

Trade and Development Board
Investment, Enterprise and Development Commission
Multi-year Expert Meeting on International Cooperation:
South–South Cooperation and Regional Integration
 Second session
 Geneva, 14–16 December 2009

South–South trade, trade finance and trade logistics in support of sustainable agriculture development

Note by the UNCTAD secretariat

Executive summary

The turn of the millennium represents a seminal period for South–South trade and investment in sectors ranging from minerals, metals and fuels, to manufacturing and services. South–South trade and finance have been impressive in quantity and quality in the last decade, they remain robust, and they can pick up more quickly with global recovery. This modality of cooperation, supported by triangular cooperation, can be seized upon to contribute to addressing the stagnation in agricultural development in developing countries and mitigate the impact of the global food crisis. In this regard, this note discusses issues in South–South trade, trade finance and trade logistics that can be harnessed to develop and strengthen sustainable agriculture development. It focuses on (a) strengthening domestic and regional markets among developing countries; (b) improving access to trade financing; and (c) developing regional infrastructure in logistics.

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Introduction

1. The turn of the millennium represents a seminal period for the evolution of South–South trade and investment models in sectors ranging from minerals, metals and fuels, to manufacturing and services. Considerable expansion in South–South trade, especially since 1995, with a number of developing countries among the top five global trading partners, represents an exciting new phenomenon of international trade. South–South trade and finance have been impressive in quantity and quality in the last decade, they remain robust, and they can pick up more quickly if a global recovery sets in following the global economic crisis.

2. South–South merchandised trade in 2007 amounted to \$2.4 trillion, or 20 per cent of world trade, as compared to about \$577 billion in 1995, or 11 per cent of world trade.¹ So there has been a phenomenal expansion in such trade. This is further explained by the fact that South–South trade has grown since 1995 on average by 13 per cent per year, as compared to the average annual growth in world trade of 9 per cent for the same period, and the 10 per cent growth in trade among developed countries. Almost 50 per cent of goods exports of developing countries flow to other developing countries. Developing countries are increasingly trading (and investing) with each other, although intra-Asian trade dominates, accounting for about 80 per cent of aggregate South–South trade. The potential for intra-African and intra-Latin American and Caribbean trade, as well as for interregional trade among developing countries, has yet to be fully exploited.

3. The drivers of this dynamic growth in South–South trade have included (a) the rapid economic growth of a number of dynamically growing countries in the South (e.g. Brazil, China and India) leading to increased complementarities; (b) an increase in production-sharing schemes within the South through intra- and inter-firm and intra- and inter-industry networks and transactions by firms of the South and the North; (c) improvement in trade facilitation and transport among developing countries; and (d) the strengthening of regional integration agreements or development of new bilateral trade and investment agreements.

4. The importance of domestic and regional markets among developing countries needs to be further reinforced by further reducing/removing tariffs and non-tariff barriers. In this context, in regard to agriculture trade and development it is particularly important to foster harmonization or mutual recognition of standards, regulations and procedures in agriculture and agricultural trade. Market information is also important. It is often easier to find out what is happening in the developed country markets in terms of prices and quantities demanded, than in developing countries. Also important is the need to develop regional infrastructure in logistics, including roads, rail, flights and shipping as well as institutional arrangements such as testing laboratories, research and academic training institutions, certification bodies and accreditation institutions.

¹ See UNCTAD (2008). South–South cooperation and regional integration: Where we stand and future directions. TD/B/C.II/MEM.2/2. Geneva. 26 November.

I. Trade flows in agriculture

A. Leveraging opportunities for South–South trade in agriculture and triangular cooperation

5. Turning the stagnation in agricultural development in developing countries into a dynamic and virtuous circle of growth requires, inter alia, stimulating the nexus between productive capacity, investment and trade. Improvement in productive capacity requires substantial investment, from both domestic and foreign sources.² But an increase in investment would only be realized when there is a clear incentive to do so, such as a potential for export growth. Making the best of existing trading opportunities, in turn requires sound productive capacity. This nexus is examined in this section.

1. South–South trade in agriculture – a dynamic growth opportunity

6. The demand for food in a large number of developing countries has increased at a faster rate in the past decade than in previous periods, due to population increase, a dynamic rise in disposable income, or both. Reflecting this strong demand, trade in agricultural products, especially food, was one of the most dynamic growth sectors in South–South trade. This was particularly true for Africa’s trade with other developing countries.

7. The share of South–South food exports in global food trade increased substantially from 10 per cent in 1995 to 16 per cent in 2007. This shows significant growth when contrasted with the decline in the share of North–North food exports from 55 per cent in 1995 to 48 per cent in 2007, and that of exports from the North to the South and from the South to the North whose shares remained the same at around 15 per cent and 20 per cent, respectively³ (table 1, annex).

8. Countries in the Latin America and Caribbean region are major food exporters in South–South trade. They accounted for around half of the value of South–South food exports throughout the period between 1995 and 2007. Africa, however, experienced the fastest growth in food exports to the South. Comparing the value of South–South food exports in 1995 and that of the 2005/2007 average, Africa’s food exports grew almost by four times. Also, Africa’s food exports to the South exhibits significantly higher growth rates than their food exports to the North (table 2).

9. The agri-food sectors that are most traded within the South are staples such as cereals, followed by fixed vegetable oils and fats, vegetable and fruits and meat. These are also the sectors which increased their shares in the global food trade most dynamically. Sectors of major exports to the North are largely new and traditional cash crops, such as vegetables and fruits, fish and crustaceans, and coffee/tea. The growth in food exports has been especially dynamic in trade with neighbouring countries, and in most cases, the products that are traded in this context are quite different from the traditional set of cash crops exported to developed countries. They include meat/fishery/dairy products and

² See UNCTAD (2009). *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development*. United Nations publication. Sales No. E.09.II.D.15. New York and Geneva.

³ Source : WITS/Trains. “Food” includes products classified as the SITC 01 (Rev.3). The North includes high-income OECD countries, as defined in WITS, and the South consists of low and middle income countries.

vegetables, which suggests there has been some improvement in trade facilities (e.g. refrigerating containers, warehouses and transport networks).

2. Market access conditions (tariffs) in South–South agri-food trade

10. The average “effectively” applied tariff⁴ in South–South trade in food and agricultural products (11 per cent – simple average) is significantly higher than the average tariff in South–South industrial trade (table 3). But comparing it to tariffs on agri-food imports from the North, tariffs in South–South agri-food trade are generally lower. This suggests the existence of regional preferential tariffs. As shown in table 4, the intra-regional tariff on food (SITC 0) is significantly lower than inter-regional South–South tariffs. Also in trade flows, intra-regional food trade (SITC 0) exceeds food trade with other regions in the South in almost all cases.

3. Domestic regulations, trade facilitation and market entry conditions in South–South trade

11. In addition to tariffs, other trade barriers affect the potential for South–South trade. A recent study on the perception of food-agri exporters in Sri Lanka suggests that domestic regulatory environment, customs environment, and infrastructural problem all mattered equally to exporters.⁵ Under the regulatory environment, tax regulation and corruption were two major problems. As regards customs, the main problem perceived by exporters was informal payments while tariffs in importing countries were considered affordable.

12. Regional and subregional integration agreements do foster South–South agri-food trade, and this could be further enhanced through promoting regional market development by removing procedural and other non-tariff measures and improving trade logistics. An interesting example is the Association of South-East Asian Nations (ASEAN) Single Window initiative⁶ which aims at facilitating international trade and investment through expeditious clearance and release of cargoes by the customs.

13. Also in this context, it is particularly important to have harmonization or mutual recognition of standards, transparent regulations and procedures in agriculture and agricultural trade, and readily accessible market information. It is equally important to develop regional infrastructure in logistics, including roads, rail, flights and shipping, as well as institutional arrangements (i.e. testing laboratories, research and academic training institutions, certification bodies and accreditation institutions).

B. Sustainable agriculture production and trade

14. Sustainable agriculture, including organic agriculture, generates multiple development benefits to farmers, rural communities, the economy and the environment.⁷

⁴ The “effectively applied duty” selects the lowest among the MFN applied rates and existing preferential rates.

⁵ “Exporters in Sri Lanka on trade facilitation”, Department of Agricultural Economics and Business Management, University of Peradeniya, Sri Lanka, 2009.
<http://www.unescap.org/tid/artnet/mtg/Madhushanie%20Amarasekara.pdf>

⁶ Factsheet, ASEAN Secretariat <http://www.aseansec.org/Fact%20Sheet/AEC/2009-AEC-018.pdf>.

⁷ Increases net incomes of farmers, relies on and builds local resources such as traditional agricultural varieties and knowledge, increases availability of food, knowledge-intensive rather than external input intensive, particularly well suited to the farming systems in developing countries, particularly LDCs, and it is good for the environment, using much less energy and carbon, creating less pollution, building soil fertility, reducing erosion, and increasing resilience to climatic stress.

However, it remains an underdeveloped area for South–South cooperation. The existing gaps to be filled on the advantages of sustainable agriculture include awareness-raising on the benefits, sharing experiences with sustainable agriculture, including organic agriculture –in terms of data on production, economic, environmental, social, health impacts as well as supportive policies. For example, regional strategies using sustainable agriculture as a tool for climate change adaptation (organic agriculture can be virtually made carbon neutral) could be developed. The United Nations Environment Programme (UNEP)–UNCTAD Best Practices for Organic Policy can set a good starting point for such discussions. There is a great need for further research on organic agriculture. Research on sustainable and organic agriculture is currently less than one percent of total agricultural research.

15. There also is need to document and share also traditional agricultural knowledge and practices and bring that body of knowledge together with modern scientific knowledge. In Africa, Ugandan Martyrs University would like to set up an African Organic Center of Excellence to act as focal point for conducting, collecting and disseminating research results, traditional knowledge and other effective sustainable agriculture techniques and practices. Moreover, the UNEP–UNCTAD CBTF recently co-organized the first African Organic Agriculture Conference (Kampala, May 2009), with the theme “Fast-tracking sustainable development in Africa through harnessing organic agriculture and biotechnology”, at which many scientific research papers by African researchers were presented and shared. These researchers launched the African Organic Agriculture Research Network.

16. UNCTAD has provided assistance on harmonization and equivalence in organic agriculture. Together with UNEP and IFOAM it supported the development of the East African Organic Products Standard, adopted by the East African Community in 2007. With FAO and IFOAM, it convened the International Task Force on Harmonization and Equivalence in Organic Agriculture (2002-2007). The ITF analysed the current situation and made recommendations for solutions to trade barriers created by the multitude of different public and private sector standards, regulations, certification and accreditation requirements around the world. The ITF developed two practical tools to facilitate trade flows: the International Requirements for Organic Certification Bodies (IROCB), a minimum performance requirement for organic certification bodies, and the Equitool, a set of criteria and procedures to help decision on when an organic standard in one region of the world is equivalent (not identical) to another one.

II. Trade financing

17. The lifeblood of global trade, finance, is also critical to South–South trade, including trade in agricultural and food products. Although commodities’ trade between developing countries has expanded rapidly over recent years, financing solutions required to enable and further promote this trade remain inadequate. Finance shortage has particularly major impact on trade in agricultural and food products given the inherently volatile and risk prone nature of the agricultural production (to, for example, weather variability, quality of crops and diseases undermining yields). These features tend to restrict access to finance, especially for small-scale producers in developing countries which make up the majority of agricultural and food producers.

18. Lending institutions usually attempt to manage their risk exposure by imposing stringent lending policies and conditions at higher premiums. Large farmers and traders who benefit from economies of size and scale can capitalize on these features to obtain financing at acceptable terms. Smaller actors and small and medium-sized enterprises (SMEs), however, are less likely to obtain requisite financing in a timely manner at a reasonable cost. Without proper finance, small-scale producers and traders are unable to

develop production in a stable and sustainable manner, meet market demand, remain competitive, and increase their value added share. These challenges inherent to the agricultural sector compounded with the current tight credit conditions could be extremely detrimental to the agricultural sector development and trade of developing countries.

19. Against this background, exploring the potential offered by innovative financing arrangements, including through South–South cooperation, is of essence. South–South cooperation in agricultural trade and trade-related infrastructure finance can prove instrumental in supplementing, and, in some cases, replacing existing financing mechanisms when these fall short of meeting the needs of trade. Enhancing access to South–South trade finance, for example, through better terms of credit, reduced costs, flexible arrangements, and insurance instruments, and making financing more readily available, especially for smaller players, will help open new market opportunities, enable agricultural trade, as well as foster broader South–South cooperation and integration during the current situation of global crisis and liquidity squeeze.

20. Some of the existing initiatives within the banking network have the potential to strengthen South–South cooperation in trade financing and boost trade among developing economies. These include for instance the Lines of Credit relationship between Exim Bank of India and the Eastern and Southern African Trade and Development Bank (PTA Bank); between Exim Bank of Romania and the Industrial Development Bank (IDB) of Kenya; and between the East African Development Bank and China Development Bank. A number of countries have also explored ways in which international payment clearing mechanisms on a bilateral or regional basis could be established and strengthened. Such mechanisms include for example the development of an African correspondent banking and letter of credit confirmation scheme (Africorrbanking) by Afeximbank. Elsewhere, the Thai EXIM Bank opened a branch in Moscow to facilitate Thai exports to the Russian market. Similarly EximBank of India opened representative offices in Africa to enhance trade and investment between India and Africa.

21. Another initiative aimed at supporting South–South cooperation is the Global Network of Exim Banks and Development Finance Institutions (DFIs) (or G-NEXID). The G-NEXID was launched in March 2006 under the auspices of UNCTAD. It constitutes a dynamic institutional response to the emerging trends in international trade, where natural synergies between Eximbanks, DFIs, trade finance and investment can be leveraged to capitalize upon the opportunities generated by the emerging dynamism of the South. It serves as a global forum to promote South–South trade and project finance through cooperation and technical assistance, including networking to facilitate the exchange of information on best practices in trade and project finance. Cooperation through G-NEXID is expected to reduce trade costs that hinder the trade among developing countries as well as spur investment across borders and provide easier access to trade finance. The Network currently counts 23 members from Africa, Asia, Latin America and Eastern Europe which serves more than 70 countries.

22. Financing agriculture trade would also benefit from greater private-public partnerships to capitalize on additional financial resources that could be derived, as well as the know-how, expertise and technology advances that usually prevail within the private sector to develop agriculture trade and trade-related infrastructure. The agricultural sector development, in particular, rests to a large extent on working and efficient business partnerships. Relevant partnerships may include, for instance, investments in irrigation systems and rural storage facilities; trade infrastructure development such as improvements to ports and roads and the building of grading and testing facilities.

III. More South–South trade through better trade logistics

23. Trade and transport cost and efficiency are increasingly important determinants of countries' competitiveness and their ability to trade, especially in agriculture. Effective participation of developing countries in the South–South production processes and resulting transport patterns are highly dependent on access to cost-effective, efficient and reliable trade logistics services and infrastructure. With the global economic crisis, which has put enormous pressure on exporters to increase their productivity and reduce costs, improving developing countries' trade competitiveness has become a key to sustaining economic growth.

24. Excessive transport costs and the absence of a trade facilitating environment create the major effective barrier in moving food and agricultural products internationally. The time of moving agricultural produce from a farmer to a consumer is also an important determinant, especially when it comes to time- and temperature-sensitive products. Long waiting times at border crossings or at ports, inappropriate fees or formalities, as well as unclear trade and transport rules and regulations are among the main obstacles for countries that are neither participating in globalized trade arrangements nor benefiting from the “new geography of trade”. Overcoming non-physical barriers to trade and enhancing the efficient use of existing physical transport infrastructure is a major objective to be pursued, particularly when investment resources are scarce.

A. Enhancing transport connectivity

25. The dynamic growth of South–South trade would not have been possible without global shipping networks, port reforms and investment in transport infrastructure. South–South trade has benefited from the establishment of global shipping networks, which connect North-South and East-West shipping routes via transshipment ports. As a result, even countries that are not connected to each other through direct regular shipping services can now count on regular maritime transport connections. Improved connectivity has consequently helped many developing countries to become more competitive and enabled them to better access regional and global markets. The critical importance of transport connectivity for the development and strengthening of cooperative trading arrangements can be clearly shown by the example of the India-Brazil-South Africa (IBSA) Initiative.⁸ The main goal of this initiative in the area of transport is to improve air and maritime connectivity among IBSA countries through development of transshipment facilities and shipping routes linking regions of MERCOSUR, Southern Africa Customs Union (SACU) and South Asia.

26. Intra-regional South–South trade growth may be stimulated by a comprehensive set of transport and trade facilitation measures that reduce transport costs and non-physical barriers to trade, and thus improve overall trade logistics. For example, in Latin America, the Central American Common Market (MCCA), the Caribbean Community (CARICOM), the Andean Community (CAN) and MERCOSUR are linked by their respective land and sea transport systems which have their own transport networks, institutional framework, established regulatory schemes, and particular infrastructure development plans. The largest share of goods is transported by land with the exception of CARICOM which makes extensive use of maritime transport. This is also reflected in institutional and regulatory

⁸ IBSA is a trilateral developmental initiative between Brazil, India and South Africa to promote South–South cooperation in selected areas, including agriculture, trade, transport, energy, health and others.

frameworks of each grouping. For example, in the MCCA, access to the profession and to international flows inside the region appears to be open to all operators regardless of their nationality or the origin or destination of the traffic. The Andean regional system of road transport is open to companies of Andean nationality, from any or from several member countries, including the Andean multinational companies.

27. In Asia, ASEAN adopted an action plan on maritime transport which sets out the framework for the progressive development of a globally competitive and integrated ASEAN ports and shipping sector. This framework covers developing infrastructure, promoting a liberalized regulatory environment, harmonizing standards and building human resource and institutional capacities. It aims at helping ASEAN member countries to develop a strategy for cooperation and market access to maritime transportation in the ASEAN region in support of the creation of the ASEAN Economic Community by 2015.

28. A typical example of promoting South–South transport connectivity between two major trading partners is the ASEAN–China Maritime Transport Agreement (signed in November 2007). It fosters cooperation to improve maritime transport links for goods and passengers to allow for the faster access and passage of passengers and cargo at ports, the standardization of customs regulations, and research and training collaboration between ASEAN member countries and China.

29. Changing transport practices and patterns together with developments in world trade influenced the demand for high-quality logistics services at ports and airports. The emergence of practices such as the hub and spoke system of port connectivity with its resulting need for transshipment operations, multimodal transport and door-to-door operations have changed the role of sea ports transforming them into critical nodal points that link national and international transport systems. More efficient airport logistics have an incremental role to play, especially when shipping by sea is not an alternative. Shipping by air is the necessary option when rapid transport is needed, e.g. in case of perishables or high-risk goods (see box). Trade-conducive ports and airports have thus become an indispensable part of any country’s physical and administrative infrastructure aimed at ensuring participation in the global supply chains and production networks.

Exporters’ perspective on logistics and competitiveness in perishable food sector

According to Freshport Asia, spoilage and poor storage practices are costing Thai farmers and exporters of fruits and vegetables more than 2.92 billion baht a year, or 8 million to 9 million baht a day. About 20–35 per cent of these perishables are spoiled during transport or storage.

Source: “Produce exporters losing half to spoilage”, Bangkok Post, 30 May 2007

<http://www.freshport.asia/assets/Downloadpdf/bangkok%20post%20CC%2030May07.pdf> .

“Today, shipping perishables through Suvarnabhumi [airport] remains quite a hassle as is a lack of clarity in rules, regulations and Free Zone procedures for this type of cargo. Everyone is waiting for the Airport Authority and the government to solve the problem... [Moreover] high costs of fuel, fertilizer and shipping have greatly impacted perishable export and raised the cost of doing business, but at the same time we are not likely to see price increases for these products. If the situation continues, we will be under lots of pressure to compete in

difficult circumstances and it's hard to see what the market will be like in the future. However, by managing the supply chain more efficiently and with better logistics infrastructure, exporters will have a better opportunity to control quality, standards and safe delivery of their products, which will help the sector grow and become more sustainable.”

Mr. Chusak Chuenprayote, Managing Director of Kampaengsaen Commercial Co Ltd.

Note: Kampaengsaen Commercial Co Ltd., better known as KC Fresh, is a leading exporter of perishables in Thailand. KC Fresh's main export markets include China, ASEAN countries, EU and the Middle East. Within Asia, the cargo is usually shipped by sea and to Europe and the Middle East by air.

Source: Excerpted from Thai perishables: Smart planning and high standards are keys to steady growth, www.freshport.asia

30. In order to ensure that operational efficiency requirements can be met, governments are increasingly resorting to a process of privatization of terminal operations. Private sector involvement is generally seen as a way of mitigating some of the problems resulting from the capital intensity and complexity of modern-day container terminal operations. Between 1990 and 2007, investment commitments to transport-related projects with private participation in developing countries increased in real terms from \$14 billion to \$30 billion.⁹ Enhancing investment opportunities and high growth prospects have also made ports of developing countries attractive investment targets for global terminal operators. Increasingly, these global companies have their base in developing countries, such as Hutchison Port Holdings of Hong Kong (China), DP World of United Arab Emirates, Port of Singapore Authority, Singapore, China Ocean Shipping Company (COSCO) of China and International Container Terminal SI (ICTSI) of the Philippines.

31. Under the World Trade Organization (WTO) Aid for Trade Initiative, the second global review in July 2009 emphasized the need to strengthen operational initiatives at regional level favouring the building of productive capacities and trade facilitation. Progress in this regard would further strengthen intra-regional South-South trade, such as the COMESA-EAC-SADC North-South Corridor Aid for Trade Project. This project was launched in April 2009 to build up and make more efficient the transport corridors in Eastern Africa.

B. Improving the customs and trade facilitation environment

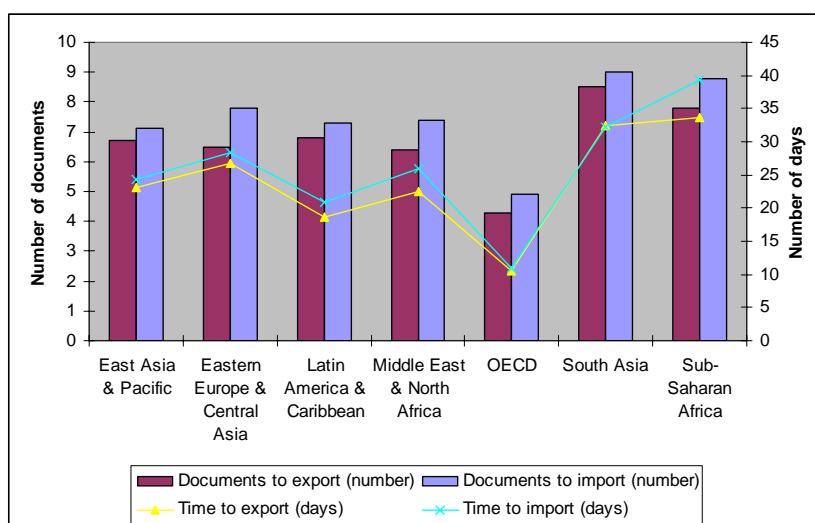
32. As moving food and agricultural produce from farms to foreign markets necessarily involves crossing national borders, traders have to meet multiple customs and trade procedures. Significant delays and additional costs are associated with the preparation of trade forms and documents to meet regulatory requirements and business practices. It has been estimated that trade transaction costs associated with import and export procedures amount to 7 to 10 per cent of the value of goods traded.¹⁰

⁹ UNCTAD (2009). Public and Private Partnerships for the Development of Infrastructure to Facilitate Trade and Transport. TD/B/C.I/MEM.1/5. Geneva. 29 September.

¹⁰ Engman M (2009). The economic impact of trade facilitation. In: *Overcoming Border Bottlenecks:*

33. Trade facilitation broadly refers to any at-the-border and behind-the-border measure to ease the movement of goods from seller to buyer. In a narrow sense, trade facilitation aims to simplify and improve customs and trade procedures and documents. While many developing countries have improved their customs procedures and introduced computerized customs data systems, trade procedures still appear complex and cumbersome and continue requiring numerous documents, copies and signatures. Despite the progress made, the gap between most regions and OECD remains significant (see figure below). For example, export process takes in average 32.4 days in South Asia, 33.6 days in sub-Saharan Africa, while only 10.5 days in OECD countries. These data are provided for a standardized cargo which is transported by land from a factory to a ship at a closest port. More regulations and procedures in terms of sanitary and phytosanitary certificates are required on agricultural and food products to verify that the exported products meet health and quality standards of the importing country.

Snapshot of trading across borders



Source: World Bank: Doing Business 2010, www.doingbusiness.org.

34. To accelerate imports and exports of food and agriculture products, while not impeding their safety and quality, further customs rationalization measures combined with trade facilitation measures should be adopted by developing countries in a concerted effort. Efficient customs automation systems should be extended beyond customs headquarters and main trade gateways to cover all significant entry/ exit border points. For this, extending power supply and IT infrastructure to remote points is a necessary precondition. Furthermore, submission of electronic advance cargo information and a pre-arrival clearance should be allowed, a risk management system strengthened and harmonized among all border agencies. These measures should be complemented by establishing green lane channels, authorized operator schemes and post-audit clearance systems.

35. UNCTAD's ASYCUDA programme, which currently operates in more than 90 countries, is an important tool that facilitates both South-South and North-South trade. ASYCUDA is a customs automation system which speeds up the clearance process through the use of information technology and simplified documents and procedures.¹¹

the Costs and Benefits of Trade Facilitation. Paris. OECD Publishing: chapter 3.

¹¹ More information can be found at www.asycuda.org.

36. Having understood the great potential of trade facilitation to become a driver of intraregional and interregional South–South trade, many regional groupings have upgraded trade facilitation to a regional issue. Examples of regional arrangements and initiatives are manifold, covering all geographic regions. These include agreements and initiatives which deal with the customs cooperation, harmonization and standardization of trade procedures, cross-border exchange of electronic trade information, and establishment of regional single window systems.

37. In Asia, ASEAN has been at the forefront of trade and transport facilitation reforms, undertaking a variety of measures relating to improvement of customs environment and trade procedures. These include the ASEAN Customs Agreement, the ASEAN Framework Agreement on the Facilitation of Goods in Transit, ASEAN Framework Agreement on Multimodal Transport to name the few. The most significant and far reaching ASEAN commitment relating to trade facilitation is the ASEAN Single Window which is due to be finalized by 2013. It will enable a seamless exchange of customs cargo information between individual ASEAN countries, thus expedite and accelerate movement of goods within the ASEAN region. A vital prerequisite for establishing the ASEAN Single Window is setting up the National Single Window facilities¹² in all ten ASEAN member countries.

38. ASEAN has been examining a possible extension of the ASEAN Single Window to other neighbouring countries, including China, Japan and the Republic of Korea, some of which already operate an electronic single window system. This effort would significantly facilitate South–South trade within Asia.

39. In Africa, the Common Market for Eastern and Southern Africa (COMESA) has introduced the COMESA Trade and Transit Transport Facilitation Programme which contains concrete and practical measures and instruments that facilitate trade within the region. It includes measures related to customs procedures (e.g. a customs valuation system, common declaration, customs bond guarantee scheme) but also harmonized road transit charges, the COMESA carriers' licence, harmonized axle loading and maximum vehicle dimensions and a common vehicle insurance scheme.

40. Recently, the small island economies, which are remote from the major international markets, recognized a vital role of regional trade facilitation measures. While having in mind achieving a greater regional integration, the Pacific Islands Forum countries adopted a Regional Trade Facilitation Programme. The Programme is designed to harmonize procedures, processes and policies that affect the movement of goods across the whole Pacific region. It targets four main areas, including customs procedures, sanitary and phytosanitary measures and standards and conformance procedures.

IV. Possible questions to be addressed

41. This paper highlights some issues in trade, trade finance and trade logistics that can play a catalytic role in strengthening South–South cooperation and triangular cooperation in promoting and enhancing sustainable agriculture development. To facilitate a focused

¹² A single window for international trade is generally defined as a facility that allows for submission and exchange of trade documents and data to meet export/ import/ transit-related regulations at a single entry point. Physical single windows bring together public agencies at one physical location so that traders no longer have to visit multiple agencies to submit the forms. If the single window is based on ICT information, documents can be submitted electronically and only once. The data is then transmitted to relevant authorities and private entities through the electronic platform and re-used by each of them for their procedures and operations.

discussion on these issues, the following questions could be addressed in each of these areas.

42. In respect of South–South trade, the following questions are relevant:

(a) In the context of the global economic crisis, what measures can be taken to consolidate and strengthen the dynamic growth in South–South trade in food and agriculture products?

(b) Can further reduction in tariffs on food and agricultural products on a South–South basis be realized to enhance market access conditions? Also, what are some of the key non-tariff barriers to be addressed?

(c) What measures can be taken among developing countries to share traditional agricultural knowledge and practices in support of better agricultural and food production and trade?

43. As regards trade financing, the following questions could be discussed:

(a) Do adequate facilities exist for trade finance in food and agriculture exports?

(b) What can be done to improve policies and institutions for South–South trade financing which are still in their formative stages?

(c) What financial services-related measures can be taken to improve agricultural production and trade in regional and sub-regional contexts?

(d) How can South–South trade finance better cater to the needs of smaller scale farmers and producers and ensure their effective integration in global value chains?

44. In respect of trade logistics, the following possible questions can be discussed:

(a) What trade facilitation reforms are needed to further enhance developing countries' trade and investment flows, export competitiveness and regional integration?

(b) What measures are required at national and international levels to address the trade facilitation related challenges faced by developing countries at national and regional level?

(c) How can institutional and political factors be harnessed to support the designing and implementing the trade facilitation reforms?

(d) What are the benefits (and possible problems) that can emerge from designing and delivering trade facilitation related technical assistance and capacity building support at the regional level?

Annex

Tables

Table 1. Global food exports: breakdown according to trade flows

| Sum of Trade Value (\$ billion) | Year | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 1995 | 2001 | 2003 | 2005 | 2007 |
| Group | | | | | |
| South-South | 29 | 39 | 49 | 72 | 105 |
| South-North | 57 | 65 | 80 | 103 | 133 |
| North-South | 42 | 44 | 47 | 62 | 93 |
| North-North | 153 | 166 | 208 | 247 | 308 |
| TOTAL | 280 | 313 | 384 | 484 | 639 |
| As % share of Global food trade (by year) | | | | | |
| Group | | | | | |
| South-South | 10% | 12% | 13% | 15% | 16% |
| South-North | 20% | 21% | 21% | 21% | 21% |
| North-South | 15% | 14% | 12% | 13% | 15% |
| North-North | 54% | 53% | 54% | 51% | 48% |
| TOTAL | 100% | 100% | 100% | 100% | 100% |

* Food = food & live animals (SITC 01); Source: WITS/TRAINS.

Table 2. Food exports of developing countries, by destination and by region (\$ billion)

| Group | Product | Product name | 1995 | 2001 | 2003 | 2005 | 2007 | Growth rate (95-05/07) |
|--|---------|----------------------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| Sub-Saharan Africa (low & middle income countries) | | | | | | | | |
| To North | 00 | Live animals except fish | 9 | 21 | 23 | 51 | 34 | 364% |
| | 01 | Meat & preparations | 68 | 106 | 110 | 72 | 133 | 50% |
| | 02 | Dairy products & eggs | 1 | 2 | 5 | 5 | 11 | 629% |
| | 03 | Fish/shellfish/etc. | 626 | 1'542 | 1'840 | 1'877 | 2'168 | 223% |
| | 04 | Cereals/cereal preparation | 44 | 95 | 18 | 28 | 18 | -48% |
| | 05 | Vegetables and fruit | 866 | 1'066 | 1'475 | 1'972 | 2'269 | 145% |
| | 06 | Sugar/sugar prep/honey | 587 | 531 | 520 | 663 | 732 | 19% |
| | 07 | Coffee/tea/cocoa/spices | 2'920 | 2'429 | 4'008 | 3'723 | 4'270 | 37% |
| | 08 | Animal feed ex unml cer. | 29 | 32 | 26 | 18 | 35 | -10% |
| | 09 | Misc. food products | 9 | 11 | 22 | 29 | 40 | 294% |
| Total | | | 5,160 | 5,835 | 8,046 | 8,438 | 9,712 | 76% |
| To South | 00 | Live animals except fish | 116 | 182 | 264 | 320 | 295 | 164% |
| | 01 | Meat & preparations | 26 | 89 | 102 | 235 | 251 | 838% |
| | 02 | Dairy products & eggs | 65 | 67 | 99 | 84 | 124 | 59% |
| | 03 | Fish/shellfish/etc. | 44 | 207 | 291 | 369 | 455 | 842% |
| | 04 | Cereals/cereal preparation | 421 | 204 | 387 | 659 | 574 | 46% |
| | 05 | Vegetables and fruit | 250 | 343 | 541 | 693 | 897 | 219% |
| | 06 | Sugar/sugar prep/honey | 138 | 481 | 504 | 543 | 505 | 280% |
| | 07 | Coffee/tea/cocoa/spices | 564 | 890 | 1'060 | 1'367 | 1'897 | 189% |
| | 08 | Animal feed ex unml cer. | 35 | 74 | 67 | 80 | 128 | 192% |
| | 09 | Misc. food products | 81 | 246 | 209 | 248 | 333 | 260% |
| Total | | | 1,740 | 2,784 | 3,524 | 4,597 | 5,458 | 189% |

| Group | Product | Product name | 1995 | 2001 | 2003 | 2005 | 2007 | Growth rate (95-05/07) |
|---|---------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------------------|
| Middle-East and North Africa (low & middle income countries) | | | | | | | | |
| To North | 00 | Live animals except fish | 3 | 1 | 3 | 3 | 2 | -7% |
| | 01 | Meat & preparations | 5 | 8 | 8 | 10 | 16 | 175% |
| | 02 | Dairy products & eggs | 2 | 2 | 2 | 8 | 25 | 942% |
| | 03 | Fish/shellfish/etc. | 811 | 876 | 1,007 | 1,093 | 1,312 | 48% |
| | 04 | Cereals/cereal preparation | 2 | 12 | 27 | 42 | 90 | 2567% |
| | 05 | Vegetables and fruit | 744 | 757 | 1,058 | 1,397 | 1,457 | 92% |
| | 06 | Sugar/sugar prep/honey | 11 | 24 | 31 | 54 | 40 | 309% |
| | 07 | Coffee/tea/cocoa/spices | 26 | 65 | 80 | 89 | 78 | 215% |
| | 08 | Animal feed ex unml cer. | 14 | 13 | 9 | 15 | 13 | -3% |
| | 09 | Misc. food products | 9 | 14 | 19 | 28 | 38 | 261% |
| Total | | | 1,628 | 1,772 | 2,244 | 2,739 | 3,070 | 78% |
| To South | 00 | Live animals except fish | 35 | 34 | 214 | 217 | 246 | 556% |
| | 01 | Meat & preparations | 17 | 7 | 23 | 33 | 28 | 82% |
| | 02 | Dairy products & eggs | 20 | 133 | 162 | 355 | 410 | 1805% |
| | 03 | Fish/shellfish/etc. | 78 | 167 | 208 | 295 | 425 | 361% |
| | 04 | Cereals/cereal preparation | 121 | 330 | 444 | 642 | 777 | 488% |
| | 05 | Vegetables and fruit | 218 | 751 | 927 | 1,588 | 1,621 | 635% |
| | 06 | Sugar/sugar prep/honey | 16 | 53 | 87 | 149 | 287 | 1300% |
| | 07 | Coffee/tea/cocoa/spices | 27 | 84 | 123 | 172 | 295 | 765% |
| | 08 | Animal feed ex unml cer. | 15 | 73 | 76 | 75 | 102 | 494% |
| | 09 | Misc. food products | 34 | 43 | 59 | 120 | 145 | 294% |
| Total | | | 580 | 1,674 | 2,322 | 3,646 | 4,336 | 588% |
| Latin America and Caribbean (low & middle income countries) | | | | | | | | |
| To North | 00 | Live animals except fish | 557 | 439 | 496 | 551 | 513 | -5% |
| | 01 | Meat & preparations | 1,977 | 2,167 | 2,985 | 5,346 | 6,690 | 204% |
| | 02 | Dairy products & eggs | 38 | 71 | 107 | 251 | 228 | 535% |
| | 03 | Fish/shellfish/etc. | 3,971 | 4,536 | 5,048 | 5,663 | 6,440 | 52% |
| | 04 | Cereals/cereal preparation | 335 | 951 | 1,064 | 843 | 3,029 | 478% |
| | 05 | Vegetables and fruit | 7,564 | 9,502 | 11,380 | 13,789 | 18,406 | 113% |
| | 06 | Sugar/sugar prep/honey | 949 | 1,307 | 1,507 | 1,815 | 2,161 | 110% |
| | 07 | Coffee/tea/cocoa/spices | 6,918 | 3,784 | 4,208 | 6,897 | 8,508 | 11% |
| | 08 | Animal feed ex unml cer. | 3,251 | 3,970 | 4,568 | 5,087 | 6,621 | 80% |
| | 09 | Misc. food products | 130 | 364 | 330 | 527 | 657 | 357% |
| Total | | | 25,689 | 27,091 | 31,693 | 40,769 | 53,253 | 83% |
| To South | 00 | Live animals except fish | 234 | 118 | 85 | 331 | 537 | 86% |
| | 01 | Meat & preparations | 736 | 1,487 | 2,242 | 5,537 | 7,279 | 771% |
| | 02 | Dairy products & eggs | 470 | 700 | 650 | 1,189 | 1,645 | 202% |
| | 03 | Fish/shellfish/etc. | 531 | 678 | 652 | 1,077 | 1,679 | 160% |
| | 04 | Cereals/cereal preparation | 2,500 | 3,294 | 3,052 | 3,958 | 6,841 | 116% |
| | 05 | Vegetables and fruit | 1,539 | 1,833 | 1,725 | 2,309 | 3,473 | 88% |
| | 06 | Sugar/sugar prep/honey | 2,480 | 3,305 | 2,764 | 4,575 | 5,471 | 103% |
| | 07 | Coffee/tea/cocoa/spices | 1,113 | 750 | 717 | 1,125 | 1,583 | 22% |
| | 08 | Animal feed ex unml cer. | 1,386 | 2,177 | 3,001 | 3,962 | 5,139 | 228% |
| | 09 | Misc. food products | 475 | 949 | 927 | 1,270 | 1,809 | 224% |
| Total | | | 11,463 | 15,291 | 15,816 | 25,334 | 35,456 | 165% |

| Group | Product | Product name | | | | | | Growth rate |
|--|---------|----------------------------|---------------|---------------|----------------|----------------|----------------|-------------|
| | | | 1995 | 2001 | 2003 | 2005 | 2007 | (95-05/07) |
| South Asia (low & middle income countries) | | | | | | | | |
| To North | 00 | Live animals except fish | 0 | 2 | 1 | 0 | 0 | -20% |
| | 01 | Meat & preparations | 11 | 5 | 20 | 11 | 5 | -27% |
| | 02 | Dairy products & eggs | 2 | 14 | 17 | 34 | 35 | 1324% |
| | 03 | Fish/shellfish/etc. | 1,109 | 1,374 | 1,516 | 1,711 | 1,889 | 62% |
| | 04 | Cereals/cereal preparation | 143 | 177 | 279 | 353 | 432 | 174% |
| | 05 | Vegetables and fruit | 368 | 558 | 563 | 861 | 862 | 134% |
| | 06 | Sugar/sugar prep/honey | 152 | 86 | 95 | 97 | 131 | -25% |
| | 07 | Coffee/tea/cocoa/spices | 426 | 476 | 536 | 683 | 691 | 61% |
| | 08 | Animal feed ex unml cer. | 162 | 70 | 128 | 283 | 408 | 114% |
| | 09 | Misc. food products | 22 | 41 | 29 | 36 | 62 | 117% |
| Total | | | 2,397 | 2,804 | 3,185 | 4,069 | 4,516 | 79% |
| To South | 00 | Live animals except fish | 3 | 3 | 19 | 8 | 10 | 205% |
| | 01 | Meat & preparations | 118 | 214 | 296 | 507 | 709 | 418% |
| | 02 | Dairy products & eggs | 6 | 40 | 40 | 162 | 200 | 2807% |
| | 03 | Fish/shellfish/etc. | 120 | 261 | 290 | 435 | 559 | 312% |
| | 04 | Cereals/cereal preparation | 1,648 | 1,107 | 1,678 | 2,145 | 2,929 | 54% |
| | 05 | Vegetables and fruit | 221 | 313 | 493 | 858 | 799 | 274% |
| | 06 | Sugar/sugar prep/honey | 221 | 350 | 276 | 194 | 905 | 149% |
| | 07 | Coffee/tea/cocoa/spices | 501 | 895 | 864 | 1,040 | 706 | 74% |
| | 08 | Animal feed ex unml cer. | 404 | 350 | 540 | 739 | 1,145 | 133% |
| | 09 | Misc. food products | 16 | 32 | 44 | 64 | 50 | 261% |
| Total | | | 3,259 | 3,566 | 4,540 | 6,151 | 8,013 | 117% |
| East Asia and Pacific (low & middle income countries) | | | | | | | | |
| To North | 00 | Live animals except fish | 18 | 15 | 15 | 32 | 49 | 121% |
| | 01 | Meat & preparations | 1,250 | 1,884 | 1,845 | 1,945 | 2,330 | 71% |
| | 02 | Dairy products & eggs | 15 | 63 | 36 | 41 | 45 | 182% |
| | 03 | Fish/shellfish/etc. | 7,728 | 10,008 | 11,453 | 14,275 | 17,225 | 104% |
| | 04 | Cereals/cereal preparation | 470 | 1,032 | 1,926 | 1,988 | 2,513 | 379% |
| | 05 | Vegetables and fruit | 3,832 | 4,387 | 5,471 | 7,061 | 9,686 | 119% |
| | 06 | Sugar/sugar prep/honey | 631 | 642 | 729 | 876 | 1,080 | 55% |
| | 07 | Coffee/tea/cocoa/spices | 1,404 | 1,375 | 1,785 | 2,355 | 3,628 | 113% |
| | 08 | Animal feed ex unml cer. | 718 | 593 | 802 | 974 | 1,810 | 94% |
| | 09 | Misc. food products | 350 | 768 | 949 | 1,221 | 1,586 | 301% |
| Total | | | 16,417 | 20,767 | 25,010 | 30,769 | 39,953 | 115% |
| To South | 00 | Live animals except fish | 26 | 17 | 21 | 8 | 17 | -53% |
| | 01 | Meat & preparations | 388 | 275 | 396 | 399 | 329 | -6% |
| | 02 | Dairy products & eggs | 49 | 401 | 306 | 426 | 590 | 938% |
| | 03 | Fish/shellfish/etc. | 617 | 926 | 1,160 | 1,807 | 3,081 | 296% |
| | 04 | Cereals/cereal preparation | 1,553 | 2,420 | 3,535 | 3,732 | 5,360 | 193% |
| | 05 | Vegetables and fruit | 804 | 1,296 | 2,103 | 3,426 | 5,615 | 462% |
| | 06 | Sugar/sugar prep/honey | 1,067 | 743 | 1,008 | 948 | 1,547 | 17% |
| | 07 | Coffee/tea/cocoa/spices | 508 | 709 | 1,143 | 1,490 | 2,380 | 281% |
| | 08 | Animal feed ex unml cer. | 145 | 179 | 272 | 285 | 554 | 190% |
| | 09 | Misc. food products | 195 | 486 | 687 | 1,155 | 1,735 | 641% |
| Total | | | 5,351 | 7,452 | 10,631 | 13,675 | 21,208 | 226% |
| Grand Total | | | 73,686 | 89,035 | 107,011 | 140,188 | 184,973 | 121% |

Source: WITS/TRAINS.

Table 3. Average tariffs on food and agricultural products (SITC 0+1+4)*

| Importers | Sectors | Exporters | Simple Average (%) | Weighted Average (%) | Import Values (\$Billion) |
|--|-----------------------------|-----------|--------------------|----------------------|---------------------------|
| South (Low & middle income countries) | Food & Agri (SITC 0+1+4) | South | 11.2 | 7.2 | 120.5 |
| | | North | 15.9 | 11.4 | 99.0 |
| | Industrial (WTO-NAMA) | South | 7.6 | 3.8 | 1229.8 |
| | | North | 7.7 | 5.0 | 1734.5 |
| North (High-income OECD) | Food & Agri (SITC 0+1+4) | South | 5.8 | 10.8 | 84.8 |
| | | North | 7.9 | 6.1 | 117.8 |
| | Industrial (WTO-NAMA) | South | 3.8 | 1.9 | 1611.1 |
| | | North | 3.8 | 1.6 | 1839.2 |

Source: WITS/Trains, Year = most recent years available.

* Effectively applied rate (MFN applied or preferential, whichever lower). AVE calculated using the UNCTAD 1 method.

Table 4. Average tariffs on food and agricultural products (SITC 0+1+4)*: Regional breakdown

| Simple Average (%) | | | Exporters | | | | | |
|--|------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Importer | SITC | Product Name | LDCEAP | LDCEAsia | LDCLAC | LDCMNA | SSA | hiOECD |
| LDCEAP | 0 | Food & live animals | 7.8 | 12.3 | 13.0 | 12.6 | 11.8 | 15.0 |
| | 1 | Beverages and tobacco | 16.4 | 28.4 | 34.5 | 21.3 | 27.6 | 37.7 |
| | 4 | Animal/veg oil/fat/wax | 4.7 | 9.0 | 9.0 | 5.3 | 16.5 | 9.0 |
| LDCEAP Low&Middle income/East Asia&Pacific | | | 9.6 | 16.6 | 18.8 | 13.1 | 18.6 | 20.6 |
| LDCEAsia | 0 | Food & live animals | 19.2 | 14.0 | 22.5 | 19.1 | 20.3 | 20.3 |
| | 1 | Beverages and tobacco | 37.8 | 38.8 | 51.6 | 52.1 | 67.5 | 57.0 |
| | 4 | Animal/veg oil/fat/wax | 14.4 | 10.9 | 11.5 | 22.7 | 13.8 | 18.4 |
| LDCEAsia Low&Middle income - South Asia | | | 23.8 | 21.2 | 28.5 | 31.3 | 33.9 | 31.9 |
| LDCLAC | 0 | Food & live animals | 14.8 | 13.9 | 5.7 | 13.5 | 13.7 | 14.3 |
| | 1 | Beverages and tobacco | 24.1 | 18.6 | 9.0 | 17.5 | 23.3 | 20.1 |
| | 4 | Animal/veg oil/fat/wax | 15.2 | 13.0 | 5.5 | 17.5 | 11.3 | 13.4 |
| LDCLAC Low&Middle income/Latin America&Carr. | | | 18.0 | 15.2 | 6.7 | 16.2 | 16.1 | 15.9 |
| LDCMNA | 0 | Food & live animals | 21.3 | 14.1 | 27.0 | 5.9 | 13.8 | 23.2 |
| | 1 | Beverages and tobacco | 48.7 | 33.5 | 67.1 | 11.0 | 104.6 | 164.6 |
| | 4 | Animal/veg oil/fat/wax | 11.2 | 12.9 | 10.9 | 5.0 | 5.0 | 16.7 |
| LDCMNA Low&Middle income/Middle East&North Africa | | | 27.1 | 20.2 | 35.0 | 7.3 | 41.1 | 68.2 |
| SSA | 0 | Food & live animals | 16.9 | 15.1 | 15.3 | 16.0 | 11.8 | 16.5 |
| | 1 | Beverages and tobacco | 22.4 | 32.7 | 23.1 | 22.5 | 16.1 | 24.3 |
| | 4 | Animal/veg oil/fat/wax | 13.5 | 12.5 | 10.8 | 13.6 | 8.7 | 12.6 |
| SSA Sub-Saharan Africa | | | 17.6 | 20.1 | 16.4 | 17.4 | 12.2 | 17.8 |
| Import values (\$ billion) | | | | | | | | |
| LDCEAP | 0 | Food & live animals | 9.8 | 1.4 | 4.3 | 0.1 | 0.5 | 14.3 |
| | 1 | Beverages and tobacco | 0.6 | 0.1 | 0.5 | 0.0 | 0.2 | 1.5 |
| | 4 | Animal/veg oil/fat/wax | 5.7 | 0.1 | 2.2 | 0.0 | 0.0 | 0.9 |
| LDCEAP Low&Middle income/East Asia&Pacific | | | 16.0 | 1.6 | 7.0 | 0.1 | 0.7 | 16.8 |

| Simple Average (%) | | | Exporters | | | | | |
|--|------|------------------------|------------|------------|-------------|------------|------------|-------------|
| Importer | SITC | Product Name | LDCEAP | LDCSAsia | LDCLAC | LDCMNA | SSA | hiOECD |
| Import values (\$ billion) | | | | | | | | |
| LDCSAsia | 0 | Food & live animals | 0.6 | 0.8 | 0.5 | 0.0 | 0.2 | 2.3 |
| | 1 | Beverages and tobacco | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| | 4 | Animal/veg oil/fat/wax | 2.3 | 0.0 | 1.0 | 0.0 | 0.0 | 0.1 |
| LDCSAsia Low&Middle income - South Asia | | | 2.9 | 0.8 | 1.5 | 0.0 | 0.2 | 2.7 |
| LDCLAC | 0 | Food & live animals | 0.9 | 0.0 | 14.4 | 0.0 | 0.0 | 21.1 |
| | 1 | Beverages and tobacco | 0.0 | 0.0 | 1.0 | 0.0 | 0.0 | 1.7 |
| | 4 | Animal/veg oil/fat/wax | 0.1 | 0.0 | 1.7 | 0.0 | 0.0 | 1.4 |
| LDCLAC Low&Middle income/Latin America&Carr. | | | 1.0 | 0.0 | 17.1 | 0.0 | 0.1 | 24.2 |
| LDCMNA | 0 | Food & live animals | 1.4 | 1.0 | 3.9 | 1.4 | 0.6 | 10.3 |
| | 1 | Beverages and tobacco | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.8 |
| | 4 | Animal/veg oil/fat/wax | 1.0 | 0.0 | 1.2 | 0.1 | 0.0 | 0.4 |
| LDCMNA Low&Middle income/Middle East&North Africa | | | 2.4 | 1.0 | 5.1 | 1.6 | 0.7 | 11.6 |
| SSA | 0 | Food & live animals | 2.3 | 0.6 | 1.9 | 0.2 | 1.8 | 8.6 |
| | 1 | Beverages and tobacco | 0.0 | 0.0 | 0.1 | 0.0 | 0.4 | 1.4 |
| | 4 | Animal/veg oil/fat/wax | 0.5 | 0.0 | 0.5 | 0.0 | 0.2 | 0.3 |
| SSA Sub-Saharan Africa | | | 2.8 | 0.6 | 2.5 | 0.2 | 2.5 | 10.3 |

Source: WITS/Trains* Effectively applied rate (MFN applied or preferential, whichever lower), AVE calculated using the UNCTAD 1 method.

Table 5. Average tariffs on food and agricultural products - Sectoral breakdown

(Ranked by values of imports from low-middle income countries)

| Importers | | SITC | Product Name | Exporters | Simple Average (%) | Weighted Average (%) | Import Value (\$Billion) |
|-----------|---|------|----------------------------|-----------|--------------------|----------------------|--------------------------|
| South | 1 | 04 | Cereals/cereal preparation | South | 10.6 | 8.6 | 21.9 |
| | | | | North | 13.7 | 7.2 | 24.3 |
| | 2 | 42 | Fixed veg oils/fats | South | 9.2 | 5.9 | 18.8 |
| | | | | North | 12.7 | 10.2 | 2.7 |
| | 3 | 05 | Vegetables and fruit | South | 11.6 | 7.6 | 18.5 |
| | | | | North | 16.2 | 10.6 | 9.7 |
| | 4 | 01 | Meat & preparations | South | 12.9 | 8.3 | 9.2 |
| | | | | North | 18.9 | 10.3 | 11.1 |
| | 5 | 07 | Coffee/tea/cocoa/spices | South | 10.1 | 5.4 | 8.8 |
| | | | | North | 14.8 | 8.9 | 3.3 |
| | 6 | 08 | Animal feed ex unml cer. | South | 5.1 | 3.8 | 8.1 |
| | | | | North | 7.5 | 5.0 | 5.6 |
| | 7 | 06 | Sugar/sugar prep/honey | South | 14.1 | 13.1 | 7.8 |
| | | | | North | 17.7 | 14.2 | 2.4 |
| | 8 | 03 | Fish/shellfish/etc. | South | 9.1 | 6.3 | 6.9 |
| | | | | North | 12.2 | 11.5 | 5.6 |

| Importers | | SITC | Product Name | Exporters | Simple Average (%) | Weighted Average (%) | Import Value (\$Billion) |
|---|----|---------------------------|----------------------------|-----------|--------------------|----------------------|--------------------------|
| | 9 | 09 | Misc. food products | South | 12.9 | 8.0 | 5.2 |
| | | | | North | 16.5 | 15.4 | 8.8 |
| | 10 | 02 | Dairy products & eggs | South | 11.5 | 9.2 | 4.4 |
| | | | | North | 17.4 | 12.5 | 11.2 |
| | 11 | 12 | Tobacco/manufactures | South | 21.1 | 12.6 | 4.5 |
| | | | | North | 26.4 | 20.4 | 3.5 |
| | 12 | 11 | Beverages | South | 20.4 | 7.1 | 3.5 |
| | | | | North | 38.8 | 24.8 | 6.8 |
| | 13 | 00 | Live animals except fish | South | 5.2 | 2.9 | 1.5 |
| | | | | North | 8.0 | 4.4 | 1.7 |
| | 14 | 43 | Animal/veg oils processed | South | 7.5 | 4.6 | 1.3 |
| | | | | North | 9.4 | 10.3 | 0.7 |
| | 15 | 41 | Animal oil/fat | South | 6.1 | 5.0 | 0.3 |
| | | | | North | 9.2 | 4.9 | 1.6 |
| South-- Low and middle income economies Total | | | | | 13.5 | 9.3 | 219.5 |
| North | 1 | 05 | Vegetables and fruit | South | 4.9 | 5.9 | 25.9 |
| | | | | North | 6.7 | 5.0 | 15.7 |
| | 2 | 03 | Fish/shellfish/etc. | South | 2.7 | 3.7 | 18.6 |
| | | | | North | 3.3 | 2.9 | 7.9 |
| | 3 | 07 | Coffee/tea/cocoa/spices | South | 2.8 | 1.4 | 10.1 |
| | | | | North | 5.4 | 3.3 | 5.8 |
| | 4 | 01 | Meat & preparations | South | 8.2 | 8.1 | 4.9 |
| | | | | North | 8.4 | 11.4 | 15.4 |
| | 5 | 04 | Cereals/cereal preparation | South | 6.6 | 87.0 | 4.5 |
| | | | | North | 9.7 | 29.1 | 17.2 |
| | 6 | 11 | Beverages | South | 4.0 | 0.9 | 4.7 |
| | | | | North | 5.3 | 1.5 | 22.4 |
| | 7 | 08 | Animal feed ex unml cer. | South | 3.4 | 1.2 | 3.4 |
| | | | | North | 6.1 | 3.8 | 5.6 |
| | 8 | 42 | Fixed veg oils/fats | South | 3.2 | 1.2 | 3.2 |
| | | | | North | 7.2 | 1.8 | 3.3 |
| | 9 | 06 | Sugar/sugar prep/honey | South | 7.7 | 3.6 | 3.1 |
| | | | | North | 9.7 | 4.6 | 3.2 |
| 10 | 09 | Misc. food products | South | 5.9 | 7.7 | 2.2 | |
| | | | North | 6.9 | 7.8 | 8.1 | |
| 11 | 12 | Tobacco/manufactures | South | 17.2 | 22.2 | 2.3 | |
| | | | North | 23.2 | 3.1 | 4.2 | |
| 12 | 02 | Dairy products & eggs | South | 14.4 | 16.1 | 0.5 | |
| | | | North | 14.8 | 13.6 | 4.9 | |
| 13 | 00 | Live animals except fish | South | 1.6 | 0.5 | 0.6 | |
| | | | North | 6.0 | 0.6 | 3.2 | |
| 14 | 43 | Animal/veg oils processed | South | 2.7 | 2.6 | 0.5 | |
| | | | North | 3.1 | 2.7 | 0.5 | |
| 15 | 41 | Animal oil/fat | South | 1.7 | 0.5 | 0.3 | |
| | | | North | 2.2 | 1.1 | 0.6 | |
| North – High-income OECD Total | | | | | 6.8 | 8.5 | 202.6 |

Source: WITS/Trains.

* Effectively applied rate (MFN applied or preferential, whichever lower), AVE calculated using the UNCTAD 1 method.