

**Sub-Committee on Least-Developed Countries
Negotiating Group on Market Access**

**MARKET ACCESS ISSUES RELATED TO PRODUCTS OF EXPORT INTEREST
ORIGINATING FROM LEAST-DEVELOPED COUNTRIES**

Note by the Secretariat¹

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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.

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I. INTRODUCTION

1. This Note has been prepared by the Secretariat in response 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.² While previous studies have focused largely on market access conditions in developed countries, this Note introduces information on the prevailing market access conditions in developing countries.

2. The next section presents issues related to methodology and data. It is followed by an examination of the LDC export profile (Section III) for the purpose of identifying the major markets and products of export interest to LDCs. Section IV reviews the market access conditions in developed and developing countries for products originating from LDCs, based on available tariff information. Recent initiatives by Members to improve market access for LDCs are reported in Section V.

II. METHODOLOGY AND DATA ISSUES

3. Data difficulties associated with this Note can be divided into two parts; those relating to trade data and those related to market access data. The overall situation of tariff and trade data related to market access and export performance for LDCs is nothing short of poor. An accurate assessment of the market access situation requires good quality tariff and import data. More detailed data is required if the market provides different types of duty treatments for LDC exports, such as reciprocal or non-reciprocal preferential market access. These data should ideally be supplemented with information on whether or not products eligible for preferential treatment eventually receive such treatment.³

4. Most developed countries voluntarily provide their preferential duty and import data to the WTO's Integrated Data Base (IDB).⁴ Unfortunately, tariff and trade data for developing countries is often hampered by availability and quality. Not surprisingly, LDCs in particular are at an extreme on this point. Annex Table 1 sets out the current availability of trade data in the United Nations Statistical Division database on trade (Comtrade) and tariff data in the IDB.

5. The state of data portrayed by Annex Table 1 is rather disappointing. Out of 50 LDC countries, only 11 reported data through till 2004, and only 21 countries provide time series data with at least five consecutive years. Sometimes, data reported by some LDCs do not necessarily comply with international standards as laid out by the United Nations International Merchandise Trade Statistics Concepts and Definitions (IMTS, Rev.2). Data vary in coverage as, for example, some countries report only domestic exports, while others do not provide estimates of unrecorded trade (cross-border and illicit trade). Most LDCs do not include export-processing zones in their merchandise trade statistics.

6. Lack of export data for specific countries may mean applying generalisations to individual country situations that may be incorrect. This problem can be mitigated to some extent by basing estimates on partner countries' trade statistics or inverted trade flows.⁵ The UN Comtrade Database contains a full coverage of the developed countries' trade, and a very good coverage for trade of significant developing economies and economies in transition, thereby allowing the possibility of estimating the share of the LDCs trade with developing economies. A disadvantage of this approach, however, is that intra-trade between LDC countries as well as trade of the LDCs with other non-reporting developing countries cannot be taken into account. Also, due to the time lag in reporting of some developing economies, the coverage

² The previous studies are contained in documents WT/COMTD/LDC/W/35, WT/COMTD/LDC/W/31 and WT/COMTD/LDC/W/28.

³ This figure, the ratio of imports receiving preferential treatment over the imports eligible for preferential treatment, is more commonly referred to as the utilization rate. The issue of preference utilization is covered in the previous Note prepared by the Secretariat, contained in document WT/COMTD/LDC/W/35.

⁴ WTO Members only have the obligation to provide MFN tariff information to the WTO Secretariat.

⁵ This is also sometimes known as 'mirror data'.

of LDC trade flows by inverted trade tends to decrease for the most recent years (e.g. 90 per cent in 2001, 79 per cent in 2003).

7. Annex Table 1 also provides information on the availability of import and tariff data in the WTO Integrated Database. These data are important for assessing the extent to which LDCs impose barriers on the imports from other LDCs. Seventeen LDCs have reported tariff data for at least one year after 2002. Three of these LDCs have reported tariff data for 2005.

8. Good trade policy analysis and hence, good trade policy advice depends fundamentally and critically on the availability of high quality and accessible trade data. The analysis in this Note used the best available data and adopted various methodologies to correct for any deficiencies. While some data difficulties can be overcome with robust methodologies, others cannot. Data availability for the most recent year in the context of duty treatment in markets and also in terms of imports was the most serious data deficiency that could not be overcome. The small number of lines that remain dutiable in developed country markets allowed us to make the relevant changes by hand. Lack of data for developing countries for the most recent years meant that, in some cases, data for the year 2001 was used. This is not ideal, and has been noted in cases where it was used. Nevertheless, this approach still allows us make estimates of some important numbers.

9. Another difficulty related to tariff data in markets that grant non-reciprocal access is the time interval between a policy announcement and the availability of relevant data. In this respect, market analysis related to barriers facing exports from LDCs is slightly easier due to the fact that many recent initiatives are predominantly duty free and quota free. In such cases, as was done in the *World Trade Report 2004* (WTO, 2004), duty rates can be set to zero. However, this cannot be done for all cases. The approach taken in this Note is to use only the reported tariff data for a given year. No adjustments were made to take into account policies announced after the relevant time period for the data.

III. LDC EXPORT PROFILE⁶

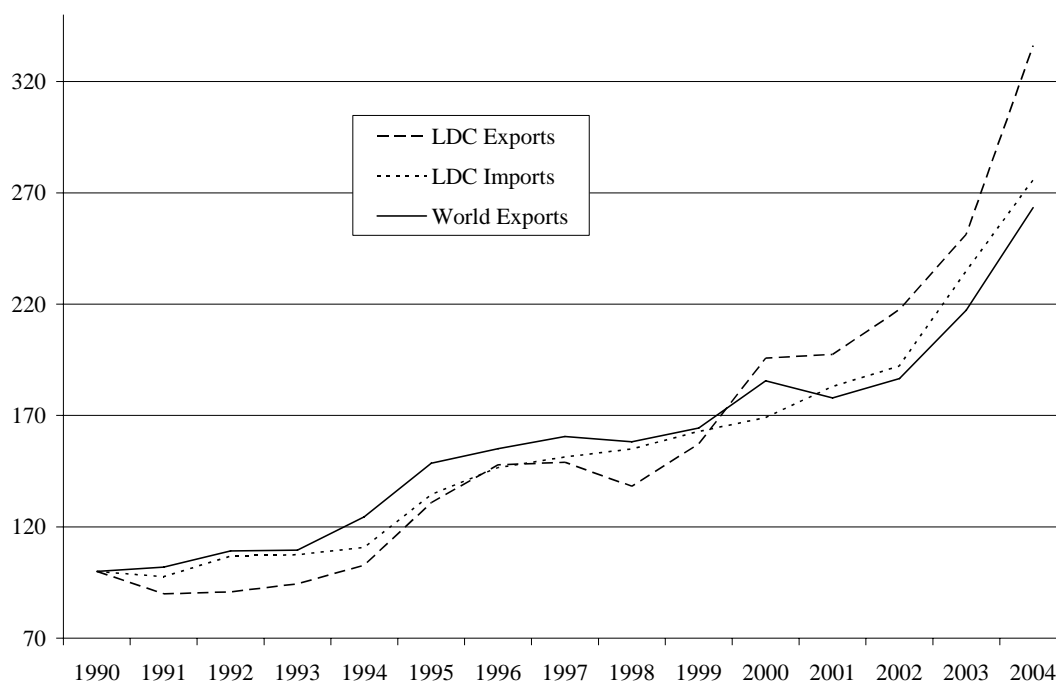
10. In 2004, LDCs as a group accounted for 0.6 per cent of world exports and 0.8 per cent of world imports (Table 1). In growth terms, their performance has been mixed over the past 15 years (Chart 1). Between 1990 and 1999, the growth of LDC exports and imports was less than that of world exports, but since then the growth of LDC exports exceeded that of world exports.

11. Of particular note is the significant growth rate of exports posted by LDCs in 2004, which was 34 per cent, compared to 21 per cent for world exports (Table 1). This figure, however, is for all LDCs and masks considerable variance in the performance of individual countries. Five oil exporters as a group, which account for 47 per cent of total LDC exports, experienced a growth rate of 52 per cent, whereas manufacturing and commodity exporters experienced growth rates of 19 and 22 per cent, respectively. Eight LDCs, all commodity exporters, experienced negative growth rates.⁷

⁶ More detailed data on the LDC pattern of trade can be found in Section III.9 of the *International Trade Statistics 2005*, which is available at www.wto.org.

⁷ These commodity exporters are: Malawi, Liberia, Central African Republic, Comoros, Samoa, São Tomé and Príncipe, Kiribati and Tuvalu.

Chart 1: Growth in the value of LDC merchandise trade, 1990-2004
 (Indices 1990 = 100)



Source: WTO.

12. The diversity of export performance across countries is also important in absolute terms. Two LDCs accounted for 36 per cent of all LDC exports in 2004 - Angola, which is a fuel exporter and Bangladesh, which is predominantly a clothing exporter. Their performance, due to their size, determines, to a significant degree, the overall performance of the LDCs as a group.

13. Data on the exports of commercial services originating from LDCs is not widely available. Table 2 presents data based on estimations for many LDCs. It shows that in 2003, LDCs account for 0.4 per cent of world trade in commercial services. Seventy per cent of this value was in the transport and travel sectors. In 1995, these two sectors accounted for 62 per cent of total services exports.

Table 1: Merchandise exports and imports of least-developed countries by selected country grouping, 2004

(Million dollars and percentage)

	Value 2004	Exports Annual percentage change				Value 2004	Imports Annual percentage change			
		2000-04	2002	2003	2004		2000-04	2002	2003	2004
Least-developed countries	61825	14	10	16	34	71233	13	5	22	17
Oil Exporters	29168	18	17	20	52	16945	22	25	27	19
Angola	13850	15	27	14	46	6500	21	18	46	19
Equatorial Guinea	5190	47	21	33	76	1410	33	-29	142	15
Yemen	4150	0	-1	12	11	4190	16	18	26	14
Sudan	3778	20	15	30	49	4075	27	25	18	41
Chad	2200	86	-2	141	393	770	25	142	-38	-24
Exporters of manufactures	17022	9	5	9	19	23728	7	-6	18	14
Bangladesh	8150	6	1	14	17	12026	8	-5	21	15
Myanmar	2850	15	28	-18	15	2220	-2	-18	-11	6
Cambodia	2798	19	28	10	32	3170	13	11	12	22
Madagascar	990	5	-48	76	16	1230	5	-37	84	11
Nepal	756	-2	-23	17	14	1870	4	-4	24	7
Lesotho	726	35	33	29	51	1400	15	9	38	26
Haiti	391	5	2	24	13	1306	6	12	5	10
Lao People's Dem. Rep.	361	2	-10	20	1	506	-1	-18	12	5
Exporters of commodities	15635	15	7	17	22	30561	14	6	24	19
Zambia	1576	24	-6	2	67	2143	21	-4	24	38
Senegal	1529	14	6	25	15	2710	16	17	18	13
Mozambique	1504	43	-6	58	44	1970	14	19	39	12
Congo, Dem. Rep. of	1413	17	14	19	10	1873	16	35	28	33
Tanzania	1338	19	13	39	10	2490	13	-1	30	14
Mali	1123	19	21	5	22	1320	13	-12	31	16
Togo	771	21	20	44	25	1050	17	7	46	21
Guinea	700	1	-3	-14	15	690	3	11	-4	8
Benin	672	14	20	24	21	865	9	23	10	16
Ethiopia	639	7	5	5	27	3080	25	-8	29	44
Uganda	635	8	4	12	19	1491	-1	-29	14	15
Burkina Faso	445	21	10	33	37	1155	17	13	25	25
Malawi	441	4	-9	13	-4	792	10	23	1	13
Afghanistan	420	23	150	40	20	2300	43	50	53	0
Mauritania	410	3	-8	4	22	400	6	-5	1	11
Niger	370	7	3	22	9	560	9	8	23	14
Somalia	310	13	4	-25	39	610	15	1	14	18
Liberia	235	-8	-4	15	-13	900	8	-2	11	32
Maldives	172	12	20	15	13	645	13	0	20	37
Bhutan	165	13	7	18	24	400	23	3	26	61
Sierra Leone	139	81	69	88	51	286	18	45	15	-5
Central African Republic	120	-7	4	-17	-2	150	6	12	9	15
Rwanda	99	17	-24	-3	57	285	8	-12	4	10
Solomon Islands	97	9	23	28	31	100	2	-26	22	22
Guinea-Bissau	81	7	-14	28	17	86	10	-6	19	25
Burundi	47	-2	-22	25	24	176	4	-7	21	13
Djibouti	41	7	13	3	11	275	7	1	21	16
Vanuatu	37	9	0	35	37	128	10	-13	18	22
Eritrea	35	-1	174	-33	0	650	8	27	10	10
Gambia	22	10	30	-8	83	200	2	10	25	8
Cape Verde	15	8	10	18	15	386	14	18	27	10
Comoros	15	21	33	25	-25	115	13	20	33	-4
Samoa	11	-6	-7	7	-27	168	12	4	1	23
São Tomé and Príncipe	6	19	90	33	-10	45	11	9	36	7
Kiribati	2	-16	-29	-22	-20	48	5	5	-7	20
Tuvalu	0	78	736	9	-33	18	38	217	40	16
Timor Leste	...	...	...	...	...	...	...	...	...	...
Memorandum item:										
World a	9153000	9	5	16	21	9495000	9	4	16	21

a Includes significant re-exports or imports for re-export.

Note: Data for 2004 are largely estimated.

Source: WTO.

Table 2: Exports of commercial services of least-developed countries by category, 2003
 (Million dollars and percentage)

	Value	Share in commercial services					
	Commercial services 2003	Transport		Travel		Other services	
		2000	2003	2000	2003	2000	2003
Total LDCs	7400	20	22	47	50	33	28
Afghanistan	...	...	...	...	...	...	...
Angola	...	6	...	...	...	94	...
Bangladesh	398	32	18	18	14	50	68
Benin	159	14	...	61	...	25	...
Bhutan	25	...	...	...	...	...	...
Burkina Faso	44	13	...	67	...	20	...
Burundi	2	43	32	37	32	20	36
Cambodia	518	17	16	72	75	11	9
Cape Verde	211	44	50	40	40	16	9
Central African Republic	6	4	...	51	58	45	...
Chad	48	2	3	65	65	33	32
Comoros	...	13	...	81	...	6	...
Congo, Dem. Rep. of	148	...	...	...	...	...	...
Djibouti	87	76	78	12	8	12	14
Equatorial Guinea	24	3	...	50	80	47	...
Eritrea	...	18	...	64	...	18	...
Ethiopia	588	56	51	15	19	30	30
Gambia	61	...	...	76	79	...	...
Guinea	55	58	12	7	...	34	88
Guinea-Bissau	5	12	15	...	37	...	48
Haiti	116	...	...	81	80	...	...
Kiribati	...	...	...	...	...	...	...
Lao People's Dem. Rep.	110	15	23	85	77	0	0
Lesotho	...	2	...	67	...	31	...
Liberia	...	...	...	...	...	...	...
Madagascar	202	16	29	39	37	45	34
Malawi	36	26	...	74	...	0	...
Maldives	429	6	5	93	94	1	2
Mali	208	36	21	44	62	20	18
Mauritania	...	1	...	20	...	79	...
Mozambique	300	30	30	23	33	47	37
Myanmar	277	17	29	35	21	48	50
Nepal	302	15	12	38	66	47	22
Niger	57	...	...	...	...	...	...
Rwanda	54	34	34	57	56	8	10
Samoa	...	...	...	90	...	...	...
São Tomé and Príncipe	...	2	...	76	...	22	...
Senegal	489	10	...	44	...	47	...
Sierra Leone	66	46	5	27	91	27	5
Solomon Islands	25	2	8	8	6	90	86
Somalia	...	...	...	...	...	...	...
Sudan	31	63	29	22	56	15	15
Tanzania	627	10	12	65	71	25	17
Timor Leste	...	...	...	...	...	...	...
Togo	92	23	...	18	...	59	...
Tuvalu	...	...	...	...	...	...	...
Uganda	284	15	15	81	65	4	20
Vanuatu	92	24	24	47	57	28	19
Yemen	245	12	21	42	57	46	22
Zambia	165	37	...	58	...	5	...
Memorandum item:							
World	1804700	23	23	32	29	45	48

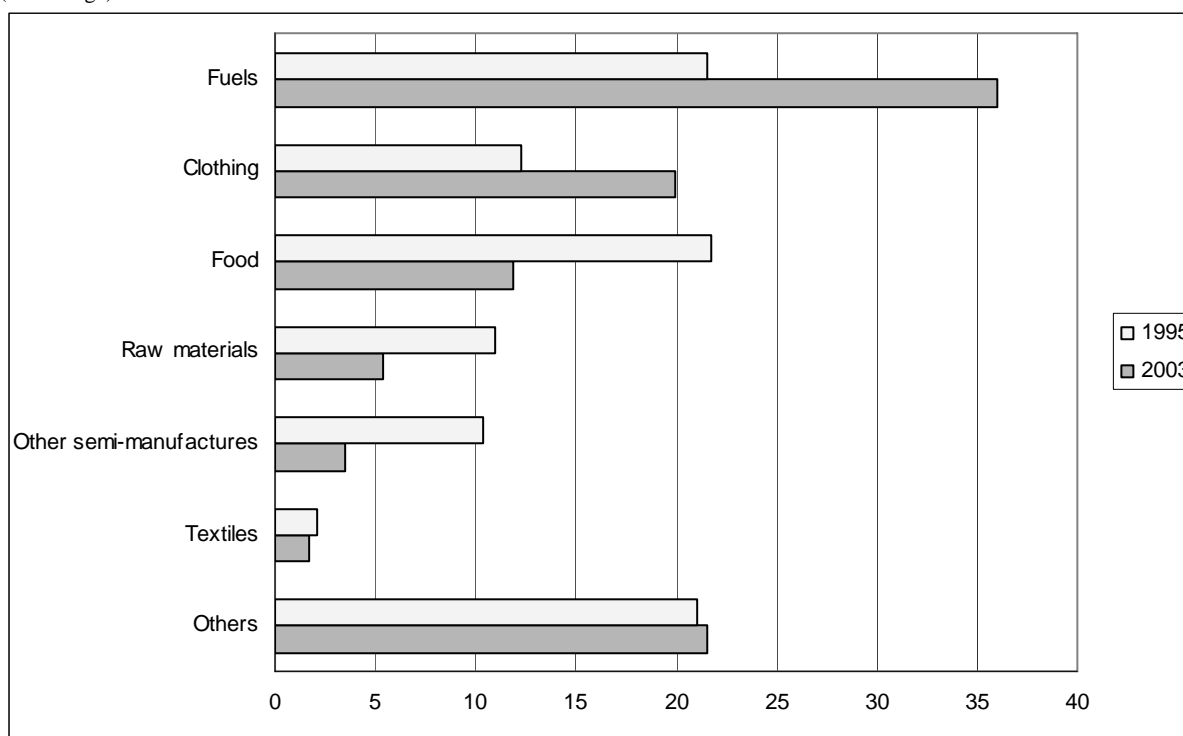
Note: Data are estimated for most countries. The improvement of the quality of data in recent years may have resulted in changes relating to the breakdown of exports of commercial services by category of services. See the Technical Notes.

Source: WTO.

A. MAJOR PRODUCTS

14. Chart 2 illustrates a distinct shift in the relative importance of different product groups in the total exports of LDCs. In 1995, food was the most important export, representing 21.7 per cent of total exports, followed closely by fuels representing 21.5 per cent. By 2003, food became the fourth largest export behind fuel, which accounted for 36 per cent of exports. Clothing became the second most important export, representing 19.9 per cent of total exports. Much of this significant shift is due to changes in oil prices, but at the same time, it also represents a structural shift towards clothing exports.

Chart 2: Exports of least-developed countries by major product, 1995 and 2003
 (Percentage)



Source: WTO.

15. Table 3 provides a more detailed product breakdown of the broad categories in Chart 2. It shows that the clothing exports of LDCs are predominantly knitted and crocheted clothes and that the broad category of food exports is dominated by fish. The table also provides information on some of the more traditional LDC exports that are not captured in the broad categories shown in Chart 2, such as footwear and leather products. One peculiar product in the table is ships, since LDCs are not notable for their productive capacity in this area. A possible explanation for the appearance of this product on the list is the international sale of used ships that were registered in a particular LDC. This explanation would be consistent with the observation that the export of transport services accounts for approximately one fifth of total LDC commercial services exports (Table 2).

16. The figure in brackets that is reported beside each product in Table 3 is the Standard Industrial Trade Classification (SITC) code for that particular product. If the figure contains three digits, it is more disaggregated product definition. For example, clothing in the table has the number 84, but men's and boys' clothing has the number 841. Chart 3 uses this coding system to examine the export concentration of individual LDCs. It shows that the top three products, measured at the SITC three-digit level account for more than 50 per cent of the total exports of almost all the LDCs. For some LDCs, the figure is 100 per cent.

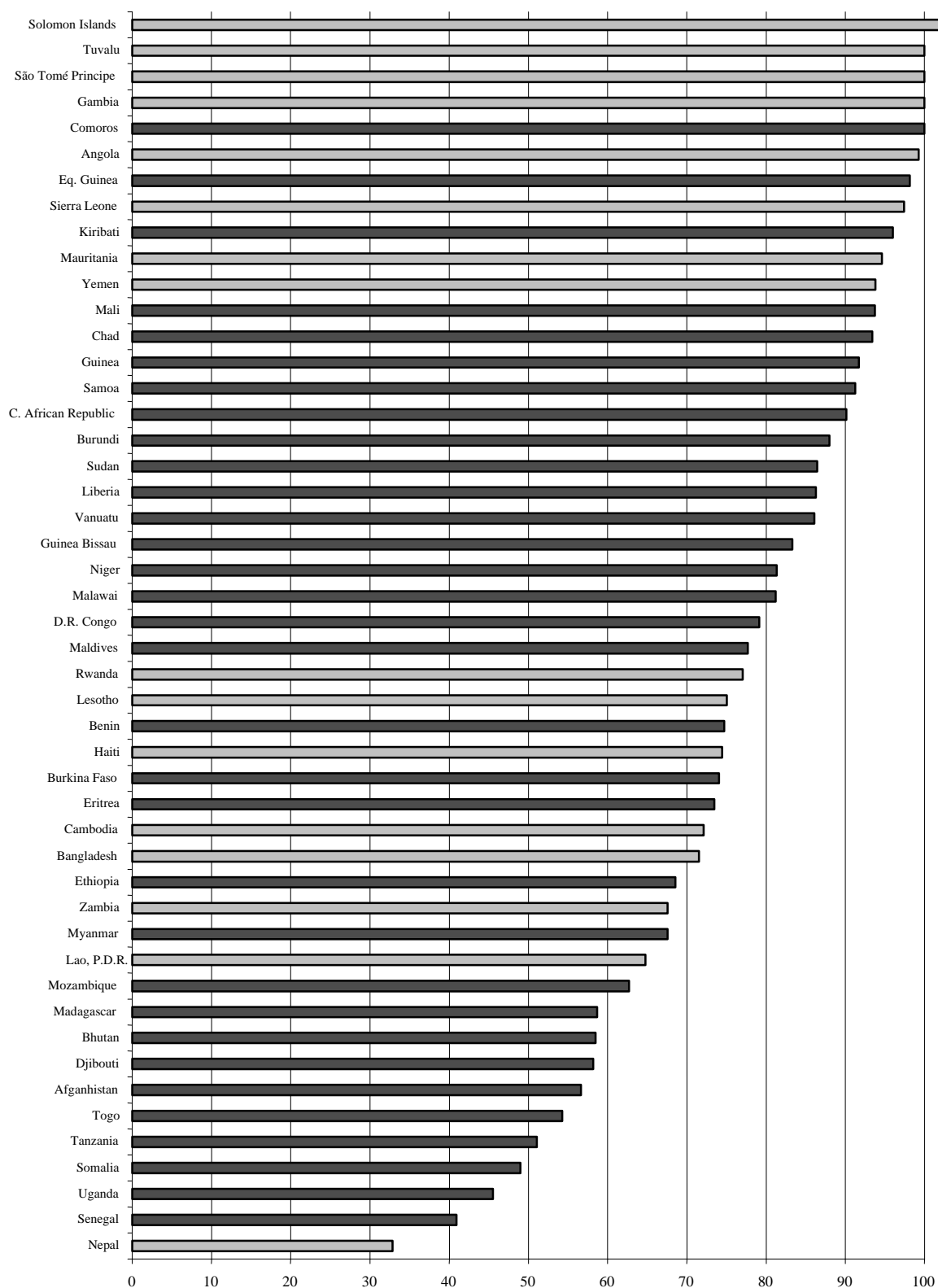
17. The data in Chart 3 also takes into account the possibility that the top three products could be variants of the same product. For example, the top three exports of Cambodia account for 72.1 per cent of its total exports. A closer examination of the data shows that these three products are essentially similar in terms of their production characteristics: women's and girls' clothing (843), men's and boys' clothing (844), and other textile apparel not elsewhere specified (845). Therefore, not only has Cambodia a high concentration factor for its exports, its export structure is not diversified. Countries that have at least two of their top three exports in the same two-digit product category, such as Cambodia, are identified in Chart 3 with a lighter bar.

Table 3: Leading merchandise exports of least-developed countries in 2003^a
(Million dollars and percentage)

Product description (SITC Rev. 3)	LDCs Exports				WORLD	
	Value	Share in Total Exports	Developed Economies	Developing Economies	Value	Share in Total World
All Commodities (0 to 9)	55823	100	35586	18873	8777693	1
Petroleum, Petroleum Product (33)	23924	43	10870	12508	798501	3
Petroleum Oils, Crude (333)	23233	42	10488	12205	554542	4
Petroleum Products (334)	682	1	382	294	225907	0
Clothing And Accessories (84)	12892	23	12588	281	264081	5
Other Textile Apparel, Nes (845)	5498	10	5375	118	90202	6
Men's, Boys' Clothing, X-Knit (841)	3025	5	2950	64	46338	7
Women's, Girl's Clothing, X-Knit (842)	2557	5	2510	42	61197	4
Women's, Girl's Clothing, Knit (844)	893	2	866	26	22064	4
Men's, Boys' Clothing, Knit (843)	705	1	680	24	11496	6
Fish, Crustaceans, Mollusc (03)	2216	4	1837	335	68182	3
Crustaceans, Molluscs Etc (036)	1231	2	1096	130	20782	6
Fish Fresh, Chilled, Frozen (034)	754	1	571	146	31510	2
Non-Ferrous Metals (68)	2142	4	1496	496	166582	1
Aluminium (684)	1095	2	1087	8	66971	2
Copper (682)	600	1	32	425	48072	1
Metalliferous Ore, Scrap (28)	1757	3	1001	480	114809	2
Aluminium Ore, Concentrates Etc. (285)	605	1	409	6	9044	7
Iron Ore, Concentrates (281)	432	1	337	95	29140	1
Ore, Concentrates Base Metals (287)	339	1	161	177	12785	3
Ship, Boat, Floating Structures (793) (b)	1488	3	1361	99	31247	5
Textile Fibres (26)	1294	2	220	1050	28044	5
Cotton (263)	1198	2	192	985	10954	11
Non-Metal. Mineral Manufactures (66)	1149	2	1029	119	165758	1
Pearls, Precious Stones (667)	1080	2	990	90	72554	1
Coffee, Tea, Cocoa, Spices (07)	1068	2	892	169	37696	3
Coffee, Coffee Substitute (071)	542	1	514	24	11880	5
Spices (075)	329	1	247	81	2904	11
Cork And Wood (24)	976	2	226	716	51255	2
Wood Rough, Rough Squared (247)	775	1	122	621	12032	6
Textile Yarn Fabric, Etc. (65)	876	2	669	199	175216	1
Textile Articles Nes (658)	382	1	338	43	25897	1
Vegetables and Fruit (05)	869	2	281	579	107106	1
Vegetables (054)	438	1	133	301	30321	1
Fruit, Nuts Excl. Oil Nuts (057)	408	1	130	273	45433	1
Tobacco, Tobacco Manufactures (12)	568	1	372	150	24117	2
Tobacco, Unmanufactured (121)	531	1	372	113	7118	7
Oil Seed, Oleaginous Fruit (22)	387	1	192	164	25963	1
Footwear (85)	352	1	339	11	64212	1
Inorganic Chemicals (52)	331	1	138	193	53094	1
Leather (611)	304	1	132	144	18755	2
Crude Vegetable Materials, Nes (292)	264	0	211	50	21711	1
Total of above ^c	52858	95	33857	17745	2216332	2

a Data shown are imports from LDCs by 124 countries and economies reporting their trade to the UNSD Comtrade Database.
b Data refer to imports flag of convenience by reporting countries and economies from Liberia.
c Since this is the total of the reported data, it does not match the total figure in Table 1.
Source: UNSD Comtrade Database.

Chart 3: Share of top three exports in total merchandise exports for LDCs, latest available year (Percentage)



Source: WTO.

B. MAJOR MARKETS

18. In terms of specific country markets, Table 4 shows that the European Communities and the United States continue to be the most important destinations for LDC exports. Although the EC's share of total LDC exports declined in 2004 to 29.2 per cent from 39.6 per cent in 1995, it is still the most important market. The share of LDC exports to the US has fluctuated over the ten-year period reported in Table 4, but is still, approximately, one fifth of total exports. China is the third most important market and after that the top ten markets have approximately the same share. These markets are: Thailand; Japan; India; Republic of Korea; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei); Canada and Singapore.

Table 4: Top 10 markets for LDC exports, 1995-2004
 (percentage)

Rank		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004*
1	EU 15	39.6	36.9	34.9	37.3	34.6	31.1	33.4	32.8	30.6	29.2
2	USA	20.5	21.5	22.8	23.5	24.7	26.4	25.6	23.8	24.8	22.7
3	China	3.5	4.2	6.1	3.5	4.9	10.7	7.7	8.7	13.5	17.8
4	Thailand	3.9	3.5	3.8	3.1	3.8	3.7	4.9	4.9	5.1	5.0
5	Japan	6.5	6.4	4.7	4.0	3.6	3.3	2.9	4.0	3.4	4.2
6	India	2.7	2.6	2.7	3.0	4.1	2.5	3.4	3.3	3.1	2.9
7	Chinese Taipei	1.7	2.4	1.5	2.2	2.0	1.8	1.9	2.2	2.2	2.9
8	Korea, Rep. of	2.8	2.5	3.8	2.0	4.8	4.9	2.6	2.5	1.9	1.8
9	Canada	0.9	1.2	1.0	1.0	0.8	0.8	0.9	1.0	1.7	1.5
10	Singapore	2.8	2.2	1.5	2.7	2.0	1.6	1.9	1.4	1.1	1.2

* Preliminary estimates.
 Source: WTO.

19. Table 4 indicates that, broadly, the three most important regions for LDC exports are Asia, North America and Western Europe. Table 5 provides a breakdown of LDC exports to each of these regions by three broad product categories. It shows that Western Europe primarily imports agricultural and manufactures, whereas exports to Asia and North America are dominated by fuels (broadly mining). Only 5 per cent of exports to North America are agricultural products.

20. Despite the dominance of the EC and the US as markets, the importance of developing countries as markets for LDC products should not be underestimated. When export data for individual LDCs are examined, the point can be further emphasized, as illustrated in Chart 4. It shows that 15 LDCs from different regions export more than 50 per cent of their products to developing countries.

Table 5: Imports of agricultural products, fuels and manufactures of the EC, Asia and North America from least-developed countries, 2003

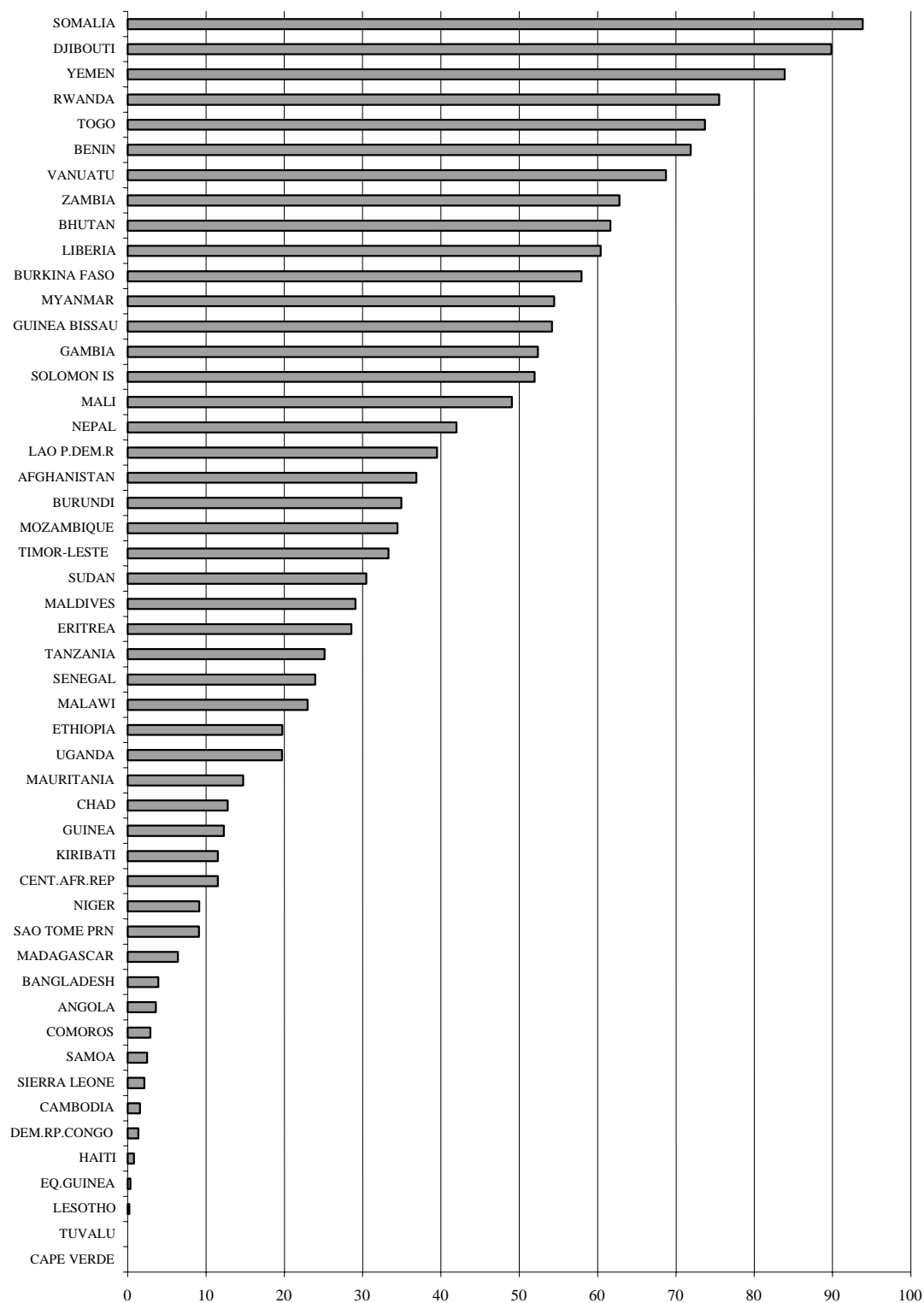
(Million dollars and percentage)

	Annual percentage change			Value	Annual percentage change			Value	Annual percentage change		
	2004	2003	2004		2003	2002	2003		2004	2003	2004 b
European Union (25)				Asia a				North America			
A. Agricultural products											
Total LDCs	3176	13	3	Total LDCs	3023	-13	37	Total LDCs	705	22	8
Madagascar	376	28	0	Myanmar	925	-13	23	Bangladesh	191	-3	107
Senegal	313	4	-7	Tanzania	206	-8	41	Madagascar	156	53	-20
Tanzania	295	13	4	Benin	164	2	118	Liberia	95	30	58
Uganda	287	13	9	Solomon Islands	113	8	48	Cambodia	47	-6	1946
Bangladesh	233	22	-5	Mali	110	-33	182	Ethiopia	43	20	24
Malawi	194	16	-14	Lao People's Dem. Rep.	104	-80	466	Malawi	36	-8	-43
Ethiopia	189	21	20	Equatorial Guinea	96	-40	67	Uganda	25	141	-37
Sudan	144	11	23	Mauritania	92	-1	62	Haiti	18	-7	0
Mozambique	121	15	3	Burkina Faso	91	6	163	Comoros	16	-10	237
Mauritania	115	6	-7	Bangladesh	91	-6	2	Tanzania	14	1	-19
Congo, Dem. Rep. of	83	32	64	Mozambique	90	75	-15	Mozambique	8	-14	31
Others (39)	826	6	5	Others (39)	942	-14	24	Others (39)	56	19	-53
B. Fuels and mining products											
Total LDCs	4174	-3	23	Total LDCs	10627	-7	63	Total LDCs	7322	35	21
Angola	1059	-36	6	Angola	3390	59	46	Angola	4755	37	6
Mozambique	919	24	65	Yemen	3372	-34	114	Equatorial Guinea	1410	75	20
Equatorial Guinea	854	41	-5	Sudan	2040	11	33	Chad	818	50	4082
Mauritania	306	2	30	Myanmar	780	-93	7	Congo, Dem. Rep. of	107	-19	-25
Guinea	295	-13	18	Equatorial Guinea	369	-11	-7	Guinea	81	6	-14
Congo, Dem. Rep. of	225	47	-5	Zambia	243	-32	53	Yemen	60	-74	-8
Tanzania	105	18	838	Rwanda	79	199	4	Zambia	28	102	178
Zambia	101	64	79	Tanzania	71	124	-6	Guinea-Bissau	28	...	1271
Others (42)	311	10	123	Others (42)	283	8	-11	Others (42)	35	862	-39
C. Manufactures											
Total LDCs	9232	16	16	Total LDCs	1381	-11	19	Total LDCs	6077	12	8
Bangladesh	5064	35	30	Bangladesh	435	-6	26	Bangladesh	2649	4	10
Cambodia	736	16	31	Nepal	209	3	9	Cambodia	1651	21	18
Liberia	718	143	-33	Myanmar	186	-8	61	Lesotho	502	23	18
Congo, Dem. Rep. of	503	-46	-5	Cambodia	164	18	-8	Haiti	374	35	13
Myanmar	497	4	34	Senegal	138	34	-11	Madagascar	357	114	64
Madagascar	247	7	32	Tanzania	40	-19	127	Nepal	165	12	-14
Lao People's Dem. Rep.	159	3	21	Bhutan	37	15	38	Equatorial Guinea	103	70	-3
Equatorial Guinea	147	250	-13	Vanuatu	27	0	39	Maldives	86	-16	-15
Angola	145	-47	-48	Zambia	18	46	-15	Angola	33	610	54
Niger	137	35	64	Lao People's Dem. Rep.	17	-69	456	Malawi	30	106	20
Sierra Leone	127	55	20	Sudan	15	51	-24	Congo, Dem. Rep. of	22	30	-41
Sudan	125	1	187	Angola	14	-56	07	Tanzania	13	11	6
Nepal	114	5	18	Congo, Dem. Rep. of	11	190	9	Myanmar	13	-22	-96
Others (37)	1753	170	15	Others (37)	70	-77	8	Others (37)	78	11	24

a Australia; China; Hong Kong, China; India; Indonesia; Japan; Korea Rep. of; Malaysia; New Zealand; Philippines; Singapore and Chinese Taipei.

b Excludes Mexico.

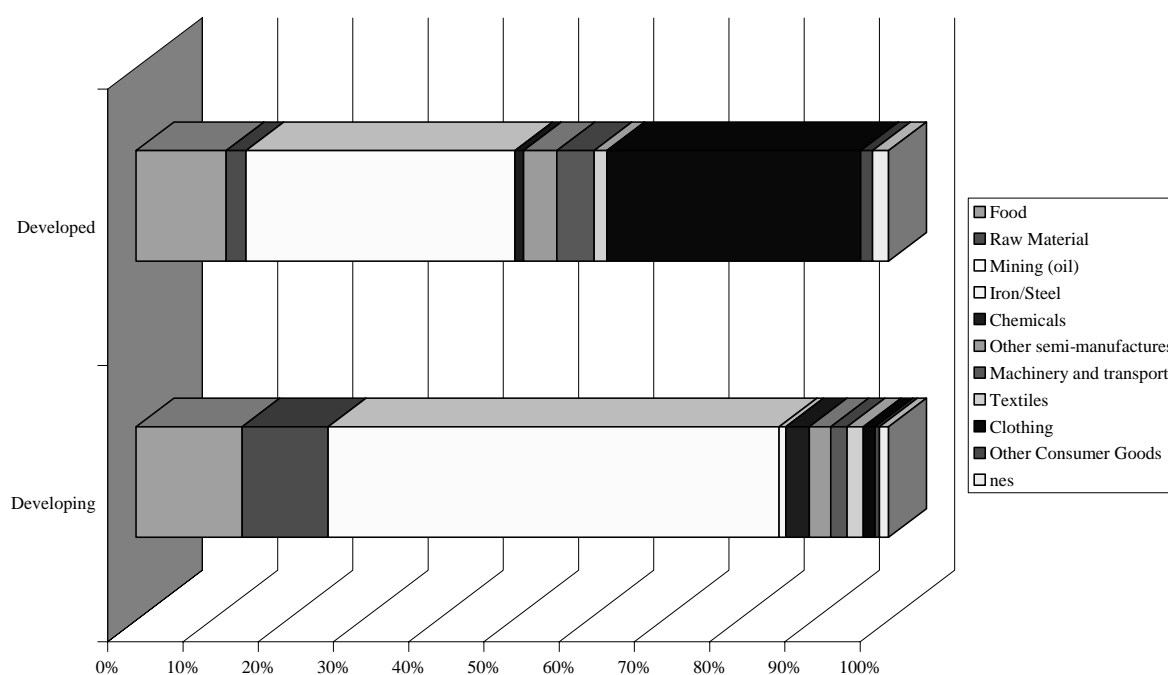
Chart 4: Share of developing countries in merchandise exports of LDCs, 2003
 (Percentage)



Source: UN Comtrade; IMF, Direction of Trade Statistics and estimates based on partner statistics.

21. A number of features beyond the value of exports differentiate LDC exports to developed and developing country markets (Chart 5). First among these is the concentration of low value-added products to developing country markets. Food, raw materials and oil make up almost 85 per cent of the total. In contrast, these products make up 50 per cent of exports to developed country markets. Clothing exports to developed country markets, which have a slightly higher value-added component to them, than primary products, account for almost a third of total exports to developed countries. A second observation is that LDCs export to approximately the same absolute value of agricultural products to both markets in 2004.⁸ This implies that agriculture as a share of total exports to developing countries is larger than that in developed country markets.

Chart 5: Composition of LDC exports to developed and developing country markets, 2004



Source: WTO.

⁸ The definition of agricultural products used in the calculation is contained in the Technical Note.

IV. TARIFF MEASURES

22. The overall market access conditions facing products originating from LDCs are determined by a combination of tariff and non-tariff measures. However, like in the last study by the Secretariat, tariffs are the focus of this Note.⁹ They are simpler to identify and measure than non-tariff measures. Consequently, the market access landscape that is drawn using only tariffs will not provide the full picture of all market access barriers facing LDC products. The protectionist role played by various standards imposed by countries on products, as well as the pernicious effects of domestic support and export subsidies which can affect world prices in such a way as to frustrate LDC exports, should not be discounted. Unfortunately, not only is the protective effect of these barriers difficult to measure, it is also difficult to identify precise policy initiatives that can be undertaken to discipline such measures. Focussing efforts on tariffs, while not complete liberalization, will at least remove the visible barriers.

23. Tariffs can be applied on imports in three different ways: on a most-favoured-nation basis, on a reciprocal preferential basis and on a non-reciprocal basis. The pattern of tariff treatment towards LDC products by developed country markets is typically a combination of MFN and non-reciprocal treatment. Developing country markets, in general, apply MFN treatment to LDC products, although as will be shown later, some developing countries do offer reciprocal and non-reciprocal preferential treatment.

A. MARKET ACCESS IN DEVELOPED COUNTRY MARKETS

24. Developed countries provide preferential market access to products originating from LDCs on a non-reciprocal basis through their GSP schemes. Annex Table 2 presents a non-exhaustive list of preferences granted to LDC exports in developed and developing countries. The levels of depth and coverage of the preferences vary from one scheme to another. For instance, Australia and New Zealand are the only developed countries that offer a single market access scheme for LDC products that is free of tariffs and quotas. Canada, Japan, Iceland, Norway and Switzerland offer specific schemes for LDCs, but their programmes fall short of complete duty-free and quota-free market access. The EC offers duty-free and quota-free market access for all products from LDCs, except arms, with three additional products facing different phasing-in periods between 2006 and 2009 for complete elimination of tariffs.¹⁰

25. One issue of interest is how to measure the distance between the current status of the tariff treatment of LDC exports in developed country markets and complete duty-free and quota-free treatment. Table 6 provides a number of indicators for selected country markets. The simplest indicator is the percentage of imports from LDCs into developed markets that are duty free. Using data from Table 6, this figure was 82.2 per cent in 2003. Consequently, one could conclude that nearly 18 per cent of LDC exports, or \$4.9 billion, could benefit from enhanced tariff treatment.¹¹ But, as indicated in Table 6, 97 per cent of this value is imports into just two markets – Japan and the US. Japan provides duty-free treatment to 51 per cent of its imports from LDCs and the US to 62 per cent. Other developed countries offer duty-free access to 100 per cent or at least 95 per cent of products originating from LDCs.

26. Another indicator would be the number of duty-free tariff lines over the total number of tariff lines. However, this could be slightly misleading. For example, in terms of value, 38 per cent of LDC exports to the US are dutiable. Yet, using the line count, the US can claim to have almost 82 per cent of its total lines duty free. And, if those lines with positive duties but no imports from LDCs are eliminated, this figure jumps to 94 per cent. Hence, all that is remaining is six per cent of the lines. Similarly, Japan can claim to have only 1 per cent of its lines applying a duty to LDC imports, or 86 per cent of its lines duty free. Yet, in value terms, almost 50 per cent of imports are dutiable.

⁹ NTBs were highlighted in previous notes prepared by the Secretariat in documents WT/COMTD/LDC/W/28 and WT/COMTD/LDC/W/31.

¹⁰ The phase-in periods are: January 2006 for banana, July 2009 for sugar, and September 2009 for rice.

¹¹ This figure is calculated as the total value of dutiable imports. It also does not take into account the utilization rate from preferential access.

27. While a significant share of LDC imports still attract positive duties in some developed countries, it is also important to look at the level of such remaining duties. For instance, in Japan, out of the \$766 million of imports that are dutiable, \$640 million is petroleum, which attracts a specific duty of 170 yen per kilolitre. Angola, Sudan and Yemen are the only three LDCs that export this product to Japan.

28. Canada's programme of treatment of LDC products is another example of how different indicators can send different messages. Canada exempts 97 out of a total of 8,497 tariff lines from its GSP scheme for LDCs, which fall predominantly in their supply managed industries of dairy, meat, poultry and eggs. The total level of imports that is dutiable is only US\$9,000, which means that duty-free imports from LDC as a ratio of total imports into Canada round up to 100 per cent. However, the 100 per cent figure could be misleading as an openness indicator, since the prohibitive nature of the existing duties in the 97 lines are not known.

Table 6: Tariff treatment of LDC exports in selected developed country markets, 2003

Market	Sector	Number of Tariff Lines				Imports (millions \$US)			Duty-Free Status (per cent)	
		MFN	LDC			MFN	LDC		Tariff Lines	Imports
		Total	Dutiable	With Imports	Dutiable with Imports	Total	Total	Dutiable		
Australia	Agri	6,102	0	655	0	84,366	89	0	100	100
	NonAg	773	0	73	0	3,975	14	0	100	100
		5,329	0	582	0	80,392	135	0	100	100
Canada	Agri	8,497	97	1569	1	234,984	769	0	98.9	100
	NonAg	1,372	97	194	1	14,531	36	0	92.9	100
		7,125	0	1375	0	220,454	733	0	100	100
European Communities	Agri	10,404	67	3517	19	992,010	13,705	120	99.4	99.1
	NonAg	2,115	42	505	17	66,248	1,562	120	98.0	92.3
		8,289	25	3012	2	925,762	12,143	0	99.7	100
Japan	Agri	9,296	1,350	776	89	376,941	1,564	766	85.5	51.0
	NonAg	1,858	938	121	31	37,152	177	5	49.5	97.2
		7,438	412	655	58	339,789	1,387	760	94.5	45.2
New Zealand	Agri	7,414	59	521	3	18,439	31	0	99.2	100
	NonAg	1,026	36	51	2	1,543	7	0	96.5	100
		6,388	23	470	1	16,896	24	0	99.9	100
Norway	Agri	7,165	261	509	2	39,765	81	0	96.4	100
	NonAg	1,337	258	55	2	2,724	12	0	80.7	100
		5,828	3	454	0	37,041	70	0	99.9	100
Switzerland	Agri	8,477	1,167	818	47	96,177	118	5	86.2	95.7
	NonAg	2,227	1,156	185	47	6,418	41	5	48.1	87.8
		6,250	11	633	0	89,759	77	0	99.8	100
United States	Agri	10,496	1,911	1421	581	1,196,833	10,489	3,991	81.8	62.0
	NonAg	1,808	274	183	3	49,988	361	2	84.8	99.4
		8,688	1,637	1238	578	1,146,845	10,128	3,989	81.2	54.5

Source: WTO.

B. MARKET ACCESS IN DEVELOPING COUNTRY MARKETS

29. The growing importance of developing country markets for LDC exports was already mentioned in Section IIIB. While some developing countries provide preferential market access to products originating from LDCs, the depth and coverage of these preference schemes are often limited. Annex Table 2 also provides information on preferential market access schemes by developing countries for LDCs. These preferences by developing countries can generally be classified into three categories: (i) non-reciprocal preferential market access schemes; (ii) preferential market access granted on a bilateral or regional basis; and (iii) the Global System of Trade Preferences (GSTP). As for non-reciprocal

schemes, for instance, China, Republic of Korea, Morocco and Turkey grant duty-free access to limited numbers of products from LDCs.¹² Other developing countries, such as India, Pakistan, Sri Lanka, South Africa, Thailand, as well as China and Republic of Korea, provide preferential access to neighbouring LDCs in a bilateral or regional context.¹³ The GSTP also provides a framework whereby developing countries provide greater market access for LDC participants. In the last (and only) Round of the GSTP negotiations that took place in 1988, 11 developing countries made specific concessions exclusively to the LDCs, which were in addition to those concessions made to other developing country participants. When evaluated in terms of market access, the results of the negotiations can be described as modest, and by now obsolete. A new Round of the GSTP negotiations, launched at UNCTAD XI in Brazil in 2004, is currently underway. The participants in the GSTP negotiations have committed to providing preferential measures in favour of LDCs.¹⁴

30. Since preferential access offered by developing countries to LDCs is limited in terms of its depth and coverage, the market access conditions facing LDC exports in these markets are determined primarily by MFN rates. One way to identify if a particular tariff structure is biased against a certain group of exporters is to calculate a weighted tariff average. Two options are available in this regard. The first uses actual imports from LDCs, and the second uses an import structure based on all LDC exports, as if a particular market is importing from all LDCs. Table 7 illustrates the results from this calculation for a number of the leading markets as identified in Table 4, as well as Brazil, Mexico and South Africa to provide a broader regional perspective. The four columns in the table are, respectively, the simple MFN average, the weighted MFN average using trade from all partners, the weighted MFN average using actual imports from LDCs and the weighted MFN average using average LDC exports to the world between 2001 and 2003.¹⁵ In Table 7, the weighted MFN average values for all the listed Members, except Singapore, are below the simple average. If the weighted average value using actual LDC imports is below the weighted average using all imports, this would indicate a tariff structure in favour of LDC exports. Table 7 shows that this is the case for all the developing countries, with the exception of India and Chinese Taipei.

Table 7: MFN tariff profile of leading developing country markets, 2003

Member	Simple average	Trade weighted average		
		All partners	LDC partners only	All LDCs
Brazil	14.6	11.2	2.0	9.9
China	15.9	14.2	6.5	19.3
Taipei, Chinese	7.8	3.7	6.3	8.8
India	31.9	24.5	27.3	20.6
Indonesia	6.9	4.3	0.6	5.2
Korea, Rep. of	12.4	8.9	5.1	9.2
Malaysia	7.3	4.2	2.0	6.6
Mexico*	17.9	15.6	15.6	20.0
Singapore	0.0	0.0	0.0	0.0
South Africa*	5.8	4.5	3.7	2.9

Note: All calculations are at the six-digit level.
 * Reference year 2000.

Source: WTO.

¹² The Republic of Korea and Morocco have notified their respective schemes under the waiver granted by the General Council (WT/L/304) to allow developing country Members to provide preferential tariff treatment to LDC products.

¹³ These include both reciprocal and non-reciprocal schemes. In reciprocal arrangements, LDCs are usually granted with deeper preference margin or greater product coverage *vis-à-vis* other participants.

¹⁴ LDC participants in the GSTP negotiations include: Bangladesh, Benin, Guinea, Mozambique, Myanmar, Sudan and Tanzania.

¹⁵ The weight was calculated at the six-digit level of the Harmonized System.

31. Table 8 presents data for the latest available year on the status of duty-free imports into developing country markets. Overall, 72.2 per cent of LDC exports enter developing country markets duty free.¹⁶ The data also show that, based on 2003 data, 93.3 per cent of China's imports from LDCs enter duty free. This figure, however, is misleading given the importance of oil in China's import basket from LDCs. If oil imports are deducted, the duty-free figure becomes 48.4 per cent. In September 2005, China announced new market access measures in favour of LDCs, granting duty-free treatment to certain products of their interest. The estimated impact of these measures is to increase the total duty-free figure from 93.3 per cent to 95.2 per cent and the non-oil figure rises from 48.4 per cent to 62.3 per cent.

32. Other markets, which allow a high percentage of duty-free LDC exports include Chinese Taipei (96.5 per cent), Malaysia (98.5 per cent), Brazil (80.9 per cent), Indonesia (87 per cent). Hong Kong, China and Singapore allow 100 per cent duty free, but that is because their average tariff is zero in any case. Among the top ten developing country destinations, India and Republic of Korea only allow a small portion of LDC exports, 3.8 per cent and 2.7 per cent, respectively, entering duty free to their markets.

C. SUMMARY

33. A broad picture of the market access scenario facing LDCs can be constructed by combining the information that was just presented on tariff measures in developing and developed country markets with the information on LDC trade that was presented in Section III. The key figures, in the context of the value of trade, are the estimates of the proportion of duty-free imports originating from LDCs to total imports from LDCs. For developed countries, this figure is 82.2 per cent (Table 6) and for developing countries the figure is 72.2 per cent (Table 8). From Section III, we know that total LDC exports in 2004 was \$61.8 billion, of which approximately 32 per cent is imported into developing country markets. Accordingly, in 2004 total developed country imports of LDC products are estimated to be \$41,423 million and developing country imports \$20,402 million. Applying the duty-free and quota-free percentages to these figures yields the following result – total dutiable exports of LDCs in 2004 are estimated to be 21.3 per cent or \$13,169 million.¹⁷ Developed countries account for 56.6 per cent of this total, or a total of \$7,456 million. Total dutiable exports to developing country markets is \$5,713 million.

¹⁶ Note that this figure is calculated across different years. It is not calculated for a single year.

¹⁷ Calculated as the sum of (\$41,423 million *0.18) and (\$20,402 million *0.28).

Table 8: Dutiable imports into selected developing country markets, latest available year

Name	Year	Dutiable	Duty Free	Duty free (per cent)	Total imports (thousands)	Share of imports by market
TOTAL Available		3,473,233	9,039,618	72.2	12,512,851	100.0
China	2003	417,682	5,850,508	93.3	6,268,190	50.1
India	2001	1,273,956	49,962	3.8	1,323,918	10.6
Korea, Rep. of	2003	876,225	24,597	2.7	900,822	7.2
Chinese Taipei	2002	30,158	841,483	96.5	871,641	7.0
Singapore	2001	12	736,851	100.0	736,863	5.9
Malaysia	2001	6,517	437,371	98.5	443,888	3.5
Brazil	2001	55,789	236,931	80.9	292,720	2.3
Hong Kong, China	2003		275,920	100.0	275,920	2.2
Indonesia	2001	34,267	229,787	87.0	264,054	2.1
Zimbabwe	2002	119,118	79,518	40.0	198,635	1.6
Pakistan	2003	140,899		0.0	140,899	1.1
Mexico	2001	80,478	37,639	31.9	118,117	0.9
Philippines	2003	90,171	12,295	12.0	102,466	0.8
Turkey	2002	34,172	63,921	65.2	98,093	0.8
Chile	2003	65,942		0.0	65,942	0.5
Mauritius	2002	15,069	35,425	70.2	50,493	0.4
Ghana	2002	45,526	1,391	3.0	46,917	0.4
Sri Lanka	2001	36,238	2,975	7.6	39,213	0.3
Uruguay	2001	2,400	34,062	93.4	36,462	0.3
Israel	2003	14,375	18,467	56.2	32,842	0.3
Colombia	2002	1,376	22,141	94.1	23,517	0.2
Jordan	2003	11,096	10,230	48.0	21,327	0.2
Senegal	2001	18,928	15	0.1	18,943	0.2
Rwanda	2002	15,493	1,958	11.2	17,452	0.1
Tanzania	2003	5,639	10,084	64.1	15,722	0.1
Togo	2002	14,531	491	3.3	15,022	0.1
Croatia	2003	12,788	1,806	12.4	14,594	0.1
Papua New Guinea	2003	1,059	12,295	92.1	13,354	0.1
Oman	2001	5,168	7,714	59.9	12,882	0.1
Argentina	2001	7,128		0.0	7,128	0.1
Peru	2003	6,302		0.0	6,302	0.1
Gabon	2001	5,645	4	0.1	5,649	0.0
Costa Rica	2003	5,628		0.0	5,628	0.0
Dominican Republic	2002	5,323	180	3.3	5,502	0.0
Mauritania	2001	4,089	1,152	22.0	5,241	0.0
Venezuela	2001	4,630	4	0.1	4,634	0.0
Bulgaria	2001	2,339	539	18.7	2,878	0.0
Ecuador	2001	2,732	61	2.2	2,792	0.0
Trinidad and Tobago	2003	709	673	48.7	1,382	0.0
Cuba	2001	1,149	15	1.3	1,164	0.0
Guatemala	2001	425	657	60.7	1,081	0.0
El Salvador	2003	873	14	1.5	887	0.0
Barbados	2003	459		0.0	459	0.0
Paraguay	2002	361		0.0	361	0.0
St. Lucia	2001	40	148	78.8	188	0.0
Nicaragua	2001	92	83	47.5	175	0.0
Macao, China	2003		158	100.0	158	0.0
Dominica	2001	71	50	41.4	122	0.0
Jamaica	2001	48	45	48.4	93	0.0
Honduras	2002	90		0.0	90	0.0
Maldives	2002	16		0.0	16	0.0
Panama	2002	14		0.0	14	0.0

Source: WTO.

V. RECENT INITIATIVES TO IMPROVE MARKET ACCESS

34. Annex Table 2 provides a non-exhaustive list of preferential market access initiatives granted by developed and developing countries to products originating from LDCs. Since the last study by the Secretariat, no new notification has been submitted by WTO Members to improve market access for products originating from LDCs. However, there are several developments in 2005 that would have an impact on the market access conditions for LDC exports. First, as already mentioned in an earlier section, China, the largest developing country destination for LDC exports, announced in September 2005 to grant duty-free treatment to certain products from 39 LDCs. Second, WTO Members at the Sixth Ministerial Conference held in Hong Kong, China in December 2005 reached a decision to provide duty-free and quota-free market access for products originating from LDCs.

35. The Decision reached in Hong Kong, as contained in Annex F of the Ministerial Declaration, states that "developed-country Members shall, and developing-country Members declaring themselves in a position to do so should: (a)(i) Provide duty-free and quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period in a manner that ensures stability, security and predictability". It further states that "(a)(ii) Members facing difficulties at this time to provide market access as set out above shall provide duty-free and quota-free market access for at least 97 per cent of products originating from LDCs, defined at the tariff line level, by 2008 or no later than the start of the implementation period. In addition, these Members shall take steps to progressively achieve compliance with the obligations set out above, taking into account the impact on other developing countries at similar levels of development, and, as appropriate, by incrementally building on the initial list of covered products".¹⁸ Furthermore, "Developing-country Members shall be permitted to phase in their commitments and shall enjoy appropriate flexibility in coverage." WTO Members also agreed to ensure that "preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access".

36. The Ministerial Decision also sets out the notification procedure for the implementation of the schemes that are adopted under this decision. Those schemes are to be notified every year to the Committee on Trade and Development, which will annually review the steps taken to provide duty-free and quota-free market access to the LDCs and report to the General Council for appropriate action.

¹⁸ The Ministerial Conference took note of the understanding that the text concerning the duty-free quota-free decision in sub-paragraph a(ii) of Annex F is a framework, and that developed Members and developing Members declaring themselves in a position to do so are urged to set out, by the end of 2006, the means by which they will implement this decision.

Annex Table 1: Availability of tariff and trade data in WTO IDB and UN Comtrade Databases

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Afghanistan*										
Angola									Z	Z
Bangladesh	X	X	XY	XZ	X	X	X	X	X	
Benin			X	X	X	X	X	Z		
Bhutan*			X	X						
Burkina Faso	X	X	X	X	X	X	X	Y		
Burundi	X	X	X	X	X	X	XY	Y	X	
Cambodia					X	X	X	X	X	
Cape Verde*		X	X	X	X	X				
Central African Republic		X	X	X	X	X	X	X		
Chad										
Comoros*	X	X	X	X	X					
D. R. of Congo										
Djibouti			Z	Z						
Equatorial Guinea*										
Eritrea*								X		
Ethiopia*		X	X	X	X	X	X	X		
Gambia	X	X	X	X	X	X	X	XY		
Guinea	XY	X	X	X	X	X	X		Z	Z
Guinea-Bissau										
Haiti	X	X								
Kiribati*	X	X	X	X						
Lao P.D.R.*										
Lesotho					X	X	X			
Liberia*										
Madagascar	XY	XY	XY	X	XY	X	XY	XY	XY	Z
Malawi	X	X	X	X	XZ	X	X	XY	X	
Maldives	X	X	X	X	X	X	XY	X	X	
Mali	XY	XY	XY	XY	X	X				
Mauritania						Y				
Mozambique	X	X			X	X	X			
Myanmar	Z	Z	Z	Z	Z	Z	Y	Y		
Nepal			X	X	X		Z	XY		
Niger	X	X	X	X	X	X	XY	X		
Rwanda	X	X	X	X	XZ	X	Y	Y		
Samoa*						X	X	X	X	
São Tomé & Príncipe*										
Senegal							Y			
Sierra Leone									Z	
Solomon Islands			Z							
Somalia*										
Sudan*										
Timor Leste*										
Togo	XY	XY	XY	XY	XY	XY	XY	X	XY	
Tuvalu*		X	X	X						
Uganda	X	X	X	X	X	XY	X	X	X	
U.A.R. Tanzania	X	X	X	X	X	X	X	X	X	
Vanuatu*					X					
Yemen*									X	
Zambia		XY	X	X	X	XY	XY			

X – trade data is available in UN Comtrade database; Y – tariff and trade data available in WTO IDB Database;
 Z - tariff data are available in WTO IDB but no imports; * - not a WTO Member.

Annex Table 2: Measures in favour of exports originating from LDCs¹⁹

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
Algeria	Global System of Trade Preferences (GSTP); ²⁰ Entry into force: 14 April 1989	LDC Participants of GSTP (Bangladesh, Benin, Guinea, Haiti, Mozambique, Sudan and Tanzania)	In addition to 8 tariff concessions available for all GSTP participants, 3 concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Argentina	GSTP Entry into force: 19 April 1989	LDC Participants of GSTP	In addition to 4 tariff concessions available for all GSTP participants, one concession is exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Australia	Duty- and quota-free entry Entry into force: 1 July 2003	LDCs	All products	WT/COMTD/N/18 (21 January 2004)
Bangladesh	GSTP Entry into force: 19 April 1989	LDC Participants of GSTP	In addition to 6 tariff concessions available for all GSTP participants, one concession is exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Belarus	GSP	LDCs	50% reduction from the MFN rate is granted to all GSP beneficiaries, and duties are exempted for goods originating from LDCs.	
Bulgaria	GSP	LDCs	Concessions of 70% of the MFN rate are granted on 917 tariff (HS 8 digit) for all GSP beneficiaries, duties are exempted for LDCs	WT/TPR/S/121 WT/GC/M/55 WT/LDC/HL/M/1 (1997)
Cameroon	GSTP Entry into force: 19 April 1989	LDC Participants of GSTP	In addition to one binding concession available to all GSTP participants, 2 binding concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Canada	GSP – preferential scheme for LDCs; duty-free and quota-free access Entry into force: January 2003	LDCs	All products except dairy, poultry and egg products	WT/COMTD/N/15/Add.2 (11 May 2004)
China	Bangkok Agreement ²¹ Entry into force of the accession to the agreement: 1 January 2002	Bangladesh	In addition to 739 tariff concessions (HS 6-digit) available to all Bangkok Agreement members, 18 tariff concessions are exclusively granted to LDC members	WT/COMTD/N/19 (29 July 2004)
	Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China	Cambodia	324 lines (HS 8-digit)	

¹⁹ This table updates the information contained in the previous report by the Secretariat, as contained in document WT/COMTD/LDC/W/35.

²⁰ Participants to the GSTP include: Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guyana, India, Indonesia, Iran, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Vietnam. Yugoslavia and Zimbabwe.

²¹ Members of the Bangkok Agreement are: Bangladesh, China, India, Lao PDR, Republic of Korea and Sri Lanka.

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
		Lao PDR	234 lines (HS 8-digit)	
		Myanmar	129 lines (HS 8-digit)	
	Duty-free for LDCs, announced by President Hu Jintao at the Meeting on Finance for Development of the UN Summit, 14 September 2005	39 LDCs ²²	190 tariff (HS 8-digit) which cover most of LDCs exports to China	
Korea, Dem. People's Rep. of	GSTP Entry into force: 19 April 1989	LDC Participants of GSTP	In addition to 7 tariff concessions available for all GSTP participants, 9 concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
European Communities	Everything but Arms (EBA) initiative - duty and quota-free market access Entry into force: 5 March, 2001	LDCs	All products except bananas, sugar and rice which are subject to transition periods between 2006 and 2009	WT/COMTD/N/4/Add.2 (5 October 2001) WT/TPR/S/128
	Cotonou Agreement Entry into force: 1 April 2003	79 African, Caribbean and Pacific (ACP) countries, 40 of which are LDCs	Duty-free treatment is granted on industrial, processed agricultural, and fishery products, subject to a safeguard clause. For certain products (bananas, beef and veal, and sugar), special market access is governed by commodity protocols	WT/TPR/S/136
Egypt	GSTP Entry into force: 19 April 1989	LDC Participants of GSTP	In addition to 20 tariff concessions available for all GSTP participants, 4 concessions are exclusively granted to LDC participants	WT/COMTD/W/47 & Add.1 (1998/1999)
Iceland	GSP – duty- and quota-free market access 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.Corr.1 (20 January 2004)
India	Bangkok Agreement Entry into force: 16 June 1976	Bangladesh Lao PDR	In addition to 188 tariff concessions (HS 6-digit; 0-35% lower than the base rate) available to all Bangkok Agreement members, 33 tariff concessions (0-35% lower than the standard rate) are exclusively offered to LDC members	L/4418 and Corr.1 (2 November 1976) WT/TPR/S/100

²² This number includes 25 African LDCs which received duty-free access to China since January 2005, and additional 14 LDCs which are newly added to the list of beneficiaries. The African LDCs are: Benin, Burundi, Cape Verde, Central African Republic, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Guinea, Guinea Bissau, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone, Sudan, Tanzania, Togo, Uganda and Zambia. The newly added beneficiary LDCs are: Afghanistan, Angola, Bangladesh, Bhutan, Cambodia, Lao PDR, Maldives, Myanmar, Nepal, Samoa, Somalia, Timor-Leste, Vanuatu and Yemen.

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
	South Asian Preferential Trade Agreement (SAPTA) ²³ Entry into force: 7 December 1995	Bangladesh Bhutan Maldives Nepal	In addition to 475 tariff concessions (HS 6-digit; generally 10% lower than the standard rate) available to all SAPTA members, 2210 concessions (generally, 50% lower than the standard rate) are exclusively granted to LDC members	WT/COMTD/10 (22 September 1993) WT/TPR/S/100
	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	Special tariff concessions of 50% apply to specific tariff lines HS 4104.21, 4104.22 and 4104.29, in addition to tariff concessions of 10-50% on 53 tariff lines offered to other GSTP participants.	L/6564 and Add.1 (25 September 1989) WT/TPR/S/100
	Bilateral agreement	Myanmar	Standard duty of 5% for rice, pulses and beans, Chana, mustard and rapeseed, ground nuts, fresh vegetables and fruit, garlic and onions, reed brooms, sesame seeds, betel nuts, turmeric, dried ginger, coriander, fried chillies, poppy seeds, and wood in the rough.	WT/LDC/HL/M/1 WT/TPR/S/100
	Bilateral agreement	Nepal	In addition to duty exemption on mutually agreed primary products on a reciprocal basis, duty-free entry is granted to most of Nepal's industrial products on a non-reciprocal basis.	WT/LDC/HL/M/1 WT/TPR/S/100 WT/ACC/NPL/16
Iran	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	In addition to 8 tariff concessions available to all GSTP participants, 4 tariff concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Japan	GSP – duty- and quota-free market access Entry into force: 1 April 2003	LDCs	All products with some exceptions in agricultural products (HS chapters from 01-04 and 07-24) and non-agricultural products (HS chapters: 03, 16, 25, 27, 29, 35, 42, 43, 44, 50, 64, 72, 75, 76, 90 and 91), accounting for 90% LDC products entering Japan	WT/COMTD/N/2/Add.12 (12 May 2003)
Kazakhstan	GSP	LDCs	While goods originating in developing countries are subject to a duty rate which is 50% of the tariff rate, goods produced in and imported from LDCs are free of duty.	
Korea, Rep. of	Presidential Decree on Preferential Tariff 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 (28 April 2000) WT/TPR/S/137

²³ Members of SAPTA are: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
	Bangkok Agreement Entry into force: 16 June 1976	Bangladesh	In addition to concessions on 223 tariff items (HS 6-digit) at 62%-78% of the MFN rate available to all Bangkok Agreement members, special concessions on 19 items at 50-80% of the MFN duty are granted to LDC participant.	L/4418 and Corr.1 [2 November 1976] WT/TPR/S/137
		Lao PDR	In addition to concessions on 223 tariff items (6-digit) at 62%-78% of the MFN rate available to all Bangkok Agreement members, special concessions are granted exclusively to LDCs on 8 items at 66-69% of the MFN rate.	L/4418 and Corr.1 [2 November 1976] WT/TPR/S/137
	GSTP Entry into force: 19 April 1989	LDC participants of the GSTP	In addition to 22 tariff concessions available to all GSTP participants, 4 concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Mauritius	Market access for LDCs Entry into force: 11 September 1998	LDCs	5 tariff lines at the HS 6-digit level, comprising certain crustaceans; guavas, mangoes, mangosteens; axes and billhooks; handsaws and files.	WT/COMTD/W/53 (3 December 1998)
Moldova	GSP – duty free	LDCs	All products	WT/ACC/MOL/37
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 (9 May 2001)
	GSTP Entry into force: 19 April 1989	LDC participants of the GSTP	In addition to 12 tariff concessions available to all GSTP participants, 6 concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
New Zealand	Duty- and quota-free market access Entry into force: 1 July 2001	LDCs	All products	WT/COMTD/27 (20 November 2000) WT/TPR/S/115
Norway	GSP – Duty- and quota-free market access Entry into force: 1 July 2002	LDCs	All products, except flour, grains, and feeding stuffs which are subject to a special safeguard mechanism.	WT/TPR/S/138 WT/COMTD/N6/Add.2 (18 January 2001)
Pakistan	Unilateral duty exemptions in excess of 25% <i>ad valorem</i> tariff rates	Afghanistan Nepal	17 product categories, including all manufactured articles, manufactured tobacco, silk, motor vehicles and parts thereof, tea, apples, etc., which are imported by land only.	WT/TPR/S/95
	SAPTA Entry into force: 7 December 1995	Bangladesh Bhutan Maldives Nepal	In addition to 287 tariff concessions (HS 6-digit; generally 10% lower than the standard rate) available to all SAPTA members, 408 concessions (15-30% lower than the standard date) are exclusively granted to LDC members	WT/COMTD/10 (22 September 1992) WT/TPR/S/95

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	In addition to 6 tariff concessions available to all GSTP participants, one concession is exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Romania	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	In addition to 88 tariff concessions available to all GSTP participants, 22 concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Singapore	Duty-free	LDCs	In addition to the almost duty-free regime accorded on an MFN basis, 107 items (HS 6 digit) of export interest to LDCs enter duty-free	WT/LDC/HL/M/1
South Africa	Bilateral agreement Entry into force: 1990	Malawi	Duty free for all products, but subject to preferential quotas for some products (e.g. tea)	WT/TPR/S/114
	Bilateral agreement	Mozambique	Duty-free for fish, shrimp, prawns, rock lobsters, cashew nuts, citrus fruit, coconut oil, wooden furniture, cigarettes, tyres and tubes, clothing, textiles, and cotton-seed oilcake, but subject to annual quota	WT/TPR/S/114
Sri Lanka	SAPTA Entry into force: 7 December 1995	Bangladesh Bhutan Maldives Nepal	In addition to 152 tariff concessions (HS 6-digit; generally 10% lower than the standard rate) available to all SAPTA members, 105 concessions (10-50% lower than the standard rate) are exclusively granted to LDC members	WT/COMTD/10 (22 September 1992) WT/TPR/S/128
	Bangkok Agreement Entry into force: 16 June 1976	Bangladesh Lao PDR	In addition to concessional entry to 288 items (HS 6 and 8 digit levels) available to all Bangkok Agreement members, concessions are granted to Bangladesh on 30 tariff lines, and to the Lao PDR on seed lac and stick lac (HS 1301.10.01) and cotton lintens (HS 1404.20)	L/4418 and Corr.1 (2 November 1976) WT/TPR/S/128
Switzerland	Duty free for all industrial products and reduction of duties on agricultural products Entry into force: 1 March 1997	LDCs	Agricultural products enter at 55-100% reduction on normal rate, and non-agricultural products enter duty-free with the exception of HS chapters 35 and 38	WT/COMTD/N/7/Add.2 (16 July 2004)

Preference granting country	Description	Beneficiary(ies)	Coverage/margin of preference	Reference (latest notification in bold)
Sudan	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	In addition to 29 binding concessions available to all GSTP participants, two concessions are exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Tajikistan	GSP	LDCs	All products	
Thailand	Bilateral agreement Entry into force: 20 June 1991	Lao PDR	Preferential tariffs are granted on specific goods which are decided by Thailand	L/6949 (29 November 1991)
Tunisia	GSTP Entry into force: 19 April 1989	LDC participants of GSTP	In addition to 7 tariff concessions available to all GSTP participants, one concession is exclusively granted to LDC participants	L/6564 and Add.1 (25 September 1989)
Turkey	GSP Entry into force: 1 January 2002	All LDCs	In addition to duty-free entry on 2,174 items (HS-12 digit), including mainly raw materials and semi-finished products, granted to all GSP beneficiaries, LDCs are granted with duty-free on 710 items where preferences of 3.5% reduction from the MFN rate is granted to others.	WT/TPR/S/125
Russia	GSP – duty free	All LDCs	All goods	
United States	GSP – duty-free market access Entry into force: 30 May 1997	Designated LDCs: 41 LDCs ²⁴ in 2005	In addition the standard approximately 4,650 duty-free tariff items available for all GSP beneficiaries, additional approximately 1,770 tariff items are available for LDC beneficiaries	WT/COMTD/N/1/Add.2 (8 December 1998) WT/TPR/S/126
	African Growth and Opportunities Act (AGOA) Entry into force: December 2000	To be determined by the President every year based on the eligibility criteria; in 2005, there are 37 Sub-Saharan African Countries (including 25 LDCs ²⁵) beneficiaries	In addition to the standard GSP benefits described above, 1,835 tariff items, including textiles and apparel, are duty free	WT/COMTD/N/1/Add.3 (1 March 2001) WT/TPR/S/126
	U.S.-Caribbean Basin Trade Partnership Act (CBTPA) Entry into force: 1 October 2000	24 designated beneficiaries (including one LDC, i.e. Haiti) in Central America and the Caribbean	Duty free for most products, including textiles and apparels.	WT/TPR/S/126

²⁴ Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, São Tomé and Príncipe, Sierra Leone, Somalia, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen and Zambia.

²⁵ Angola, Benin, Burkina Faso, Cape Verde, Chad, Democratic Republic of Congo, Djibouti, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda and Zambia.