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The Least Developed Countries Report 2012

Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities

Chapter 1

Recent Trends and Outlook for the LDCs

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CHAPTER 1

Recent Trends and Outlook for the LDCs

A. Introduction

This chapter analyses recent macroeconomic trends in LDCs and their performance in terms of economic growth, international trade and external finance. It shows that their economic performance has been substantially worse in the last three years than in the previous boom period and that some indicators have not yet reached pre-crisis levels. In addition, the current world economic situation and its implications for LDCs are analysed briefly. The main conclusion is that the growth of LDCs in the medium term will be constrained by the fragile recovery in the global economy and its negative impact on the growth of developing economies, which have been the main drivers of LDC growth in recent years. Finally, there is a small statistical annex at the end of the chapter which served as a basis for the analysis provided and which presents more detailed data at the level of national economies or different groupings of LDCs.

Given their high dependence on external economic conditions, LDCs could not escape the slowdown of growth worldwide.

B. Recent macroeconomic trends in the LDCs

1. Trends in the real sector

The *real GDP* of the LDCs as a group grew by 4.2 per cent in 2011 (table 1), which is lower by 1.4 percentage points than the preceding year. This downward trend mirrors the slowdown of growth worldwide (5.3 per cent in 2010 and 3.9 per cent in 2011). While the coordinated fiscal and monetary easing in most developed and some developing countries provided a major stimulus for growth in 2010, the winding down of these measures in many countries, coupled with gradual intensification of fiscal austerity in most European countries, resulted in slower growth of GDP in 2011.

Given their high dependence on external economic conditions, LDCs could not escape this broad-based slowdown. Indeed, the rate of deceleration of their GDP growth in 2011 was broadly similar to that of developing countries (1.3 percentage points) and advanced economies (1.6 percentage points). It is thus evident that LDCs' recovery in terms of real GDP growth in 2010 was short lived. As shown in table 1, the GDP growth rate for LDCs in 2011 was slightly lower than the result in 2009, when, despite global recession, LDCs were the best-performing group of countries. Also, the growth rate of LDCs in 2011 was about two percentage points lower than that of other developing countries. Most importantly, it was 3.7 percentage points below the average annual growth rate attained during the 2002–2008 boom period.

The real GDP of the LDCs as a group grew by 4.2 per cent in 2011, which is lower by 1.4 percentage points than the preceding year.

In terms of country group performance, both African and Asian LDCs experienced a slowdown in 2011, and both grew by similar rates at around four per cent. However, in the case of the Asian LDCs, the slowdown of GDP growth, which was larger than two percentage points, was more pronounced. In contrast, GDP growth of the island LDCs at 7.1 per cent was much higher, compared with both the previous year and the average for the LDCs. The relatively high rate of growth of this group of LDCs was largely due to the extraordinary performance of the Democratic Republic of Timor-Leste.[1] The development of oil and gas resources in offshore waters has lifted the economic growth of the country to around 10 per cent in the last three years, and similar growth is expected in the next two years. The growth rate of GDP of the island LDCs excluding the performance of the Democratic Republic of Timor-Leste was 5.4 per cent in 2011.

Table 1. Real GDP and real GDP per capita growth rates for LDCs, developing economies and advanced economies, selected years
(Annual weighted averages, percentages)

	Real GDP						Real GDP per capita growth					
	2002–2008	2009	2010	2011	2012	2013	2002–2008	2009	2010	2011	2012	2013
Total LDCs	**7.9**	**4.9**	**5.6**	**4.2**	**5.1**	**5.5**	**5.4**	**2.5**	**3.3**	**1.9**	**2.8**	**3.2**
African LDCs and Haiti	7.8	4.2	5.0	4.1	4.9	5.3	5.1	1.5	2.4	1.5	2.3	2.6
Asian LDCs	7.5	5.9	6.4	4.2	5.4	5.9	5.5	4.1	4.6	2.5	3.6	4.1
Island LDCs	5.4	2.4	5.5	7.1	6.3	5.9	3.2	0.2	3.3	4.8	4.1	3.7
LDCs by export specialization[a]												
Oil-exporting LDCs	9.9	3.0	4.6	-1.6	1.8	3.4	7.0	0.3	1.8	-4.2	-0.9	0.7
Manufactures-exporting LDCs	6.2	5.3	5.8	6.0	6.0	6.4	4.6	3.8	4.6	4.6	4.6	5.0
Services-exporting LDCs	6.8	5.6	5.8	5.7	4.8	5.3	4.3	3.2	3.5	3.4	2.6	3.0
Mixed-exporting LDCs	9.5	6.6	6.1	5.4	6.4	6.0	6.9	4.2	3.6	3.1	4.0	3.6
Other primary commodity-exporting LDCs	6.1	4.6	5.9	5.8	6.3	6.2	3.2	1.7	3.0	2.8	3.4	3.3
Minerals-exporting LDCs	5.9	4.0	6.1	5.7	7.8	6.9	3.1	1.2	3.2	2.9	4.9	4.0
Agriculture & food-exporting LDCs	6.4	5.6	5.8	5.9	4.3	5.3	3.4	2.5	2.7	2.7	1.2	2.2
Memo Items:												
Advanced economies	2.5	-3.6	3.2	1.6	1.4	2.0	1.8	-4.2	2.7	1.0	0.9	1.5
Developing countries	7.6	2.8	7.5	6.2	5.7	6.0	6.0	1.4	6.1	5.4	4.3	4.7
World	4.6	-0.6	5.3	3.9	3.5	4.1	3.2	-1.9	4.0	3.1	2.3	2.9

Source: UNCTAD secretariat calculations based on IMF, *World Economic Outlook* database, April 2012.
Notes: LDCs' growth is calculated as the weighted average of each country's real growth (base year 2000); data for 2011 are preliminary and are forecasted for 2012–2013.
a Classification of LDCs by export specialization is provided at the beginning of the Report (page xii).

An analysis of real GDP growth rates by country grouping according to export specialization shows that the performance of oil-exporting LDCs in 2011 (-1.6 per cent) represented an important drag on the overall performance of LDCs. This is partly a consequence of political instability which affected two of the five oil-exporting LDCs in 2011 (Sudan and the Republic of Yemen). But more generally, the performance of oil-exporting LDCs has been more erratic than the performance of other groups of LDCs in the last three years, even leaving aside political instability. This suggests that reliance on a single export sector, however dynamic it might be in some periods, has serious drawbacks.

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In contrast, LDCs specialized in the export of manufactures (6.0 per cent), services (5.7 per cent), minerals (5.8 per cent), agriculture and food (5.9 per cent) and mixed exporters (5.4 per cent) all fared better in 2011 than oil-exporting LDCs. In addition, most of these groups have experienced less fluctuation in real GDP growth rates in the last three years than the oil-exporting LDCs, suggesting that more diversified economies have been less affected by the global downturn.

If the slow global recovery continues, it may lead to underutilization of resources and may also cause widespread damage to *employment* prospects in LDCs. Global unemployment started to rise again in 2011, and it has been estimated by the ILO (IILS and ILO, 2012) that some 202 million people will be unemployed in 2012. The global rate of unemployment is projected to reach 6.2 per cent in 2013, its level at the height of the 2009 financial crisis. Equally worryingly, youth unemployment rates have increased in most advanced economies and in two-thirds of the developing countries. The combination of slower economic growth and higher unemployment has resulted in an increase of the ILO's Social Unrest Index for 2011. The most heightened risk of social unrest has been estimated for sub-Saharan Africa, where the majority of LDCs are located, and the Middle East and North Africa.

The significance of the issue of employment for LDCs cannot be overemphasized. The relatively young demographic structure of LDCs means that increasing cohorts of young people are entering the labour market and will continue to do so for some time in the future. Even during the 2002–2008 boom period, LDCs faced an employment challenge because of the lopsided pattern of growth concentrated in resource-extractive sectors, which resulted in weak job creation. This also led to growing informality in the LDCs, even when rates of open unemployment did not increase.

The longer the GDP growth stays below potential, the greater the likelihood of long-term unemployment and underemployment. Additional measures are needed to minimize the adverse effects of the global crisis and employment creation should be at the top of national development agendas of LDCs.

The ability of LDCs to create more jobs has been hampered by the effects of the ongoing crisis because of the slowdown in export-oriented activities as well as fiscal pressures constraining public expenditure. The longer the GDP growth stays below potential, the greater the likelihood of long-term unemployment and underemployment, with long-run detrimental effects on the population. Accordingly, governments should bear in mind that additional measures are needed to minimize the adverse effects of the global crisis and that employment creation should be at the top of their national development agendas. Lack of jobs could put additional pressure on migration, an issue that is explored in more detail in chapter 2 of this Report.

Gross fixed capital formation for the LDCs as a group increased slightly from 20.7 per cent of GDP in 2005–2007 to 21.6 per cent in 2008–2010.

Gross fixed capital formation for the LDCs as a group increased slightly from 20.7 per cent of GDP in 2005–2007 to 21.6 per cent in 2008–2010 (chart 1). Throughout the first decade of the 21st century, gross fixed capital formation in LDCs increased slowly but steadily, so that by 2010 it was three GDP percentage points higher than in 2000. While that is a positive performance, it compares less favourably with other developing countries (ODCs). In 2000, gross fixed capital formation in ODCs had already equalled 23.4 per cent of GDP. Moreover, their progress in the last ten years was much faster than in the LDCs, reaching 30.1 per cent of GDP by 2010. Thus, if the current investment trends continue, it is unlikely that LDCs will be able to catch up with other developing countries in the near future. In fact, the current level of investment is below the value of 25 per cent of GDP which is considered necessary to reach growth rates of real GDP of 7 per cent — one of the main goals of the Istanbul Programme of Action for LDCs.

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Gross domestic saving rates have shown the opposite trend in the same period. The average saving rate for the LDCs as a group was 18.9 per cent of GDP in 2005–2007, declining to 17.7 per cent in 2008–2010. The biggest decline was in 2009, when it reached only 14.5 per cent of GDP. In comparison with the saving rate in 2000, however, the improvement is still significant, higher by 5.5 GDP percentage points in 2010.

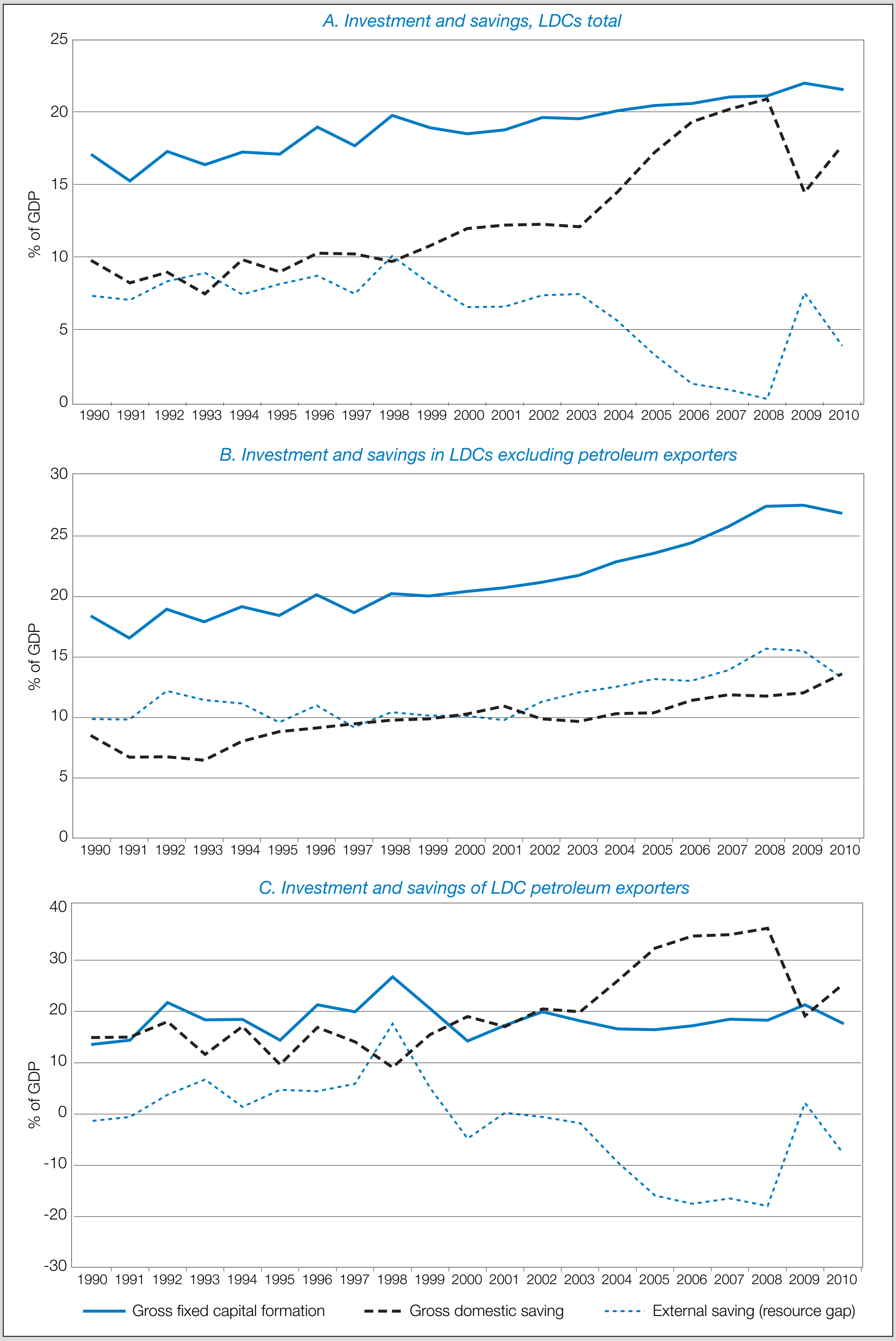
As a result of these tendencies for saving and investment rates, the resource gap, indicating reliance on external resources to finance domestic investment, fell from 6.5 per cent of GDP in 2000 to only 3.9 per cent in 2010 for the LDCs as a group. For non-petroleum-exporting LDCs, however, the opposite picture emerges. Their resource gap was around 10 per cent of GDP in 2000, increasing to over 13 per cent before the crisis and averaging 14.8 per cent from 2008 to 2010. Therefore, the supply of external financial resources remains crucial for capital formation in most LDCs. Even more worrying, dependence on external resources increased in many LDCs, even during the boom period of 2002–2008. In other words, progress in domestic resource mobilization was insufficient even when average annual growth rates of GDP surpassed seven per cent.

In 2011, thirteen LDCs had current account deficits of more than 10 per cent of GDP, while five had deficits of more than 20 per cent of GDP.

One result of the increasing resource gap in non-petroleum-exporting LDCs has been growing vulnerability of the balance of payments, which is staggering in some cases. In 2011, thirteen LDCs had current account deficits of more than 10 per cent of GDP, while five had deficits of more than 20 per cent of GDP. At the other extreme, only five LDCs recorded current account surpluses.

The fiscal situation of LDCs was only slightly better. Ten LDCs registered fiscal surpluses in 2010, while the rest had deficits of different magnitudes. In

Chart 1. Investment, saving and resource gap in LDCs, 1990–2010
(Percentage of GDP)

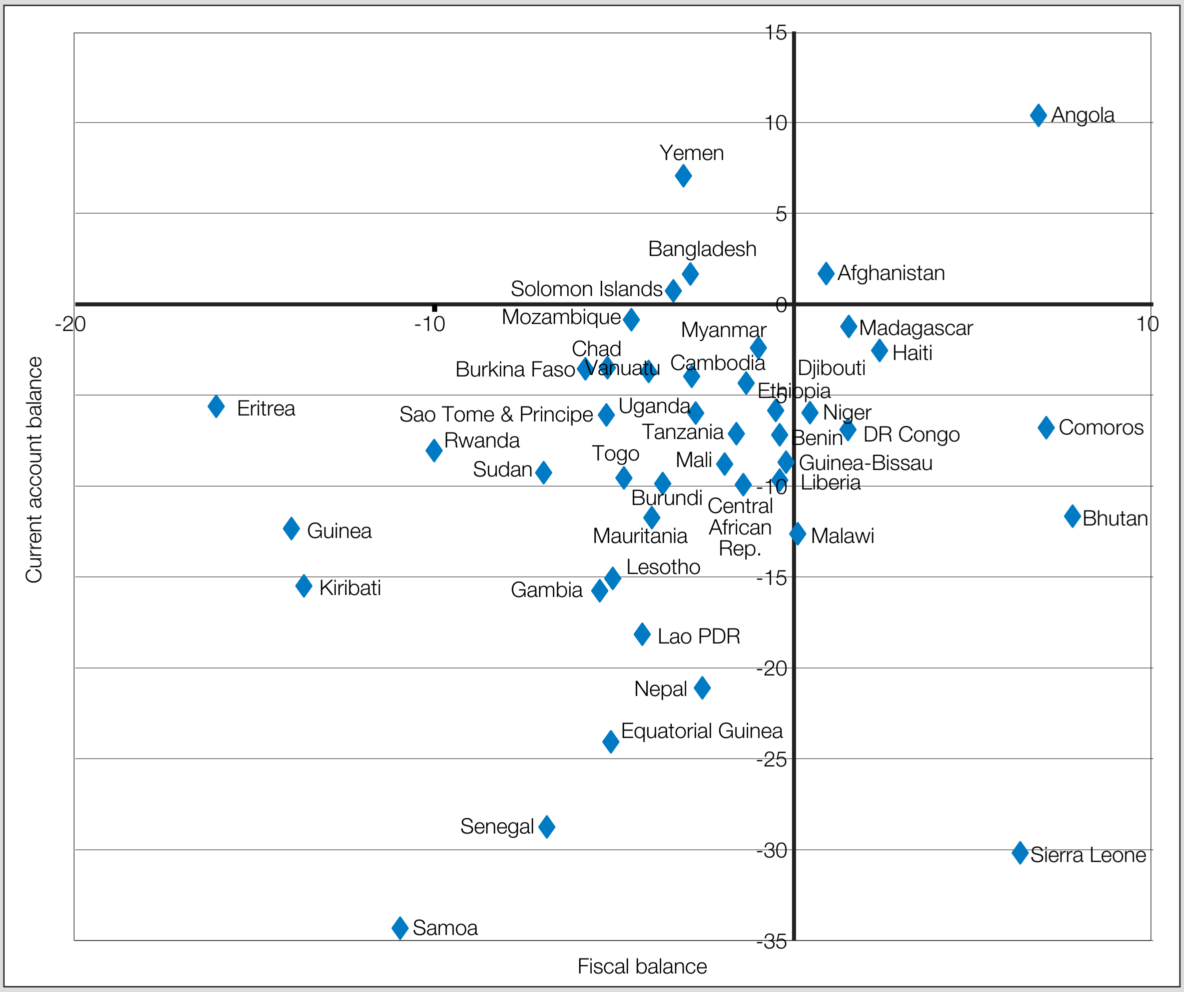


Source: UNCTAD secretariat calculations, based on UNCTADstat database.

six LDCs, the fiscal deficit surpassed 10 per cent of GDP. As shown in chart 2, the majority of LDCs display "twin deficits" of both fiscal balance and current account, and are located in the third quadrant,[2] which is the most vulnerable to external shocks such as sharp changes in commodity prices. Some small island LDCs (Guinea, Kiribati, Sao Tome and Principe, Tuvalu) combine very large deficits on both fiscal and current account.

Many LDCs display "twin deficits" of both fiscal balance and current account, which makes them vulnerable to external shocks such as sharp changes in commodity prices.

Chart 2. Current account and fiscal balances of individual LDCs, 2010
(Percentage of GDP)



Source: UNCTAD calculations based on IMF, *World Economic Outlook* database, April 2012.

2. Trends in international trade

The *trade balance* of LDCs as a group in 2011 shows that these economies recorded a deficit of $39.8 billion, up from $37.5 billion in 2010. This was a result of a small surplus in the trade of goods ($2,639 million), which offset somewhat a much larger deficit in trade in services ($42,460 million).

In terms of share of GDP, however, the trade balance improved somewhat from a deficit equivalent to 6.1 per cent of GDP in 2010 to 5.7 per cent in 2011. While this is still slightly higher than the trade deficit recorded during the boom period, it is also a substantial improvement over the result in 2009, when it had widened to the equivalent of 10.2 per cent of GDP because of the sharp drop in exports from LDCs.

The value of merchandise exports from LDCs increased by 23 per cent in 2011, thus surpassing the pre-crisis level.

The value of *merchandise exports* from LDCs increased by 23 per cent in 2011, thus surpassing the pre-crisis level (annex table 4). The total value of merchandise exports in 2011 ($204.8 billion) was twice as high as five years previously. The change in 2011 was greatest for island LDCs, for which exports expanded by 50.8 per cent. On the downside, however, the merchandise exports of LDCs as a group have remained highly concentrated in a few countries: the top five exporters (Angola, Bangladesh, Equatorial Guinea, Yemen and Sudan) account for 62 per cent of all exports from LDCs.

The value of *merchandise imports* also increased considerably in 2011 (20.6 per cent) to reach $202.2 billion. The value of imports has also doubled in the last five years. An analysis of imports of goods by country grouping according to export specialization reveals that mixed-exporting LDCs recorded the strongest increase (36.3 per cent), followed by minerals-exporting LDCs (30.3 per cent) in 2011. In contrast, imports of goods by agriculture- and food-exporting LDCs increased by only 11.9 per cent, slightly better than the 8.6 per cent rise in 2010.

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Overall trends in merchandise trade shifted the merchandise trade balance into surplus in 2011 for the LDCs as a group, after two years of deficits. This is important to emphasize since prior to 2006, LDCs had continuously recorded merchandise trade deficits. Nevertheless, the positive result for the group as a whole masks significant heterogeneity, since it was due entirely to the African LDCs and their surplus of $21.4 billion – which in turn is driven by only a handful of countries, most notably Angola. Asian LDCs, by contrast, recorded a merchandise trade deficit of $17.5 billion in 2011, while island LDCs posted a deficit of $1.2 billion.

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Merchandise exports have continued to be dominated by petroleum, at slightly over 46 per cent of total exports. Since all but one of the LDC petroleum exporters are in Africa, the overall LDC trade surplus is also due to African LDCs. The list of non-petroleum export products from LDCs includes articles of apparel (5.5 per cent), clothing and textile fabrics (5 per cent), copper (4.1 per cent), natural gas (3.9 per cent) and gold (2.4 per cent).

Exports of *services* by LDCs increased by 14.4 per cent in 2011 and also surpassed the pre-crisis level. However, at $25.3 billion they are still small compared with merchandise exports and account for just one-ninth of total exports. Imports of services expanded 15.6 per cent in 2011. The services trade deficit rose from $36.5 billion in 2010 to $42.5 billion in 2011.

LDCs exported more than 54 per cent of their total exports to other developing countries in 2011.

The gradual shift in the main markets for exports of LDCs continued in 2011, reflecting the long-term recalibration of the global economy as well as the weak economic performance of key destination markets in the North (UNCTAD, 2011a). As a group, LDCs exported more than 54 per cent of their total exports to other developing countries. China imported 26.4 per cent of total exports from LDCs, surpassing the European Union (20.4 per cent) and the US (19 per cent). Similar trends could be detected for LDC imports, with 67.8 per cent coming from other developing countries and only 29.8 per cent from developed ones. China has been growing in importance as a trade partner, and it is currently the second largest source of imports into LDCs (16.1 per cent of the total), behind the European Union (18.5 per cent).

Similar trends could be detected for LDC imports, with 67.8 per cent coming from other developing countries and only 29.8 per cent from developed ones.

The improving export performance of many LDCs in 2010 and 2011 was primarily due to the higher international *commodity prices*. After slumping in 2009, prices recovered rapidly, in some cases to levels higher than before the crisis. The price index for minerals, ores and metals, for example, increased by 77 per cent from 2009 to 2011, when it was 44 per cent higher than the previous peak of 2008 (table 2).

A similar trend can be observed for agricultural raw materials, whose prices were driven by very strong increases in prices of cotton, which increased nearly two and a half times from 2009 to 2011. While this clearly benefited those LDCs that are net exporters of these commodities, price volatility remains a major problem, creating vulnerability for exporters. This is evident from the last two columns of table 2 (percentage change and standard deviation), which point to high price volatility for most primary commodities of importance to LDCs.

Table 2. Price indices for selected primary commodities of importance to LDCs, 2008–2012 (Q1)
(Price indices 2000 = 100)

	2008	2009	2010	2011	2012 (Q1)	Standard deviation 2000–2011	% change 2000–2011
All food	**236**	**216**	**232**	**273**	**284**	**62.3**	**172.8**
Wheat	288	197	204	276	292	63.9	175.6
Rice	344	289	256	271	257	89.6	170.9
Sugar	156	222	260	318	348	76.6	217.9
Fish meal	274	298	409	372	421	102.8	272.3
Coffee, Arabica	162	167	228	321	322	70.7	209.6
Coffee, Robusta	254	179	200	275	262	69.5	160.5
Cocoa beans	291	325	353	336	377	84.1	235.7
Tea	109	127	125	140	141	22.1	39.5
Agricultural commodities	**198**	**163**	**226**	**289**	**315**	**59.3**	**189.1**
Tobacco	120	142	144	150	147	22.5	49.8
Cotton	121	106	175	258	350	50.4	158.1
Non-coniferous woods	154	154	161	158	159	23.9	58.2
Minerals, ores and metals	**337**[a]	**274**[a]	**424**[a]	**486**[a]	**435**[a]	**104.9**	**248.9**
Iron ore	494	643	1178	1348	1139	431.4	1247.7
Aluminium	166	107	140	155	161	31.9	54.8
Copper	384	283	416	487	532	149.7	386.6
Gold	312	349	440	562	496	149.3	462.2
Memo Items:							
Crude petroleum	344	219	280	368	353	99.4	268.3
Unit value index of manufactured goods exports	131	122	126	138	124a	14.4	37.7

Source: UNCTADstat, Commodity Price Bulletin; IMF, *International Financial Statistics* for Iron Ore Prices, World Bank, Development Prospect Group.
a Estimated.

Food prices increased substantially during the boom and peaked in 2008, causing food shortages and even food riots in several LDCs. After easing somewhat in 2009, food prices started to rise again in 2010 and 2011, reaching higher levels than in the pre-crisis period. Accordingly, the food security outlook deteriorated in many LDCs since many are net food importers. The situation in some parts of Africa (mainly the Horn of Africa) was critical, as famine threatened the lives of hundreds of thousands.

After easing somewhat in 2009, food prices started to rise again in 2010 and 2011, reaching higher levels than in the pre-crisis period and the food security outlook deteriorated in many LDCs.

Whereas food prices eased somewhat after peaking in February 2012, droughts in the Sahel region and the Horn of Africa could cause the food security situation to deteriorate further. In addition, adverse weather conditions in many parts of the world (widespread drought in the United States, poor monsoon in India, and so on) and depressed output expectations are already leading to renewed increases in food prices, causing further problems for food-importing LDCs. Globally, there is a continued absence of policies that tackle the root causes of recent food price spikes (financial speculation, irresponsible land investment, inadequate policies to build buffer stocks in developing countries, neglect of small holder cultivation, disregard of food security objectives, subsidy-driven expansion of biofuel cultivation, etc.) (Wise and Murphy, 2012). In this context, there is a real possibility of renewed increases in global food prices that could once again cause widespread suffering and even famine.

3. Trends in external finance

With the exception of the petroleum-exporting LDCs, all other LDCs need external resources equivalent to almost 15 per cent of GDP to finance their current levels of investment.

One of the long-standing characteristics of LDCs is their dependence on external finance resulting from the gap between investment and domestic saving. With the exception of the petroleum-exporting LDCs, which have a negative resource gap (they invest less than they save), LDCs need external resources equivalent to almost 15 per cent of GDP to finance their current levels of investment. This leaves them vulnerable to mood swings of private capital flows.

The varying composition of external resources that finance the resource gap has very different economic effects and is thus of particular interest to LDCs. Overall trends show that private financial flows to LDCs have continued to decline for the third year in a row, mostly as a result of a further decline of FDI inflows, offset by an increase in official flows. Within private flows, however, the remittance flows have been much more stable than flows of FDI, whereas portfolio flows to LDCs are negligible. Private flows to other developing countries, in turn, have recovered to pre-crisis levels much more rapidly (portfolio inflows and remittances in 2010, and FDI in 2011). The point should also be made that ODA represents roughly half of overall external finance to LDCs, while in the case of other developing countries it is less than eight per cent of the total.

Private financial flows to LDCs have continued to decline for the third year in a row, mostly as a result of a further decline of FDI inflows, offset by an increase in official flows.

UNCTAD recently revised the data on *FDI* inflows to LDCs (UNCTAD, 2012a). According to the new data, inflows of FDI were much smaller than remittances for most of the last decade. Since remittances are one of the main topics of this Report, chapter three provides a detailed discussion of the magnitudes of these flows. It is sufficient to emphasize here that remittances have been growing even during the crisis and that they are forecasted to grow in the medium term (Mohapatra et al., 2011). In contrast, FDI inflows to LDCs have declined for three consecutive years after peaking in 2008 at a little less than $19 billion, and in 2011 amounted to only $15 billion. This is very different from the trends in other developing countries, where FDI inflows have increased steadily since 2009 (chart 3). The recent decline in FDI inflows to LDCs as a group is mainly due to disinvestment trends in Angola, tied to the oil-investment cycle in that country. In the rest of the LDCs, FDI has remained stable.

FDI inflows to LDCs have declined for three consecutive years after peaking in 2008 at a little less than $19 billion, and in 2011 amounted to only $15 billion.

Whereas FDI inflows to LDCs are still predominantly to Africa, some shifts have occurred recently. Of the total FDI flows to LDCs of $15 billion in 2011, 79 per cent went to Africa, a slight decrease from the previous year. Meanwhile, Asian LDCs received $2.8 billion in 2011, up marginally from the previous year. The concentration of FDI inflows appears to have diminished. In 2009, there were only five countries with inflows greater than $1 billion, whereas in 2011 there were nine such countries.

When analysed from the point of view of country groupings according to export specialization, FDI inflows show that all groups except the petroleum-exporting LDCs received more FDI in 2011 than in 2010. The largest increase was in the case of mineral-exporting LDCs, from $6.4 billion in 2010 to 7.2 billion in 2011. This group of LDCs received the largest share of total FDI in both 2010 and 2011. In previous years, however, petroleum-exporting LDCs were the biggest beneficiaries of FDI inflows. That changed precipitously in 2010, when they received only $2.1 billion, and FDI inflows in 2011 became negative to the tune of $1.8 billion as a result of disinvestment.

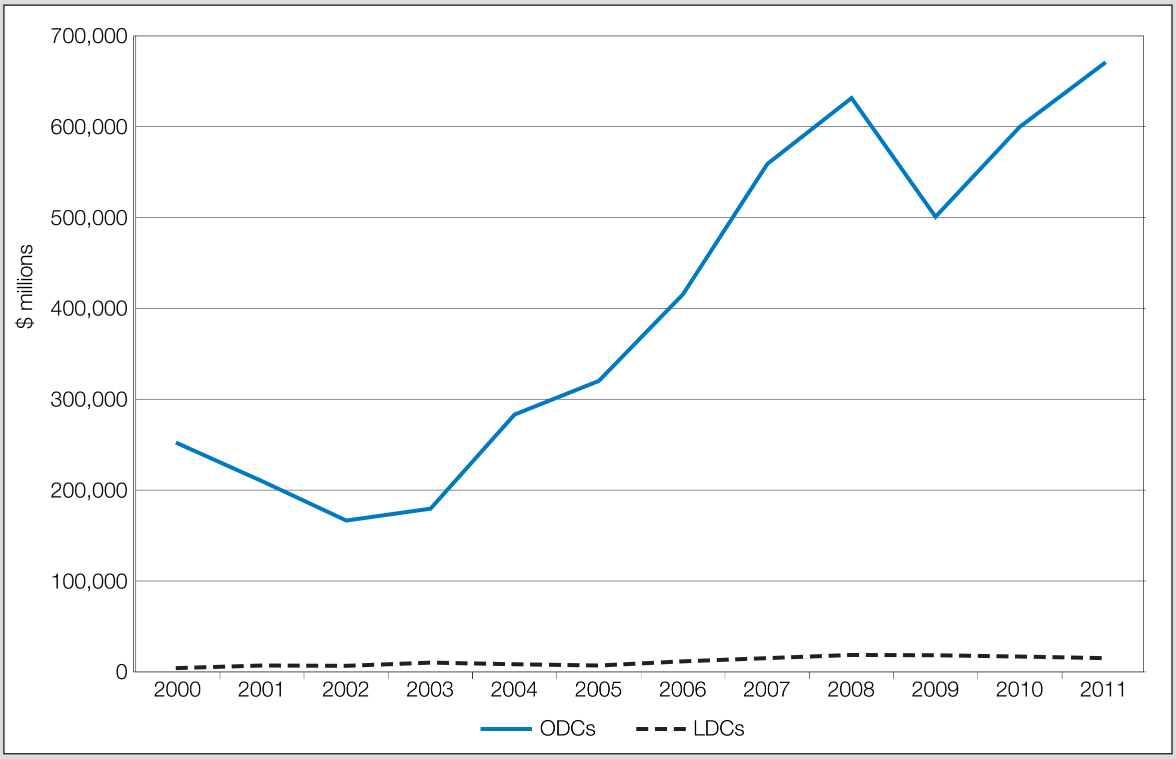
All groups except the petroleum-exporting LDCs received more FDI in 2011 than in 2010.

One key emerging trend is the recent rise of FDI outflows from LDCs. These are investments of firms based in LDCs to other countries. In 2009, FDI outflows from all LDCs amounted to $1.1 billion, nearly tripling to $3.1 billion in 2010 and continuing to increase to $3.3 billion in 2011. However, only Angola and Zambia had sums larger than $1 billion, and they accounted for three-quarters of all FDI outflows from LDCs.

Net ODA disbursements, together with net debt relief to the LDCs from all donors, reached a record level of $44.8 billion in 2010.

Data from the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) show that net *Official Development Assistance* (ODA) disbursements, together with net debt relief to the LDCs from all donors reporting to the OECD/DAC, reached a record level of $44.8 billion in 2010 (chart 4). This represents an 11 per cent increase in comparison with ODA disbursements in 2009. In nominal terms, aid inflows to LDCs in 2010 were 3.5 times higher than in 2000. As noted in LDCR 2011, ODA has played an important countercyclical role in the wake of the global crisis, cushioning the impact of the retreat of private financial flows.

Chart 3. Inward foreign direct investment flows to LDCs and other developing countries (ODCs), 2000–2011
(Millions of current dollars)



Source: UNCTAD secretariat calculations, based on UNCTADstat database.

Preliminary data for net official development assistance from DAC and other OECD members to all developing countries show a drop of almost three per cent in 2011. It is highly likely that continuing tight budgets in OECD countries will put pressure on aid levels in coming years, thus adversely affecting development finance in LDCs.

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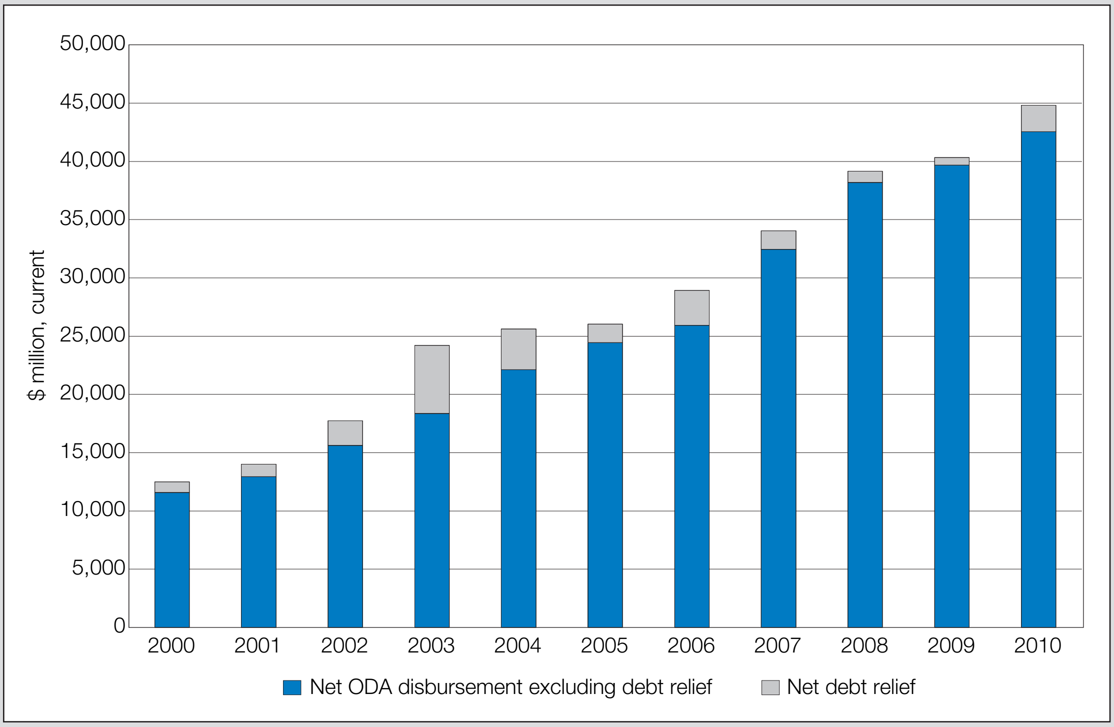
Additional net debt relief to the LDCs accounted for nearly half of the increase in total ODA disbursement in 2010. This came to five per cent of total ODA disbursement in 2010, up from 1.6 per cent in 2009. Excluding net debt relief, previous trends towards a decline in the proportion of loans and increase in grants were even more pronounced in 2010. The share of grants out of net ODA flows was 98.7 per cent in 2010, whereas concessional loans accounted for a scant 1.3 per cent, down from 8.5 per cent in 2009 and 20 per cent over 2000–2005.

Although the data for the LDCs' total debt stock for 2011 are not final, it is estimated to have increased to around $170 billion.

The LDCs' total *debt* stock reached $161 billion in 2010, only marginally higher than in 2009. Although the data for 2011 are not final, it is estimated to have increased to around $170 billion. LDCs' debt service decreased slightly from $8.2 billion in 2009 to 7.6 billion in 2010. External debt in relation to GDP fell from 29.9 per cent in 2009 to 26.7 in 2010. Compared with the situation at the beginning of the decade, when the ratio was 79.2, this is a substantial improvement. However, it is still more than eight percentage points of GDP higher than the average of developing countries. While part of this improvement was due to various debt relief initiatives, the decrease in the debt/GDP ratio was mostly due to rapid GDP growth during the boom. Similarly, debt service as a share of exports declined from 13.2 per cent in 2000 to 4.8 per cent in 2010, primarily as a result of very strong export growth.

While debt sustainability indicators for the LDCs as a group have been gradually improving, in 2011 they indicated debt distress for three of them

Chart 4. Official development assistance to LDCs, 2000–2010
(Millions of current dollars)



Source: UNCTAD secretariat calculations, based on OECD-DAC, *International Development Statistics*, online, July 2012.

(Comoros, Guinea and Sudan). In addition, a debt sustainability analysis shows that there were nine LDCs at high risk of debt distress in 2011. Thus, the number of LDCs in debt distress or at high risk of debt distress in 2011 remained the same overall as in 2010.

The experience of the LDCs in the last ten years shows that the key to debt sustainability is development of productive capacities. High and sustainable growth of GDP and rapid expansion of exports increased the capacity of many LDCs to service debt. While external financial resources, in particular ODA and remittances, were increasingly available to LDCs in the previous decade, there is no guarantee that this will continue to be the case in the future. The recent sharp decrease in FDI is instructive in this respect. Thus, a progressive shift from reliance on external sources of finance to domestic ones is a big challenge for LDCs. This will reduce their external dependence and vulnerability to external shocks and uncertainties.

The number of LDCs in debt distress (three) or at high risk of debt distress (nine) in 2011 remained the same overall as in 2010.

C. Current world economic situation and the short-term outlook for the LDCs

1. Current world economic situation

Following coordinated efforts by policymakers to stimulate the world economy and avert a new Great Depression in 2009, the rebound in real global GDP growth (at 5.3 per cent) in 2010 was strong. However, this "recovery" was mainly due to fiscal stimulus programmes and inventory reposition. By 2011, it was already apparent that the measures taken were not adequate to sustain the recovery, and the crisis spread to different geographic epicentres like Europe. As a result, the growth of world GDP decelerated to 3.9 per cent in 2011.

Following coordinated efforts by policymakers to stimulate the world economy and avert a new Great Depression in 2009, the rebound in real global GDP growth in 2010 was strong. However, this "recovery" was mainly due to fiscal stimulus programmes and inventory reposition.

While the stimulus measures successfully compensated for weaknesses in the private sector and averted a deeper downturn in the short run, they also created new sources of fragility. In particular, the strategy of passing on private sector losses to the public sector (by bailing out financial institutions), as well as the inevitable but necessary public sector spending to offset private sector deleveraging, has rapidly reached its limits, especially in Europe. The resulting increase in sovereign debt has brought some developed countries to the brink of default. The policy reaction of many countries faced with increasing sovereign debt has been to implement fiscal austerity measures, which have adversely affected aggregate demand and amounted to a drag on economic growth (UNCTAD, 2011b). Just as the Keynesian stimulus in 2009 and early 2010 supported economic growth, fiscal austerity from mid-2010 onwards worked in the opposite direction. As a result, several European economies entered a double-dip recession in 2012.

The present crisis in the developed world is deflationary in nature, and so most central banks in developed countries have been vigorously trying to offset these deflationary tendencies. Interest rates are at historic lows, and additional measures of quantitative easing have been adopted in attempts to turn the situation around. Yet flooding the financial sector with cheap funds has not resulted in increased lending to the real sector. Rather, banks have used cheap funds to repair their balance sheets and dispose of the sovereign bonds of the distressed European economies. Part of these cheaply acquired funds has also been invested in speculative activities on commodity futures markets, thereby inflating their prices. Thus, a combination of monetary easing and fiscal tightening has so far not resulted in a sustainable and robust recovery.

A combination of monetary easing and fiscal tightening has so far not resulted in a sustainable and robust recovery and many indicators suggest that the crisis in developed countries is nowhere near resolution.

Many indicators suggest that the crisis in developed countries is nowhere near resolution. In 2011, the unemployment rate averaged 8.6 per cent in OECD countries, well above the pre-crisis level of 5.6 per cent. The employment situation has worsened significantly in 2012. Unemployment rates in some OECD countries are now at levels of 20 per cent or more, not seen since the Great Depression. The unemployment rate in the eurozone has surpassed 11 per cent, the highest since the introduction of the euro. The unemployment rate in the US has been persistently above eight per cent for five years, suggesting that a different macroeconomic strategy is required in order to return to more normal levels of unemployment. The only bright spots in the world economy in the last three years have been some developing countries. Yet this may not last long, since growth in developing countries is intrinsically linked to growth and demand from developed countries: indeed, China, Brazil and India among others are already showing signs of growth deceleration.

2. The outlook for the LDCs

Given the fragility of the global economy, the outlook for 2012 and 2013 is subject to a high degree of uncertainty.

According to IMF forecasts, real GDP worldwide will expand by 3.5 per cent in 2012, down from 3.9 per cent in 2011. If the downside risks do not materialize, real global GDP is set to grow by 4.1 per cent in 2013. For the LDCs as a group, the IMF currently forecasts growth rates of 5.1 per cent in 2012 and 5.5 per cent in 2013. Developing countries, in turn, should attain growth rates of 5.7 per cent in 2012 and 6.0 per cent in 2013 (see again table 1).

However, given the fragility of the global economy, the outlook for 2012 and 2013 is subject to a high degree of uncertainty (UNDESA, 2012a). The downside risks are numerous and include an escalation of the eurozone debt crisis, a rise in global energy prices due to current geopolitical risks, a deceleration of growth in large developing countries, and a fiscal retrenchment in the United States, scheduled for 2013, which could have a strong negative impact on overall growth. Thus, the IMF forecasts should be considered as a best-case scenario, and policymakers should be prepared for a possible deterioration in the global economic situation.

As of mid-2012, economic activity is decelerating in a synchronized way in many parts of the world. Apart from the recession in the eurozone and the UK, economic activity is also decelerating in the US. Growth rates in India, Brazil and South Africa are also lower in 2012 than in 2011. The Chinese economy, for its part, has seen a deceleration of growth rates in the last eight quarters, as its investment-led growth falters.[3]

As of mid-2012, economic activity is decelerating in a synchronized way in many parts of the world.

The divergence in growth rates during and after the financial crisis has been interpreted in many circles as an indicator that the economies of the South are "decoupling" from the economies of the North. This interpretation, however, overlooks the reasons for the growth surge during the 2000s. International economic conditions were exceptionally conducive to growth from 2002 to 2008 (UNCTAD, 2012b). Consumption in developed economies was fuelled by cheap credit and positive wealth effects from property bubbles. This generated favourable economic conditions for developing countries, with rapidly increasing exports and remittances and surges of capital flows in the form of FDI, portfolio investment and cheap credit. Terms of trade for commodity exporters also improved.

Reduced demand for consumption goods in developed economies translates into fewer exports from China and other manufacturing hubs in developing countries, which in turn generates less demand for commodities.

However, that model was associated with increasing global imbalances, where surplus countries (including several developing countries) accumulated trillions in reserves while deficit countries accumulated trillions in debts. The financial crisis of 2009 reduced these imbalances, which are now at about half of their pre-crisis peak (UNDESA, 2012a). But one "cost" of this reduction of global imbalances has been less dynamic growth of GDP worldwide. Reduced demand for consumption goods in developed economies translates into fewer exports from China and other manufacturing hubs in developing countries, which in turn generates less demand for commodities. The vulnerability of developing countries to changes in developed economies suggests that the "decoupling" thesis is not on solid ground.

Against this background, the outlook for LDCs in the short- to medium-term is not bright.

In case the downward trajectory of the global economy intensifies, the key question is what policymakers can do to counteract it. Unfortunately, the policy space today, in both developed and developing countries, is smaller than in 2009. Larger budget deficits and increased public debt in developed countries have severely limited the perceived scope for additional fiscal stimulus. Further use of monetary policy is constrained by proximity to zero interest rates, and in any case becomes ineffective in "liquidity trap" conditions. Overcoming the risks to the global economy in this context requires globally coordinated countercyclical policies and many other bolder reforms (UNCTAD, 2011b; UNDESA, 2012a).

Against this background, the outlook for LDCs in the short- to medium-term is not bright. Given the growing danger that the world economy might be entering a lengthy period of stagnation and deflation, LDCs have to prepare for a relatively prolonged period of uncertainty, with possible escalation of financial tensions and a real economic downturn. Trade and investment of developing countries, which are often intermediated by US and European banks, have already suffered setbacks. Prices of some commodities started to decrease, in some cases abruptly, in the second quarter of 2012. If the current tendency towards economic deceleration continues, commodity prices could suffer pronounced falls. The pace of economic growth in China, in particular, will have a major impact on the prices of many commodities.

The pace of economic growth in China, in particular, will have a major impact on the prices of many commodities.

Even a partial drying up of financing options would represent a major shock to many LDCs. If, additionally, they have an export structure heavily dependent on one or a few commodities, the short-term economic outlook might be particularly challenging.

The countries most vulnerable to a deterioration of external economic conditions are LDCs with high twin deficits (Figure 2). The resource gap of many LDCs is so large that even a partial drying up of financing options would represent a major shock to these economies. If, additionally, they have an export structure heavily dependent on one or a few commodities, the short-term economic outlook might be particularly challenging. Further challenges, stemming from political unrest in Northern Africa and the Middle East, have already directly or indirectly affected some LDCs (Mali, Burkina Faso, Mauritania, Niger, Republic of Yemen).

Contingency planning in LDCs should include anticipating the financing needs of governments for the current and next year, if possible.

Contingency planning in LDCs should include anticipating the financing needs of governments for the current and next year, if possible, and preparations to provide emergency support for national financial systems, as need be. Additional loans, such as those announced by China at the China-Africa meeting in July 2012, could help some LDCs cope with this difficult period.

For predominantly export-led economies, some reorientation to domestic demand may be needed. While curtailing dependence on foreign markets might be extremely difficult even in the medium term, it should certainly be a goal for most LDCs. Commodity exporters need to diversify their production and exports, and try to develop new products or upgrade existing ones. Countries running large current account deficits have to reduce them to manageable proportions.

The world economy may be entering a more turbulent and uncertain phase, in which LDCs may once again be exposed to external economic shocks and have to deal with a crisis that originates elsewhere. Recognizing this may allow for more effective preparation.

Such diversification could be facilitated through the expansion of South–South ties and regional integration schemes that allow for productive reorientation. Reductions in external financing could be countered by innovative financial arrangements, including through regional development banks and sovereign wealth funds, along the lines of the proposal contained in LDCR 2011. Strengthening domestic resource mobilization is another important strategy, despite the constraints posed by decelerating GDP growth.

In sum, the short-term outlook for LDCs, as indeed for the world economy as a whole, is challenging. The world economy may be entering a more turbulent and uncertain phase, in which LDCs may once again be exposed to external economic shocks and have to deal with a crisis that originates elsewhere. Recognizing this may allow for more effective preparation.

Notes

1 The growth rates reported in table 1 in the text as well as annex table 1 are from the International Monetary Fund. As such, they could differ, at times even substantially, from growth rates reported by individual LDCs. The use of the IMF data instead of the data reported by countries themselves is to assure consistency across all LDCs, as well as to present forecasts for individual LDCs.

2 Data for some LDCs are missing from chart 2. One of them is Somalia, which is not reflected in the WEO database. Also, some countries with extreme values were excluded to obtain a more easily understandable picture. For example, the Democratic Republic of Timor-Leste was excluded since it had a fiscal surplus of 50.4 percent of GDP and a current account surplus of 48.1 percent of GDP in 2010.

3 The study of fast-growing economies and their subsequent slowdowns by Eichengreen et al. (2011) indicates that Chinese fast growth may come to an end in the next three to five years.

Statistical annex

Annex table 1. Real GDP growth rates for individual LDCs, selected years
(Annual weighted averages, percentages)

	2002–2008	2009	2010	2011	2012	2013
Fuel exporters	**9.9**	**3.0**	**4.6**	**-1.6**	**1.8**	**3.4**
Angola	16.6	2.4	3.4	3.4	9.7	6.8
Chad	8.9	-1.2	13.0	1.6	6.9	0.1
Equatorial Guinea	15.0	5.7	-0.8	7.1	4.0	6.8
Sudan	7.6	3.0	4.5	-3.9	-7.3	-1.5
Yemen	4.0	3.9	7.7	-10.5	-0.9	2.9
Manufactures exporters	**6.2**	**5.3**	**5.8**	**6.0**	**6.0**	**6.4**
Bangladesh	6.2	5.9	6.4	6.1	5.9	6.4
Bhutan	8.5	6.7	10.6	5.9	7.0	9.9
Cambodia	10.4	0.1	6.0	6.1	6.2	6.4
Haiti	0.9	2.9	-5.4	5.6	7.8	6.9
Lesotho	3.9	3.6	5.7	4.2	5.2	2.2
Services exporters	**6.8**	**5.6**	**5.8**	**5.7**	**4.8**	**5.3**
Comoros	1.6	1.8	2.1	2.2	2.5	4.0
Djibouti	4.1	5.0	3.5	4.5	4.8	5.0
Eritrea	-0.5	3.9	2.2	8.7	7.5	3.4
Ethiopia	10.3	10.0	8.0	7.5	5.0	5.5
Gambia	3.4	6.7	5.5	3.3	-1.7	9.7
Liberia	1.3	2.8	5.0	6.4	8.8	5.1
Madagascar	5.9	-4.1	0.5	0.5	2.9	5.1
Nepal	4.0	4.4	4.6	3.5	4.2	3.8
Rwanda	7.7	4.1	7.5	8.8	7.6	7.0
Samoa	3.9	-5.4	0.2	2.1	1.4	1.9
Sao Tome and Principe	5.8	4.0	4.5	4.9	5.5	6.0
Timor-Leste	5.0	12.8	9.5	10.6	10.0	10.0
Tuvalu	0.9	-1.7	-0.5	0.4	1.5	1.3
Vanuatu	5.7	3.5	2.2	3.3	4.0	4.0
Other primary commodity exporters	**6.1**	**4.6**	**5.9**	**5.8**	**6.3**	**6.2**
Minerals	*5.9*	*4.0*	*6.1*	*5.7*	*7.8*	*6.9*
Democratic Republic of the Congo	6.4	2.8	7.0	6.9	6.5	6.7
Guinea	2.6	-0.3	1.9	3.6	4.7	4.8
Mali	4.9	4.5	5.8	2.7	6.0	5.8
Mauritania	5.6	-1.2	5.1	3.6	5.3	6.1
Mozambique	7.8	6.3	6.8	7.1	6.7	7.2
Sierra Leone	7.2	3.2	5.0	5.3	35.9	9.1
Zambia	5.7	6.4	7.6	6.6	7.7	8.3
Agriculture and food	6.4	5.6	5.8	5.9	4.3	5.3
Benin	3.8	2.7	2.6	3.1	3.5	4.7
Burkina Faso	5.8	3.2	7.9	5.6	5.0	6.4
Guinea-Bissau	2.8	3.0	3.5	5.3	4.5	4.7
Kiribati	0.6	-2.4	1.4	1.8	2.5	3.0
Malawi	5.1	9.0	6.5	5.5	4.3	4.1
Solomon Islands	7.6	-4.7	7.0	9.3	6.0	4.0
Somalia	..	..	..	..	..	..
Uganda	8.0	7.2	5.9	6.7	4.2	5.4
Mixed exporters	**9.5**	**6.6**	**6.1**	**5.4**	**6.4**	**6.0**
Afghanistan	7.7[a]	21.0	8.4	5.7	7.2	5.8
Burundi	4.4	3.5	3.8	4.2	4.8	5.0
Central African Republic	1.6	1.7	3.3	3.1	4.1	4.2
Lao People's Democratic Republic	7.5	7.6	7.9	8.3	8.4	7.1
Myanmar	12.1	5.1	5.3	5.5	6.0	5.9
Niger	5.2	-0.9	8.0	2.3	14.0	6.6
Togo	2.7	3.4	4.0	4.1	4.4	4.6
Senegal	4.8	2.1	4.1	2.6	3.8	4.5
United Republic of Tanzania	7.2	6.7	6.5	6.7	6.4	6.7

Source: UNCTAD Secretariat calculations, based on IMF, *World Economic Outlook* database, April, 2012.
Note: Data for 2011 are preliminary and are forecasted for 2012–2013.
a 2003–2008.

Annex table 2. Real GDP per capita growth rates for individual LDCs, selected years
(Annual weighted averages, percentages)

	2002–2008	2009	2010	2011	2012	2013
Fuel exporters	**7.0**	**0.3**	**1.8**	**-4.2**	**-0.9**	**0.7**
Angola	13.3	-0.2	0.4	0.4	6.5	3.6
Chad	5.5	-3.6	10.3	-0.8	4.3	-2.3
Equatorial Guinea	11.7	2.8	-3.6	4.1	1.1	3.8
Sudan	5.1	0.4	1.9	-6.3	-9.5	-3.9
Yemen	0.8	0.8	4.6	-13.1	-3.8	0.0
Manufactures exporters	**4.6**	**3.8**	**4.6**	**4.6**	**4.6**	**5.0**
Bangladesh	4.6	4.5	4.9	4.6	4.4	4.9
Cambodia	8.5	-1.6	4.9	5.0	5.2	5.3
Haiti	-0.7	1.2	-4.8	3.9	6.2	5.3
Lesotho	4.3	2.9	5.0	3.4	4.4	1.4
Bhutan	6.0	5.2	10.1	5.7	6.9	9.7
Services exporters	**4.3**	**3.2**	**3.5**	**3.4**	**2.6**	**3.0**
Comoros	-0.5	-0.2	-0.1	0.1	0.4	1.8
Djibouti	2.0	2.4	1.0	1.9	2.2	2.5
Eritrea	-4.1	0.7	-0.9	5.4	4.3	0.4
Ethiopia	7.4	7.2	5.5	5.0	2.6	3.0
Gambia	0.4	3.9	2.7	0.5	-4.3	6.8
Liberia	-2.0	-1.4	0.7	3.7	6.1	2.4
Madagascar	3.0	-6.6	-2.0	-2.0	0.3	2.5
Nepal	2.7	3.4	3.5	2.5	3.2	2.8
Rwanda	5.8	2.0	5.3	6.6	5.4	4.8
Samoa	3.5	-5.4	-0.3	1.5	1.4	1.3
Sao Tome and Principe	4.2	2.1	3.2	2.5	3.7	4.2
Timor-Leste	2.4	10.2	6.8	8.0	7.4	7.5
Tuvalu	..	..	..	..	..	..
Vanuatu	3.3	1.2	0.1	0.8	2.0	1.5
Other primary commodity exporters	**3.2**	**1.7**	**3.0**	**2.8**	**3.4**	**3.3**
Minerals	3.1	1.2	3.2	2.9	4.9	4.0
Democratic Republic of the Congo	3.3	-0.2	3.9	3.8	3.4	3.6
Guinea	0.5	-2.7	-0.6	1.0	2.1	2.3
Mali	1.7	1.3	2.7	-0.4	2.8	2.6
Mauritania	3.2	-3.5	2.6	1.2	2.8	3.6
Mozambique	5.7	4.2	4.7	5.0	4.7	5.1
Sierra Leone	3.6	0.7	2.3	2.7	32.4	6.3
Zambia	3.3	3.8	5.0	4.0	5.1	5.7
Agriculture and food	3.4	2.5	2.7	2.7	1.2	2.2
Benin	0.7	-0.1	-0.2	0.3	0.7	1.9
Burkina Faso	3.2	0.8	5.5	3.2	2.6	4.0
Guinea-Bissau	0.5	0.7	1.3	3.0	2.2	2.5
Kiribati	-1.3	-5.3	-0.6	-0.1	1.5	1.1
Malawi	2.6	6.0	3.5	2.5	1.4	1.2
Solomon Islands	5.4	-7.0	4.6	6.8	3.5	1.7
Somalia	..	..	..	..	..	..
Uganda	4.5	3.5	2.2	3.0	0.5	1.7
Mixed exporters	**6.9**	**4.2**	**3.6**	**3.1**	**4.0**	**3.6**
Afghanistan	4.0[a]	17.3	5.2	2.7	4.0	2.7
Burundi	2.3	1.4	1.7	2.2	2.7	3.0
Central African Republic	-0.4	-1.9	0.8	0.6	1.5	1.7
Lao People's Democratic Republic	5.6	5.6	6.0	6.3	6.4	5.1
Myanmar	9.9	3.1	3.3	3.4	3.9	3.8
Niger	2.0	-3.9	4.7	-0.8	10.6	3.4
Togo	0.1	0.9	1.5	1.6	1.8	2.0
Senegal	2.3	-0.3	1.7	0.2	1.4	2.1
United Rep. of Tanzania	5.1	4.6	4.5	4.6	4.3	4.6

Source: UNCTAD Secretariat calculations, based on IMF, *World Economic Outlook* database, April, 2012.
Note: Data for 2011 are preliminary and are forecasted for 2012–2013.
a 2003–2008.

Annex table 3. Gross fixed capital formation in LDCs: share of GDP and annual average growth rates
(Percentage)

Country	Share of GDP (current dollars)						Annual average growth rate (constant 2005 dollars)					
	1980	*1990*	*2000*	*2008*	*2009*	*2010*	*1980–1990*	*1990–2000*	*2000–2009*	*2008*	*2009*	*2010*
Afghanistan	13.2	13.4	14.3	27.6	17.5	26.5	-1.6	-3.0	11.3	-5.5	-0.2	-7.3
Angola	22.8	11.7	11.7	15.8	17.1	10.3	-4.0	8.9	16.1	67.2	-15.8	-22.9
Bangladesh	21.3	20.2	23.0	24.2	24.4	24.9	3.1	9.2	7.6	1.8	6.2	5.8
Benin	21.9	13.4	18.0	20.3	21.0	20.5	-4.7	6.3	4.9	8.3	2.7	-5.9
Bhutan	32.5	31.8	50.0	38.7	41.3	42.3	6.5	9.5	-0.1	-3.9	24.0	-0.5
Burkina Faso	19.2	17.7	21.2	20.4	22.0	27.1	4.9	4.2	8.7	8.2	11.0	8.3
Burundi	17.0	21.8	13.2	14.4	14.4	13.4	4.9	-10.5	3.1	0.2	3.4	-3.1
Cambodia	9.3	8.3	18.3	17.3	20.1	16.0	5.5	15.3	12.9	15.9	18.8	-10.8
Central African Republic	6.9	11.8	11.1	11.6	11.3	11.4	7.0	-1.5	4.9	24.9	5.3	8.9
Chad	8.1	7.2	15.2	15.1	21.4	22.5	6.1	4.4	8.4	-4.7	27.6	34.0
Comoros	28.5	12.2	10.1	13.7	11.9	16.5	-6.6	-1.6	5.1	29.1	-11.6	42.0
Dem. Rep. of the Congo	20.0	12.8	3.5	21.5	19.1	26.4	0.0	-8.7	14.3	6.4	2.1	7.2
Djibouti	12.9	27.2	12.2	16.9	17.7	17.3	3.1	-9.4	23.8	16.4	-15.2	-26.3
Equatorial Guinea	13.0	58.1	61.9	30.5	70.5	61.1	11.6	54.3	16.4	28.2	38.7	-14.0
Eritrea[a]	_	_	22.0	12.7	9.1	12.3	-	14.1	-20.9	-0.5	-37.0	92.9
Ethiopia[b]	_	_	20.3	22.4	22.7	22.3	-	5.7	10.5	15.7	15.0	-0.5
Ethiopia (former)	10.0	12.5	..	..	..	..	4.2	..	..	..	..	..
Gambia	14.4	18.0	4.6	29.1	28.3	27.5	-3.4	2.3	23.2	4.5	-0.8	3.0
Guinea	20.1	34.3	35.4	21.3	16.4	18.0	8.1	2.3	14.4	34.5	19.9	11.1
Guinea-Bissau	25.1	14.7	11.3	8.6	8.4	7.2	1.7	-10.4	3.3	-13.4	7.0	-15.9
Haiti	17.9	14.3	14.3	15.1	14.3	13.1	-0.1	5.6	1.2	2.8	3.2	-6.5
Kiribati	44.0	55.9	33.2	57.8	57.6	58.6	2.6	-0.4	8.5	3.1	-2.7	1.3
Lao People's Dem. Rep.	7.4	11.3	28.3	37.1	31.1	37.1	10.7	14.8	13.3	-2.7	-11.6	33.7
Lesotho	40.3	53.0	43.2	28.5	27.8	29.9	3.8	1.5	1.4	18.0	-5.0	10.1
Liberia	21.4	10.5	7.3	20.0	20.0	20.0	-11.7	2.2	17.6	7.1	4.5	5.2
Madagascar	22.8	17.0	16.2	40.3	31.7	18.8	4.9	3.4	11.3	52.8	-26.1	-12.6
Malawi	31.6	24.4	17.5	22.6	22.6	22.3	-3.3	-4.2	18.4	23.6	9.0	26.8
Mali	17.4	20.0	18.9	18.3	20.4	21.2	4.2	2.1	7.0	-0.8	13.3	7.7
Mauritania	18.7	13.6	16.2	25.5	28.4	30.6	-3.3	2.2	17.6	-6.8	13.3	28.5
Mozambique	7.6	14.7	31.0	16.5	16.5	21.9	2.3	10.1	6.2	17.8	5.4	38.0
Myanmar	18.7	14.7	11.8	15.7	19.3	22.8	-2.7	14.5	24.0	19.6	36.7	31.7
Nepal	15.9	16.6	19.5	21.9	21.4	20.2	4.5	6.4	4.1	1.9	0.5	5.3
Niger	25.3	12.8	15.1	30.9	32.9	40.2	-10.1	3.0	11.3	19.8	5.2	32.6
Rwanda	10.8	10.9	14.2	22.7	21.6	21.0	5.0	1.1	15.3	32.1	2.6	7.3
Samoa	25.9	22.4	13.9	8.5	9.0	8.8	0.3	-4.6	-2.5	-8.5	4.3	-0.7
Sao Tome and Principe	11.4	31.3	35.8	26.7	23.4	26.1	3.1	3.6	4.3	4.1	-8.4	16.6
Senegal	16.3	16.1	22.4	27.1	23.7	27.3	4.3	6.2	6.3	7.8	-7.4	12.0
Sierra Leone	14.0	9.6	6.9	6.2	6.2	8.1	-3.7	-11.6	15.0	-3.5	4.4	25.0
Solomon Islands	22.0	17.4	18.3	18.3	18.1	19.3	1.9	0.7	21.2	14.2	-12.6	169.9
Somalia	9.8	23.0	20.4	20.1	20.0	19.9	4.7	-4.7	1.6	2.2	3.3	2.3
Sudan	19.3	16.1	9.7	18.4	18.8	18.5	-5.3	21.8	16.7	-0.3	19.8	3.2
Timor-Leste[c]	..	..	..	23.5	21.6	21.9	..	..	-0.9	26.2	3.5	7.9
Togo	29.4	14.5	15.1	14.3	16.7	17.7	-1.3	0.3	5.5	12.2	21.8	9.6
Tuvalu	74.9	68.6	11.7	77.3	76.6	77.4	6.5	-6.4	11.9	-6.7	0.6	2.7
Uganda	6.9	13.5	17.8	20.1	21.0	21.4	7.4	9.5	11.5	6.7	5.8	5.2
United Rep. of Tanzania	22.0	41.1	16.3	29.0	28.2	27.7	1.1	-1.2	12.6	7.4	10.0	8.3
Vanuatu	23.7	32.3	24.6	33.0	27.0	27.8	6.2	4.2	11.2	48.6	-15.0	8.1
Yemen[d]	31.1	11.8	16.7	19.5	20.9	17.9	-6.8	14.1	0.6	-6.2	-8.0	-7.4
Zambia	18.2	13.5	17.2	19.7	20.2	22.5	-9.0	21.0	11.7	12.1	-0.6	9.8
All developing countries	**24.9**	**22.8**	**23.3**	**28.0**	**29.7**	**29.8**	**1.8**	**6.0**	**9.0**	**6.8**	**5.8**	**10.4**
Other developing countries	**25.1**	**23.0**	**23.4**	**28.2**	**29.9**	**30.1**	**1.8**	**6.0**	**9.0**	**6.6**	**5.8**	**10.5**
LDCs	**18.6**	**17.0**	**18.5**	**21.1**	**22.0**	**21.6**	**0.6**	**6.5**	**10.2**	**12.4**	**5.1**	**3.7**
LDCs: Africa and Haiti	18.0	16.7	16.9	20.5	21.7	20.5	0.5	5.1	11.6	18.8	4.2	1.8
LDCs: Asia	20.1	17.5	20.5	22.3	22.4	23.2	0.7	8.9	8.1	2.2	6.8	6.8
LDCs: Islands	24.5	23.6	19.4	22.2	20.3	21.8	0.8	0.2	10.7	20.3	-7.6	35.3

Source: UNCTAD, UNCTADstat database, July 2012.

a For Eritrea data start in 1992.
b For Ethiopia data start in 1992.
c For Timor-Leste data start in 2003.
d Yemen prior to 1990 includes Yemen (former Arab Republic) and Yemen (former Democratic).

Annex table 4. Exports and imports of merchandise and services in LDCs, by country groups (geographic), 2006–2011
(Millions of dollars and percentage changes)

	2006	2007	2008	2009	2010	2011	change in 2010 (%)	change in 2011 (%)
Merchandise exports								
Least developed countries	102,351	128,318	169,315	130,871	166,586	204,834	27.3	23.0
LDCs: Africa and Haiti	72,901	95,045	130,618	94,654	119,445	145,490	26.2	21.8
LDCs: Asia	29,181	32,930	38,317	35,902	46,755	58,762	30.2	25.7
LDCs: Islands	269	343	379	314	386	582	22.7	50.8
Merchandise imports								
Least developed countries	101,183	123,768	161,095	153,052	167,628	202,195	9.5	20.6
LDCs: Africa and Haiti	64,454	80,179	107,030	101,857	105,099	124,089	3.2	18.1
LDCs: Asia	35,652	42,348	52,504	49,784	60,881	76,273	22.3	25.3
LDCs: Islands	1,077	1,242	1,561	1,410	1,648	1,833	16.9	11.2
Merchandise trade balance								
Least developed countries	1,168	4,550	8,219	-22,181	-1,042	2,639	95.3	353.2
LDCs: Africa and Haiti	8,448	14,866	23,588	-7,203	14,346	21,402	299.2	49.2
LDCs: Asia	-6,471	-9,418	-14,187	-13,882	-14,126	-17,512	-1.8	-24.0
LDCs: Islands	-809	-898	-1,182	-1,096	-1,262	-1,252	-15.2	0.9
Service exports								
Least developed countries	13,283	16,562	20,811	19,748	22,141	25,338	12.1	14.4
LDCs: Africa and Haiti	8,773	10,896	13,839	12,772	13,786	15,985	7.9	15.9
LDCs: Asia	4,077	5,152	6,439	6,408	7,508	8,391	17.2	11.8
LDCs: Islands	433	514	534	568	848	962	49.3	13.5
Service imports								
Least developed countries	33,281	43,095	58,824	53,373	58,638	67,798	9.9	15.6
LDCs: Africa and Haiti	26,494	35,140	49,065	44,057	47,634	55,035	8.1	15.5
LDCs: Asia	6,240	7,237	8,811	8,303	9,917	11,536	19.4	16.3
LDCs: Islands	547	718	949	1,012	1,088	1,227	7.5	12.8
Service trade balance								
Least developed countries	-19,998	-26,533	-38,013	-33,624	-36,497	-42,460	-8.5	-16.3
LDCs: Africa and Haiti	-17,721	-24,244	-35,226	-31,285	-33,848	-39,050	-8.2	-15.4
LDCs: Asia	-2,163	-2,085	-2,372	-1,895	-2,409	-3,145	-27.1	-30.6
LDCs: Islands	-114	-204	-414	-444	-240	-265	46.0	-10.2

Source: UNCTAD secretariat calculations, based on UNCTADstat database, August 2012.

Annex table 5. Exports and imports of merchandise and services in LDCs, by country groups (export specialization), 2006–2011
(Millions of dollars and percentage changes)

	2006	2007	2008	2009	2010	2011	change in 2010 (%)	change in 2011 (%)
Merchandise exports								
Oil-exporting LDCs	54,776	72,327	102,267	68,069	85,130	105,631	25.1	24.1
Manufactures-exporting LDCs	16,870	19,201	22,488	21,907	27,975	35,899	27.7	28.3
Services-exporting LDCs	3,447	4,168	5,010	4,237	5,069	6,563	19.6	29.5
Mixed-exporting LDCs	10,678	13,090	15,878	15,242	19,268	21,985	26.4	14.1
Other Primary Commodity-exporting LDCs	16,580	19,531	23,671	21,415	29,145	34,756	36.1	19.3
Minerals-exporting LDCs	12,915	14,372	17,344	14,384	21,492	26,287	49.4	22.3
Agriculture & Food-exporting LDCs	3,665	5,159	6,327	7,031	7,653	8,469	8.8	10.7
Merchandise imports								
Oil-exporting LDCs	27,073	35,452	46,646	48,742	44,237	47,267	-9.2	6.8
Manufactures-exporting LDCs	24,099	26,980	34,012	31,188	39,361	50,274	26.2	27.7
Services-exporting LDCs	12,330	14,732	20,772	19,798	20,925	23,013	5.7	10.0
Mixed-exporting LDCs	17,001	20,921	26,126	24,936	29,417	40,084	18.0	36.3
Other Primary Commodity-exporting LDCs	20,680	25,683	33,539	28,388	33,687	41,556	18.7	23.4
Minerals-exporting LDCs	13,073	15,800	20,573	16,706	21,003	27,358	25.7	30.3
Agriculture & Food-exporting LDCs	7,606	9,883	12,966	11,682	12,684	14,198	8.6	11.9
Merchandise trade balance								
Oil-exporting LDCs	27,703	36,876	55,621	19,327	40,893	58,364	111.6	42.7
Manufactures-exporting LDCs	-7,230	-7,779	-11,524	-9,281	-11,386	-14,376	-22.7	-26.3
Services-exporting LDCs	-8,883	-10,564	-15,761	-15,560	-15,856	-16,450	-1.9	-3.7
Mixed-exporting LDCs	-6,323	-7,831	-10,248	-9,693	-10,150	-18,100	-4.7	-78.3
Other Primary Commodity-exporting LDCs	-4,100	-6,152	-9,868	-6,973	-4,543	-6,800	34.9	-49.7
Minerals-exporting LDCs	-159	-1,428	-3,229	-2,322	489	-1,070	121.0	-319.1
Agriculture & Food-exporting LDCs	-3,941	-4,724	-6,639	-4,651	-5,031	-5,729	-8.2	-13.9
Service exports								
Oil-exporting LDCs	1,039	1,683	2,336	2,758	3,162	3,597	14.6	13.8
Manufactures-exporting LDCs	2,914	3,521	4,078	4,077	4,517	5,294	10.8	17.2
Services-exporting LDCs	3,525	4,340	5,917	5,125	5,521	6,690	7.7	21.2
Mixed-exporting LDCs	3,319	4,178	4,669	4,190	4,728	5,339	12.8	12.9
Other Primary Commodity-exporting LDCs	2,484	2,835	3,826	3,633	4,322	4,797	19.0	11.0
Minerals-exporting LDCs	1,505	1,626	2,314	2,037	1,972	2,257	-3.2	14.5
Agriculture & Food-exporting LDCs	980	1,210	1,511	1,596	2,350	2,540	47.3	8.1
Service imports								
Oil-exporting LDCs	15,183	20,325	30,637	27,105	27,489	32,517	1.4	18.3
Manufactures-exporting LDCs	4,151	4,921	5,922	5,647	7,365	8,481	30.4	15.1
Services-exporting LDCs	4,622	5,969	7,831	7,052	7,135	8,170	1.2	14.5
Mixed-exporting LDCs	3,687	4,437	5,259	5,134	5,710	6,505	11.2	13.9
Other Primary Commodity-exporting LDCs	5,633	7,436	9,213	8,435	10,881	12,738	29.0	17.1
Minerals-exporting LDCs	3,717	5,068	6,332	5,473	7,026	8,265	28.4	17.6
Agriculture & Food-exporting LDCs	1,915	2,368	2,881	2,961	3,854	4,473	30.2	16.0
Service trade balance								
Oil-exporting LDCs	-14,144	-18,641	-28,301	-24,347	-24,328	-28,919	0.1	-18.9
Manufactures-exporting LDCs	-1,237	-1,400	-1,843	-1,570	-2,848	-3,187	-81.4	-11.9
Services-exporting LDCs	-1,097	-1,629	-1,914	-1,927	-1,614	-1,479	16.3	8.3
Mixed-exporting LDCs	-368	-259	-590	-944	-982	-1,166	-4.0	-18.7
Other Primary Commodity-exporting LDCs	-3,148	-4,600	-5,387	-4,801	-6,559	-7,942	-36.6	-21.1
Minerals-exporting LDCs	-2,212	-3,442	-4,018	-3,436	-5,055	-6,009	-47.1	-18.9
Agriculture & Food-exporting LDCs	-936	-1,159	-1,370	-1,365	-1,504	-1,933	-10.2	-28.5

Source: UNCTAD secretariat calculations, based on UNCTADstat database, August 2012.

Annex table 6. Foreign direct investment inflows to LDCs, selected years
(Millions of current dollars)

Country	1985	1990	2000	2009	2010	2011
Afghanistan	..	..	0.2	75.7	211.3	83.4
Angola	278.0	-334.5	878.6	2,205.3	-3,227.2	-5,585.5
Bangladesh	-6.7	3.2	578.6	700.2	913.3	1,136.4
Benin	-0.1	62.4	59.7	134.3	176.8	118.5
Bhutan	..	1.6	0.0	18.3	16.3	13.9
Burkina Faso	-1.4	0.5	23.1	100.9	34.6	7.4
Burundi	1.6	1.3	11.7	0.3	0.8	1.7
Cambodia	0.0	0.0	148.5	539.1	782.6	891.7
Central African Republic	3.0	0.7	0.9	120.5	91.7	109.2
Chad	53.7	9.4	115.2	1,105.5	1,939.7	1,855.0
Comoros	..	0.4	0.1	13.8	3.9	6.8
Dem. Rep. of the Congo	69.2	-14.5	72.0	663.8	2,939.3	1,686.9
Djibouti	0.2	0.1	3.3	99.6	26.8	78.0
Equatorial Guinea	2.4	11.1	154.5	1,636.2	1,369.0	737.1
Eritrea	..	..	27.9	0.0	55.6	18.5
Ethiopia	0.2	12.0	134.6	221.5	288.3	206.1
Gambia	-0.5	14.1	43.5	39.6	37.2	36.0
Guinea	1.1	17.9	9.9	140.9	101.4	1,210.8
Guinea-Bissau	1.4	2.0	0.7	17.6	33.2	19.4
Haiti	4.9	8.0	13.3	38.0	150.0	181.0
Kiribati	0.2	0.3	0.7	3.2	3.7	3.9
Lao People's Dem.Rep.	-1.6	6.0	33.9	318.6	332.6	450.0
Lesotho	4.8	16.1	31.5	48.0	54.7	52.0
Liberia	-16.2	225.2	20.8	217.8	450.0	508.0
Madagascar	-0.2	22.4	83.0	1,066.1	860.4	907.4
Malawi	0.5	23.3	39.6	54.7	58.2	56.3
Mali	2.9	5.7	82.4	748.3	405.9	177.8
Mauritania	7.0	6.7	40.1	-3.1	130.5	45.2
Mozambique	0.3	9.2	139.3	892.5	989.0	2,093.5
Myanmar	0.0	225.1	208.0	963.3	450.2	850.0
Nepal	0.7	5.9	-0.5	38.6	86.7	95.5
Niger	-9.4	40.8	8.4	790.8	940.3	1,013.6
Rwanda	14.6	7.7	8.1	118.7	42.3	106.0
Samoa	0.4	6.6	-1.2	9.6	1.1	12.0
Sao Tome and Principe	..	0.0	3.8	15.5	24.6	18.0
Senegal	-18.9	56.9	62.9	320.0	266.1	286.1
Sierra Leone	-31.0	32.4	38.9	74.3	86.6	48.7
Solomon Islands	0.7	10.4	13.0	119.8	237.9	146.4
Somalia	-0.7	5.6	0.3	108.0	112.0	102.0
Sudan	-3.0	-31.1	392.2	1,816.2	2,063.7	1,936.0
Timor-Leste	0.0	0.0	0.0	49.9	26.9	20.0
Togo	16.3	22.7	41.5	48.5	85.8	53.8
Tuvalu	0.0	0.0	-0.9	2.2	1.5	1.8
Uganda	-4.0	-5.9	180.8	841.6	543.9	792.3
United Rep.of Tanzania	14.5	0.0	282.0	952.6	1,022.8	1,095.4
Vanuatu	4.6	13.1	20.3	31.7	41.1	58.2
Yemen	3.2	-130.9	6.4	129.2	-93.3	-712.8
Zambia	51.5	202.8	121.7	694.8	1,729.3	1,981.7
LDCs	**444.3**	**572.8**	**4,133.3**	**18,342.5**	**16,899.2**	**15,010.9**
LDCs: Africa and Haiti	442.8	431.0	3,122.4	15,313.8	13,858.8	11,935.7
LDCs: Asia	-4.4	111.0	975.1	2,783.0	2,699.6	2,808.1
LDCs: Islands	6.0	30.8	35.8	245.7	340.8	267.1
Other developing countries	**13,548.7**	**34,570.1**	**248,516.7**	**456,513.8**	**547,002.5**	**629,911.3**
All developing economies	**13,993.1**	**35,142.9**	**252,650.0**	**474,856.3**	**563,901.7**	**644,922.2**

Source: UNCTAD, *World Investment Report 2012*, July 2012.

Annex table 7. Foreign direct investment outflows from LDCs, selected years
(Millions of current dollars)

Country	1985	1990	2000	2009	2010	2011
Afghanistan	..	..	..	..	..	..
Angola	..	0.9	..	6.8	1,340.4	1,300.0
Bangladesh	..	0.5	2.0	29.3	15.4	9.2
Benin	..	0.3	3.6	31.2	-17.9	2.9
Bhutan	..	..	..	..	..	..
Burkina Faso	0.0	-0.6	0.2	8.5	-3.5	4.1
Burundi	-1.1	0.0	0.0	..	..	..
Cambodia	..	..	6.6	18.9	20.6	23.6
Central African Republic	0.6	3.8	..	..	..	..
Chad	0.3	0.1	..	..	..	..
Comoros	..	1.1	..	..	..	..
Democratic Republic of the Congo	..	..	-1.8	34.8	7.2	90.9
Djibouti	..	..	..	..	..	..
Equatorial Guinea	..	0.1	-3.6	..	..	..
Eritrea	-	-	..	..	..	..
Ethiopia	..	..	..	..	..	..
Gambia	..	..	..	..	..	..
Guinea	0.0	0.1	..	..	..	5.2
Guinea-Bissau	..	..	..	-2.5	5.5	1.1
Haiti	..	-8.0	..	..	..	..
Kiribati	..	..	0.1	0.2	0.3	0.5
Lao People's Democratic Republic	-0.2	0.2	9.9	1.3	5.7	7.0
Lesotho	..	..	..	..	..	..
Liberia	255.0	5.9	779.9	363.6	369.4	371.7
Madagascar	..	1.3	..	..	..	..
Malawi	..	..	-0.6	..	..	..
Mali	..	0.2	4.0	-1.0	7.4	2.4
Mauritania	..	..	..	4.3	4.1	4.2
Mozambique	..	..	0.2	-2.8	0.8	-3.4
Myanmar	..	..	..	..	..	..
Nepal	..	..	..	..	..	..
Niger	1.9	0.0	-0.6	59.3	59.7	48.4
Rwanda	..	..	..	..	..	..
Samoa	..	..	..	-1.1	..	-0.6
Sao Tome and Principe	..	..	..	0.2	0.1	0.1
Senegal	3.1	-9.5	0.6	77.1	2.2	66.4
Sierra Leone	..	0.1	..	..	5.0	..
Solomon Islands	..	..	0.1	3.0	2.3	3.6
Somalia	..	..	..	..	..	..
Sudan	..	..	..	89.2	66.1	84.5
Timor-Leste	-	-	-	..	..	..
Togo	..	..	0.4	37.4	37.2	20.4
Tuvalu	..	..	..	..	..	..
Uganda	..	..	..	..	-3.4	..
United Republic of Tanzania	..	..	..	..	..	..
Vanuatu	..	..	..	1.2	1.2	0.9
Yemen	0.5	..	-8.8	66.4	70.3	76.6
Zambia	..	..	..	269.6	1,095.4	1,150.2
LDCs	**260.1**	**-3.4**	**792.3**	**1,094.8**	**3,091.3**	**3,270.0**
LDCs: Africa and Haiti	259.8	-5.2	782.4	975.4	2,975.5	3,149.1
LDCs: Asia	0.3	0.7	9.7	115.9	112.0	116.3
LDCs: Islands	..	1.1	0.2	3.5	3.8	4.6
Other developing countries	**3,660.5**	**13,685.8**	**92,627.0**	**232,373.5**	**331,771.7**	**324,223.1**
All developing economies	**3,920.6**	**13,682.4**	**93,419.4**	**233,468.3**	**334,863.0**	**327,493.1**

Source: UNCTAD, *World Investment Report 2012*, July 2012.

Annex table 8. Total external debt and debt service payments of individual LDCs, selected years
(Millions of dollars)

Country	External debt[a]						Debt service[b]					
	1990	*2000*	*2005*	*2008*	*2009*	*2010*	*1990*	*2000*	*2005*	*2008*	*2009*	*2010*
Afghanistan	..	..	..	2,088.9	2,222.6	2,297.2	..	..	..	7.7	10.2	9.2
Angola	8,592.0	9,407.8	11,833.8	15,100.5	16,616.2	18,562.0	325.9	1,705.3	2,602.1	1,640.6	3,553.7	2,309.0
Bangladesh	12,285.3	15,534.7	18,381.5	22,879.8	23,801.6	24,962.6	735.5	766.5	799.5	888.3	954.4	1,012.7
Benin	1,119.7	1,387.8	1,537.7	916.8	1,072.4	1,221.3	37.1	74.3	47.3	58.3	36.9	42.5
Bhutan	83.5	203.8	649.2	685.5	751.9	898.2	5.2	6.7	6.8	81.5	75.5	84.2
Burkina Faso	832.0	1,422.2	1,994.2	1,669.8	1,821.6	2,053.3	34.3	46.5	45.3	45.0	42.4	50.6
Burundi	906.9	1,108.0	1,321.8	1,438.2	512.7	537.1	42.4	21.9	39.3	19.5	19.5	3.4
Cambodia	1845.0	2,627.9	3,515.3	4,215.0	4,364.0	4,676.1	30.0	31.5	31.0	42.1	49.5	62.2
Central African Republic	698.5	860.0	1,019.6	954.0	394.1	384.8	29.1	14.1	6.5	25.7	31.2	2.3
Chad	514.2	1,088.4	1,584.1	1,750.1	1,746.0	1,733.5	11.8	24.4	54.2	137.2	78.4	73.2
Comoros	187.8	226.1	278.8	279.4	277.6	485.4	1.1	3.2	4.0	12.3	11.8	4.3
Dem. Rep. of the Congo	10,258.6	11,692.4	10,600.3	12,210.5	12,276.0	5,773.7	348.1	24.8	214.2	591.9	622.9	267.6
Djibouti	155.3	258.1	406.4	698.5	755.3	751.3	11.0	13.3	15.6	29.6	35.0	33.9
Equatorial Guinea	..	..	..	..	..	..	..	..	..	..	..	..
Eritrea	-	299.9	724.5	961.4	1,018.9	1,009.8	0.0	3.0	20.2	15.6	21.6	22.4
Ethiopia[c]	8,645.2	5,494.9	6,208.1	2,879.0	5,029.5	7,147.1	236.2	137.9	93.4	111.4	103.2	191.9
Gambia	369.1	483.4	659.8	365.1	459.6	470.2	37.7	21.5	28.5	17.0	18.8	19.6
Guinea	2,478.3	3,066.4	2,898.3	3,093.7	2,915.7	2,923.0	168.3	156.7	163.5	140.6	127.1	87.4
Guinea-Bissau	694.5	947.3	1,013.0	1,085.6	1,117.6	1,094.6	8.4	5.2	6.3	9.6	10.0	17.3
Haiti	916.8	1,172.7	1,327.0	1,950.9	1,325.2	491.8	36.1	44.3	57.2	57.8	44.7	130.9
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..
Lao People's Dem. Rep.	1,766.0	2,501.3	2,843.8	5,008.2	5,458.1	5,558.8	8.9	40.1	132.3	207.4	219.8	305.2
Lesotho	395.6	671.8	662.0	688.8	704.8	725.9	23.3	61.5	79.5	37.5	38.1	34.5
Liberia	2,055.6	2,792.1	3,897.6	3,128.1	1,655.6	228.0	3.2	0.7	0.9	934.4	64.0	5.5
Madagascar	3,688.9	4,691.2	3,493.5	2,075.6	2,203.2	2,295.2	222.7	116.7	78.8	32.8	50.2	55.8
Malawi	1,556.8	2,704.9	3,183.2	893.7	1,033.3	921.6	132.6	62.9	75.7	31.9	35.7	18.7
Mali	2,468.0	2,960.4	3,200.8	2,031.3	2,070.7	2,326.4	67.8	92.8	99.3	69.0	68.2	61.1
Mauritania	2,113.3	2,377.7	2,308.0	1,985.6	2,047.6	2,461.3	145.7	83.1	65.1	63.2	77.6	109.1
Mozambique	4,600.3	7,205.2	4,152.9	3,392.5	4,045.7	4,123.8	78.5	95.9	78.6	37.3	43.3	89.8
Myanmar	4,695.0	5,974.9	7,013.9	8,001.7	8,185.9	6,351.8	60.4	36.1	71.2	33.3	28.8	687.1
Nepal	1,626.9	2,867.3	3,179.6	3,685.2	3,683.0	3,702.3	67.8	101.7	117.4	161.9	176.6	186.9
Niger	1,757.6	1,708.4	2,017.4	1,002.1	1,102.7	1,126.8	98.7	26.0	40.3	29.5	45.3	27.0
Rwanda	708.0	1,270.3	1,508.9	662.8	748.9	794.6	19.8	35.6	27.6	14.3	11.3	14.5
Samoa	91.8	137.7	167.5	205.6	235.5	308.0	5.4	5.5	5.8	8.0	8.5	10.6
Sao Tome and Principe	150.0	304.0	334.7	130.8	148.8	170.2	2.8	4.3	6.6	2.3	2.1	1.6
Senegal	3,753.9	3,621.6	3,830.5	2,819.6	3,499.0	3,676.9	324.1	224.3	202.5	180.1	199.6	301.8
Sierra Leone	1,176.4	1,189.8	1,750.8	607.1	701.0	778.0	21.1	46.7	17.6	5.7	7.9	11.1
Solomon Islands	120.5	155.4	166.5	165.9	155.9	215.5	11.6	9.1	14.0	15.1	10.0	20.7
Somalia	2,370.3	2,547.9	2,730.3	2,921.6	2,943.7	2,942.4	10.7	0.0	0.1	1.7	0.0	0.0
Sudan	14,762.0	15,983.0	17,474.2	20,105.9	20,746.3	21,845.9	49.7	244.7	398.1	368.1	490.7	492.2
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..
Togo	1,280.6	1,429.6	1,673.3	1,627.3	1,632.9	1,727.8	85.7	29.8	20.8	196.3	55.3	35.1
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	2,605.8	3,496.8	4,394.7	2,221.4	2,465.2	2,993.7	144.7	74.0	170.4	73.7	71.1	64.2
United Rep. of Tanzania	6,446.1	7,142.0	8,354.9	5,963.5	7,323.9	8,664.1	179.0	166.6	131.8	64.6	164.2	198.7
Vanuatu	38.2	74.5	82.1	125.8	129.8	148.3	2.4	1.9	2.6	4.5	5.6	5.9
Yemen	6,354.0	5,125.0	5,459.5	6,274.4	6,370.1	6,324.0	169.1	243.3	212.2	284.1	262.7	259.5
Zambia	6,904.8	5,722.5	5,373.2	2,974.5	3,038.9	3,688.8	200.7	185.4	281.4	166.3	169.1	147.4
LDCs[d]	**124,069.3**	**141,937.0**	**155,207.0**	**153,921.4**	**160,808.6**	**161,572.8**	**4,234.9**	**5,089.9**	**6,565.6**	**6,954.9**	**8,152.5**	**7,568.5**
LDCs: Africa and Haiti[d]	94,825.1	106,204.5	113,134.9	100,175.4	105,024.0	105,474.5	3,134.6	3,840.0	5,162.2	5,206.3	6,337.1	4,918.5
LDCs: Asia[d]	28,655.8	34,834.9	41,042.7	52,838.6	54,837.0	54,771.0	1,076.9	1,225.9	1,370.3	1,706.3	1,777.5	2,607.1
LDCs: Islands[d]	588.3	897.6	1,029.5	907.4	947.6	1,327.3	23.4	24.0	33.1	42.4	38.0	43.0

Source: UNCTAD secretariat calculations, based on World Bank, *World Development Indicators* database, online, July 2012.

a External debt covers both long-term and short term debt as well as the use of IMF credit.

b Debt service on total external debt.

c Ethiopia includes Eritrea up to 1992.

d LDC aggregates exclude missing data for Equatorial Guinea, Kiribati, Timor-Leste, Tuvalu, and for Afghanistan from 1990 to 2005.