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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. In the Doha Ministerial Declaration, Ministers committed themselves to consider additional measures to progressively improve market access for Least-Developed Countries (LDCs) and to the objective of duty-free and quota-free access for products originating in LDCs.² Paragraph 7 of the WTO Work Programme for LDCs³ listed elements for review and further examination. This document, prepared by the Secretariat, responds to the request for a report on the work mandated in that programme.

II. METHODOLOGY

2. Exports of developing and LDCs face a number of tariff and non-tariff barriers in their export markets. Difficulties in penetrating foreign markets are also amplified by the limited production and export capacities and capabilities in many LDCs. Given the breadth of issues that condition market access opportunities for LDC exporters there is a need to clarify the scope of this study and the associated methodology.⁴ The need for transparency is also important due to the limited data availability both in terms of notified data to the WTO and the lack of reliability of some of the available data.

3. In order to address the issue of lack of data on LDC trade and market access a number of assumptions have been made. Of particular note on the trade side is the lack of export data, hence the export values for many LDCs is estimated using import data. On the tariff side the key issue is that a number of major markets do not supply their preferential data to the WTO, hence the degree of market access is estimated using data from other sources. Furthermore, lack of *ad valorem* equivalents for many countries that make use of non *ad valorem* lines has made cross market comparisons of market access very difficult. As foreshadowed in the meeting of 24 May of the Sub-Committee on Least-Developed Countries external data sources were consulted to fill in the gaps where data from the WTO Integrated Database (IDB) was not available.⁵

4. The specific approach taken in this study to address the lack of data on protection is similar to the one taken in the Secretariat study entitled "The Generalized System of Preferences: A preliminary analysis of the GSP Schemes of the Quad" (WT/COMTD/W/93). As noted in that study data in the WTO Integrated Data Base was supplemented with data from the UNCTAD Trade Information and Analysis Database (TRAINS).⁶ The study highlighted the difficulties in making generalizations when different data sources are utilized. A similar note of caution applies to the statistical analysis in this study. In addition a note of appreciation to UNCTAD, especially its Trade Analysis Branch, is also in order for its assistance in providing and verifying data.⁷

5. In order to take into account the paucity of data on the utilization of preferences and the role of non-tariff barriers, an attempt was made to complement data from the WTO and UNCTAD by approaching directly the Export Promotion Offices of LDCs. Forty-three such offices were identified and contacted.⁸ Only two responses were received – Cambodia and Niger.

² Paragraph 42 of the Doha Ministerial Declaration, WTO (WT/MIN(01)/DEC/1).

³ WT/COMTD/LDC/11.

⁴ For example, the study does not cover market access for the services exports of LDCs.

⁵ WT/COMTD/LDC/M/28, paragraphs 65-78.

⁶ A summary of data availability is contained in TN/MA/S/2.

⁷ A comparison of the data availability in the WTO IDB database and other databases is contained in TN/MA/S/2.

⁸ These countries were identified in conjunction with the International Trade Centre.

6. The study is divided into five main parts. The first part (section III) is a discussion of the overall trends of LDC trade. This discussion is at a general level and is intended to provide an overall perspective of their participation in merchandise trade and trade in services. Section IV examines the export profile of LDCs. It is broken down into two sections: an examination of major markets followed by an examination of products of interest to LDCs. Sections V and VI taken together are an examination of the impediments to exports faced by LDC exports. Section V covers traditional tariff measures of a non-reciprocal nature, whereas section VI examines non-tariff measures. Section VII lists the initiatives to improve market access conditions for LDC exporters that have been undertaken over the past few years. Concluding comments are contained in section VIII.

III. PARTICIPATION OF LDCs IN WORLD TRADE

7. An analysis of the participation of LDCs in world trade was presented as document WT/COMTD/W/26. Therefore, this section briefly summarizes some of the main findings of that study in order to provide a context for the more detailed analysis in the following sections.

- Merchandise and commercial services trade of the LDCs have grown at a similar pace as world trade between 1990 and 2000 (between 5 and 6% annually). Consequently, the LDCs share in world exports of merchandise (and services) trade remained static at 0.5 per cent (0.4%).
- LDC merchandise imports amounted to US\$41 billion and continued to exceed that of merchandise exports which reached US \$35 billion in 2001.
- The share of fuels and manufactured goods expanded sharply at the expense of agricultural goods and other non-fuel commodities.
- The relative importance of different destinations of LDC exports shifted markedly from Western Europe to Asia⁹ and North America over the last decade.
- Western Europe, which accounted for more than one half of LDC exports in 1990, has seen its share decreasing markedly to less than 40 per cent by the end of the decade. In 2000, the Asian region imported more from the LDCs than North America (US\$10.3 and \$9.4 billion respectively).
- Commercial services exports of the LDCs amounted to about US\$6 billion while imports reached US\$14 billion in 2000. The share of services in total exports of goods and services of LDCs is estimated to be in the order of 14 per cent and thereby much smaller than for the global average.

More detailed data on LDC participation is contained in annex tables 1-4.

IV. EXPORT PROFILE

A. MAJOR MARKETS

8. The distribution of markets for LDC products is still heavily concentrated in 2000. Sixty-three per cent of all exports go the European Union (EU) and the United States (Figure 1). In addition to the EU and US, the major developed country markets are Australia, Canada, Japan, Norway and Switzerland. Together all the developed countries import 69 per cent of total LDC exports. Of

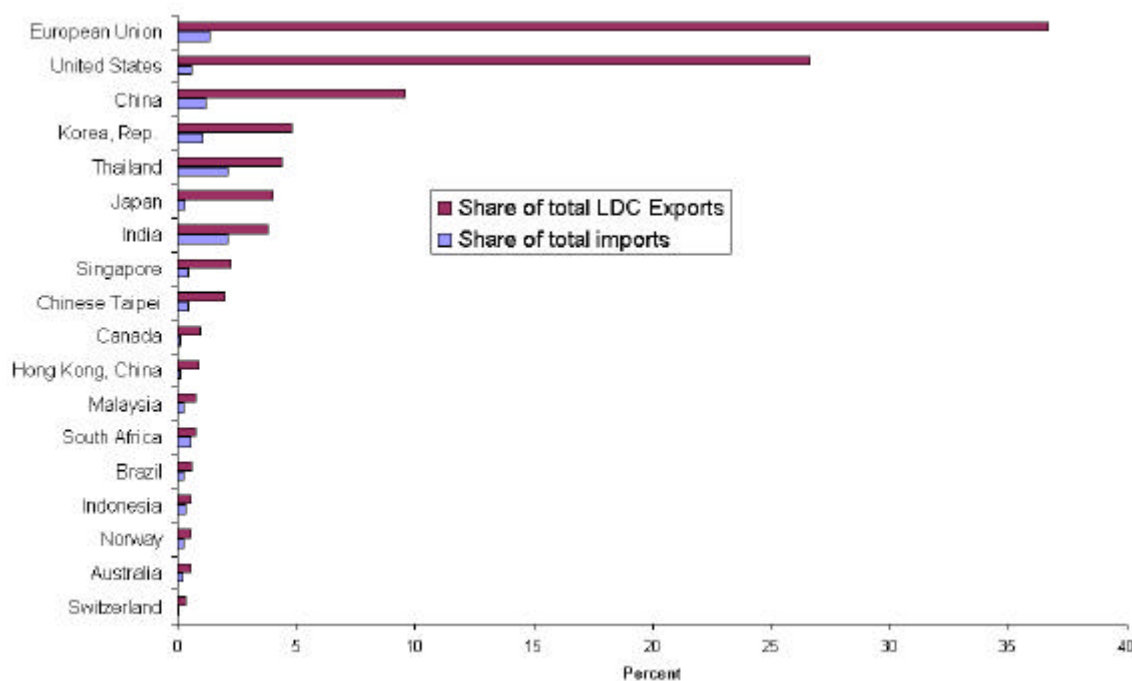
⁹ Asia comprises here 10 economies (Australia, China, Japan, New Zealand and the six Asian NICs).

particular note is that three of the top five markets are developing countries in East Asia: China, Republic of Korea and Thailand. These countries account for 20 per cent of total LDC exports. The remaining top 10 markets are: Japan, India, Singapore, Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) and Canada. The market penetration of LDC exports is greatest in India and Thailand at 2.1 per cent, followed by the European Union at 1.4 per cent (figure 1).

9. Intra-LDC trade is minimal. Seventeen LDCs have been identified as markets for LDC exports. These markets, however, account for less than 1 per cent of total LDC exports. Mali is the largest market and is ranked as 29th overall.

10. Both African and Asian LDCs rely heavily on the EU and the United States. These two major markets account for 60 per cent of total African LDC exports. The value of the similar figure for Asian LDCs is 87 per cent. Another interesting feature is the role of the Republic of Korea. It is ranked 4th overall as a market, but is only ranked 14th overall as a market for Asian LDCs. One factor explaining these figures is Yemen's reliance on South East Asia. More than 78 per cent of its exports are destined for Thailand, China and Korea. Not surprisingly South Pacific LDCs, which account for 0.2 per cent of total LDC exports, rely heavily on East and South East Asia as well as Australia and New Zealand.

Figure 1: Destination of LDC Exports by Market, 2000



Source: WTO.

11. There is also a marked difference in the importance of markets based on the type of product (figure 2). Western Europe and North America account for 88 per cent of total LDC exports of manufactures. Whereas for agricultural products these two regions account for only 46 per cent of total agricultural exports. The principal difference is Asia, which accounts for 38 per cent of agricultural exports and only 8 per cent of manufacturing exports.

Table 1: Characteristics of LDC exports¹⁰

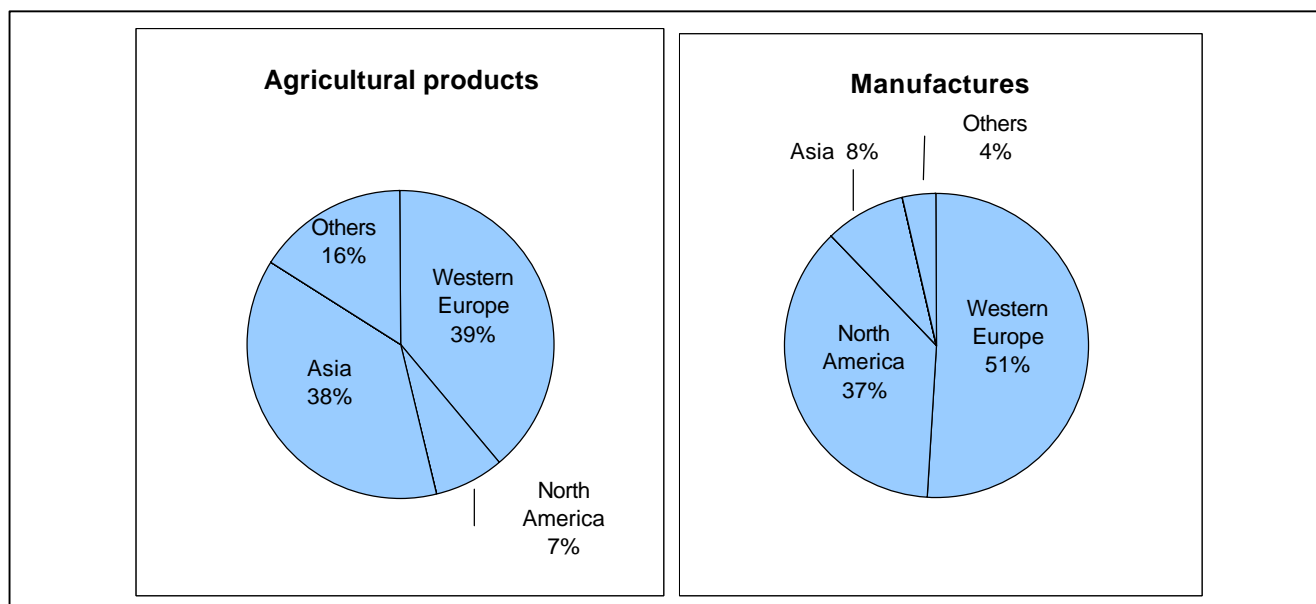
Country	Concentration Index at HS-4 level ^a	Concentration Index at HS-6 level ^b	Share of Agriculture in Total Exports ^c	Market Diversification ^d	Principal exports
Afghanistan	67.6	67.6	78.5	4	Animal-hair, fur skins, grapes
Angola	98.7	97.8	0.0	3	Petroleum oils, diamonds, crustaceans
Bangladesh	32.6	24.1	0.8	2	Apparel, crustaceans, leather
Benin	67.3	67.0	74.2	5	Cotton, leather, misc. chemicals
Bhutan	55.3	55.3	8.4	3	Turbo-jets, wheat, coal, coffee
Burkina Faso	68.2	66.2	67.5	5	Cotton, oilseeds, sugar
Burundi	90.8	90.6	90.5	3	Coffee, ores
Cambodia	52.6	35.2	0.4	2	Apparel, wood, footwear
Cape Verde	49.8	47.9	0.9	2	Footwear, apparel, mineral fuels
Central African Rep.	87.3	86.1	9.1	1	Diamonds, wood, cotton, coffee
Comoros	80.9	80.9	79.1	3	Coffee, essential oils, ores
Dem. Rep. of Congo	86.2	88.4	3.5	2	Diamonds, mineral fuels, ores, coffee
Djibouti	31.6	31.4	16.1	3	Peals, oilseeds, live animals
Equatorial Guinea	93.3	92.7	0.4	2	Mineral fuels, wood, fish
Eritrea	34.1	31.7	18.6	2	Precious metal, fish leather
Ethiopia	76.1	72.3	84.0	4	Coffee, oilseeds, leather
Gambia	61.9	61.7	16.7	3	Diamonds, electronic equipment, fish
Guinea	83.4	81.6	4.8	2	Ores, diamonds, petroleum oils
Guinea-Bissau	93.3	91.2	49.5	1	Petroleum oils, fish, wood
Haiti	49.7	48.0	10.3	1	Apparel, coffee, edible fruits
Kiribati	92.2	86.5	0.0	2	Fish, electronic equipment
Lao PDR	40.0	26.0	12.3	3	Wood, apparel, coffee
Lesotho	67.4	64.3	0.3	1	Apparel, precious stones
Liberia	83.5	67.1	0.8	3	Ships, wood, diamonds
Madagascar	40.7	35.2	32.9	4	Apparel, fish, coffee
Malawi	82.8	76.7	89.0	7	Tobacco, tea, coffee, sugar
Maldives	57.0	51.3	0.4	4	Apparel, seafood, fish
Mali	80.3	78.2	80.6	8	Cotton, electronic equipment
Mauritania	89.1	67.2	0.3	3	Ores, fish
Mozambique	49.2	48.8	32.3	4	Crustaceans, aluminum, cotton
Myanmar	35.1	23.5	10.8	6	Apparel, wood, crustaceans
Nepal	54.6	46.6	12.9	3	carpets, apparel
Niger	94.0	93.4	5.1	2	Petroleum oils, inorganic chemicals
Rwanda	85.3	85.3	66.5	5	Coffee, ores
Samoa	83.4	79.2	9.4	2	Electrical equipment, fish
Sao Tome & Principe	70.8	44.6	20.8	4	Fish, cocoa, machine tools
Senegal	41.0	39.9	26.8	4	Vegetable oil, fish, residues
Sierra Leone	70.1	60.8	5.5	1	Motor vehicles, furniture
Solomon Islands	77.2	70.0	8.5	5	Wood, seafood, fish
Somalia	79.6	73.7	86.7	2	Live animals, wood
Sudan	86.4	86.4	21.7	4	Petroleum oils, oilseeds, live animals
Tanzania	48.5	39.9	46.2	6	Fish, coffee, tobacco
Togo	69.0	60.8	43.4	7	Natural phosphates, cotton, coffee
Uganda	76.0	69.3	73.9	4	Coffee, fish, tobacco
Vanuatu	68.8	61.3	12.5	4	Ships, fish, copra
Yemen	95.6	92.8	1.7	5	Petroleum oils, fish
Zambia	64.5	64.3	11.9	6	Copper, base metals, cotton

Source: UN Comtrade

- Share of top 3 exports in terms of value in total exports based on HS 4 digit classification.
- Share of top 3 exports in terms of value in total exports based on HS 6 digit classification
- Using the WTO Agreement on Agriculture definition of agriculture.
- Defined as the number of different countries to which an LDC exports 90 per cent of its products.

¹⁰ Data for Chad and Tuvalu not available in the reporting year 2000.

Figure 2: Destination of LDC Products by Type of Product, 2000



Source: WTO

B. MAJOR PRODUCTS

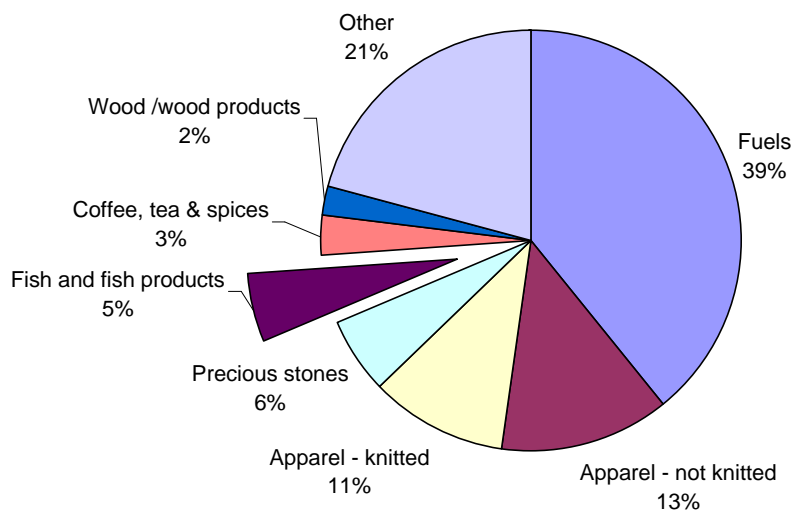
12. There are two elements to the export structure of LDCs. First, is its composition and second is its concentration. The composition varies considerably across LDCs. Some, such as Burundi at 90 per cent, have a very high share of agricultural products in total exports. Whereas, other LDCs such as Angola and Bangladesh have values of the same index equal to less than 1 per cent (table 1). The median value is 13 per cent, which is broadly consistent with the overall share of agricultural products in total exports.¹¹

13. The aggregate LDC export profile, based on a frequency count, is reasonably diversified, although the degree of concentration based on value is quite high. LDCs have non-zero values of exports in approximately 3,400 HS 6 lines. However, 80 per cent of their exports are in just 276 lines and 90 per cent in 527 lines.¹²

14. Nineteen LDCs have concentration ratios at the 4 digit level of the Harmonized System that are above 80 per cent (table 1). This list includes only two South Pacific LDCs (Kiribati and Samoa). The rest are from Africa. Only six LDCs (Bangladesh, Burundi, Central African Republic, Comoros, Djibouti, Lao PDR, Madagascar, Myanmar and Senegal) have concentration values below 50 per cent.

¹¹ It may be noted that several LDCs export primary or mineral based products, that are not covered in the definition of "Agricultural Products" under the WTO Agreement of Agriculture.

¹² Calculated using COMTRADE data.

Figure 3: Distribution of LDC Exports at the HS 2 Digit Level

Source: WTO.

V. TARIFF MEASURES

15. There are four different tariff measures: most favoured nation bound rates, most favoured nation applied rates, reciprocal preferential rates and non-reciprocal preferential rates.¹³ This study will focus mainly on the last type, namely non-reciprocal preferential rates that are granted to products originating from LDCs. This, however, does not discount the significant market access afforded to LDCs through either low or zero rates applied on a most favoured nation basis, nor the use of sub-regional integration schemes.¹⁴ The first sub-section examines the basic structure of preferential tariffs, while the second and third examines specific issues of tariff peaks and escalation.

16. Due to the use of non *ad valorem* tariffs by some members it should be noted that at times average values could be misleading. For example, if *ad valorem* equivalents are not in the database, which is the case for some countries, then non *ad valorem* tariffs cannot be included in the calculation of averages. However, if *ad valorem* equivalents are included in the database, then they have been included in the analysis.

17. In order to obtain an overall perspective of market access issues for LDCs table 2 shows that the overall share of duty-free imports (excluding arms) into developed countries originating from developing countries in 2000 was 61 per cent. The same number for LDCs was slightly higher at 72 per cent. These represent significant increases from their 1996 values, which were 47 per cent and 63 per cent. However, in order to highlight the importance of oil exports, figures excluding oil from

¹³ It is also important to note that Singapore and Hong Kong, China have implemented non-discriminatory duty-free and quota-free policies.

¹⁴ For example through the Generalized System of Trade Preferences (GSTP).

the overall calculation are also reported. This adjustment changes the overall picture slightly and the trend significantly. The percentage for developing countries rises to 65 per cent and for LDCs it falls to 66 per cent. The trend for LDCs, however, is completely reversed. This time it is negative, falling to 66 per cent in 2000 from 77 per cent in 1996.

Table 2: Duty-Free Imports into Developed Countries from Developing Countries and LDCs, 1996-2000 (in percent)

	1996	1997	1998	1999	2000
Excluding arms					
Developing countries	47	48	43	54	61
LDCs	63	81	77	76	72
Excluding arms and oil					
Developing countries	49	49	44	56	65
LDCs	77	77	73	71	66

Source: Indicators developed by international agencies for monitoring implementation of the Millennium Development Goals.

18. It should be noted that these numbers are indicative and do not take into account the whole range of non-tariff measures that may have an affect on market access. They also do not include the fact that it is possible for imports to enter at a most favoured nation duty rate, even if it is eligible for preferential duties. Despite these reservations the table provides an overall market access picture of LDCs into developed countries.

A. STRUCTURE OF PREFERENCES

19. The structure of tariff barriers facing LDC exports is a function of their preferential market access. In the absence of such preferences, the pattern of protection they face will be identical to that faced by all other exporters. Many countries provide enhanced market access opportunities for LDCs by complementing their low MFN rates with non-reciprocal preference and reciprocal preference schemes.¹⁵ The result of such policies is a set of unique tariff barriers facing LDC exporters.

20. Two data sources were used in developing the profile of tariff barriers affecting LDC exports. The first was the WTO IDB (Table 3) and the second was the UNCTAD TRAINs database (Table 4). The methodology used in the calculation of simple averages differs in the two tables. In the case of IDB the tariff indicators for all markets are based on the same subset of 1302 HS 6-digit subheadings, covering 99% of LDC's exports to the selected markets in 2000. In the case of TRAINs actual imports from LDCs were used to determine the tariff lines to include in the tariff averages. In view of the different methodologies used, the two tables, although similar are not strictly comparable. For example, differences in averages and maxima for the same Member and tariff year can be explained by the fact that the product coverage is not the same in both tables.

¹⁵ There are other approaches such as embedding non-reciprocal access within a reciprocal agreement. This is the approach that India has taken through the South Asian Association for Regional Cooperation (SAARC) to offer preferential access to LDC members of SAARC. A fuller discussion of market access initiatives for LDCs is included in Section VII.

21. The IDB database only had data on preferences for 6 out of the 18 markets (table 3). Of particular note is the absence of data from the largest market for LDC exports, the European Union. The margin of preference granted to LDCs, based on IDB data and on a simple average basis is as high as 3.5 per cent for Japan and as low as 0.7 per cent for Korea. Although it should be pointed out that Japan's MFN average tariff rate is 4.4 per cent compared to 13 percent for Korea. The United States, which is the second largest market for LDC exports has a preference margin of 1.8 per cent. The margins granted by Australia and Canada are 2.6 per cent and 2.2 per cent respectively.

Table 3: MFN and Preferential Duties, Selected Markets Based on IDB Data

MARKET	Total imports	Imports from LDCs	Rank in LDC imports	LDCs import Mkt Share	Share in total imp. from LDCs	MFN Applied duty			GSP RATE			LDC RATE			Reference years trade / tariff
	in million US \$			in per cent	in per cent	Simple average	Max	Non ad val. duties in per cent	Simple average	Max	Non ad val. duties in per cent	Simple average	Max	Non ad val. duties in per cent	
	Australia	80,139	150	17	0.2	0.5	6.3	25.0	0.0	6.1	25.0	0.0	3.7	20.0		0.0	99 / 01
Brazil	69,088	172	14	0.2	0.6	15.5	35.0	0.0							99-00 / 01
Canada	248,945	259	10	0.1	0.9	5.8	25.0	0.9	4.8	25.0	0.8	3.6	20.0	0.2	99-00 / 01
China	223,547	2,702	3	1.2	9.6	17.7	114.0	0.4							99-00 / 01
Chinese Taipei	125,276	565	9	0.5	2.0	9.1	50.0	0.5							99 / 01
EU	762,007	10,325	1	1.4	36.7	5.9	33.8	2.4							99-00 / 01
Hong Kong, China	215,629	252	11	0.1	0.9	0.0	0.0	0.0							99-00 / 01
India	50,715	1,063	7	2.1	3.8	32.4	210.0	0.0							99-00 / 00
Indonesia	41,680	155	15	0.4	0.6	10.7	200.0	0.0							97 / 98
Japan	389,511	1,131	6	0.3	4.0	4.4	38.5	0.7	1.4	38.5	0.5	0.9	38.5	0.5	99-00 / 01
Korea, Rep. of	132,380	1,358	4	1.0	4.8	13.0	827.0	0.6	13.0	827.0	0.6	12.3	827.0	0.6	99 / 01
Malaysia	77,951	207	12	0.3	0.7	8.7	136.9	1.2							97 / 99
Norway	55,781	152	16	0.3	0.5	3.8	145.5	4.4							99-01 / 01
Singapore	134,683	624	8	0.5	2.2	0.0	0.0	0.1							99-01 / 01
South Africa	35,948	203	13	0.6	0.7	7.6	45.0	24.7							99-00 / 01
Switzerland	143,044	102	18	0.1	0.4	na	na	70.6	na	na	27.7	0.0	0.0	1.3	99-00 / 01
Thailand	59,077	1,229	5	2.1	4.4	22.7	80.0	23.1							99-00 / 99
USA	1,256,031	7,491	2	0.6	26.6	4.9	350.0	6.4	3.2	87.5	1.6	3.1	87.5	1.6	99-00 / 01
Total of above markets	4,101,431	28,141		0.7	100.0										

Source: WTO IDB

NOTES: Only *ad valorem* rates were used. If the percentage of non-*ad valorem* duties is higher than 25 per cent no averages and maxima are shown because indicators based only on *ad valorem* duties could be seriously biased (na: not applicable). Tariff indicators for all markets are based on the same subset of 1302 HS 6-digit subheadings, covering 99% of LDC's exports to selected markets in 2000. Averages are based on pre-aggregation at HS 6-digit level using the same methodology employed in "WTO Member's Tariff Profiles" (TN/MA/S/4). The percentage of non-*ad valorem* duties was calculated as the share of HS 6-digit subheadings having non-*ad valorem* duties. In all markets there are at least one or several duty-free tariff lines, i.e. the minimum is duty-free (0 per cent) for all markets.

Table 4: MFN and Preferential Rates for Selected Markets Based on UNCTAD Data

COUNTRY	Year	MFN Applied Rates				LDC Applied Rate			
		Simple Average	Weighted Average	Min.	Max.	Simple Average	Weighted Average	Min.	Max.
Australia	2001	7.8	8.3	0	25	6.7	5.8	0	25
Brazil	2001	13.8	5.2	0	28	13.4	5.2	0	28
Canada	2001	5.7	11.9	0	22.5	3.8	11.4	0	22.5
China	2001	17.4	9.4	0	114	15.3	9.4	0	114
Chinese Taipei	2001	8.5	6.3	0	50	8.3	6.3	0	50
EU	2001	5.9	5.3	0	74.9	0.3	0.2	0	25
Hong Kong, China	1998	0.0	0.0	0	0	0.0	0.0	0	0
India	2001	32.9	22.8	0	210	26.0	18.9	0	210
Indonesia	2000	8.7	2.7	0	170	8.3	2.6	0	170
Japan	2001	10.3	6.6	0	60	2.4	1.6	0	60
Korea, Rep. Of	1999	8.8	5.3	0	50	7.9	5.3	0	50
Malaysia	1997	3.7	1.1	0	352.9	3.7	1.1	0	352.9
Norway	1996	14.7	6.1	0	249	8.2	2.0	0	249
Singapore	2001	0.0	0.0	0	0	0.0	0.0	0	0
South Africa	2001	11.4	9.3	0	60	10.9	9.3	0	60
Switzerland	2001	0.0	0.0	0	0	0.0	0.0	0	0
Thailand	2000	20.9	5.3	0	80	18.9	5.3	0	80
USA	2001	5.9	10.9	0	350	5.6	6.1	0	350

Source: UNCTAD TRAINs data.

Table 5: Pattern of MFN and Preferential Tariffs Facing LDC Exports of Fish and Fish Products in Selected Markets

HS 4-digit codes and descriptions	European Union		Japan		United States		Canada ^a		China		Korea, Rep. of		Thailand ^b		India ^c	
	MFN	LDC	MFN	LDC	MFN	LDC	MFN	LDC	MFN	LDC	MFN	LDC	MFN	LDC	MFN	LDC
0301 - Live fish	6.8	0	2.3	2.3	0.0	0	0.0	0	11.7	11.7	10.0	10.0	60.0	60.0	15	7.5
0302 - Fish, fresh or chilled	12.9	0	4.9	4.9	0.8	0	0.1	0	17.9	17.9	20.0	20.0	60.0	60.0	15	7.5
0303 - Fish, frozen	13.6	0	4.4	4.4	0.7	0	0.1	0	18.5	18.5	10.0	10.0	60.0	60.0	15	7.5
0304 - Fish fillets and other fish meat	10.2	0	4.4	4.4	0.7	0	0.0	0	30.0	30.0	14.0	14.0	60.0	60.0	55	7.5
0305 - Fish, fit for human consumption	13.3	0	9.8	10.4	1.7	0	0.3	0	27.6	27.6	20.0	20.0	60.0	60.0	15	7.5
0306 - Crustaceans	11.0	0	3.8	3.8	1.3	0	2.7	0	23.9	23.9	18.5	19.4	60.0	60.0	15	7.5
0307 - Molluscs	7.2	0	7.4	7.2	0.4	0	0.5	0	21.9	21.9	18.9	18.9	60.0	60.0	15	7.5
0509 - Natural sponges of animal origin	2.6	0	1.8	0	3.0	0	0.0	0	15	15	9.5	9.5	35.0	35.0	15	35
1504 - Fats and oils of fish	3.9	0	2.3	1.6	0.8	0	3.2	0	21.7	21.7	3.5	3.5	sp	sp	35	35
1603 - Extracts of aquatic invertebrates	6.4	0	10.8	1.97	4.3	0	4.5	0	25.0	25.0	30.1	30.9	sp	sp	40	20
1604 - Prepared/preserved fish	18.4	0	9.2	0	5.2	0	5.4	0	25.0	25.0	20.0	20.0	sp	sp	40	20
1605 - Aquatic invertebrates prepared or preserved	17.6	0	8.0	0	2.6	0	3.2	0	24.4	24.4	20.0	20.0	30.0	30.0	40	20

Source: Same as for table 3, but adjusted for commitments cited in table 8.

a. As of 2003

b. Cambodia, Lao PDR and Myanmar are members of the ASEAN Free Trade Agreement.

c. Only for eligible LDCs.

sp. Specific Duties

22. Table 4 attempts to replicate the information in table 3 using UNCTAD TRAINs data. Since the data coverage is more comprehensive in the context of preferences it provides further information about the nature of LDC market access. However, at the same time, it should be noted that the methodology of data extraction from that database differs from the methodology used to construct table 3. Therefore, the two tables, although similar are not strictly comparable.

23. Table 4 confirms the broad parameters of preference by developed country markets as was obtained in the IDB. At the same time, it indicates that the margin of preference provided to LDCs by Brazil, China, Chinese Taipei, India, Indonesia, Republic of Korea, Malaysia, South Africa and Thailand is lower than those granted by the other countries in the table. It should also be noted that Hong Kong, China and Singapore have duty-free access on an MFN basis.¹⁶

B. TARIFF ESCALATION

24. Another aspect of market access is the pattern of residual protection affecting products originating from LDCs. In this regard, tariff escalation is particularly important. In this section tariff escalation in fish and fish products is examined. As indicated in figure 3 these products are the fifth largest export of LDCs behind two types of apparel products, fuels and precious stones. Furthermore, downstream processing of fish products has been an important policy option for some LDCs.

25. The basic pattern of MFN and preferential tariffs affecting fish and fish products across selected markets varies considerably (table 5). Despite being one of the relatively protected sectors in the non-agricultural market access negotiations at the MFN level the degree of preferences allocated to LDCs by certain countries is quite significant. Canada, the EU and the United States offer duty-free access to their markets, which in some cases is a significant preference margin. On the other hand Brazil, China, Republic of Korea and Thailand do not offer preferences. India does offer a 50% preference but only on a limited basis to LDC members of SAARC.

26. Table 5 also contains information on tariff escalation in this product category, since tariff rates on prepared and preserved fish and aquatic invertebrates are also reported. Since Canada, the European Union and the United States offer a zero duty rate, tariff escalation is not an issue for LDCs. Japan's duties on prepared and preserved fish products are lower than that for fresh products, hence there is de-escalation. Thailand has a flat tariff structure of 60 per cent for fish, which escalates, or de-escalates depending on the applicable tariff rate. Its tariff structure for products in HS nomenclature HS1504, HS1603 and HS1604 varies from 30 per cent, to a specific duty rate of 200 Baht per kilo if that rate is higher than 60 per cent. China's tariff structure escalates from a base of 11.7 per cent for live fish to 30 per cent for fish fillets. The duties for prepared or preserved fish are slightly lower than that of fish fillets, but still higher than live, fresh or chilled fish. Brazil has a similar structure to that of China, but with overall lower rates. India's MFN structure escalates with a 15 per cent duty that triples to 45 per cent for prepared and preserved fish. The applicable preferential rate of 50 per cent for eligible LDCs.

C. TARIFF PEAKS

27. A tariff line is defined as a peak relative to the values of tariffs in other tariff lines. The usual definition of a tariff peak is 15 per cent. This is called an international peak. Another definition that is commonly used is three times the national average since tariff profiles with average values below five percent will typically not have very many values above 15 per cent. Therefore, a tariff profile

¹⁶ Switzerland has a zero average due to the high number of non ad valorem lines in its tariff schedule, for which ad valorem equivalents are not available. The simple average is calculated using only ad valorem rates.

with a low overall average could have many national peaks, but not many international peaks. Similarly, a tariff profile with a high national average may have multiple peaks as defined by the international definition, but few using the three times the national average criteria.

28. Since many of the markets that offer preferential market access for LDC products have low overall averages, a tariff peak in this instance will not necessarily be the same as a peak under a non-discriminatory profile. For developed country markets a peak for LDC exports could be defined as any tariff above 5 per cent.

Table 6: Exceptions to Duty-Free and Quota-Free Market Access

Country	Exceptions
Australia	Textiles, clothing and footwear, automotive-sector and cheese
Canada	Dairy, eggs and poultry
EU	Bananas, sugar and rice (phased out by 2009). Arms and munitions
Japan	Positive list applied to agricultural products such as rice and bovine meat
New Zealand	None
Norway	Arms and munitions
Switzerland	Agricultural products accounting for 2 percent of imports from LDC
United States	Textiles and apparel (except those allowed under AGOA)

Table 6 identifies the broad exceptions that a select few developed country markets have made to a policy of duty-free and quota-free market access. Therefore the information indicates the broad areas where tariff peaks affect the exports of LDCs in these markets. The interesting feature of the table is the diversity in the exceptions column. Each market appears to have different products, which they consider to be sensitive.

VI. NON TARIFF MEASURES

29. It is well accepted that market access conditions are determined by a combination of tariff and non-tariff measures. Furthermore, non-tariff measures can range from explicit quantitative restrictions, in the form of quotas, to other measures such as standards. In this section the focus of the analysis is on three types of non-tariff measures that affect the degree of market access in non-reciprocal preferential programs: rules of origin, standards and anti-dumping measures.

30. It should be noted that the Secretariat did attempt to augment the existing information on non-tariff measures by directly contacting the export promotion authorities of 43 LDCs. The nature of the contact was in the form of a letter soliciting information on any studies, or information that they might have that would assist the study process. The letters were sent on 23 August, 2002. Only one reply (Niger) and one query (Cambodia) were received. The information provided in the response has been taken into account in the analysis.

A. RULES OF ORIGIN

31. Since non reciprocal agreements are discriminatory, goods originating from non-members must be distinguished from those originating from members. Such a determination is necessary to ascertain whether such a good is eligible for preferential treatment in the importing country.

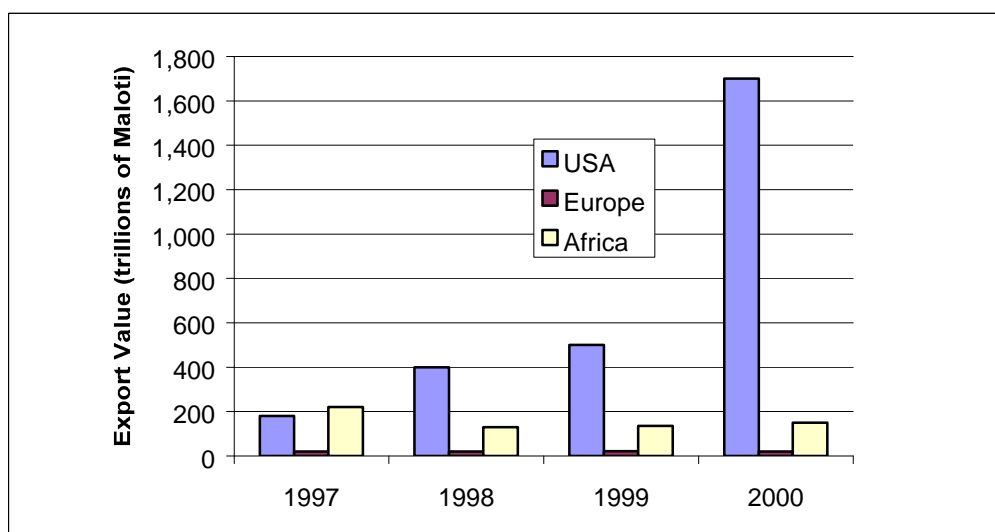
32. Meeting the rules of origin requirements, however, has always been an issue for LDCs in terms of their ability to take advantage of preferential tariff rates. For example, the United States Government Accounting Office consulted a number of experts in the field of trade preferences, which

they report as “citing several ways in which U.S. rules of origin limit beneficiaries’ ability to use nonreciprocal preferences”.¹⁷ The same report also cited difficulties in the European Union.

33. Lesotho is a recent example of how relaxed rules of origin can improve exports. During the 1980's, under the GSP, manufactured goods from Lesotho enjoyed preferential duty regimes into Canada, the United States and other non- European countries. In addition, Lesotho was a signatory to the Lomé convention, which allowed duty-free access of clothing into the EU. Initially, sewn garments from Lesotho were allowed entry into the EU. During the late 1980's, the regulations under the Lomé convention were altered with the requirement that cumulation must apply for qualifying status, with a time bound derogation from Lesotho.

34. With the introduction of the AGOA in 2000, Lesotho exports its clothing duty-free and quota free in the USA.¹⁸ In addition as an LDC it receives the further benefit of not having to apply cumulation to its clothing exports for a period of four years within the context of the rules of origin applicable under AGOA. After 2004, unless the derogation is renewed, Lesotho garments will lose their duty quota free access unless they are manufactured from fabric manufactured in Lesotho, another qualifying Sub-Saharan state or the USA. Figure 4 indicates the evolution of the value of exports in billions of Maloti in Europe, USA and Africa. The combination of relaxed rules of origin and lower tariff rates has resulted in a significant increase in exports originating from Lesotho into the United States.

Figure 4: Exports of Lesotho, Various Years



Source: Cerrex (2002a).

¹⁷ United States (2001), page 28.

¹⁸ Duty and quota free access to the USA market under AGOA is subject to a cap on imports of 1.5% of the USA's total garment imports in the first year, rising at half a percent per year to 3.5% in 2008. Up to the end of October 2001, 51% of the cap was utilized.

B. STANDARDS

35. Certain products must comply with the technical standards of an importing country in order to be permitted for import. It is entirely possible for a product to be granted a tariff preference, but at the same time be prohibited from import into a preference giving country if it does not meet existing standards. The extent to which standards hinder market access for products originating from LDCs has been the subject of a number of studies (Wilson, 2002). Of particular note is a recent study (Cerrex, 2002b), which examined the issue of utilisation of preferences into the EU that identified some examples of problems with market access into the EU. The most notable difficulties are in the areas of health and safety regulations including the cost of meeting such requirements (table 7).

C. ANTI-DUMPING MEASURES

36. Since 1995 four (Bangladesh, Malawi, Mozambique and Nepal) LDCs have had anti-dumping investigations initiated against their exports. India initiated two cases against Nepal (zinc oxides and acrylic fibres) and one against Bangladesh (lead acid batteries). According to the WTO database a final measure was imposed in the lead acid batteries case. The cases against Malawi (bed linen) and Mozambique (tires) were brought by South Africa. No final measures have been recorded in the database for either case.

Table 7: Products and Measures Identified by Developing Countries that affect Market Access

Product	HS Code	Problems
Bananas	8030019	Health Safety: Pesticide residue levels. Difficulties in complying with EU standards, lack of technical knowledge.
Strawberries, apples and pears	8.08 and 08.11	
Beef	16.05.10	High cost of meeting sanitary and phytosanitary standards.
Pork	16.02.10.00.21	
Sausages	16.01.00.10	
Chicken processed	16.02.10.00.21	
Fish	Ch. 3 and 16	Cost of meeting and administering health regulations, difficulties and cost of testing procedures.
Fresh flowers	6.03	Difficulties in meeting environmental and social standards.
Tomatoes, chilled	7.02	Health and safety regulations - maximum pesticide residue levels, lack of technical assistance to administer standards.
Tomato paste	20.02	
Potatoes	7.01	
Courgettes	7.09	
Cucumbers	7.07	
Organic products	Misc.	High cost of complying with EU standards and definitions.

Source: Cerrex (2002b)

VII. INITIATIVES TO IMPROVE MARKET ACCESS

37. As indicated in the previous sections market access for products originating from LDCs can be impeded in a variety of ways. Accordingly, a whole range of initiatives are required to improve market access. These can include reductions in tariff and non-tariff barriers, as well as technical assistance to respond to the improved access opportunities. Overcoming domestic policy and supply-

side constraints is also a priority for some LDCs so as better to utilize the improvements in market access conditions.

A. TARIFF AND NON-TARIFF MEASURES

38. Pursuant to the mandate contained in paragraph 42 of the Doha Ministerial Declaration, WTO Members have announced or taken measures to provide duty-free and quota-free access to LDC exports. Market access measures in favour of LDCs were also announced at the Third UN Conference for LDCs (LDC-III), in May 2001. An updated listing of initiatives and improvements in market access for LDCs is contained in Table 8. Based on the notifications or announcements made by some 28 WTO Members, the Table tracks improvements and summarizes the status of preferential market access for LDC exports. Additional measures taken, such as simplification of origin requirements, have also been highlighted.

39. To date, 13 WTO Members, have notified¹⁹ market access measures in favour of LDCs. These are: Canada, Egypt, European Communities, Japan, Republic of Korea, Mauritius, Morocco, New Zealand, Norway, Singapore, Switzerland, Turkey and the United States. To facilitate the review of improvements in market access for LDCs, Members have been requested to notify measures undertaken and any subsequent changes to them. A simplification in the WTO notification procedures for market access in favour of LDCs was also agreed to in 2001, with the Committee on Trade and Development and Council for Trade in Goods, forwarding notifications to the Sub-Committee on LDCs for substantive examination and reporting back.²⁰

40. Several developed and transition economies including some of the major markets for LDC exports have adopted a policy of duty-free and quota-free market access for all or essentially all LDC exports. These export markets include Canada, Czech Republic, European Union, Hungary, New Zealand, Norway, Slovak Republic and Switzerland. Of the major developing country markets for LDC exports, Hong Kong, China and Singapore, offer duty-free and quota-free access on an MFN basis. Some developing countries ranging from Mauritius, Egypt, and Republic of Korea, have also accorded preferential access to LDCs. However, the product coverage of these preferential schemes varies and is usually limited to duty-free treatment for LDC exports in a few tariff lines. Some other countries offer preferences in a regional or sub-regional context. For instance, India, through the South Asian Association for Regional Cooperation (SAARC) offers preferential access to LDC members of SAARC. Morocco, gives preferential access to African LDCs, while the United States under the African Growth and Opportunity Act (AGOA) enhanced market access opportunities for 23 LDCs in Sub-Saharan Africa.

41. In addition to the advances made towards the objective of duty-free and quota-free access for all LDC exports, some additional measures have also been considered and taken by Members. For instance at LDC-III, the European Union announced its intention to forego the use of anti-dumping measures on exports by LDCs.²¹ Other Members have also exercised restraint in the use of contingent trade remedies on LDCs. On rules of origin, several Members, including Canada, European Union, Norway and Switzerland have notified changes and simplification in the origin requirements with some possibility of cumulation in their GSP schemes. On Standards, the importance of technical assistance is recognized and is discussed more fully in the following sub-section of the paper.

¹⁹ WTO Notifications of preferences as listed out in the table below, have been accorded by developed countries under the 1979 Enabling Clause (L/4903) and by developing countries under the 1999 Waiver on Preferential Tariff Treatment for LDCs (WT/L/304).

²⁰ WT/COMTD/M/32 and G/C/M/47.

²¹ See also paragraph 48 of WT/COMTD/LDC/M/25.

B. OTHER MEASURES

42. A number of preference giving countries have implemented programs to assist LDCs to take advantage of preferences. Examples of such programs include Canada's Trade Facilitation Office which provides trade and investment related technical assistance to both Canadian importers and foreign exporters. Other examples include the Africa Trade and Investment Policy program of the United States which supports the goals of the African growth and Opportunity Act. Japan and the European Union also maintain such programs. Many other countries have similar programs. The ones highlighted here are by way of example and not meant to be systemic, nor comprehensive.

43. National initiatives can also be complemented by multilateral efforts. For example, the World Bank and the WTO are establishing a new fund, called the Standards and Trade Development Facility, as part of their efforts to link aid to trade opportunities in the fight against poverty. Other international organizations are expected to join the joint initiative, which aims at placing developing countries in a stronger position to take advantage of trade opportunities by meeting standards, in particular those recognized by the Agreement on the Application of Sanitary and Phytosanitary Measures.

44. The WTO has also worked jointly with the OECD to establish a Doha Development Agenda Trade-Related Technical Assistance and Capacity Building Database (DDADB). The database contains information on technical assistance provided by bilateral, regional and multilateral development partners to assist LDCs and other recipients of assistance to enhance their participation in the trading system including through improved market access opportunities. The WTO Annual Technical Assistance Plan²² has also accorded priority on technical assistance to LDCs, and a component of the plan is on market access issues, with a view to strengthening LDCs' human and institutional capacities to negotiate and take advantage of trading opportunities.

VIII. CONCLUSIONS

45. Significant advances have been made on a number of fronts to improve the market access conditions for the merchandise exports of LDCs. This study has attempted to both summarize these initiatives as well as identify some of the remaining constraints.

46. The broad approach taken in this study to examine both, the level of preferences and some of the non-tariff measures such as rules of origin and standards. On the tariff side the study has identified some markets where preferences are not significant. Whereas, in other areas where substantial preferences are allocated to LDCs non-tariff measures are relatively more important. The study also makes the point that some major markets have chosen to offer market access on an MFN basis as in the case of Hong Kong, China and Singapore. Taken together these results imply that a broad approach is required to assist LDCs improve their export performance. This approach also needs to be complemented with efforts to improve the supply capacity of LDCs.

²² WT/COMTD/W/104 and Add.1.

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Table 8: Summary of initiatives to improve market access for LDCs²³

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
Argentina	In May 2000, Argentina (on behalf of Mercosur) announced that it provided tariff preferences for LDCs under the GSTP scheme, and following completion of the ratification process for the offers made in the context of the second round of GSTP negotiations, they would be in a position to enhance their preferences.	WT/GC/M/55 (2000)
Australia	Reported liberal existing market access conditions under GSP scheme. In May 2000, provided duty and quota-free access on 93.2 percent of LDC exports to its market. In terms of tariff rates, nearly 84 per cent of tariff lines were duty-free for LDCs and included preferential rates of duty in products of interest, including agriculture, fish, textiles and clothing. In 1997, 98 percent of LDC exports entered duty-free. Additional duty-free entry granted to South Pacific Forum Island Countries under SPARTECA Agreement.	WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997) WT/TPR/S/104
Bulgaria	Continued to grant, duty and quota-free access to its market for a wide range of products from LDCs. In 1997, all LDC exports entered duty-free.	WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997)
Canada	Canada announced that effective from 1 January 2003, it would provide duty-free and quota-free access to imports from 48 LDCs. The measure to be notified in due course would cover all products except dairy products, poultry and eggs. New rules of origin and procedures for textiles and apparel were also being developed that would allow for cumulation from other LDCs and also from developing countries. Effective 1 September 2000, an additional 570 tariff lines at (HS 8 digit level) were added to the list of duty-free items. Prior to the recent announcements, duty-free access to LDC exports covered 90 percent of the tariff lines. Canada had also liberalized rules of origin requirements that applied to LDC imports with effect from 23 August 2000. Canada from 1 January 1998, moved beyond its commitments in the Agreement on Textiles and Clothing to integrate textile products and remove quotas on a number of specific products, as notified to the WTO Textiles Monitoring Body. At the October 1997 High Level Meeting (HLM), Canada announced changes to its Generalized Preferential Treatment (GPT). Preferential rates of duty were lowered on over 3,000 products from developing countries and coverage was broadened to include an additional 200 tariff lines. Over 80 per cent of its product lines were GPT eligible and these products from LDCs entered Canada duty-free. Canada accelerated most of the Uruguay Round tariff reductions scheduled for implementation on 1 January 1999 to 1 January 1998.	WT/COMTD/M/41 (2002) WT/COMTD/N/15 (2000) WT/GC/M/55 (2000) WT/COMTD/LDC/M/11 (1998) WT/LDC/HL/M/1 (1997)

²³ Adapted from WT/LDC/SWG/IF/14/Rev.1. Updated information or notifications of market access measures in favour of LDCs have been received in 2001/2 from, Canada, Czech Republic, European Union, Hungary, Japan, Morocco, Norway, Slovak Republic and Switzerland.

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
Chile	In May 2000, the Government was in the process of evaluating preferential treatment for products originating in LDCs within its legal requirements. It also announced its intention to consider or finalize initiatives of market access for LDCs at the HLM in 1997.	WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997)
Czech Republic	Czech Republic informed Members of its existing GSP scheme, offering duty-free and quota-free access to all LDCs' exports. In July 2001, copies of a letter received by the Director-General, with information of its preferential market access for LDCs was circulated to the Sub-Committee.	WT/COMTD/LDC/M/25 (2001) WT/GC/M/55 (2000)
Egypt	Following the HLM, Egypt through the GSTP in 1998 notified tariff reductions at HS 8 digit level, ranging from 10 per cent to 20 per cent of existing applied duties, for 77 products of export interest to LDCs, and provided duty-free access, for about 50 products imported into Egypt. In addition, Egypt bound customs duties, with a 10 per cent reduction for industrial products imported from LDCs.	WT/COMTD/W/47& Add.1 WT/LDC/HL/M/1 (1997)
European Union	The EC notified the Everything but Arms (EBA) initiative. Duty-free and quota-free market access for all goods (except arms), was accorded to LDCs effective from 5 March, 2001. A transition period of between 2002 and 2009 was provided for the phasing in of sugar, rice and bananas. Earlier, in 2000, about 99 percent of LDCs exports by value entered the EU market duty-free. At the HLM in 1997, the EC announced the extension of preferences under the Fourth ACP-EC Convention to non-ACP LDCs that was notified and effective from 1 January 1998. ²⁴ Rules of origin requirements were also simplified allowing for derogations and promoting regional cumulation.	WT/COMTD/N/4/Add.2 (2001) WT/COMTD/LDC/M/12 WT/GC/M/55 (2000) WT/COMTD/W/41 WT/LDC/HL/M/1 (1997)
Hong Kong, China	Application of duty & quota-free access on an MFN basis to imports from all sources including LDCs.	WT/GC/M/55 (2000)
Hungary	Hungary informed Members of its existing GSP scheme, offering duty-free and quota-free access to all LDCs' exports. In July 2001, copies of a letter received by the Director-General, with information of its preferential market access for LDCs was circulated to the Sub-Committee. The Customs Law – 1996 through legal guarantees, strengthened predictability of the preferential market access to LDCs. Liberal application of rules of origin requirements.	WT/COMTD/LDC/M/25 WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997)
Iceland	In May 2000, Government proposed to implement both tariff-free and quota-free treatment for essentially all products originating in LDCs. An appropriate notification would be submitted at the earliest convenience. This treatment would apply to products of export interest to LDCs including textiles.	WT/GC/M/55 (2000)
India	Preferences granted under SAPTA to LDC contracting states. In 1997, India granted tariff concessions on 574 tariff lines exclusively for the LDC members of SAARC, and had removed quantitative restrictions on 180 lines exclusively in favour of SAARC LDCs. Further, under the existing GSTP, India provided preferential access to seven LDCs, namely, Bangladesh, Tanzania, Benin, Guinea, Haiti, Mozambique and Sudan. Under the Bangkok Agreement, Bangladesh was given preferential access, and Myanmar and Nepal had preferential access to India under bilateral agreements.	WT/LDC/HL/M/1 (1997)

²⁴ Request for a WTO Waiver of the New ACP-EC Partnership Agreement is currently under consideration (G/C/W/187/Add.3).

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
Indonesia	Announced intention to consider initiatives to improve market access for LDCs at the HLM in 1997.	WT/LDC/HL/M/1 (1997)
Japan	In 2002, Senegal had been added to the list of LDC beneficiaries under Japan's GSP Scheme. Changes to ceiling quotas for industrial products were also notified. In 2001, Japan's GSP Scheme, was extended, together with changes, by ten years until 31 March 2011. Following on an earlier proposal, from 1 April 2001, a further 360 products (at HS 9 Digit) from LDCs would be eligible for duty-free and quota-free treatment. About 99 percent of industrial products, including textiles and clothing, would be covered by the scheme. In 1997, under its GSP scheme, Japan applied zero tariffs to 80 per cent of the products that were of major export interest to the LDCs.	WT/COMTD/N/2/Add.1-11 (2002) WT/COMTD/29 WT/LDC/SWG/IF/12 (2001) WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997)
Korea, Rep. Of	In January 2000, Korea notified preferential duty-free access on 80 items (HS 6-digit) originating from and of major export interest to LDCs effective from 1 January 2000. ²⁵ In May 2000, it indicated that it would consider further expanding its existing preferential tariff regime for LDCs.	WT/COMTD/N/12/Rev.1 WT/LDC/HL/M/1 (1997) WT/GC/M/55 (2000)
Malaysia	Announced intention to consider initiatives to improve market access for LDCs at the HLM in 1997.	WT/LDC/HL/M/1 (1997)
Mauritius	Notified effective September 1998, duty-free access for five tariff lines originating from LDCs. The products comprise certain crustaceans; guavas, mangoes, mangosteens; axes and billhooks; handsaws and files.	WT/COMTD/W/53 WT/LDC/HL/M/1 (1997)
Morocco	Morocco notified duty-free access, for 33 African LDCs. Effective 1 January, 2001, duty-free access was accorded to 61 products (at HS 4 to 10 digit level) originating in and consigned from the African LDCs. Debt to Morocco, owed by African LDCs, had also been cancelled. This measure was in fulfilment of the proposal made by Morocco at the HLM in 1997.	WT/LDC/SWG/IF/18 and G/C/6 (2001) WT/LDC/HL/M/1 (1997)
New Zealand	New Zealand in November 2000, notified its decision to offer duty and quota-free access to all imports from LDCs effective from 1 July 2001. Prior to this, in 1999, 96.7 per cent of its tariff lines and 99.3 per cent of its imports from LDCs entered duty-free.	WT/COMTD/27 WT/GC/36 WT/GC/M/55 (2000)

²⁵ The preferential scheme was notified and made under the provisions of the waiver adopted by WTO Members in 1999 (WT/L/304).

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
Norway	<p>In May 2001, Norway announced still further improvements in their preferential scheme in favour of LDCs. With effect from 1 July 2002, Norway would offer duty-free and quota-free treatment to all LDCs' exports (except arms) with no transition arrangements for any product. Earlier in 2000, amendments and improvements to Norway's GSP scheme were notified. Norway accorded duty-free and quota free access to all industrial and agricultural imports from LDCs covered by the GSP programme, with the exception of flour, grains and feeding stuffs. Rules of origin requirements were revised and simplified. Following harmonization in the application of rules of origin with the EC and Switzerland, from 1 March 1998, bilateral cumulation was permitted and the possibility of future diagonal cumulation of origin was being considered. At the HLM, Norway announced that it had on an MFN basis accelerated its Uruguay Round tariff cuts on agricultural products by implementing them from 1 January 1995 instead of 1999. It had also phased out almost all restrictions on textiles and clothing by 1997-98 instead of 2004.</p>	<p>WT/COMTD/M/34 (2001) WT/COMTD/N/6/ Add.1 - 2 WT/GC/M/55 (2000)</p> <p>WT/LDC/HL/M/1 (1997)</p>
Poland	<p>Since 1990, Poland has applied preferential treatment for products originating from LDCs and in May 2000, it announced that it was examining autonomous improvements to the existing preferential system with a view to providing duty-free and quota-free market access for essentially all products originating in LDCs, in conformity with national legislation and international agreements.</p>	<p>WT/GC/M/55 (2000)</p>
Singapore	<p>Singapore notified at the HLM, duty-free treatment on 107 items (HS 6 digit) of export interest to LDCs in addition to the almost duty-free regime accorded on an MFN basis.</p>	<p>WT/LDC/HL/M/1 Annex 1 (1997)</p>
Slovak Republic	<p>The Slovak Republic informed Members of its existing GSP scheme, offering duty-free and quota-free access to all LDCs' exports. In July 2001, copies of a letter received by the Director-General, with information on its preferential market access scheme for LDCs was circulated to the Sub-Committee. It confirmed in May 2000, that its GSP system would be maintained in the future.</p>	<p>WT/COMTD/LDC/M/25 (2001) WT/GC/M/55 (2000)</p>

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
Slovenia	In May 2000, Slovenia announced that it was prepared to provide tariff and quota-free access for essentially all products originating in LDCs, independent of WTO membership, consistent with its domestic requirements and international agreements under its newly established preferential scheme. The Government had taken this general decision which would be confirmed through decrees issued.	WT/GC/M/55 (2000)
Switzerland	Switzerland notified its proposal designed to grant duty-free access in the medium term for all products from LDCs. The revision of the GSP with effect from 1 January 2002, would provide LDCs the phased removal of all remaining customs duties. Duties were reduced by an average of 30 per cent on 1 January 2002. Subsequently, (from 1 April 2004), an additional reduction of an average of 30 per cent will be granted to LDCs. Market access for LDCs would be reviewed in 2005 before the expiry of the current GSP scheme. In 1997, Switzerland had extended its GSP scheme for 10 years. Since 1 March 1997, LDCs were able to benefit from zero tariffs for all industrial and most agricultural products. Some 98 per cent of LDC products entered Switzerland duty-free under its notified preferential scheme and improvements thereof. Rules of Origin for goods benefiting from preferential access had also been simplified. Switzerland had harmonised its regulations with the European Union and in the near future materials originating from Switzerland but also from the European Union and Norway would enjoy the right of cumulation treatment. Under the new rules of origin, regional economic groupings in developing countries also enjoyed the right of cumulation treatment.	WT/COMTD/N/7²⁶ & Add.1 (2002) WT/COMTD/W/34 WT/GC/M/55 (2000) WT/LDC/HL/M/1 (1997)
Thailand	At the HLM in 1997, announced tariff preferences on 74 product groups (at the 6-digit H.S. level), through which some products would be exempted from import duty and others would be given a margin of preference of 20 per cent from the applied rates. This would be subject to an annual review process.	WT/LDC/HL/M/1(1997)
Turkey	Notified additional preferential tariff rates for imports from LDCs effective from 1 January 1998. These unilateral preferential rates apply to 556 products at the HS 12 digit level. All these products except coffee, are given duty-free access.	WT/COMTD/W/39 & Corr.1 WT/LDC/HL/M/1 (1997)

²⁶ The coverage of the Swiss scheme, particularly in agriculture, was extended considerably to other developing countries.

Member	Market Access for LDCs	WTO Document Reference (Notifications in bold)
United States	<p>The United States adopted the African Growth and Opportunity Act (AGOA) in May 2000 for Sub-Saharan Africa. Thirty-four Sub-Saharan countries (including 23 LDCs), were designated as beneficiaries under AGOA in October 2000, and can avail new GSP benefits for 1835 tariff lines as from December 2000. Earlier improvements under the GSP system, included duty-free access offered on nearly half the 9000 products in the US harmonized tariff schedule. Improvements to the scheme were notified with the addition of 1,783 tariff lines to GSP treatment for LDCs as from 30 May 1997, under the GSP Renewal Act of 1996. Moreover, at the end of the Uruguay Round implementation period, some 70 percent of US tariff lines would be subject to MFN rates of 5 per cent or less and MFN duty-free treatment would cover more than 40 per cent of tariff lines.</p>	<p>WT/COMTD/N/1/Add.3 WT/GC/M/55 (2000) WT/COMTD/N/1/Add.2 WT/LDC/HL/M/1 (1997)</p>

Annex Table 1: Ratio of exports of goods and commercial services to GDP of LDCs, 1990 and 2000

(Million dollars and percentage)

	Value		Ratio to GDP				
	GDP	Goods and Commercial services		Goods		Commercial services	
	2000	1990	2000	1990	2000	1990	2000
Total LDCs	166200	17	26	14	22	2	4
Afghanistan	...	...	...	...	...	...	...
Angola	8828	38	93	38	89	1	3
Bangladesh	47106	7	14	6	14	1	1
Benin	2168	19	24	13	18	6	6
Bhutan	487	33	30	23	23	10	6
Burkina Faso	2192	11	11	10	9	1	1
Burundi	689	7	7	6	7	1	0
Cambodia	3183	...	47	...	42	...	5
Cape Verde	558	15	22	6	4	9	18
Central African Republic	963	11	18	10	17	1	1
Chad	1407	15	18	13	16	1	2
Comoros	202	10	24	7	6	2	18
Congo, Dem. Rep. of	4481	27	...	25	...	2	...
Djibouti	553	...	27	...	14	...	14
Equatorial Guinea	1341	32	97	29	96	3	1
Eritrea	608	...	14	...	4	...	10
Ethiopia	6391	8	14	4	8	4	6
Gambia	422	52	59	35	35	17	24
Guinea	3012	27	25	24	24	3	1
Guinea-Bissau	215	9	32	8	30	2	2
Haiti	4050	10	12	9	8	1	4
Kiribati	43	34	...	10	...	23	...
Lao People's Dem. Rep.	1709	10	30	9	23	1	7
Lesotho	899	15	27	10	23	6	4
Liberia	...	...	...	...	...	...	...
Madagascar	3878	15	29	10	21	4	8
Malawi	1697	24	26	22	24	2	3
Maldives	556	90	82	39	20	51	62
Mali	2298	17	27	14	24	3	4
Mauritania	935	45	40	44	37	1	3
Mozambique	3754	9	18	5	10	4	9
Myanmar	7337	11	29	8	22	3	7
Nepal	5497	11	22	6	14	5	7
Niger	1826	21	14	20	14	1	1
Rwanda	1794	5	6	4	4	1	2
Samoa	236	21	25	4	6	17	20
Sao Tome and Principe	46	12	33	7	7	5	26
Senegal	4371	23	29	16	21	6	8
Sierra Leone	636	22	8	17	6	5	2
Solomon Islands	275	42	44	33	28	9	16
Somalia	...	...	...	...	...	...	...
Sudan	11516	3	16	2	16	1	0
Tanzania, United Rep. of	9027	13	14	10	7	3	7
Togo	1219	39	47	32	43	7	4
Tuvalu	...	...	...	...	...	...	...
Uganda	6170	...	10	...	7	...	3
Vanuatu	212	46	69	9	14	37	56
Yemen	8532	30	50	29	48	2	2
Zambia	2911	41	30	38	26	3	4
Memorandum item:							
World	...	18	23	15	18	4	4

Note: Trade in goods is derived from balance of payments statistics and does not correspond to the merchandise trade statistics given elsewhere in this report.

Data are estimated for most countries.

Source: WTO (2002), *International Trade Statistics*.

Annex Table 2: Merchandise exports and imports of least-developed countries by selected country grouping, 2001

(Million dollars and percentage)

	Exports					Imports				
	Value	Annual Percentage Change				Value	Annual Percentage Change			
	2000	1990-01	1999	2000	2001	2000	1990-01	1999	2000	2001
Total LDCs	36232	7	11	28	1	41818	5	4	4	4
Oil exporters	15057	9	51	65	-10	7582	7	6	9	4
Angola	7886	5	46	53	-15	3215	7	50	3	4
Yemen	4079	15	63	67	-21	2324	3	-7	16	-3
Sudan	1807	14	31	132	-10	1510	9	-27	9	4
Equatorial Guinea	1285	36	77	71	53	533	25	20	26	31
Exporters of manufactures	11847	15	7	24	9	17125	9	6	9	3
Bangladesh	6399	13	6	17	2	8360	8	10	9	0
Myanmar	1620	19	6	44	40	2371	24	-14	3	17
Cambodia	1327	30	9	35	17	1525	23	13	26	3
Madagascar	824	10	9	41	14	997	5	7	34	17
Nepal	804	12	27	34	-8	1573	7	14	11	-6
Lao People's Dem. Rep.	330	14	-16	6	2	535	10	-5	2	3
Haiti	323	5	13	-5	-14	1036	11	29	1	-2
Lesotho	220	15	-11	28	28	728	0	-11	-7	-6
Exporters of commodities	8147	3	-5	-3	12	14780	3	3	-4	5
Senegal	920	3	6	-10	17	1521	2	5	3	-1
Guinea	750	2	-3	3	10	612	-2	2	-13	-2
Zambia	746	-4	-7	-1	17	750	-2	-11	12	28
Tanzania, United Rep. of	663	8	-8	22	18	1524	4	7	-2	9
Mali	545	7	3	-5	36	592	1	9	-28	11
Liberia	500	6	-18	0	23	290	3	4	4	0
Ethiopia	482	3	-20	7	-13	1260	0	-5	-9	-17
Uganda	461	11	4	-11	-1	1517	17	-5	13	5
Benin	392	3	2	-7	-3	613	9	11	-18	6
Mozambique	364	17	14	38	93	1158	2	44	2	-8
Togo	363	4	-1	-7	19	565	1	2	-5	10
Malawi	355	-3	-14	-20	-13	569	0	21	-18	-3
Mauritania	300	-5	7	-20	-7	320	-1	-15	5	5
Niger	283	0	-14	-1	-3	372	1	7	-8	12
Burkina Faso	213	1	-20	-16	-18	550	2	-21	-5	19
Chad	183	-1	-23	-9	-10	323	8	-11	2	96
Central African Republic	155	1	-3	6	-15	120	-2	-10	-11	8
Bhutan	116	5	7	0	0	180	8	36	-1	0
Solomon Islands	85	2	16	-42	1	125	2	-31	14	-10
Maldives	76	3	-14	19	-2	389	10	14	-3	1
Guinea-Bissau	62	10	89	22	-11	62	-3	1	-10	5
Eritrea	35	-	-29	75	-14	471	-	-6	-5	0
Vanuatu	25	-10	-24	-4	-76	57	-2	9	-41	33
Kiribati	17	21	-5	175	45	41	3	9	17	-12
Samoa	14	5	33	-30	14	106	4	19	-8	23
Djibouti	13	-6	0	8	0	165	-3	-3	8	-3
Cape Verde	11	5	20	-8	-9	238	5	9	-4	-2
Gambia	8	-11	-74	14	13	190	1	-22	-1	5
Comoros	7	-10	27	40	-14	72	5	70	-10	18
Sao Tome and Principe	3	0	-20	-25	33	22	1	-8	0	5
Tuvalu	0	-7	86	-81	68	6	2	-7	21	-8
Other LDCs ^a	1181	-9	-19	-12	-7	2331	-3	-7	8	1
Memorandum Item:										
World ^b	6430100	5	4	13	-4	6710700	6	4	14	-4

a Other LDCs comprise Congo, Dem. Rep. of, Somalia, Rwanda, Afghanistan, Burundi and Sierra Leone. Their trade data are strongly affected by conflict and civil strife.

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

Note: Data for 2001 are largely estimated.

Source: WTO (2002), *International Trade Statistics*.

Annex Table 3: Imports of agricultural products and manufactures of EU, Asia and North America from LDCs, 2001

(Million dollars and percentage)

	Annual percentage change				Annual percentage change				Annual percentage change			
	Value	2000	2001		Value	2000	2001		Value	2000	2001	
Agricultural products												
	European Union (15)			Asia a,b			North America					
Total LDCs	2693	2	-8	Total LDCs	2415	4	...	Total LDCs	531	9	-2	
Senegal	309	-13	-3	Myanmar	666	20	...	Bangladesh	159	27	-37	
Tanzania, United Rep. of	255	47	-10	Tanzania, United Rep. of	197	-3	...	Myanmar	53	102	-4	
Madagascar	249	-1	2	Bangladesh	145	5	...	Malawi	53	-29	40	
Uganda	198	-21	2	Equatorial Guinea	109	-11	...	Liberia	47	45	-6	
Malawi	193	-14	-13	Mozambique	97	44	...	Madagascar	44	32	99	
Bangladesh	186	43	-6	Madagascar	92	69	...	Ethiopia	32	-5	2	
Ethiopia	178	12	-48	Mauritania	91	-29	...	Mozambique	26	188	-70	
Mozambique	116	19	-13	Lao People's Dem. Rep.	86	10	...	Uganda	24	7	-20	
Sudan	102	-1	-10	Sudan	74	28	...	Haiti	18	0	-30	
Mauritania	86	2	28	Mali	72	-30	...	Tanzania, United Rep. of	15	-28	5	
Liberia	80	87	13	Solomon Islands	66	-39	...					
Congo, Dem. Rep. of	58	-18	-25	Ethiopia	65	-7	...					
Myanmar	55	5	10	Malawi	62	60	...					
Chad	52	-12	-4	Cambodia	58	-16	...					
Mali	45	-25	-39	Liberia	44	337	...					
Afghanistan	45	104	-64	Yemen	38	61	...					
Zambia	44	-1	14	Senegal	34	1	...					
Burkina Faso	41	-4	-8	Togo	33	-35	...					
Benin	39	13	6	Uganda	31	25	...					
Central African Republic	38	12	10	Vanuatu	20	32	...					
Burundi	31	-7	-49									
Others (28)	292	-8	-2	Others (29)	336	-8	...	Others (39)	60	-35	20	
Manufactures												
	European Union (15)			North America			Asia a					
Total LDCs	6575	13	3	Total LDCs	4997	35	4	Total LDCs	694	-21	...	
Bangladesh	2666	25	5	Bangladesh	2560	26	-2	Bangladesh	287	9	...	
Congo, Dem. Rep. of	746	-3	-8	Cambodia	887	39	16	Cambodia	176	-3	...	
Angola	646	16	-19	Myanmar	494	104	-1	Myanmar	111	18	...	
Cambodia	326	16	31	Haiti	292	-1	-10	Nepal	44	-66	...	
Myanmar	320	74	17	Nepal	258	31	-15					
Liberia	300	-21	88	Lesotho	151	...	53					
Madagascar	279	6	0	Madagascar	122	127	63					
Guinea	171	27	-25	Maldives	104	77	5					
Central African Republic	169	8	-44									
Nepal	163	1	-26									
Lao People's Dem. Rep.	112	7	7									
Sierra Leone	92	62	-66									
Niger	84	-31	-15									
Ethiopia	46	50	11									
Tanzania, United Rep. of	44	98	16									
Others (34)	410	-9	13	Others (41)	129	-31	2	Others (45)	75	-64	...	

a China, Hong Kong, India, Japan, Malaysia, Republic of Korea, Singapore, Taipei Chinese and Thailand

b Includes Secretariat estimates for India

Source: WTO (2002), *International Trade Statistics*.**Annex Table 4: Exports of commercial services of least-developed countries by category, 1990 and 2000**

(Million dollars and percentage)

	Value	Share in commercial services					
	Commercial services	Transport		Travel		Other services	
	2000	1990	2000	1990	2000	1990	2000
Total LDCs	5900	29	21	35	44	36	34
Afghanistan	...	...	...	...	...	...	...
Angola	295	49	30	21	0	31	70
Bangladesh	283	13	32	6	18	81	50
Benin	126	33	13	50	60	16	27
Bhutan	30	...	...	...	...	...	...
Burkina Faso	28	37	17	34	48	29	35
Burundi	2	38	43	52	38	9	19
Cambodia	159	...	44	...	40	...	16
Cape Verde	99	50	46	20	41	30	13
Central African Republic	11	51	3	16	36	33	61
Chad	25	18	5	34	50	47	45
Comoros	36	63	13	29	80	8	6
Congo, Dem. Rep. of	...	30	...	30	...	40	...
Djibouti	75	65	57	16	9	19	33
Equatorial Guinea	10	...	1	...	81	...	18
Eritrea	61	...	...	...	...	...	...
Ethiopia	387	81	56	2	15	17	30
Gambia	101	9	9	88	78	3	13
Guinea	36	14	54	33	5	53	41
Guinea-Bissau	4	5	9	0	52	95	39
Haiti	151	20	2	79	64	1	34
Kiribati	...	40	...	13	...	47	...
Lao People's Dem. Rep.	111	75	18	24	80	1	1
Lesotho	36	14	1	51	67	35	31
Liberia	...	...	...	...	...	...	...
Madagascar	314	32	16	31	39	37	45
Malawi	44	46	18	43	78	11	4
Maldives	345	10	6	88	93	2	1
Mali	83	31	37	54	43	15	21
Mauritania	28	35	3	65	83	0	15
Mozambique	325	61	30	0	23	39	47
Myanmar	510	10	17	21	33	69	50
Nepal	410	4	15	66	38	31	47
Niger	12	5	3	59	58	35	39
Rwanda	39	56	31	33	60	11	8
Samoa	46	15	3	61	88	24	9
Sao Tome and Principe	12	14	0	59	70	28	30
Senegal	330	19	10	43	49	38	40
Sierra Leone	15	10	26	76	46	14	28
Solomon Islands	44	13	3	38	9	49	88
Somalia	...	...	...	...	...	...	...
Sudan	24	14	63	16	22	70	15
Tanzania, United Rep. of	615	20	9	36	61	44	29
Togo	46	27	24	51	13	22	63
Tuvalu	...	...	...	...	...	...	...
Uganda	182	...	13	...	82	...	5
Vanuatu	118	10	23	68	46	21	31
Yemen	174	27	12	49	42	24	46
Zambia	114	69	37	14	58	18	5
Memorandum item:							
World	1465100	29	24	34	32	38	44

Note: Data are estimated for most countries.

Source: WTO (2002), *International Trade Statistics*.
