

**ECONOMIC PROBLEMS OF THE LEAST DEVELOPED
AND LAND-LOCKED OIC COUNTRIES AND
THE UN PROGRAMME OF ACTION FOR THE LDCs
FOR 2001-2010**

Nabil Dabour*

With a combined population of almost 334 million, the current 22 OIC least developed countries (OIC-LDCs) represent almost 54 per cent of the total population of the world's 49 LDCs and 26 per cent of the total OIC population. Economic and social development of OIC-LDCs represents a major challenge for themselves, for the OIC, and for their development partners. Given this situation, the present paper analyses the recent developments in the economies of OIC-LDCs. It investigates the recent trends in major economic indicators of these countries in the latest five-year period for which the data are available. The paper also sheds light on the Programme of Action for the LDCs for the decade 2001-2010 adopted by the Third United Nations Conference on the LDCs in Brussels on 20 May 2001.

1. INTRODUCTION

The least developed countries (LDCs) are officially designated as “least developed” by the General Assembly of the United Nations. In 1971, the General Assembly approved the first list of LDCs, which at that time included 24 countries. In the following years, the number of countries included in the list rose steadily, reaching 48 in 1994. It was of course hoped that, as development efforts had an impact, countries would one by one “graduate” from the LDCs group as their level of development rose. However, only one country since 1971 has succeeded in doing so (i.e., Botswana in 1994). Moreover, in its latest triennial review of the list of LDCs in July 2000, the Economic and Social Council of the United Nations declared the eligibility of Senegal for designation as an LDC. In early 2001, Senegal was officially placed on the list, bringing the total to 49 countries (see Table A.1 in the annex).

* Senior Economist, Chief of Social Research Section at the SESRTCIC.

Currently, the 49 LDCs have a combined population of 621.8 million, corresponding to 10.5 per cent of the world total population. The LDCs represent the poorest and weakest segment of the international community. The structural weakness of their economies and the lack of capacities related to growth and development, often compounded by geographical handicaps, hamper efforts by these countries to improve effectively the standard of living of their populations. Therefore, the economic and social development of these countries represents a major challenge for themselves, as well as for their development partners.

The original list of LDCs in 1971 included 8 OIC member countries. Subsequently, the number of OIC countries included in the list rose steadily, reaching 21 in 1997. This increase is due both to countries that were LDCs and became OIC members (6 countries), and countries that were OIC members and became LDCs (7 countries) between 1971 and 1997. Yet, the recent placement of Senegal in the category of LDCs brings the total OIC least developed countries (OIC-LDCs) to 22 countries. With a combined population of 333.8 million, the current 22 OIC-LDCs represent 53.7 per cent of the total population of all LDCs and 26.3 per cent of the total OIC population (2000 estimates).

As is the case with the other LDCs, the economic and social development of the OIC-LDCs represents a major challenge to themselves and their development partners, as well as to the OIC. Given this situation, the Organisation gives special attention to its LDC members by monitoring the developments in this group and highlighting their problems, thereby pointing to the need for special concessions in their favour, particularly in economic, financial and commercial cooperation areas.

In this connection, this study analyses, the recent developments in the economies of the OIC-LDCs. It investigates the trends in major economic indicators of these countries in the latest five-year period for which the data are available. The analysis is carried out at both the individual country level and the average OIC-LDCs group level in comparison with the averages of all LDCs, OIC countries and developing countries. In addition, the study devotes a special section to shedding light on the Programme of Action for the LDCs for the decade 2001-2010 adopted by the Third United Nations Conference on the LDCs in Brussels on 20 May 2001.

The study is prepared using the Centre's Statistical Database (BASEIND) which includes current data on OIC member countries, specially compiled from various national and international sources. However, due to the shortages and limitations of the statistical data on most OIC-LDCs, and in an attempt to use national data as much as possible, the available national web-site sources in OIC-LDCs have also been scanned and drawn upon (see Annex- B).

2. WORLD ECONOMIC SITUATION AND THE LDCs: OVERVIEW

Given the strength of world economic activity in late 1999 and early 2000, global output grew by 4.7 percent in 2000 compared to 3.6 percent in 1999. However, with the signs of a greater than expected weakening coming late in 2000 and early 2001, the prospects for global growth have weakened significantly. In this regard, the IMF expected a slowdown in world economic activity in 2001, with global growth projected at 2.6 percent (IMF 2001: 195). According to the same source, this was led by a marked slowdown in the United States by the end of 2000 and the first half of 2001, weakening domestic demand growth and confidence in Europe, the prospect of a period of slower growth in Japan, and deteriorating financing conditions for emerging markets.

World trade benefited from the stronger global economic activity in 1999-2000. A strengthening of world economic output in 1999 and early 2000 led to a dynamic expansion of trade. The major advanced economies and the economies of the newly industrialised Asian countries provided a major stimulus to world trade as their real domestic demand grew dramatically in this period. World trade in goods and services expanded in volume terms by 12.4 per cent in 2000 compared with 4.1 per cent in 1998, and in value terms by 9.9 per cent in the same year compared with a negative annual percentage change of 1.7 per cent in 1998 (ibid: 223-4).

In the case of the developing countries as a group, the slow recovery achieved in 1999 accelerated in 2000, with average real GDP growth recorded at 5.8 per cent compared to 3.9 per cent in 1999. Economic growth picked up, albeit unevenly, in all developing regions in 2000. This was markedly the case in Latin America and in the Middle East and

North Africa due mainly to active US demand, higher oil prices, and a recovery in domestic demand from the depressed levels of 1999. In value terms, the developing countries expanded their exports of goods and services by 18.7 per cent in 2000 compared with the negative rate of 7.7 per cent in 1998 and achieved a current account surplus of \$60.2 billion compared to a deficit of \$86.8 billion in 1998 (ibid: 235).

Unlike the developing countries, the LDCs were not, in general, able during the same period to benefit enough from the strengthening of world economic output and, consequently, they were unable to benefit from the enlargement of world trade by increasing their share in it. The slowdown trend since 1995 in the economic growth of the LDCs continued in 1999 where the group realised the same average real growth rate of 1998 (4.0 per cent). However, this rate increased in 2000 by 5.2 per cent; a rate, which is still significantly lower than the 6.2 per cent realised in 1995. While the share of the group in world exports of goods and services stood at the same level of about 0.5 per cent during the second half of the 1990s, the deficit in the current account balance increased steadily in the same period to reach \$13.3 billion in 1999, but slightly decreased to \$12 billion in 2000 (IMF 2000: 244).

3. DEVELOPMENTS IN THE OIC-LDCs

As a substantial part of the world LDCs, the OIC-LDCs as a group followed, in general, similar trends. However, for the purpose of this Report, this section analyses in some detail the recent developments in the economies of the OIC-LDCs. It investigates the trends in major economic indicators of these countries in the latest five-year period for which the data are available. The analysis is carried out at both the individual country level and the average OIC-LDCs group level in comparison with the averages of all LDCs, OIC countries and developing countries. The averages of the OIC countries and the OIC-LDCs groups are computed on the basis of percentage changes for individual countries weighted by 1996 GDP values in terms of the US dollar.

3.1. Overview

With a combined population of 333.8 million, the current 22 OIC-LDCs represent 53.7 per cent of the 49 world LDCs' total population and 26.3 per cent of the 57 OIC member countries' total population (2000

estimates; see Table A.2 in the annex). As is the case with the other LDCs, the regional distribution of the OIC-LDCs may be viewed as having a large bearing on their economic growth and development performance. The majority of these countries (18 countries) are in the region of sub-Saharan Africa and 4 countries in Asia. In addition, 6 of these countries are land-locked countries and two are small island countries (see Table A.1 in the annex).

The OIC-LDCs, especially those in sub-Saharan Africa, are particularly ill-equipped to develop their domestic economies and to ensure an adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks or natural disasters. As a group, the OIC-LDCs constitute the weakest and the poorest segment of the OIC community. With 26 per cent of the total OIC population, they produce only 7 per cent of the total OIC output (Table A.3 in the annex). The average per capita GDP in the OIC-LDCs is less than one third of that in the OIC countries (Table A.6 in the annex). Moreover, 12 OIC-LDCs are currently classified as severely indebted countries and 8 others as moderately indebted countries. The remaining two countries (Djibouti and Maldives) are classified as less indebted countries (World Bank 2001: 150).

3.2. Structure of the Economy

This sub-section sheds light on the overall structure of the economies of the OIC-LDCs through a brief analysis of the sectoral distribution of the output (GDP). Table 1 below, which is derived from the data supplied in Table A.4 in the annex, displays the averages of sectoral shares in the GDP of the OIC-LDCs as a group. The averages of the all LDCs group, the OIC countries and the developing countries are also included for the purpose of comparison. The average of the five-year period (1995-99) has been computed in order to avoid the problems of missing data in some countries and the effects of year-to-year cyclical fluctuations in others.

The figures in Table 1 indicate that the services sector, with the highest share in GDP (49.0 per cent), plays a major role and constitutes an important source of income in OIC-LDCs. This holds also for the groups of 'all LDCs', developing countries, and OIC countries. At the individual level of the OIC-LDCs, this share varies from 31.5 per cent in

Sierra Leone to 77 per cent in Djibouti. It exceeds 50 per cent in 7 countries (see Table A.4 in the Annex).

TABLE 1: STRUCTURE OF OUTPUT ^(*)

	Agriculture	Industry:	of which Manufacture	Services
OIC-LDCs	30.3	21.5	11.6	49.0
All LDCs	33.0	25.0	11.0	42.0
OIC countries	16.7	38.4	15.9	44.2
Developing countries	13.0	36.0	23.0	51.0

Source: Table A.4 in the Annex.

(*) Value added as % of GDP, average 1995-99. The figures do not add up to 100 per cent due to rounding.

In contrast, with an average share of 11.6 per cent in GDP, manufacturing constitutes a minor economic activity in the OIC-LDCs. Yet, this share is still slightly higher than that of the all LDCs group. But it is significantly low compared to the average share of 23 per cent in the developing countries and 15.9 per cent in the OIC countries. This indicates clearly the weak performance and the limited role of this sector in the economies of the OIC-LDCs. The share varies from 4 per cent in Comoros and Djibouti to 21 per cent in Burkina Faso; it exceeds 10 per cent in only 7 OIC-LDCs. Similar trends are also observed in the case of the industrial sector as a whole.

On the other hand, with a 30.3 per cent share in GDP, agriculture is widely believed to be the primary economic activity and is assumed to play the major role in the economies of OIC-LDCs. It employs a large proportion of the labour force, supplies the bulk of basic food and represents a major source of foreign exchange earnings in many OIC-LDCs. It accounts for more than 30 per cent in the GDP of 12 OIC-LDCs. Notwithstanding this importance, however, agricultural production in many of these countries remains largely underdeveloped--both for the domestic market and for export. Therefore, the incidence of food insecurity in the OIC-LDCs continued to be high. In this regard, with the exception of Uganda, all the other 21 OIC-LDCs are included in the list of the 87 low-income food-deficit countries around the world, which were defined by the United Nations in 1997 (UN 1997).

This picture of the overall structure of the economies of the OIC-LDCs in terms of the composition of their output (GDP) reflects clearly

the structure of their export earnings. According to the IMF classification of all economies by main source of export earnings, 12 OIC-LDCs in sub-Saharan Africa are classified as non-oil primary products exporting countries. In addition, there are 5 countries classified as services exporting countries and 4 countries as having a diversified source of export earnings. Only one country (Bangladesh) is classified as manufactures exporting country (IMF 2000: 189).

It is then clear that the majority of the OIC-LDCs are primary commodity-dependent economies (mostly agricultural commodities). There is no doubt that the exports of these commodities play a critical role in the prospects of growth and development in these countries. Yet, the large share of primary commodities in output and exports brings about a significant exposure of the economy to the risks of external shocks such as the fluctuating trends in international commodity prices and/or adverse seasonal factors and, thus, affects economic growth and long-term policy making.

3.3. Production and Growth

In 2000, the combined GDP of the OIC-LDCs, for which the data are available (20 countries), amounted to \$101.4 billion. This makes up only 7.1 per cent of the total GDP of the OIC countries and 58.7 per cent of that of all LDCs in that year compared to 7.3 per cent and 60.3 per cent, respectively, in 1999 (Table 2 below). As it may be observed, relative to their total population, the share of the OIC-LDCs group in the total output of all LDCs is reasonable, but their share in the total output of the OIC countries is still very low. The total GDP of the OIC-LDCs is even less than that of some individual OIC countries such as Indonesia, Turkey and Saudi Arabia. This is, of course, reflected in the low levels of their average per capita GDP compared with those of the OIC countries.

During the period under consideration, the OIC-LDCs maintained the highest average per capita GDP of \$305 in 1998. In the same year, this average amounted to \$268 in all LDCs and \$1075 in the OIC countries. However, while the average per capita GDP in the OIC-LDCs decreased slightly in the following years to reach \$304 in 2000, the averages of both all LDCs and OIC countries increased to reach \$278 in the former and \$1141 in the latter. At individual country level, Sierra

Leone was the country with the lowest per capita GDP (\$126) in 2000, while Maldives was the country with the highest per capita GDP (\$1523) in the same year.

TABLE 2: GDP AND PER CAPITA GDP

	1996	1997	1998	1999	2000
GDP (billion US \$)					
OIC-LDCs	89.5	93.81	96.6	98.7	101.4
As % of:					
All LDCs	59.8	59.7	61.0	60.3	58.7
OIC countries	6.2	6.4	7.4	7.3	7.1
Per capita GDP (US \$)					
OIC-LDCs	294	301	305	304	304
All LDCs	265	270	268	270	278
OIC countries	1232	1230	1075	1091	1141

Sources: Table A.3 and Table A.6 in the Annex.

With a high growing population at an average annual rate of 2.6 per cent in the OIC-LDCs, a typical economy must be able to grow at least by the same rate to maintain the same level of per capita income. To investigate this relation during the period under consideration, we will examine the figures on the real GDP and per capita GDP growth rates in the OIC-LDCs as displayed in Table 3 below.

TABLE 3: REAL GDP AND PER CAPITA GDP
GROWTH RATES (Average annual % change)

	1996	1997	1998	1999	2000
Real GDP					
OIC-LDCs	5.3	5.8	5.1	4.9	5.0
All LDCs	5.6	4.4	4.0	4.0	5.2
OIC countries	5.5	4.7	0.3	-1.4	4.7
Developing countries	6.6	5.8	3.5	3.9	5.8
Real per capita GDP					
OIC-LDCs	2.3	2.5	2.8	2.0	1.9
All LDCs	2.3	1.5	2.4	1.6	2.1
OIC countries	2.8	2.0	0.2	-0.7	2.2
Developing countries	4.8	4.2	2.0	2.3	4.3
Memo:					
Population OIC-LDCs	2.3	2.3	1.8	2.5	2.6

Source: Derived from Table A.2 and Table A.5 in the Annex.

Throughout the period under consideration, the OIC-LDCs achieved the highest average real GDP growth rate of 5.8 per cent in 1997. This rate was comparable to the average rate of the developing countries and quite higher than the rates achieved by both the all LDCs and OIC

countries groups in that year. However, the growth performance of the OIC-LDCs slowed down in the following two years where the average real GDP growth rate decreased to 4.9 per cent in 1999. In general, similar trends have been observed in the groups of all LDCs, OIC countries and developing countries.

It appears, however, that the OIC-LDCs and all LDCs as groups performed quite better than the other groups of OIC countries and the developing countries in 1998 (the year the Asian financial crisis reached its peak). While the average real GDP growth rate of the OIC-LDCs decreased from 5.8 per cent in 1997 to 5.1 per cent in 1998, it dropped sharply in the case of OIC countries from 4.7 per cent in 1997 to reach a negative rate of 0.3 per cent in 1998. In the case of the developing countries, the rate dropped from 5.8 per cent to 3.5 per cent. However, the recovery in the year 2000 was stronger in these groups than in the group of OIC-LDCs.

At the individual country level, the number of OIC-LDCs, which experienced negative real growth rates increased from 9 in 1997 to 11 in 1998, but then decreased to 10 and 9, respectively in the following two years (Table A.5 in the annex). Within the group, countries like Maldives, Mozambique, Senegal and Uganda attained satisfactory rates of growth during the period under consideration, even in the years in which the group experienced a slowing down average growth. In contrast, the growth performance of countries like Sierra Leone, Comoros and Djibouti was weak or even contracted in the same period.

On the other hand, it is obvious that the figures on the average real per capita GDP growth rates in Table 3 above reflect largely the trends in both real GDP and population growth in OIC-LDCs. During the period under consideration, the group achieved the highest growth rate of real GDP per capita (2.8 per cent) in 1998, a rate which was higher than that recorded by all LDCs, OIC countries, and developing countries in the same year. However, this rate dropped in the following two years to reach 1.9 per cent in 2000; lower than the rates achieved by all the other groups and the rate of growth in population of the group itself.

This means that, unlike the other groups of countries, the group of OIC-LDCs was not, in general, able to benefit enough from the strengthening of world economic output in the period 1999-2000. The

OIC-LDCs were not able, as a group, to grow by the same level of their average population growth rate and, consequently, they were unable to maintain the same level of living standards for their populations in terms of real per capita GDP.

In part, this can be explained by the fall in commodity prices and the decline in the official financial flows to these countries in the same period. For example, prices of non-oil commodities weakened steadily over the financial year 1997, resulting in a decline by 14.7 per cent in 1998 and 7.1 per cent in 1999 (IMF 2001: 195). Net official financial flows to the OIC-LDCs declined from about \$7.2 billion in 1990 to \$4.7 billion in 2000 (see Table A.13 in the annex).

3.4. Inflation

Price stability and low levels of inflation rates are essential factors for maintaining macroeconomic stability in the economy. The governments of many developing and least developed countries paid special attention and applied different fiscal and monetary policies over the last two decades to control the inflation rates and to maintain price stability in their economies. Because of these efforts, the average rates of inflation have fallen significantly in these countries, particularly in the second half of the 1990s.

As it may be seen from Table 4 below, the average inflation rate in the developing countries declined to 15.4 per cent in 1996 and to only 6 per cent in 2000. A similar pattern was also observed in the case of all LDCs. The group managed to curb its average inflation rate and decrease it to 13.2 per cent in 1998 from 51.5 per cent in 1996, but the rate increased again in 2000 to reach 20.7 per cent.

On the other hand, when the average inflation rates in the OIC-LDCs are considered, the figures in Table 4 show that the performance of these countries is quite better than that of all the other groups including the developing countries. The OIC-LDCs managed to curb its average inflation rate and bring it down to a low level of 5.2 per cent in 2000 from a level of 23.8 per cent in 1996. Except in 1996, the average inflation rates realised by the group of OIC-LDCs were lower than the averages of the other groups during the period under consideration. At the individual country level, Mozambique was the

country with the highest inflation rate of 12.3 per cent in 2000 and Togo with the lowest rate of –2.5 per cent in the same year (see Table A.7 in the annex).

TABLE 4: AVERAGE INFLATION RATES
(Annual % change in consumer prices)

	1996	1997	1998	1999	2000
OIC-LDCs	23.8	9.0	8.2	6.0	5.2
All LDCs	51.5	20.0	13.2	20.1	20.7
OIC countries	22.0	17.2	24.9	15.3	10.8
Developing countries	15.4	9.9	10.5	6.8	6.0

Source: Table A.7 in the Annex.

3.5. Foreign Trade and Payments Balances

Now that the main indicators on the performance of the domestic economy have been examined, this sub-section takes up the developments in the foreign sector of the OIC-LDCs. It examines the trends in exports and imports of merchandise in the latest five-year period where the data are available. Consequently, it presents an overall picture of the situation of the trade balance, the current account balance, and the international reserve position in these countries.

3.5.1. Exports and Imports

During the five-year period under consideration, the total merchandise exports of the OIC-LDCs reached the peak of \$13.9 billion in 2000. However, this accounted for 39.1 per cent of total merchandise exports of all LDCs, a decrease by 1.6 per cent compared with the share in 1999. Moreover, total merchandise exports of OIC-LDCs in 2000 made up only 2.7 per cent of that of the OIC countries, a decrease by 0.3 per cent compared with the share in 1999 (Table 5 below).

In fact, despite that the OIC-LDCs registered the highest average rates of change in merchandise exports in the two-year period of 1999-2000, their share in the total merchandise exports of all LDCs and OIC countries were steadily declining in the same period. This means that the OIC-LDCs were, in general, unable to benefit enough from the strengthening of world economic output in the period 1999-2000, and consequently unable to benefit from the enlargement of world trade by increasing their share in it.

TABLE 5: MERCHANDISE EXPORTS (FOB, Billion US \$)

	1996	1997	1998	1999	2000
Total OIC-LDCs	11.1	11.3	10.9	12.0	13.9
As % of:					
OIC total	2.8	2.7	3.2	3.0	2.7
All LDCs	41.7	39.1	41.0	40.7	39.1
Average annual % change					
OIC-LDCs	7.9	1.1	-3.4	9.3	13.5
All LDCs	9.0	7.3	-8.3	9.8	16.9
OIC countries	12.0	3.3	-20.9	14.6	22.0
Developing countries	7.3	6.0	-10.6	1.2	15.1

Source: Table A.8 in the Annex.

In general, when the average rates of change in merchandise exports are considered, similar patterns of export performance have been observed in all the other groups in the period under consideration. The figures in Table 5 show that the average rates of change in merchandise exports of all the groups dropped sharply in 1997 and their export performance went into a severe slump in 1998 when all the groups experienced negative rates of growth in their merchandise exports. However, the following two-year period of 1999-2000 witnessed a very strong recovery in export performance when all the groups registered the highest average rates of change in merchandise exports in 2000, the lowest of which was, however, recorded by the OIC-LDCs group.

During the period under consideration, a similar pattern was also observed in terms of the number of OIC-LDCs, which experienced negative rates of growth in exports. The number of these countries decreased from 14 countries in 1997 to 7 countries in 2000. Another observation on the export performance in the OIC-LDCs is the heavy concentration of exports in a few countries. For example, Bangladesh, Yemen, Sudan and Senegal accounted for 69 per cent of the total OIC-LDCs' exports in 2000. From these countries, Bangladesh and Yemen, together, accounted for 54.5 per cent in the same year (calculated from Table A.8 in the Annex).

As in the case of total output growth performance, the overall picture of export performance in OIC-LDCs and the other groups reflects mainly the recession that took place in the two-year period of the 1997-98. As we mentioned above, in addition to the repercussion and spillover effects of the Asian financial crisis in that period, this can also be

explained, particularly in the case of the least developed countries, by the fall in commodity prices and the decline in official financial flows to these countries in the same period.

On the other hand, the total imports of merchandise of the OIC-LDCs reached its peak in 2000 with \$27.1 billion (Table 6 below). While this accounted for 61.7 per cent of the total merchandise imports of all LDCs, an increase by 1.6 per cent compared with the share in 1999, it made up only 6.4 per cent of that of the OIC countries, a decrease by 0.6 per cent compared with the share in 1999. The figures in Table 6 show that import performance deteriorated in 1997 in all the groups and went into a severe slump in the group of OIC-LDCs which experienced a negative average rate of change of 0.7 per cent in its merchandise imports.

TABLE 6: MERCHANDISE IMPORTS (CIF, Billion US \$)

	1996	1997	1998	1999	2000
Total OIC-LDCs	20.6	20.4	22.4	24.6	27.1
As % of:					
OIC total	5.5	5.4	6.6	7.0	6.4
All LDCs	57.7	54.2	57.9	60.1	61.7
Average annual % change					
OIC-LDCs	6.7	-0.7	8.8	8.8	9.3
All LDCs	7.8	5.3	2.6	5.4	6.8
OIC countries	6.7	0.9	-9.8	3.2	16.3
Developing countries	6.8	6.1	-4.1	7.4	19.9

Source: Table A.9 in the Annex.

In 1998, however, the import performance of the OIC-LDCs regained its strength and recorded a rate of 8.8 per cent growth at a time when all the other groups experienced a decline in the average rates of growth in their imports. However, while import performance started to recover in all the groups in 1999, the OIC-LDCs group recorded the same average rate of import growth as in 1998. Yet, this rate was still higher than those achieved by the other groups. In 2000, the 9.3 per cent average rate of change in imports of the OIC-LDCs was higher than that of all LDCs but significantly lower than those of both OIC and developing countries.

Like exports, the imports of the OIC-LDCs are also heavily concentrated in a few countries. For example, Bangladesh, Yemen,

Senegal and Sudan accounted for 55.8 per cent of the total OIC-LDCs' imports in 2000 (calculated from Table A.9 in the Annex).

3.5.2. Trade Balance, Current Account and Reserves Position

The figures on the trade balance in Table 7 below show that both the OIC-LDCs group and the group of all LDCs recorded trade balance deficits in all the years over the period 1996-2000. The highest trade deficit of the OIC-LDCs amounted to \$13.2 billion in 2000, and that of all LDCs amounted to \$11.4 billion in 1999. It is, of course, obvious that the volumes of these deficits reflect the performance of both the export and the import side in the two groups in each year.

Except in 1998, the trade balance deficit in the OIC-LDCs exceeded that of the all LDCs group in all the years of the period under consideration. While this deficit continued to increase in the OIC-LDCs in the last two years, it diminished significantly in the group of all LDCs. On the other hand, while the trade deficit in developing countries was significantly increasing in the same period, the trade balance of OIC countries recovered strongly and recorded a surplus which amounted to \$46.3 billion in 1999 and \$86.6 billion in 2000.

The figures on the current account balance in Table 7 show that the OIC-LDCs have succeeded, as a group, in decreasing the deficit in their current account balance from \$4 billion in 1996 to \$2.1 billion in 1999. In contrast, this deficit increased steadily in the case of all LDCs from \$9.7 billion in 1996 to \$13.3 billion in 1999. Yet, the figures on the number of countries with deficit or surplus current account balance indicate that an overwhelming majority of the OIC-LDCs had a current account balance deficit during the same period.

Table 7 below also summarises the position of foreign exchange reserves excluding gold in the OIC-LDCs in terms of the US dollar and according to the number of countries with a deteriorating or improving reserve position. The term "deteriorating" indicates a decrease in or depletion of international foreign reserves excluding gold. These reserves are usually used to partially finance the deficit in the current account balance. In contrast, the term "improving" indicates an addition to or accumulation in these reserves. This may occur even when a country has a deficit current account balance, providing that it may

manage to finance its deficit through external financial channels, such as external borrowing (foreign debt), attracting more foreign direct investment (FDI) or receiving foreign official financial assistance.

TABLE 7: TRADE BALANCE, CURRENT ACCOUNT
AND RESERVE POSITION (Billion US \$)

	1996	1997	1998	1999	2000
Trade Balance					
OIC-LDCs	-9.5	-9.1	-11.5	-12.6	-13.2
All LDCs	-9.0	-8.9	-12.1	-11.4	-8.2
OIC countries	26.1	36.2	-0.9	46.3	86.6
Developing countries	0.4	-0.5	-107.8	-234.6	-417.0
Current Account Balance					
OIC-LDCs	-4.0	-3.0	-3.5	-2.1	
All LDCs	-9.7	-9.9	-13.1	-13.3	-12.0
OIC countries	-7.8	-4.6	-17.1	16.6	
Developing countries	-74.2	-59.1	-86.8	-10.5	60.2
Number of OIC-LDCs with					
(-) Current Account Balance	17	18	16	12	
(+) Current Account Balance	2	1	1	2	
Reserves Excluding Gold					
OIC-LDCs	6.1	6.4	6.9	7.2	8.2
All LDCs	10.8	11.1	11.3	11.4	12.1
OIC countries	144.4	151.2	155.6	174.1	181.5
Developing countries	522.6	573.1	586.1	622.3	686.5
Number of OIC-LDCs with					
Deteriorating position	9	11	7	10	6
Improving position	11	9	13	10	11

Source: Tables 5, 6 above and Tables A.10 and A.11 in the Annex.

Notes: (-) Deficit current account balance. (+) Surplus current account balance.

In terms of the US dollar, the total foreign exchange reserves excluding gold in the OIC-LDCs, on which the data are available, increased slightly during the five-year period 1996-2000 from \$6.1 billion in 1996 to \$8.2 billion in 2000. A similar trend has also been observed in the case of all other groups. In this period, the share of the OIC-LDCs in the total reserves of all LDCs was steadily increasing and accounted for 67.8 per cent in 2000 (calculated using the data in Table 7).

As it may be observed, although an overwhelming majority of the OIC-LDCs had to cope with the deficits in their current account balance, and thus, deterioration is, in general, expected in their foreign exchange reserves, the actual picture does not conform to this expectation. One

third or at most half of the OIC-LDCs, for which the data are available, experienced deterioration in their foreign exchange reserves during the period under consideration and the rest were able to improve their reserves. This implies that at least one third of the OIC-LDCs managed to finance their current account deficits through the external financial channels mentioned above. This is what we attempt to investigate in the following sub-section.

3.6. Financial Flows and External Debt

The total financial flows to the LDCs have declined steadily since the beginning of the 1990s, particularly in the second half of the decade. These flows amounted to \$12.6 billion in 1997 (i.e., 3.7 per cent of the total flows to developing countries) as compared with \$14 billion in 1990 (i.e., 14.1 per cent of the total flows to developing countries) (calculated from Table A.12 in the annex). Similar trends have been also observed in the case of the OIC-LDCs. These flows declined to \$5.6 billion in 1997 from \$7.4 billion in 1990, but increased slightly in 1999 to reach \$6 billion. The share of the OIC-LDCs in total financial flows to all LDCs accounted for 42.9 per cent in 1999 compared with 52.8 per cent in 1990 and for only 2.3 per cent of total financial flows to developing countries in 1999 compared with 7.5 per cent in 1990 (Table 8 below).

TABLE 8: FINANCIAL FLOWS (Net billion US \$)

	1990	1996	1997	1998	1999
Total Financial Flows					
OIC-LDCs	7.4	6.0	5.6	5.9	6.0
As % of :					
All LDCs	52.8	47.0	44.5	45.3	42.9
Developing countries	7.5	1.9	1.6	1.8	2.3
Official Financial Flows					
OIC-LDCs	7.2	5.6	4.9	4.9	4.7
As % of :					
All LDCs	54.2	53.7	52.0	52.0	52.4
Developing countries	12.9	17.7	12.2	9.1	10.4
Private Financial Flows					
OIC-LDCs	0.2	0.4	0.7	1.0	1.3
As % of :					
All LDCs	29.2	17.3	21.8	27.4	25.6
Developing countries	0.5	0.1	0.2	0.3	0.6

Source: Tables A.12- A.14 in the Annex.

Official financial flows, mainly Official Development Assistance (ODA), constitute the main source of the total financial flows to all LDCs, including the OIC-LDCs. These flows have also declined steadily since the beginning of the 1990s. They amounted to \$9 billion in 1999 (i.e., 19.8 per cent of the total official flows to developing countries) as compared with \$13.2 billion in 1990 (i.e., 23.7 per cent of the total official flows to developing countries) (calculated from Table A.13 in the annex). Similar trends have been also observed in the case of OIC-LDCs. Official financial flows to the OIC-LDCs declined to \$4.7 billion in 1999 from \$7.2 billion in 1990. The share of the OIC-LDCs in the total official financial flows to all LDCs declined from 54.2 per cent in 1990 to 52 per cent in 1998 and from 17.7 per cent of total official financial flows to developing countries in 1996 to 10.4 per cent in 1999 (Table 8).

While other sources of such financial flows to the LDCs have remained limited, these countries in general have not been able to compensate for the shortfall in official development finance by gaining access to private financing. For example, the private financial flows to the LDCs have remained modest during the 1990s. They amounted to \$4.9 billion on a net basis in 1999, corresponding to only 2.3 per cent of the total private financial flows to developing countries (calculated from Table A.14 in the annex). In the case of the OIC-LDCs, these flows amounted to about \$1.3 billion in 1999, corresponding to 25.6 per cent of the total private financial flows to all LDCs and to a mere 0.6 per cent of that of the developing countries (Table 8 above). Inflows of portfolio and equity investment in the LDCs, including the OIC members, were also negligible in the same period.

On the other hand, foreign direct investment (FDI) inflows to LDCs increased significantly in the second half of the 1990s. These flows amounted to \$5.7 billion on a net basis in 1999 compared with almost \$2 billion in 1995. Yet, this makes up only 3.1 per cent of FDI inflows to the developing countries in 1999, albeit this figure compares favourably with the 1.8 per cent recorded in 1995 (calculated from Table A.15 in the annex). Similar trends have been observed in the case of the OIC-LDCs. FDI inflows to these countries amounted to \$1.9 billion in 1999 compared with only \$0.2 billion in 1995. The share of the OIC-LDCs in total FDI inflows to all LDCs increased accordingly from 9.5 per cent in 1995 to 32.6 per cent in 1999, and from a mere of 0.2 percent of total

FDI inflows to developing countries to only 1 percent in the same period (Table 9).

TABLE 9: NET FOREIGN DIRECT INVESTMENT
AND TOTAL EXTERNAL DEBT (Billion US \$)

	1995	1996	1997	1998	1999
Foreign Direct Investment					
OIC-LDCs	0.2	0.4	0.7	1.0	1.9
As % of :					
All LDCs	9.5	16.6	26.7	28.1	32.6
OIC countries	1.1	2.2	3.6	6.5	15.2
Developing countries	0.2	0.3	0.4	0.6	1.0
Total External Debt					
OIC-LDCs	76.2	75.7	72.2	76.2	75.7
As % of :					
All LDCs	50.0	50.5	50.0	49.5	51.2
OIC countries	13.3	13.0	12.4	12.1	12.1
Developing countries	3.5	3.4	3.1	3.0	3.0

Source: Table A.15 and Table A.16 in the Annex.

Given this state of affairs, the LDCs including the OIC-LDCs continued to rely heavily on external borrowing in financing the deficit in their current account balances and their development programmes as a whole.

Total outstanding external debt of LDCs as a group increased by \$9.3 billion in 1998 to reach \$153.8 billion after it fell to \$144.5 billion in 1997 from \$152.6 billion in 1995. However, it decreased again in 1999 to \$147.7 billion (Table A.16 in the annex). Similar trends have also been observed in the case of the OIC-LDCs. The total outstanding external debt of the OIC-LDCs increased to reach \$76.2 billion in 1998, the same level of 1995, after having decreased to \$72.2 billion in 1997. However, although the total external debt of the OIC-LDCs decreased slightly to \$75.7 billion in 1999, its share in all LDCs increased slightly to 51.2 percent compared with 49.5 per cent in 1998 (Table 9 above).

Overall, the external debt overhang in the majority of the LDCs, including the OIC ones, continues to be a serious obstacle to their development efforts and economic growth. Debt service takes up a large part of scarce budgetary resources that could be directed to productive and social areas. The situation is aggravated further by the effects of global financial crises and the volatility of commodity prices. The serious debt

problems of the LDCs necessitate a comprehensive solution, including the full, speedy and effective implementation of the enhanced Heavily Indebted Poor Countries (HIPC) initiative and other debt relief measures. In this respect, it is worth mentioning that actions taken by multilateral and bilateral creditors to provide faster, deeper and broader debt relief for HIPCs are useful steps towards solving serious debt problems of LDCs (for details on external debt problems and the status of the OIC-LDCs in the HIPC initiative, see SESRTCIC, “*The External Debt situation of African OIC Member Countries: The Enhanced HIPC Scheme, New Relief or New Burdens*”).

4. THE PROGRAMME OF ACTION FOR THE LDCs FOR THE DECADE 2001-2010

4.1. Background

Ten years after the adoption of the Paris Programme of Action for the LDCs for the 1990s by the Second United Nations Conference on LDCs in 1990, the objectives and goals set therein have not been achieved. LDCs are being bypassed by the process of globalisation, leading to their further marginalisation. For their part, most LDCs have pursued economic reform programmes, including reducing tariffs and other trade barriers, adopting liberal currency regimes and investment policies, privatising public enterprises, and strengthening institutional and regulatory frameworks. The results of these reform efforts have been below expectations. Declining availability of domestic and external financial resources, heavy debt burden, volatile commodity prices, and lack of economic and export diversification have seriously affected the growth and development of these countries.

To overcome these conditions, the United Nations (UN) recognised the need for more commitment to provide more effective international support for LDCs. In response, the UN General Assembly decided in the late 1990s to convene the Third United Nations Conference on the LDCs, which was held in Brussels, Belgium in 14-20 May 2001. The Conference adopted the “Brussels Declaration” in which the international community commits itself to working for the beneficial integration of the LDCs into the global economy, achieving accelerated sustainable economic growth and development and eradicating poverty, inequality and deprivation. To this end, the Conference

adopted the Programme of Action (POA) for the LDCs for the decade 2001-2010.

The POA for the LDCs for the decade 2001-2010 articulates policies and measures by LDCs, on the one hand, and their development partners, on the other, to reverse the current trends and to promote sustainable economic growth and development of LDCs. It also builds on the outcomes of recent major UN conferences and summits in the specific context of LDCs and adopts ways and means of their application to address the particular problems facing these countries. Effective mechanisms and arrangements for implementation, follow-up, review and monitoring of these policies and measures are crucial to the success of the Programme.

4.2. Objectives and Goals

The POA for 2001-2010 aims to significantly improve the human conditions of more than 600 million people in 49 LDCs during the present decade. It provides a framework for a strong global partnership to accelerate sustainable economic growth and development in LDCs, to end marginalisation by eradicating poverty, inequality and deprivation in these countries, and to enable them to integrate beneficially into the world economy.

The overall goal of the POA is to make sustainable progress toward halving the proportion of people living in extreme poverty and suffering from hunger by 2015 and promote the sustainable development of the LDCs. This will require, among other things, significant and steady increases in GDP growth rates in the LDCs. To that end, the LDCs, with the support of their development partners, will strive to attain a GDP growth rate of at least 7 per cent per annum and increase the ratio of investment to GDP to 25 per cent per annum.

According to the POA, the national policies of the LDCs and the external support measures by their partners during the current decade will focus, *inter alia*, on the following priorities:

- (1) A significant reduction in extreme poverty;
- (2) Developing human and institutional resources to support sustained growth and development;

- (3) Removing supply-side constraints and enhancing productive capacity and promoting the expansion of domestic markets to accelerate growth, income and employment generation;
- (4) Accelerating LDCs growth with the aim of enhancing their share in world trade and global financial and investment flows;
- (5) Environmental protection, accepting that LDCs and industrialised countries have common but differentiated responsibility;
- (6) Attaining food security and reducing malnutrition.

The POA seeks concrete ways and means to effectively arrest and reverse the continued socio-economic marginalisation of the LDCs, improve their share in international trade, foreign direct investment and other financial flows and create an enabling environment for them to be able to benefit from globalisation and minimise adverse consequences thereof. Another important objective of the POA is to restore confidence and enhance the new form of partnership and cooperation between the LDCs and their development partners by promoting mutual and shared responsibility.

4.3. A Framework for Partnership and Mutual Commitments

The POA established a strong framework for partnership based on mutual commitments by the LDCs and their development partners to undertake concrete actions in a number of inter-linked areas set out in the Programme. The Programme includes seven major commitments in different areas as follows:

- (1) Fostering a people-centred policy framework;
- (2) Good governance at national and international levels;
- (3) Building human and institutional capacities;
- (4) Building productive capacities to make globalisation work for LDCs;
- (5) Enhancing the role of trade in development;
- (6) Reducing vulnerability and protecting the environment;
- (7) Mobilising financial resources.

Under each of these areas, both the LDCs and their development partners are committed to undertake a wide range of policy actions in a collaborative manner. Each LDC will translate the policies in the POA

into concrete measures within the framework of its national development programme. On the other hand, the development partners will assist in the implementation of the POA through the commitments undertaken in the Programme in a spirit of genuine solidarity and shared responsibility. They should support agreed objectives and policies designed by LDCs on the basis of the POA and existing national development and cooperation frameworks. On the basis of each LDC's commitment to these long-term policy framework and plans, development partners commit to extend adequate support for their implementation, including financial and technical support.

4.4. Implementation, Follow-up and Monitoring and Review

Success in attaining the objectives of the POA will depend on the effective functioning of the arrangements for its implementation, follow-up, monitoring and review at the national, regional and global levels. The main thrusts of these three tracks of follow-up will be:

- (1) At the national level, each LDC with the support of its development partners will promote the implementation of the actions contained in the POA by translating them into specific measures within their national development framework and poverty eradication strategy taking into account its particular circumstances and priorities. LDCs should accomplish this with the full involvement of its public and private sectors in a collaboration manner to implement the agreed commitments. In this respect, it is important to take into account the specific geographical constraints and vulnerabilities of each LDC, including small island and landlocked LDCs.
- (2) Regional follow-up should focus on cooperation between LDCs and other countries at the regional level. The relevant UN regional commissions should undertake, in close coordination and cooperation with regional development banks and intergovernmental organisations, periodic follow-up, monitoring and review of progress in the implementation of the POA. They should offer an opportunity for LDCs to exchange experiences with other countries in the same region and to seek solutions to common development problems at the national, regional and global levels.

- (3) The global-level follow-up should be primarily concerned with assessing the socio-economic performance of the LDCs, monitoring the implementation of commitments by the LDCs and their partners, reviewing the implementation and follow-up mechanisms at country, regional and sectoral levels, and policy developments at the global level with implications for LDCs.

Follow-up, monitoring and review of the POA along the above tracks should involve all relevant stakeholders. They should be conducted in a coherent and mutually supportive manner. As in the case of the past Programmes of Action, the UN General Assembly should monitor the implementation of the new POA under a specific item on its agenda. In this respect, substantive preparations for, as well as review and monitoring of, the implementation of the POA should be carried out by relevant bodies of the UN system under the auspices of the Economic and Social Council.

The governing bodies of the UN system, as well as other multilateral organisations, are invited to mainstream the implementation of the POA within their programmes of work, as well as in their intergovernmental processes. In this respect, there is a critical need for an effective mechanism to support intergovernmental review and follow-up of the implementation of the POA; to mobilise the UN system organisations, as well as other relevant multilateral organisations; and to facilitate substantive participation in appropriate multilateral forums.

The goals and targets set out in the POA will be used to review and evaluate the performance of the LDCs and their development partners in implementing the various commitments. The success of the POA will be judged, in the end, by its contribution to the overall socio-economic progress of the LDCs, especially towards achieving international development targets.

5. CONCLUSION

Overall, the LDCs did not achieve the expected progress in the last decade in realising the objectives and goals set out in the Paris

Programme of Action for the LDCs for the 1990s. Declining availability of domestic and external financial resources, heavy debt burden, falling or volatile commodity prices, and lack of economic and export diversification have seriously affected the growth and development of these countries. In the context of these vulnerabilities and constraints, the needed international support has been inadequate and the results of development efforts by the LDCs and their partners have been below expectations. The LDCs were thus bypassed by the process of globalisation; a situation which led to their further marginalisation.

This is also true for the OIC-LDCs, which constitute a substantial part of all LDCs and followed in general the same patterns of growth in the same period. Therefore, the following remarks on the LDCs as a whole apply also to the OIC-LDCs as a group.

On average, the LDCs have made limited progress in overcoming structural constraints, limited and undiversified productive capacities, poor infrastructure, weak institutions and low levels of investment, debt overhang, and extreme poverty. Consequently, unlike other countries, the LDCs, including the OIC ones, were not in general able to benefit enough from the recent strengthening of the world economy by increasing their share in it. The rate of growth in LDCs fell steadily, particularly in the second half of the decade. Their share of world trade has remained almost unchanged at a mere 0.5 per cent, which reflect their small share in world output.

The existing economic structure of the LDCs failed to generate the national income and export earnings needed to maintain and expand investment, which in turn impeded sustainable economic growth. Due to the low income per capita in most LDCs and the slow growth rates compared to their population growth rates, the potential for domestic resource mobilisation (savings and investments) is not being realised. The LDCs are thus caught in a trap: on the one hand, low incomes and slow growth limited the scope for domestic resource mobilisation, on the other, inefficiency of resource use and low rates of investment limited growth. Consequently, external financial channels were the only way out of this vicious circle.

However, while the LDCs' access to private financial sources for investment remained limited, official financial flows and other development finance from the main donor countries have also declined since the beginning of the 1990s. Since then, and given their external debt overhang, it has been increasingly difficult for LDCs that rely mostly in their development on aid flows to cope with the challenges of globalisation and liberalisation. They face capacity limitations in taking advantage of market opening opportunities and gaining access to information, skills, technology and capital generated by the process of globalisation.

Considering this state of affairs, it was recognised that more commitment to provide increased and more effective international support for LDC is required to overcome these conditions. In response, the UN General Assembly decided in the late 1990s to convene the Third United Nations Conference on the LDCs, which was held in Brussels, Belgium in 14-20 May 2001. The Conference adopted the Programme of Action for the LDCs for the decade 2001-2010. This Programme articulates policies and measures by the LDCs, on the one hand, and their development partners, on the other, to reverse the current trends and to promote the sustainable economic growth and development of the LDCs and their beneficial integration into the world economy.

The implementation and follow-up of the Programme of Action at the national level are of primary importance. The LDCs governments should undertake this task within their respective national development plans and poverty eradication strategies, and with the involvement of civil society, including the private sector, on the basis of a broad-based inclusive dialogue. The development partners should support agreed objectives and policies designed by LDCs on the basis of the Programme and existing national development and cooperation frameworks. On the basis of each LDC's commitment to the policies and measures set out in the Programme, development partners should extend adequate support for their implementation, including financial and technical support.

Effective mechanisms and arrangements for implementation, follow-up, review and monitoring of these policies and measures are critical to the success of the Programme. Thus, restoring confidence and enhancing partnership and cooperation between the LDCs and their development

partners are of primary importance. It should be recognised that it is only by absorbing the previous experiences and lessons that the goals and targets set out in the new Programme of Action for LDCs can be achieved.

In this connection, and at the OIC-regional level, the Twenty-eighth Session of the Islamic Conference of Foreign Ministers decided, in its Resolution No. 5/28-E, to set up an open-ended intergovernmental group of experts including representatives of the OIC and its specialised institutions. This group would be expected to play a significant role in examining the ways and means of implementing the Programme of Action for 2001-2010 in respect of the OIC-LDCs and submitting proposals of intra-OIC cooperation in this regard for consideration by the Islamic Conference of Foreign Ministers.

Meanwhile, OIC Member States are called upon to continue their cooperation efforts to extend assistance in the technical, financial, food and other forms to the least developed Members, taking into account the special needs and problems of the land-locked and small island countries. In this context, the OIC land-locked countries are called upon to implement measures to strengthen their cooperative and collaborative efforts with their transit neighbours and donor countries in dealing with the transit problems and develop their transport infrastructure and road network.

REFERENCES

IMF (2000), *World Economic Outlook, May 2000*, IMF, Washington, D.C. May 2000.

IMF (2001), *World Economic Outlook, October 2001*, IMF, Washington, D.C. May 2001.

IMF (2001), *WECO Database*, www.imf.org, May 2001.

SESRTCIC (2000), *The External Debt situation of African OIC Member Countries: The Enhanced HIPC Scheme, New Relief or New Burdens*, Ankara Centre, October 2000.

SESRTCIC (2001), Database (*BASEIND*), Ankara Centre, May 2001.

UN (1997), *Least Developed and Low-income Food Deficit Countries*, World Food Programme, *WFP/EP.2R/97/INF/8*, Rome, May 1997.

World Bank (2001), *Global Development Finance 2001*, The World Bank, Washington, D.C.

ANNEX- A

TABLE A.1: REGIONAL DISTRIBUTION OF THE WORLD LDCs

<u>A F R I C A</u>		<u>A S I A</u>
Angola	Benin	Afghanistan*
Burundi*	Burkina Faso*	Bangladesh
Cape Verde**	C. Africa Rep.*	Bhutan*
Comoros**	Chad*	Cambodia
Djibouti	Congo	Lao PDR
Eritrea	Equatorial Guinea	Maldives**
Ethiopia*	Gambia	Myanmar
Guinea	Guinea-Bissau	Nepal*
Lesotho*	Liberia	Yemen
Madagascar**	Malawi*	<u>P A C I F I C</u>
Mali*	Mauritania	Kiribati**
Mozambique	Niger*	Samoa**
Rwanda*	Sao Tome & Principe**	Solomon Islands**
Senegal	Sierra Leone	Tuvalu**
Somalia	Sudan	Vanuatu**
Tanzania	Togo	<u>C A R I B B E A N</u>
Uganda*	Zambia*	Haiti**

Source: UNCTAD, www.unctad.org, Statistical Profiles of the LDCs 2001.

Notes: (*) Land-locked country. (**) Island country.

The countries in bold are the OIC-LDCs.

TABLE A.2: TOTAL POPULATION
(In millions)

	1996	1997	1998	1999	2000
Afghanistan	20.37	20.87	21.35	21.92	22.68
Bangladesh	122.37	124.58	125.05	127.23	129.44
Benin	5.63	5.79	5.96	6.13	6.30
Burkina Faso	11.03	11.29	11.62	11.95	12.29
Chad	6.51	6.67	6.83	7.29	7.47
Comoros	0.51	0.52	0.54	0.55	0.57
Djibouti	0.64	0.65	0.65	0.66	0.67
Gambia	1.15	1.18	1.23	1.27	1.31
Guinea	6.75	6.94	7.14	8.14	9.14
Guinea-Bissau	1.11	1.13	1.15	1.17	1.20
Maldives	0.26	0.27	0.27	0.28	0.29
Mali	10.10	10.40	10.64	10.89	11.14
Mauritania	2.65	2.78	2.86	2.93	3.02
Mozambique	16.18	16.54	16.92	17.30	17.69
Niger	9.52	9.83	10.16	10.49	10.84
Senegal	8.76	9.00	9.25	9.40	9.66
Sierra Leone	4.31	4.43	4.55	4.67	4.80
Somalia	8.47	8.82	9.24	9.38	9.67
Sudan	25.59	26.11	26.65	27.21	27.78
Togo	4.24	4.38	4.51	4.65	4.80
Uganda	19.47	20.01	20.54	21.18	21.84
Yemen	18.41	19.06	19.74	20.45	21.18
Total OIC-LDCs	304.03	311.25	316.85	325.14	333.78
As % of:					
All LDCs	53.9	53.6	53.6	53.6	53.7
OIC total	26.1	26.1	26.0	26.1	26.3

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.3: GDP AT CURRENT PRICES
(Million US dollars)

	1996	1997	1998	1999	2000
Afghanistan					
Bangladesh	41525	43228	44916	46818	48772
Benin	2208	2141	2306	2373	2268
Burkina Faso	2536	2387	2599	2584	2351
Chad	1607	1507	1682	1558	1391
Comoros	213	194	193	193	164
Djibouti	494	503	514	536	553
Gambia	393	413	425	432	425
Guinea	3867	3783	3597	3596	3016
Guinea-Bissau	270	269	206	218	229
Maldives	302	339	377	393	435
Mali	2578	2437	2699	2711	2478
Mauritania	1116	1096	1001	959	942
Mozambique	2937	3513	3918	4006	3878
Niger	1988	1846	2088	2021	1866
Senegal	4637	4370	4671	4758	4384
Sierra Leone	942	850	672	664	605
Somalia					
Sudan	8228	10601	10339	10235	11520
Togo	1465	1499	1416	1423	1248
Uganda	5995	6246	6727	6377	6206
Yemen	6150	6596	6299	6828	8654
Total OIC-LDCs	89451	93818	96645	98683	101385
As % of:					
All LDCs	59.8	59.7	61.0	60.3	58.7
OIC total	6.2	6.4	7.4	7.3	7.1

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.4: STRUCTURE OF OUTPUT
(Value added as % of GDP, average 1995-99)

	Agriculture	Industry:	of which Manufacture	Services
Afghanistan				
Bangladesh	26.0	22.5	13.5	52.0
Benin	36.0	13.0	7.5	50.5
Burkina Faso	33.0	27.0	21.0	40.0
Chad	41.0	18.0	13.5	41.5
Comoros	39.0	14.0	4.0	47.0
Djibouti	3.0	20.0	4.0	77.0
Gambia	27.4	14.8	7.0	58.8
Guinea	23.5	25.0	9.0	51.5
Guinea-Bissau	52.5	15.4	6.3	32.4
Maldives	22.0	16.0	6.0	61.6
Mali	46.5	17.0	5.0	37.0
Mauritania	26.0	29.5	11.5	44.5
Mozambique	32.5	18.0	13.0	49.5
Niger	39.5	17.5	6.0	43.5
Senegal	19.0	21.5	14.5	59.5
Sierra Leone	43.0	25.5	5.0	31.5
Somalia				
Sudan	39.0	18.0	9.0	43.0
Togo	40.5	21.0	9.0	38.5
Uganda	47.0	16.0	7.5	37.0
Yemen	19.5	38.0	12.5	42.5
Average OIC-LDCs	30.3	21.5	11.6	49.0
All LDCs*	33.0	25.0	11.0	42.0
OIC average	16.7	38.4	15.9	44.2
Developing countries*	13.0	36.0	23.0	51.0

Source: SESRTCIC's Statistical Database (BASEIND).

(*) 1998.

TABLE A.5: REAL GDP GROWTH RATES
(In per cent)

	1996	1997	1998	1999	2000
Afghanistan					
Bangladesh	5.0	5.3	5.0	5.2	5.0
Benin	5.5	5.7	4.5	5.0	5.3
Burkina Faso	6.0	4.8	6.2	5.8	4.0
Chad	2.4	4.5	6.7	0.5	0.6
Comoros	-1.2	0.3	-1.2	-0.4	1.7
Djibouti	-4.1	-0.7	0.1	2.2	0.7
Gambia	6.2	4.9	3.5	6.4	5.3
Guinea	5.0	4.8	4.5	3.3	4.5
Guinea-Bissau	4.6	5.5	-28.1	7.8	9.3
Maldives	7.9	9.1	9.1	8.5	7.6
Mali	4.3	6.7	4.9	6.6	4.3
Mauritania	5.5	3.2	3.7	4.1	5.2
Mozambique	7.1	11.1	11.9	7.3	3.8
Niger	3.4	2.8	10.4	-0.6	3.0
Senegal	5.1	5.0	5.7	5.1	5.5
Sierra Leone	-24.8	-17.6	-0.8	-8.1	3.8
Somalia					
Sudan	10.5	10.2	6.1	5.1	8.3
Togo	9.7	4.3	-2.1	2.7	-0.5
Uganda	8.6	5.1	4.6	7.6	4.6
Yemen	2.9	8.1	5.3	3.8	6.5
Average OIC-LDCs	5.3	5.8	5.1	4.9	5.0
All LDCs	5.6	4.4	4.0	4.0	5.2
OIC average	5.5	4.7	0.3	-1.4	4.7
Developing countries	6.6	5.8	3.5	3.9	5.8

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.6: PER CAPITA GDP
(Current US \$)

	1996	1997	1998	1999	2000
Afghanistan					
Bangladesh	339	347	359	368	377
Benin	392	370	387	387	360
Burkina Faso	230	211	224	216	191
Chad	247	226	246	214	186
Comoros	418	369	359	349	289
Djibouti	772	773	791	811	825
Gambia	343	349	344	340	325
Guinea	573	545	504	442	330
Guinea-Bissau	244	238	179	186	191
Maldives	1168	1264	1407	1413	1523
Mali	255	234	254	249	223
Mauritania	421	395	350	327	313
Mozambique	182	212	232	232	219
Niger	209	188	206	193	172
Senegal	529	485	505	506	454
Sierra Leone	218	192	148	142	126
Somalia					
Sudan	322	406	388	376	415
Togo	345	343	314	306	260
Uganda	308	312	327	301	284
Yemen	334	346	319	334	409
Average OIC-LDCs	294	301	305	304	304
Average of all LDCs	265	270	268	270	278
OIC average	1232	1230	1075	1091	1141

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.7: RATES OF INFLATION
(In per cent)

	1996	1997	1998	1999	2000
Afghanistan					
Bangladesh	8.8	4.8	8.0	6.3	4.7
Benin	4.9	3.8	5.8	0.3	4.2
Burkina Faso	6.1	2.3	5.0	-1.1	-0.2
Chad	11.8	5.9	4.4	-8.0	3.1
Comoros	2.0	3.0	3.5	3.5	3.5
Djibouti	3.5	2.5	2.2	2.0	2.4
Gambia	4.8	3.1	1.1	2.5	2.5
Guinea	3.0	1.9	5.1	4.6	6.8
Guinea-Bissau	50.7	49.1	8.0	-2.1	9.1
Maldives	6.2	7.6	-1.4	3.0	2.0
Mali	6.5	-0.7	4.1	-1.2	1.2
Mauritania	4.7	4.5	8.0	4.1	3.3
Mozambique	44.6	6.4	0.6	3.1	12.3
Niger	5.3	2.9	4.5	2.9	2.9
Senegal	2.8	1.7	2.4	0.8	0.7
Sierra Leone	23.1	14.9	35.5	34.1	5.0
Somalia					
Sudan	132.8	46.7	17.1	16.0	8.0
Togo	2.5	5.5	-1.4	4.5	-2.5
Uganda	7.5	7.8	5.8	-0.2	6.3
Yemen	40.0	4.6	11.5	9.2	8.0
Average OIC-LDCs	23.8	9.0	8.2	6.0	5.2
All LDCs	51.5	20.0	13.2	20.1	20.7
OIC average	22.0	17.2	24.9	15.3	10.8
Developing countries	15.4	9.9	10.5	6.8	6.0

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.8: MERCHANDISE EXPORTS
(FOB, million US \$)

	1996	1997	1998	1999	2000
Afghanistan	128	144	139	111	150
Bangladesh	3297	3628	3822	4520	5658
Benin	262	185	232	207	232
Burkina Faso	189	194	292	174	221
Chad	117	93	120	97	85
Comoros	14	6	4	11	15
Djibouti	116	102	125	140	148
Gambia	22	15	29	8	20
Guinea	614	642	821	759	820
Guinea-Bissau	58	69	102	81	63
Maldives	105	94	137	306	287
Mali	282	270	292	237	241
Mauritania	550	517	495	508	499
Mozambique	226	223	245	271	379
Niger	222	193	206	173	167
Senegal	872	725	832	816	862
Sierra Leone	47	17	7	6	49
Somalia	192	157	128	119	140
Sudan	480	478	538	700	1155
Togo	357	423	413	421	427
Uganda	568	599	410	367	355
Yemen	2413	2479	1497	1965	1899
Total OIC-LDCs	11131	11253	10886	11997	13872
As % of:					
OIC total	2.8	2.7	3.2	3.0	2.7
All LDCs	41.7	39.1	41.0	40.7	39.1
Annual % change:					
OIC-LDCs	7.9	1.1	-3.4	9.3	13.5
All LDCs	9.0	7.3	-8.3	9.8	16.9
OIC countries	12.0	3.3	-20.9	14.6	22.0
Developing countries	7.3	6.0	-10.6	1.2	15.1

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.9: MERCHANDISE IMPORTS
(CIF, million US \$)

	1996	1997	1998	1999	2000
Afghanistan	623	558	476	468	450
Bangladesh	6935	6863	7370	8352	9082
Benin	559	603	639	843	1186
Burkina Faso	603	530	814	771	838
Chad	175	132	177	145	171
Comoros	154	57	48	56	60
Djibouti	381	386	560	597	611
Gambia	272	174	329	194	234
Guinea	691	576	775	741	764
Guinea-Bissau	109	82	91	82	94
Maldives	480	462	425	788	820
Mali	1121	1138	1222	1260	1347
Mauritania	610	630	610	589	672
Mozambique	783	1096	817	1200	1460
Niger	289	295	362	315	409
Senegal	1324	1210	1537	1608	1780
Sierra Leone	294	233	198	292	399
Somalia	278	289	246	285	329
Sudan	1268	1477	1609	1477	1490
Togo	961	1038	1088	1089	1203
Uganda	830	804	860	837	935
Yemen	1852	1807	2167	2587	2748
Total OIC-LDCs	20592	20440	22420	24576	27082
As % of:					
OIC total	5.5	5.4	6.6	7.0	6.4
All LDCs	57.7	54.2	57.9	60.1	61.7
Annual % change:					
OIC-LDCs	6.7	-0.7	8.8	8.8	9.3
All LDCs	7.8	5.3	2.6	5.4	6.8
OIC countries	6.7	0.9	-9.8	3.2	16.3
Developing countries	6.8	6.1	-4.1	7.4	19.9

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.10: CURRENT ACCOUNT BALANCE
(Million US \$)

	1995	1996	1997	1998	1999
Afghanistan					
Bangladesh	-823.9	-991.4	-327.3	-35.1	-291.5
Benin	-231.1	-57.4	-169.9	-151.5	-157
Burkina Faso	-81	-232	-237	-233	-312
Chad	-36	-75	-84	-101	-161
Comoros	-18.9	-39.9	-33.9		
Djibouti	-23				
Gambia	-8.2	-47.7	-23.5	-42.6	-45.2
Guinea	-216.5	-177.3	-91.1	-183.6	-151.6
Guinea-Bissau	-50.6	-60.4	-30.3		
Maldives	-18.2	-7.5	-34.3	-23.2	-70
Mali	-283.8	-273.2	-178.4	-125	
Mauritania	22.1	91.3	47.8	77.2	140
Mozambique	-444.7	-420.5	-295.6	-429.3	
Niger	-151.7	-181	-185	-199	-174
Senegal	-244.5	-199.5	-184.9	-80	-304
Sierra Leone	-126.5	-181	-34.5	-78.9	
Somalia					
Sudan	-499.9	-826.8	-828.1	-956.5	-464.8
Togo	-122	-153.9	-116.9	-140.1	-127.1
Uganda	-338.9	-252.3	-366.8	-502.6	-550.8
Yemen	143.7	38.8	-68.8	-303.3	577.1
Total OIC-LDCs*	-3.6	-4.0	-3.0	-3.5	-2.1
All LDCs*	-8.9	-9.7	-9.9	-13.1	-13.3
OIC total*	-34.3	-7.8	-4.6	-17.1	16.6
Developing countries*	-96.2	-74.2	-59.1	-86.8	-10.5

Source: SESRTCIC's Statistical Database (BASEIND).

(*) Billion US dollars.

TABLE A.11: RESERVES EXCLUDING GOLD
(Million US \$)

	1996	1997	1998	1999	2000
Afghanistan					
Bangladesh	1834.6	1581.5	1905.4	1603.6	1486
Benin	261.8	253.1	261.5	400	458.1
Burkina Faso	338.6	344.8	373.3	295	243.6
Chad	164.48	135.82	120.09	95.02	110.7
Comoros	50.55	40.48	39.14	37.15	43.21
Djibouti	76.97	66.57	66.45	70.61	67.8
Gambia	102.13	96.04	106.36	111.25	
Guinea	87.34	121.63	236.71	199.68	147.91
Guinea-Bissau	11.53	33.7	35.76	35.28	66.73
Maldives	76.17	98.31	118.54	127.12	122.8
Mali	431.5	414.9	402.9	349.7	381.2
Mauritania	141.2	200.8	202.9	224.3	
Mozambique	344.06	517.35	608.5	651.6	725.11
Niger	78.5	53.3	53.1	39.2	80.3
Senegal	288.3	386.2	430.8	402.9	383.5
Sierra Leone	26.6	38.5	44.1	39.5	50.9
Somalia					
Sudan	106.8	81.6	90.6	188.7	
Togo	88.5	118.6	117.7	122	152.3
Uganda	528.4	633.5	725.4	763.1	808
Yemen	1017.2	1203.1	995.5	1471.5	2900.3
Total OIC-LDCs*	6.1	6.4	6.9	7.2	8.2
All LDCs*	10.8	11.1	11.3	11.4	12.1
OIC total*	144.4	151.2	155.6	174.1	181.5
Developing countries*	522.6	573.1	586.1	622.3	686.5

Source: SESRTCIC's Statistical Database (BASEIND).

(*) Billion US dollars.

TABLE A.12: TOTAL FINANCIAL FLOWS
(Net million US \$)

	1990	1996	1997	1998	1999
Afghanistan					
Bangladesh	1687	1395	1033	1182	1247
Benin	213	242	176	190	164
Burkina Faso	218	324	262	280	304
Chad	247	233	190	128	146
Comoros	32	24	17	25	12
Djibouti	149	62	50	56	49
Gambia	48	67	39	38	32
Guinea	212	258	285	244	247
Guinea-Bissau	96	78	88	60	43
Maldives	24	35	33	44	33
Mali	335	402	326	268	261
Mauritania	138	262	182	125	156
Mozambique	948	736	802	1068	1095
Niger	316	183	269	215	145
Senegal	691	408	538	373	379
Sierra Leone	79	101	98	110	76
Somalia	372	60	67	68	93
Sudan	603	161	220	557	581
Togo	176	164	104	142	89
Uganda	485	626	751	677	693
Yemen	333	155	81	6	155
Total OIC-LDCs	7402	5976	5611	5856	6000
All LDCs	14024	12724	12616	12918	13977
Developing countries	99316	310791	340301	334121	264900
OIC-LDCs as % of:					
All LDCs	52.8	47.0	44.5	45.3	42.9
Developing countries	7.5	1.9	1.6	1.8	2.3

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.13: OFFICIAL FINANCIAL FLOWS
(Net million US \$)

	1990	1996	1997	1998	1999
Afghanistan					
Bangladesh	1617	1382	909	1012	1049
Benin	212	206	149	152	133
Burkina Faso	219	307	249	270	294
Chad	248	215	175	112	132
Comoros	33	22	15	23	11
Djibouti	149	57	45	50	44
Gambia	56	57	27	25	18
Guinea	212	217	288	237	184
Guinea-Bissau	94	77	78	60	40
Maldives	17	23	15	22	18
Mali	343	318	287	251	242
Mauritania	133	232	180	127	156
Mozambique	913	669	736	859	721
Niger	308	187	258	230	153
Senegal	649	410	347	318	325
Sierra Leone	43	96	94	105	75
Somalia	366	60	67	68	93
Sudan	603	160	122	186	211
Togo	176	147	89	112	59
Uganda	468	512	577	468	473
Yemen	303	215	220	216	305
Total OIC-LDCs	7162	5569	4927	4903	4736
All LDCs	13205	10378	9481	9437	9046
Developing countries	55672	31501	40542	53845	45686
OIC-LDCs as % of:					
All LDCs	54.2	53.7	52.0	52.0	52.4
Developing countries	12.9	17.7	12.2	9.1	10.4

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.14: PRIVATE FINANCIAL FLOWS
(Net million US \$)

	1990	1996	1997	1998	1999
Afghanistan					
Bangladesh	70	13	125	170	198
Benin	1	36	27	38	31
Burkina Faso	-1	17	13	10	10
Chad	-1	18	15	16	14
Comoros	-1	2	2	2	1
Djibouti	-1	5	5	6	5
Gambia	-8	11	12	13	14
Guinea	-1	41	-3	7	63
Guinea-Bissau	2	1	10	0	3
Maldives	7	12	17	22	14
Mali	-8	84	39	17	19
Mauritania	6	30	2	-2	0
Mozambique	35	67	66	209	374
Niger	9	-4	11	-15	-8
Senegal	42	-2	191	55	54
Sierra Leone	36	5	4	5	1
Somalia	6	0	0	0	0
Sudan	0	0	98	371	371
Togo	0	17	15	30	30
Uganda	16	114	174	208	221
Yemen	30	-60	-139	-210	-150
Total OIC-LDCs	239	407	684	952	1265
All LDCs	819	2346	3136	3478	4934
Developing countries	43645	279290	299760	280276	219214
OIC-LDCs as % of:					
All LDCs	29.2	17.3	21.8	27.4	25.6
Developing countries	0.5	0.1	0.2	0.3	0.6

Source: SESRTCIC's Statistical Database (BASEIND).

TABLE A.15: NET FDI FLOWS TO OIC-LDCs
(Million US \$)

	1995	1996	1997	1998	1999
Afghanistan					
Bangladesh	2	14	141	190	179
Benin	13	36	27	38	31
Burkina Faso	10	17	13	10	10
Chad	13	18	15	16	15
Comoros	0.9	2	2	2	1
Djibouti	3.2	5	5	6	5
Gambia	7.7	10.7	12	13	14
Guinea	1	24	17	18	631
Guinea-Bissau	1	1	10	0	3
Maldives	7	9.3	11.4	11.5	11.5
Mali	111	84	39	17	19
Mauritania	7	5	3	0	2
Mozambique	45	73	64	213	384
Niger	7	20	25	9	15
Senegal	32	8	176	71	60
Sierra Leone	-2	5	4	5	1
Somalia					
Sudan	0	0	98	371	371
Togo	26	17	21	30	30
Uganda	121	121	175	210	222
Yemen	-218	-60	-139	-210	-150
Total OIC-LDCs	187.8	410.0	719.4	1020.5	1854.5
All LDCs	1975	2473.4	2696.3	3633.3	5690.7
OIC countries*	16.8	18.6	20.0	15.6	12.1
Developing countries*	107.0	131.5	172.6	176.8	185.4
OIC-LDCs as % of:					
All LDCs	9.5	16.6	26.7	28.1	32.6
OIC countries	1.1	2.2	3.6	6.5	15.2
Developing countries	0.2	0.3	0.4	0.6	1.0

Source: SESRTCIC's Statistical Database (BASEIND).

(*) Billion US dollars.

TABLE A.16: TOTAL EXTERNAL DEBT
(In million US dollars)

	1995	1996	1997	1998	1999
Afghanistan					
Bangladesh	16325	16007	15125	16376	17534
Benin	1614	1594	1629	1651	1686
Burkina Faso	1267	1294	1297	1405	1518
Chad	902	997	1026	1092	1142
Comoros	203.7	205.6	206.2	203.1	201.4
Djibouti	281.8	295.8	273.7	287.8	279.8
Gambia	427.1	452.8	425.3	459.3	458.9
Guinea	3242	3240	3519	3546	3518
Guinea-Bissau	898.3	936.8	921.3	970	931.2
Maldives	154.9	168.2	171.3	193.6	217.3
Mali	2958	3006	3142	3202	3183
Mauritania	2350	2412	2456	2589	2528
Mozambique	7458	7566	7638	8315	6959
Niger	1587	1536	1576	1663	1621
Senegal	3841	3663	3661	3847	3705
Sierra Leone	1178	1179	1144	1256	1249
Somalia	2678	2643	2561	2635	2606
Sudan	17603	16972	16326	16843	16132
Togo	1464	1472	1327	1448	1500
Uganda	3573	3675	3913	4016	4077
Yemen	6217	6362	3856	4157	4610
Total OIC-LDCs	76223	75677	72194	76155	75657
All LDCs*	152.6	150.0	144.5	153.8	147.7
OIC countries*	573.1	580.9	583.5	627.6	625.3
Developing countries*	2157.5	2247.6	2337.8	2567.3	2563.6
OIC-LDCs as % of:					
All LDCs	50.0	50.5	50.0	49.5	51.2
OIC countries	13.3	13.0	12.4	12.1	12.1
Developing countries	3.5	3.4	3.1	3.0	3.0

Source: SESRTCIC's Statistical Database (BASEIND).

(*) Billion US dollars.

ANNEX- B

NATIONAL WEB SITES OF OIC LEAST DEVELOPED COUNTRIES

Country	Web Site Address	Remarks
Afghanistan	http://www.afghan-ie.com/ http://www.afghanembassy.com/	Very little information
Bangladesh	http://www.bangladesh.gov.org/mop/ndb/index http://www.nbr-bd.org/	Ministry of Planning- National Data Bank National Board of Revenue
Benin	http://www.planben.intnet.bj/	Org. of National Statistics
Burkina Faso	http://www.finances.gov.bf/	
Djibouti	http://www.education.dj/	Ministry of Education
Guinea	http://www.guinee.gov.gn/	Government Web site
Maldives	http://www.planning.gov.mv/	Statistical Yearbook 2000
Mali	http://www.maliembassy-usa.org/	General indicators (1998)
Mauritania	http://www.ons.mr/	Org. of National statistics
Mozambique	http://www.ine.gov.mz/ http://www.bancomoc.mz/	National statistical Org. Bank of Mozambique
Niger	http://www.delgi.ne/	General information
Sudan	http://www.moe-sd.net/ http://www.sudagric.net/	Ministry of Education Ministry of Agriculture
Senegal	http://www.finances.gov.sn/	
Uganda	http://www.government.go.ug/ http://www.bou.org.ug/	Government of Uganda Bank of Uganda
Yemen	http://www.centralbank.gov.ye/	Central Bank of Yemen