WHAT ARE LLDCS?

A lack of territorial access to the sea, remoteness and isolation from world markets, additional border crossings, cumbersome transit procedures, inefficient logistics systems, weak institutions and poor infrastructure cause the LLDCs to incur substantially higher transport and other trade transaction costs when compared to coastal countries. These high costs present a tremendous trade-reducing effect that has a direct negative impact on economic growth and puts them at a disadvantage in fully harnessing their potential to support their sustainable development efforts.

ECONOMIC GROWTH

- The average annual real growth rate of Gross Domestic Product (GDP) for the LLDCs has declined from 5.6% in 2014 to 4.5% in 2017.
- The average GDP per person living in an LLDC in 2018 was $1,614 (constant 2010 US$), up from $1,514 in 2014. In 12 LLDCs the GDP per capita was below $1,000 in 2018.

SOCIAL DEVELOPMENT

- The percentage of employed population below the poverty line in LLDCs declined from 28.9% in 2014 to 26.5% in 2018.
- In 2019, 26.5% of seats in national parliaments and local governing bodies in LLDCs were held by women, slightly up from 24.6% in 2014 and exceeding the global average of 24.3%.
- The HIV incidence rate in LLDCs declined from 0.85 new cases per 1,000 uninfected people in 2014 to 0.66 in 2017.
- LLDCs’ neonatal mortality rate declined from 27.6 deaths per 1,000 live births in 2014 to 25.3 in 2017.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

- ODA to LLDCs totalled $28 billion in 2017, a real increase of 17% since 2014.
- Six countries accounted for more than half of the group’s total ODA receipts in 2017.
- ODA remained a large and stable source of flows to LLDCs, amounting for more than 12% of GNI in six of them.
- Aid-for-trade disbursements to LLDCs amounted to $7.2 billion (constant prices) in 2017, representing an increase from $6 billion in 2014.

FOREIGN DIRECT INVESTMENT (FDI) AND REMITTANCES

- In 2017, FDI flows to LLDCs amounted to $22.7 billion, a decrease from $28.7 billion in 2014. FDI flows to LLDCs remain about 40% lower than their peak in 2011.
- LLDCs’ share of global FDI inflows was 1.6% in 2017, down from 2.1% in 2014.
- FDI flows remain concentrated in a few LLDCs, with the top five accounting for 66% of total flows to the group.
- In 2018 remittance inflows to LLDCs were estimated at $31.5 billion, accounting for 4.6% total global flows.

GEOGRAPHICAL DISTRIBUTION OF LLDCS AND BASIC FACTS

- Total Land Area: 1,592,765,600 hectares (15.9 million km²)
- Average distance to a seaport: 1,370 km
- Total Population in 2018: 509 Million
- Annual Average Population Growth Rate 2012-2017: 2.40%
INFRASTRUCTURE

- Only about one-third of roads in LLDCs are paved.
- Total rail lines in LLDCs increased by 10.8% from 2014 to 2017.
- Global share of LLDCs in freight transport by air increased from 0.9% in 2014 to 1.4% in 2017.
- The proportion of population having access to electricity in LLDCs rose from 49.5% in 2014 to 56.3% in 2017.
- Access to clean fuels and technologies for cooking has increased marginally from 28.1% in 2015 to 28.8% in 2017.
- Renewable energy consumption share in LLDCs increased slightly from 43.8% in 2014 to 45% in 2016.
- Mobile cellular subscriptions have grown substantially in LLDCs over the last decade, from an average of 3 subscriptions per 100 people in 2003 to 66 in 2014 and 72 in 2017.
- Percentage of individuals in LLDCs using the Internet increased from 17.3% in 2014 to 25.7% in 2017 but remains below the world average of 48.6%.

INTERNATIONAL TRADE

- In 2017, trade as a percentage of GDP for the LLDCs was on average 63.2% having declined from 68.9% in 2014.
- The share of LLDCs' exports in global exports fell from 1.19% in 2014 to 0.98% in 2018.
- Total merchandise exports from LLDCs decreased from $224 billion in 2014 to $191 billion in 2018.
- Merchandise imports to LLDCs also fell between 2014 and 2018, reaching $214 billion.
- The export concentration ratio for LLDCs was 0.239 in 2017, continuing a decrease from 0.359 in 2014.
- As of May 2019, 24 out of the 26 LLDCs that are WTO members had ratified the WTO Trade Facilitation Agreement.
- The implementation of the WTO Trade Facilitation Agreement by LLDCs is estimated at 34.3% of the notifiable commitments, compared to 61.5% for developing countries and 100% for developed countries.

STRUCTURAL ECONOMIC TRANSFORMATION

- Value addition of the following sectors in GDP for the LLDCs in 2017 was:
  - AGRICULTURE: 16.6% marking an increase from 15.4% in 2014.
  - MANUFACTURING: 9.7% increasing from 9.0% in 2014.
  - SERVICES: 47.5% increasing from 46.6% in 2014.

- The share of manufactured goods exports from LLDCs increased from 12.9% in 2014 to 17.3% in 2017. But this remains way below the world average of 69.2%.
- Value of domestic credit provided to the private sector in LLDCs increased from 31% of GDP in 2014 to 32.4% in 2018, but is low compared to over 100% for developing countries as a whole.
- R&D expenditures were only 0.24% of GDP in LLDCs in 2016.

REGIONAL INTEGRATION

- Majority of LLDCs have become more active participants in regional trade agreements and economic blocks.
- 9 LLDCs have entered into new regional trade agreements since end of 2014.
- Average intra-regional exports of LLDCs amounted to 64.6% in 2016-17.
- The Latin American LLDCs and transit countries in 2018 signed the Paraguay-Paraná Waterway River Transport Agreement VIII Additional Protocol.
- The Eurasian Economic Union, encompassing 3 LLDCs, and the ASEAN Economic Community were both established in 2015.

ENVIRONMENT

- In LLDCs, land covered by forests has declined from 16.3% in 2010 to 15.8% in 2015.
- An estimated 54% of LLDCs' land is classified as dryland, meaning that they are disproportionately affected by issues such as desertification, land degradation and drought.

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