu/trade/index_en.htm
Iceland	GSP – Tariff Preferences in Regard to the Importation of Products Originating in the World's Poorest Developing Countries Entry into force: 29 January 2002	LDCs	Essentially all products with some exceptions in agricultural products (HS chapters: 04, 15, 18, 19, 21 and 22) and non-agricultural products (HS sub-headings: 3502 and 3823, and all of HS 16 with the exception of sub-headings 1603 to 1605)	WT/COMTD/N/17 and Corr.1 WT/TPR/S/164
India	Asia-Pacific Trade Agreement (APTA) – amendment to the Bangkok Agreement Entry into force: 1 September 2006	Bangladesh Lao PDR	In addition to 570 products (with average margin of preference of 23.9 per cent) available to all APTA members, tariff concessions granted exclusively to LDC members on 48 products with average margin of preference of 39.7 per cent	WT/COMTD/N/22

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	References
	Duty-Free Tariff Preference Scheme (DFTP)	LDCs	DFTP Scheme announced in April 2008. Duty-free access on 85 per cent tariff lines at HS 6-digit level within a five-year time frame.	WT/COMTD/M/69
	South Asian Free Trade Agreement (SAFTA) ^c Entry into force: 1 January 2006	Bangladesh Bhutan Maldives Nepal	In addition to tariff concessions on 2,940 line at the HS 6-digit level to all SAFTA members, special concessions exclusively granted to LDC members. In 2006/2007, preferential rates were granted on 84.4 per cent of all tariff lines at average rate of 10.6 per cent (while 15 per cent for non-LDC members)	WT/COMTD/10 WT/TPR/S/182.Rev.1 and WT/COMTD/N/26
	Bilateral agreement Entry into force: 13 May 2003	Afghanistan	Tariff reductions on 38 HS 6-digit lines, with margins of preferences of 50 per cent or 100 per cent of MFN tariff	WT/TPR/S/182.Rev.1
	Bilateral agreement Entry into force: extended on 29 July 2006 for 10 years	Bhutan	All products	WT/TPR/S/182.Rev.1 and WT/COMTD/N/28
	Bilateral agreement	Nepal	Tariff exemptions for all goods subject to rules of origin. Imports of certain goods (vanaspati, copper products, acrylic yarn and zinc oxide) are subject to annual quota.	WT/TPR/S/182.Rev.1
Japan	GSP – Enhanced duty- and quota-free market access Entry into force: 1 April 2007	LDCs	Duty-free access on 8,859 tariff lines (or 98 per cent of the tariff line level), covering over 99 per cent in terms of the import value from LDCs.	WT/COMTD/N/2/Add.14
Kazakhstan	Harmonized System of preference by the Eurasian Economic Community (EAEC) Entry into force: May 2001	47 LDCs	Duty free for all products	WT/TPR/S/170
Korea, Rep. of	Presidential Decree on Preferential Tarriff for LDCs Entry into force: 1 January 2000	LDCs	Duty-free access is granted on 87 tariff items (HS 6-digit).	WT/COMTD/N/12/Rev.1 WT/TPR/S/137
	Asia-Pacific Trade Agreement (APTA) – amendment to the Bangkok Agreement Entry into force: 1 September 2006	Bangladesh Lao PDR	In addition to 1,367 products (with average margin of preference of 35.4 per cent) available to all APTA members, tariff concessions granted exclusively to LDC members on 306 products with average margin of preference of 64.6 per cent	WT/COMTD/N/22
Kyrgyz Republic	Harmonized system of preference by the Eurasian Economic Community (EAEC) Entry into force: May 2001	47 LDCs	Duty free for all products	WT/TPR/S/170

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	References
Morocco	Preferential tariff treatment for LDCs Entry into force: 1 January 2001	33 African LDCs	Duty-free access on 61 products (at the HS 4 to 10-digit level)	WT/LDC/SWG/IF/18 and G/C/6
New Zealand	GSP- Tariff Treatment for LDCs Entry into force: 1 July 2001	LDCs	All products	WT/COMTD/27 WT/TPR/S/115
Norway	GSP – Duty - and quota-free market access Entry into force: 1 July 2002	LDCs	All products	WT/TPR/S/138 WT/COMTD/N/6/Add.4
Pakistan	South Asian Free Trade Area (SAFTA) Entry into force: 1 January 2006	Bangladesh Bhutan Maldives Nepal	Special concessions available for least-developed contracting states.	SAARC Secretariat website (www.saarc-sec.org) WT/TPR/S/193
Sri Lanka	South Asian Free Trade Area (SAFTA) Entry into force: 1 January 2006	Bangladesh Bhutan Maldives Nepal	Special concessions available for least-developed contracting states	SAARC Secretariat website (www.saarc-sec.org)
	Asia-Pacific Trade Agreement (APTA) – amendment to the Bangkok Agreement Entry into force: 1 September 2006	Bangladesh Lao PDR	In addition to 427 products (with average margin of preference of 14 per cent) available to all APTA members, tariff concessions granted exclusively to LDC members on 72 products with average margin of preference of 12 per cent	WT/COMTD/N/22
Switzerland	GSP – Revised Preferential Tariffs Ordinance Entry into force: 1 April 2007	LDCs	Duty-free access for all products originating from all LDCs as of September 2009.	TN/CTD/M/28 WT/COMTD/N/7/Add.2 and Add.3
Tajikistan	Harmonized System of preference by the Eurasian Economic Community (ECEA) Entry into force: May 2001	47 LDCs	Duty free for all products	WT/TPR/S/170
Turkey	GSP Entry into force: 31 December 2005	LDCs	Duties are eliminated for LDCs on the basis of EU's Everything But Arms (EBA) Initiative	WT/TPR/S/192
Russia	Harmonized System of preference by the Eurasian Economic Community (ECEA)	47 LDCs	Duty free for all products	WT/TPR/S/170

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	References
United States	GSP for least-developed beneficiary developing countries (LDBDC) Entry into force: 1 January 1976, extended until 31 December 2010	43 designated LDCs ^d	In addition to the standard GSP coverage of nearly 5,000 products, 1,450 articles exclusively available for LDC beneficiaries for duty-free treatment	WT/COMTD/N/1/Add.4 & Add.5 WT/TPR/S/235 www.ustr.gov
	African Growth and Opportunity Act (AGOA) Entry into force: May 2000, extended until 30 September 2015 ^e	38 designated Sub-Saharan African Countries (including 25 LDCs ^f)	1,835 products, including textiles and apparel ^g , available for duty-free treatment, in addition to duty-free treatment on products benefitting from GSP.	WT/COMTD/N/1/Add.3 WT/TPR/S/235 WT/L/754
	Caribbean Basin Trade Partnership Act (CBTPA) Entry into force: 1 October 2000, extended until 31 December 2014	19 designated beneficiaries (including one LDC, i.e. Haiti) in Central America and the Caribbean	Duty free for most products, including textiles and apparels. The Haitian Hemispheric Opportunity through Partnership Encouragement Act enhanced Haiti's benefits under CBERA.	WT/TPR/S/235 WT/L/753
Uzbekistan	Harmonized System of preference by the Eurasian Economic Community (ECEA)	47 LDCs	Duty free for all products	WT/TPR/S/170

^a This table, which represents a non-exhaustive list of market access initiatives undertaken in favour of LDCs, updates the information contained in the previous report by the Secretariat (WT/COMTD/LDC/W/46/Rev.1). For those measures taken in favour of exports originating from LDCs prior to 2001, please see document WT/COMTD/LDC/W/38.

^b Members of the APTA are: Bangladesh, China, India, Lao PDR, Republic of Korea and Sri Lanka

^c Members of SAFTA which superseded the South Asian Preferential Trade Agreement (SAPTA) in 2006 are: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

^d Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, East Timor, Equatorial Guinea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Somalia, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen and Zambia.

^e The Africa Investment Incentive Act of 2006 or AGOA IV extended the third-country fabric provision from September 2007 until September 2012; added an abundant supply provision; designated certain denim articles as being in abundant supply; and allows lesser developed beneficiary Sub-Saharan African countries to export certain textile articles under AGOA. Sec.3 of the Andean Trade Preference Extension Act of 2008 (Public Law 110-436) removed the abundant supply provisions, and re-designated Mauritius as a lesser developed beneficiary Sub-Saharan African Country for AGOA apparel benefits. See more information on the official AGOA website at www.agoa.gov

^f Angola, Benin, Burkina Faso, Burundi, Chad, Comoros, Democratic Republic of Congo, Djibouti, Ethiopia, The Gambia, Guinea-Bissau, Lesotho, Liberia, Malawi, Mali, Mauritania, Mozambique, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Togo, Uganda and Zambia.

^g Twenty-five Sub-Saharan African countries, including 15 LDCs (Benin, Burkina Faso, Chad, Ethiopia, The Gambia, Lesotho, Malawi, Mali, Mozambique, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia), are eligible for AGOA apparel benefits.