

**PELLERVON TALOUDELLISEN TUTKIMUSLAITOKSEN
RAPORTTEJA N:o 178**

**PELLERVO ECONOMIC RESEARCH INSTITUTE
REPORTS No. 178**

**ROLE OF LDCs IN INTERNATIONAL
AGRICULTURAL AND FOOD TRADE AND
THE WTO NEGOTIATIONS**

Kalle Laaksonen

Helsinki 2001

Pellervon taloudellinen tutkimuslaitos PTT
Eerikinkatu 28 A
00180 Helsinki
Puh. 09-348 8844
Fax. 09-3488 8500
Sähköposti econ.res@ptt.fi

ISBN 952-5299-44-9
ISSN 1456-3215

Helsinki 2001

LAAKSONEN, Kalle, 2001. ROLE OF LDCS IN INTERNATIONAL AGRICULTURAL AND FOOD TRADE AND THE WTO NEGOTIATIONS. Pellervo Economic Research Institute Reports No. 178. 109 p. ISBN 952-5299-44-9, ISSN 1456-3215.

Abstract. Since the establishment of the World Trade Organisation (WTO) there has been increasing concern over the marginalization of the least developed countries (LDC). They have not fully and effectively participated in the multilateral trading system, and are yet to fully enjoy the benefits of membership in the open rules based system. Agricultural and food products are the most important export commodities for the LDCs. Situation and role of the LDCs in international agricultural trade and also in the next WTO negotiations are examined in this report. The major agricultural exports of LDCs include coffee, cotton, jute, fish and seafood, tropical wood and bananas, mostly in an unprocessed form. Approximately 80 per cent of the food exports of the least developed countries are directed to the industrialised countries, mainly the EU countries. Thus, the Everything but Arms treaty made by the EU is very important for the agricultural exports of the LDCs in coming years and also an important initiative for the new WTO negotiation round. On the other hand, it will bring new challenges especially for sugar sector in the EU. Trade between Finland and LDCs has been very modest. Imports from the LDCs to Finland totalled FIM 1000 million in 2000 and even this was ten times greater than a decade earlier. On the contrary, exports from Finland to the LDCs decreased because of the decline in Finnish aid to these countries.

Keywords: agricultural and food trade, least developed countries, WTO negotiations

LAAKSONEN, Kalle, 2001. VÄHITEN KEHITTYNEIDEN MAIDEN ASEMA KANSAINVÄLISESSÄ MAATALOUS- JA ELINTARVIKEKAUPASSA SEKÄ WTO-NEUVOTTELUISSA. Pellervon taloudellisen tutkimuslaitoksen raportteja n:o 178. 109 s.

Tiivistelmä: Vähiten kehittyneiden maiden (LDC) asema on muuttunut yhä marginaalisemmaksi kansainvälisessä kaupassa. Maat eivät pysty osallistumaan tehokkaasti kansainvälisen kaupan järjestelmiin eikä näin ollen saavuta sitä taloudellista hyötyä, mitä vapaan kaupan piirissä olisi saavutettavissa. Useimmat vähiten kehittyneet maat ovat kuitenkin WTO:n jäsenmaita tai ovat hakeneet jäsenyyttä. Tässä selvityksessä tarkastellaan näiden maiden asemaa kansainvälisessä maatalous- ja elintarvikekaupassa sekä tulevilla neuvotteluilla. Tämä koskee erityisesti maatalous- ja elintarvikekauppaa, koska ne ovat keskeinen osa ko. maiden tuotantoa ja vientiä. Vähiten kehittyneiden maiden elintarvikevienti koostuu edelleen vain muutamasta hyödykeryhmästä, ennen kaikkea kahvista, kalasta ja hedelmistä. Valtaosa elintarvikeviennistä suuntautuu teollisuusmaihin, erityisesti EU-maihin. EU:n keväällä 2001 hyväksymä EBA-aloite, eli tuonnin täydellinen vapauttaminen LDC-maista aseita lukuun ottamatta, tulee merkitsemään erityisesti maataloustuotteiden tuonnin lisäystä näistä maista. Haaste koskee erityisesti EU:n sokerimarkkinoita, joiden osalta tosin sovelletaan muutaman vuoden siirtymäaikaa. LDC-maiden vienti Suomeen kymmenkertaistui 1990-luvulla. Sen sijaan Suomen vienti polkee paikallaan, koska se on valtaosaltaan ollut riippuvainen Suomen antamasta kehitysavusta näille maille.

Avainsanat: maataloustuotteiden ja elintarvikkeiden kauppa, vähiten kehittyneet maat, WTO-neuvottelut

FOREWORD

The Uruguay Round of GATT negotiations, completed in 1994, changed the setting and structures of international trade and trade negotiations in a significant way. The new WTO negotiation round is scheduled to start soon after the WTO ministerial meetings in Qatar. The previous ministerial meeting in Seattle did not succeed in this task but many participants see it very important to continue the process of trade liberalisation.

During the Uruguay round most of issues relevant to the developing countries were still left aside, and these countries had little negotiating power. Now the situation is very different because of a number of factors. First of all, developing countries already make up over a hundred of the 142 WTO countries. All the important decisions at the WTO are made according to the principle of consensus. Thus, it is very important to know and to understand the demands and objectives of developing countries before starting the negotiations.

In this report the focus is on the facts and questions of the least developed countries (LDC) concerning the international agricultural trade and also trade negotiations. Agriculture and agricultural trade questions are the most important for these countries. This focus is very actual also because of the Everything but Arms (EBA) treaty made by the European Union. The EBA treaty made it very important also for Finland and the EU to understand the LDCs' role in international agricultural markets.

This report has been written by senior researcher Kalle Laaksonen from PTT. This research project was funded by the Department for International Development Co-operation in the Ministry for Foreign Affairs of Finland.

Vesa Vihriälä
Managing director

Panu Kallio
Research director

CONTENTS

YHTEENVETO JA JOHTOPÄÄTÖKSET	i
SUMMARY	1
1. BACKGROUND	7
2. SHARE OF THE DEVELOPING COUNTRIES IN INTERNATIONAL FOOD AND AGRICULTURAL TRADE	11
2.1 Agricultural and food products in the world merchandise trade	11
2.2 Changes in agricultural and food trade by developing countries	14
2.3 Agricultural exports of the developing countries according to product groups	21
3. TRADE IN FOODSTUFFS AND AGRICULTURAL PRODUCTS IN THE LEAST DEVELOPED COUNTRIES (LDC)	24
4. POTENTIAL GROWTH IN FOOD IMPORTS FROM THE LEAST DEVELOPED COUNTRIES (LDCS) – A THREAT TO THE EUROPEAN AGRICULTURAL POLICY	33
4.1 Everything but Arms proposal is an answer to the market access demand	33
4.2 Balance of foreign trade in food products in the LDCs and the European Union	35
4.3 Foreign trade balances of LDCs in different food product groups	38
4.4 Production of foodstuffs in LDCs	42
4.5 Challenges to the agricultural market balance in the EU	46
4.6 The most important agricultural producer countries of the LDCs in the sensitive products for the European Union	50
5. TRADE BETWEEN FINLAND AND THE LDCS IN FOOD AND AGRICULTURAL PRODUCTS	55

6. TRADE-RELATED TECHNICAL ASSISTANCE FOR THE LDCS.....	62
6.1 Challenges and opportunities for expanding the agricultural exports of developing countries.....	62
6.2 Participation in the WTO process.....	64
6.3 Technical assistance.....	66
 SOURCES	 72
 ANNEXES 1-16	 75

YHTEENVETO JA JOHTOPÄÄTÖKSET

Vähiten kehittyneiden maiden (the least developed countries, LDC) ryhmä, jonka määrittelee YK:n talous- ja sosiaalineuvosto, ECOSOC, on saanut viime vuosina yhä enemmän merkitystä kansainvälisessä kauppapolitiikassa. LDC-maat saivat erityiskohtelun viimeksi käydyissä kauppaneuvotteluissa, ja myös tulevilla WTO-neuvotteluissa maat saanevat eräitä erityismyönnytyksiä. Tätä ennakoii mm. Euroopan unionin myöntämä EBA-aloite (Everything but Arms), joka takaa aseita lukuun ottamatta vapaan markkinoillepääsyn vähiten kehittyneiden maiden tuotteille.

LDC-maiden ryhmä kasvaa

Vähiten kehittyneiden maiden ryhmään on viime vuosina kuulunut kaikkiaan 48 itsenäistä maata, jotka alhaista tulotasoa, eräitä sosiaali-indikaattoreita sekä talouden perusrakenteiden yksipuolisuutta korostavien kriteerien perusteella on ECOSOCin toimesta valittu LDC-maiden ryhmään kuuluviksi. Tarkoituksena on ollut, että maat kehityksen myötä vähitellen siirtyvät pois LDC-maaryhmästä, mutta käytännössä tilanne on ollut toinen. Kolmenkymmenen vuoden aikana LDC-maiden lukumäärä on lähes kaksinkertaistunut, ja vain yksi maa on poistunut maaryhmästä. Kuluvana vuonna LDC-maihin liitettiin myös Senegal, joten lukumäärä on tällä hetkellä jo 49.

LDC-maiden osuus kaupassa supistuu

Kansainvälisen kaupan kasvu on kuluneiden vuosikymmenien aikana ollut vahva taloudellista kasvua edistävä tekijä eri puolilla maailmaa. Kaupan osuuden nousu on merkinnyt taloudellisen integraation syvenemistä sekä alueellisella että globaalilla tasolla.

Vähiten kehittyneiden maiden väestön määrä on tällä hetkellä runsaat 610 miljoonaa henkeä eli noin kymmenesosa koko maapallon väkiluvusta. LDC-maiden osuus maailman kaupasta on sen sijaan vain vajaa 0,5 prosenttia. Tämä osuus on lisäksi viime vuosikymmeninä jatkuvasti alentunut.

Keskeinen selitys vähiten kehittyneiden maiden osuuden supistumiselle kansainvälisessä kaupassa on ollut maiden viennin perustuminen valtaosaltaan maataloustuotteisiin ja ns. perushyödykkeisiin, eli alkutuotannon tuotteisiin, kuten kalaan tai mineraaleihin. Näiden tuotteiden hinnathan ovat jatkuvasti alentuneet teollisuustuotteisiin verrattuna.

LDC-maiden osuuden supistuminen kansainvälisessä kaupassa on jyrkentynyt myös sen vuoksi, että näiden maiden osuus myös maataloustuotteiden kansainvälisessä kaupassa on alentunut. 1970-luvulla nykyisten LDC-maiden yhteinen osuus maataloustuotteiden viennistä oli runsaat 3 prosenttia. Tällä hetkellä tämä osuus on enää runsaan prosentin luokkaa.

Maataloustuotteiden osuus supistuu, mutta...

Kehitysmaiden ja erityisesti vähiten kehittyneiden maiden viennille tärkeän maatalouden osuus kansainvälisessä kaupassa on myös jatkuvasti supistunut. Osuus oli 1990-luvun lopussa noin 10 prosenttia maailman koko tavarakaupasta. Neljä viidesosaa maataloustuotteiden viennistä koostui ravinnoksi käytetyistä tuotteista ja jalosteista, eli 8 prosenttia koko kaupasta. Loput 20 prosenttia maatalouskaupasta käsittivät maatalouden tuottamia raaka-aineita, kuten puuvillaa, muita kuituja, nahkaa, jne.

Maataloustuotteiden osuuden supistuminen johtui edellä mainitun reaalihintojen alentumisen lisäksi siitä, että kaupan volyymin kasvu on selvästi pienempää kuin teollisuustuotteilla.

...kehitysmaiden merkitys korostuu maataloustuotteissa

Maataloustuotteiden tärkeydestä kehitysmailla huolimatta viennin volyymi teollisuusmaista on ollut suurempi kuin kehitysmaista. Jos lasketaan pois EU-maiden keskinäinen kauppa, kehitysmaiden osuus elintarvikkeiksi käytettyjen maataloustuotteiden viennistä maailmankaupassa vaihteli 1990-luvulla 42-45 prosentin tuntumassa.

Kehitysmaiden osuus elintarvikviennistä nousi kuitenkin lievästi 1990-luvulla. Samaan aikaan kehitysmaiden maatalous- ja elintarvikvientien suuntautui yhä enemmän myös muihin kehitysmaihiin

Vähiten kehittyneet maat edelleen erittäin riippuvaisia teollisuusmaiden, erityisesti EU:n markkinoista

LDC-maiden maatalous- ja elintarvikevienti suuntautuu enemmän kuin kehitysmailla yleensä edelleen teollisuusmaihin. On laskettu, että jopa neljä viidesosaa näiden maiden elintarvikeviennistä suuntautuisi kehittyneisiin maihin, etenkin Euroopan unionin alueelle.

Vähiten kehittyneiden maiden elintarvikeviennissä korostuu tällä hetkellä kaksi alaryhmää, kala ja erilaiset muut merestä saadut syötävät tuotteet (seafood) sekä trooppiset tuotteet, ennen kaikkea kahvi. Elintarvikkeiden osuus vähiten kehittyneiden maiden koko viennistä oli 1990-luvun lopulla runsas viidennes. Elintarvikkeita suurempi osuus oli öljyn ja öljytuotteiden sekä tekstiili- ja vaatetuotteiden viennillä.

Markkinoillepääsyn helpottaminen keskeistä maataloustuotteissa

Seuraavan WTO-neuvottelukierroksen kaavaillaan alkavan vuoden 2002 alkupuolella, jos WTO pääsee marraskuussa Qatarissa pidettävässä ministerikokouksessa sopimukseen neuvottelujen asialistasta. Kehitysmaiden asema neuvotteluissa tulee olemaan tällä kertaa aikaisempia kertoja suurempi. Tämä johtuu mm. siitä, että 142 jäsenmaata käsittävässä WTO:ssa kehitysmaat ovat lukumääräisesti ylivoimainen enemmistö. Sillä on merkitystä, kun WTO:n tulee päästä neuvottelujen aloittamisen ja asialistan suhteen periaatteelliseen yksimielisyyteen.

Kehitysmaiden keskeisimpiä vaatimuksia on markkinoillepääsyn (market access) helpottaminen teollisuusmaiden markkinoille. Tämä koskee erityisesti maataloustuotteita, joissa tuontisuoja on huomattavasti korkeampi kuin teollisuustuotteissa. Maataloustuotteethan tulivat täysimääräisesti kansainvälisen kaupan pelisääntöjen ja kaupan vapauttamisneuvottelujen piiriin vasta GATT:n kahdeksannella neuvottelukierroksella, ns. Uruguayn kierroksella vuosina 1986-1994.

EBA-sopimus

Euroopan unioni otti pitkän ja selkeän askeleen markkinoillepääsyn helpottamiseksi myös maataloustuotteissa hyväksymällä tullittoman ja tuontikiintiöttömän tuonnin vähiten kehittyneille maille muissa tuotteissa kuin aseissa (EBA). Käytännössä tämä merkitsee kaupan vapauttamista maataloustuotteissa, koska teollisuustuotteiden tuonti on ollut tekstiili- ja vaateteollisuuden tuotteita lukuun ottamatta käytännössä vapaata LDC-maista. Tekstiili- ja vaatetuontia ovat rajoittaneet vapaaehtoiset kiintiöt, joista Uruguayn kierroksen päätösten mukaan luovutaan viimeistään vuonna 2005.

Vähiten kehittyneille maille suotu maataloustuotteiden tuonnin vapauttaminen – eräitä siirtymäaikoja lukuun ottamatta – on nähtävä Euroopan unionin tarjouksena seuraavan WTO-kierroksen edistämiseksi. Lisäksi EBA ajoittui talvikauteen 2000/2001 luultavimmin siksi, että Euroopan unioni halusi vähiten kehittyneiden maiden kolmannen konferenssin järjestäjänä helpottaa tuloksiin pääsemistä myös itse konferenssissa. LDC III konferenssi ei kuitenkaan tuonut toukokuussa 2001 uusia sitoumuksia markkinoillepääsyn helpottamiseksi.

Kilpailu kiristyy EU-alueella sokerissa ja riisissä

EBA-sopimus antaa hyvän pohjan arvioida niitä muutoksia ja haasteita, joita markkinoillepääsyn helpottaminen kehitysmaiden viennille aiheuttaa teollisuusmaissa, tässä tapauksessa Euroopan unionin maissa. Markkinoiden avaaminen vähiten kehittyneille maille on tietysti vaikutuksiltaan kuitenkin vain marginaalinen mahdolliseen koko kehitysmaatuonnin vapauttamiseen verrattuna.

Tarkasteltaessa Euroopan unionin ja toisaalta LDC-maiden tarjontaa maailmanmarkkinoille (ks. sivu 4), voidaan havaita, että elintarvikkeissa kumpikin maaryhmä on nettotuojia, ts. elintarvikkeiden tuonti on suurempaa kuin vastaava vienti. Toinen havainto on se, että maaryhmillä nettovienti tai vastaavasti nettotuonti ovat ylijäämäisiä vastakkaisissa ryhmissä. EU on suuri nettoviejä lihassa ja lihatuotteissa, meijerituotteissa ja ennen muuta viljassa ja viljatuotteissa sekä juomissa.

LDC-maat ovat nettoviejiä lähinnä kala- ja kalatuotteissa sekä trooppisissa tuotteissa ja hedelmissä. Ongelmatuoteryhmät löytyvät näiden pääkate-

gorioiden sisältä. EBA-sopimus sisältääkin siirtymäajat banaanille, riisille ja sokerille. Näissä tuoteryhmissä EU-markkinoiden avaaminen LDC-maille aiheuttaa tuotanto- tai kauppapoliittisia muutoksia unionin alueella. EU:n banaanipolitiikka on jo pitkään ollut kiistanaihe WTO:ssa. Lyhyen siirtymäajan jälkeen se tulee kuitenkin EBA-sopimuksen vuoksi muuttumaan.

Riisin ja sokerin osalta EBA:n siirtymäajat ulottuvat vuosiin 2006-2009. Vaikka LDC-maat ovat nettotuoja niin riisissä kuin sokerissakin, suuri hintaero maailmanmarkkinoiden ja EU:n sisämarkkinoiden välillä tulee aiheuttamaan tuontipainetta ja myös painetta EU:n maatalouspolitiikan muuttamiselle näiden tuotteiden osalta.

Vaikutukset Suomeen EU:n maatalouspolitiikan kautta

Suomen ja LDC-maiden välinen kauppa on ollut perinteisesti vähäistä, ja erityisesti viennin kehitystä on hallinnut Suomen antama kehitysapu ko. maille. Kehitysavun supistumisen vuoksi vienti jopa aleni 1990-luvulla.

Tuonti vähiten kehittyneistä maista Suomeen kasvoi sitä vastoin tuntuvasti 1990-luvulla, itse asiassa lähes kymmenkertaiseksi vuoteen 1990 verrattuna. Maataloustuotteiden osuus tästä tuonnista oli vuonna 1998 viidennes ja siitä valtaosa oli paahtamatonta kahvia.

Suomen maatalous on osa EU:n sisämarkkinoita ja siten EU:n maatalouspolitiikan muutokset heijastuvat suoraan Suomen tuotantolosuhteisiin. EBA:n vaikutuksista olennaisin lienee Suomen kannalta EU:n sokeripolitiikan todennäköinen muutos. Tuleva hintataso sekä harjoitettava kiintiöpolitiikka määräävät sokerintuotannon tason myös Suomessa.

Markkinoillepääsystä tarjonnan esteisiin

Kaupan esteet tariffien ja muiden tuonnin esteiden muodossa ovat vähitellen alentumassa vähiten kehittyneiden maiden viennissä. Viennin tulevan kasvun kannalta ovat ratkaisevassa asemassa nyt ne tekijät, jotka vaikuttavat tarjontaan. Tällaisia tekijöitä ovat varsinaisen alkutuotannon ja jalostuksen lisäksi erilaiset markkinointiin, logistiikkaan sekä tuotteiden laatutasoon vaikuttavat tekijät. Erilaiset institutionaaliset rakenteet ovat varsinkin LDC-maissa näissä suhteissa heikot. Kaupan ja markkinoinnin teknisen kehittämisen

tarve onkin erittäin suuri. Myös kansainvälisten kaupan järjestöjen toimintaan, kuten WTO:n jäsenyyteen osallistuminen vaatii useimmilta vähiten kehittyneiltä mailta osaamisen ja myös taloudellisten voimavarojen lisäämistä.

Kansainvälinen yhteisö, multilateraaliset järjestöt ja yksittäiset avunantajamaat, ovat jo pitkään suunnanneet kehitysapua mm. vähiten kehittyneiden maiden kaupan teknisen osaamisen lisäämiseksi. Kehitysmaiden integroituminen kansainväliseen talouteen ja liittyminen kansainvälisiin elimiin on jo kauan ollut monien avunantajien, kuten EU:n, painopistealueena.

Päällekkäisyyden välttämiseksi ja avun tehokkuuden nostamiseksi kuusi multilateraalista organisaatiota, Maailmanpankki, IMF, WTO, ITC, UNCTAD sekä UNDP perustivat vuonna 1997 yhdessä vähiten kehittyneille maille suunnattua kaupan teknistä apua koordinoivan elimen, nimeltään Integrated Framework for Trade-Related Technical Assistance to the Least Developed Countries (IF). Yhteistyöllä pyritään saamaan tehokkaammin aikaan tuloksia, jotka edistävät vähiten kehittyneiden maiden integroitumista maailmantalouteen.

SUMMARY

The GATT Uruguay round of negotiations, completed in 1994, changed the setting and structures of international trade and trade negotiations in a significant way. Not only were agricultural products and services incorporated into the central issues of the trade negotiations, but the position of countries and groups of countries also changed considerably. During the Uruguay round most of the issues relevant to the developing countries were still left aside, and these countries had little negotiating power. In terms of the forthcoming negotiations, however, the situation is quite different.

Since the conclusion of the Uruguay Round and the establishment of the World Trade Organisation (WTO) in 1995, there has been increasing concern over the marginalization of the least developed countries (LDC). LDCs have been concerned that they have not fully and effectively participated in the multilateral trading system, and are yet to fully enjoy the benefits of membership in the open rules based system.

Agriculture is the mainstay of the economies of the least developed countries, underpinning their food security, export earnings and rural development. However, LDC agricultural production for the domestic and export markets has lagged behind. As regards trade, the LDCs have continued to be marginalized from agricultural markets, accounting for only 3 per cent of global agricultural exports in the early 1970s but barely 1 per cent in the late 1990s.

The poor agricultural performance in the LDCs is related to the many internal and external difficulties that these countries face as they seek to develop this sector and achieve their objectives of improving security and increasing export earnings. With growing integration of markets from globalisation and trade liberalisation, their economies have to operate in an increasingly competitive external environment. They continue to export a narrow range of primary commodities that are highly vulnerable to instability of demand and deteriorating terms of trade.

Demands for the next WTO negotiation round

One of the major challenges for LDCs will be the next round of WTO trade negotiations. From the side of the developing countries, including the least developed countries, the main demand will be for access to the agricultural markets of the industrialized countries.

Over one hundred developing countries are already members of the WTO. Of the 48 LDCs¹, 29 are currently WTO members. Six more are in the process of accession and three have observer status. So, the least developed countries cannot not be ignored in the upcoming decisions during the next round.

However, the rules of the WTO concerning obligations and work programmes require significant commitments of human and material resources by all members. LDCs face difficulties engaging fully into the WTO due to a number of factors, including limited resources, co-ordination difficulties, the need to improve understanding of obligations and effective use of the opportunities in WTO agreements.

Developing countries in the agricultural markets

The share of agricultural and food products in the world merchandise trade has decreased during the last few decades to the current figure of about 10 per cent. Four fifths of agricultural trade is in food products, about 8 per cent of the total merchandise trade. The remaining 20 per cent of agricultural trade consists of agricultural raw materials such as cotton and other fibres, textile raw materials, leather, rubber, and so on.

Agricultural products have a much higher share of total exports in developing countries than in industrialised countries, and thus the developing countries are in a more central position in agricultural trade than in the total world trade. The absolute value of food exports from industrialised countries is still larger than that from developing countries. When intra-EU food trade is excluded, the share of the developing countries varied between 42 and 45 per cent of the world food trade in the 1990s.

A considerable share of the food and agricultural exports from developing countries has been destined for other developing countries, and the increase in

¹ Since the admission of Senegal the number of LDCs has been 49. However, the following statistics consist of figures from 48 countries.

south-south trade has been one of the essential features in the development of the regional structure of food exports in the 1990s.

LDCs are marginalized in world trade

The least developed countries are becoming increasingly marginalized in relation to the world economy. Towards the end of the 1990s this group of countries accounted for only 0.6 per cent of the total imports and 0.4 per cent of exports, and instead of increasing these shares are decreasing. The participation of LDCs in international agricultural trade is also insignificant and has been declining. Their share of world agricultural exports has dropped steadily, from 3.3 per cent in 1970-79 to 1.9 per cent in 1980-1989 and a mere 1.5 per cent in 1990-98.

Commodity and geographical concentration of exports

In addition to their small and declining share of the world agricultural trade, agricultural exports of LDCs are largely based on a few low value-added primary commodities. On average, the top three export items, which are predominantly primary agricultural commodities, account for over 65 per cent of total export earnings. The major agricultural exports of LDCs include coffee, cotton, jute, fish and seafood, tropical wood and bananas, mostly in an unprocessed form.

Moreover, the exports are concentrated on only a few markets, of which the EU is by far the largest (37 per cent), followed by North America (28 per cent) and Japan (4 per cent) in 1999. Approximately 80 per cent of the food exports of the least developed countries are directed to the industrialised countries, mainly the EU countries. Conditions of market access to developed countries are therefore of critical importance in defining the trading opportunities of LDCs.

Everything but Arms (EBA) is an answer to the demand for market access

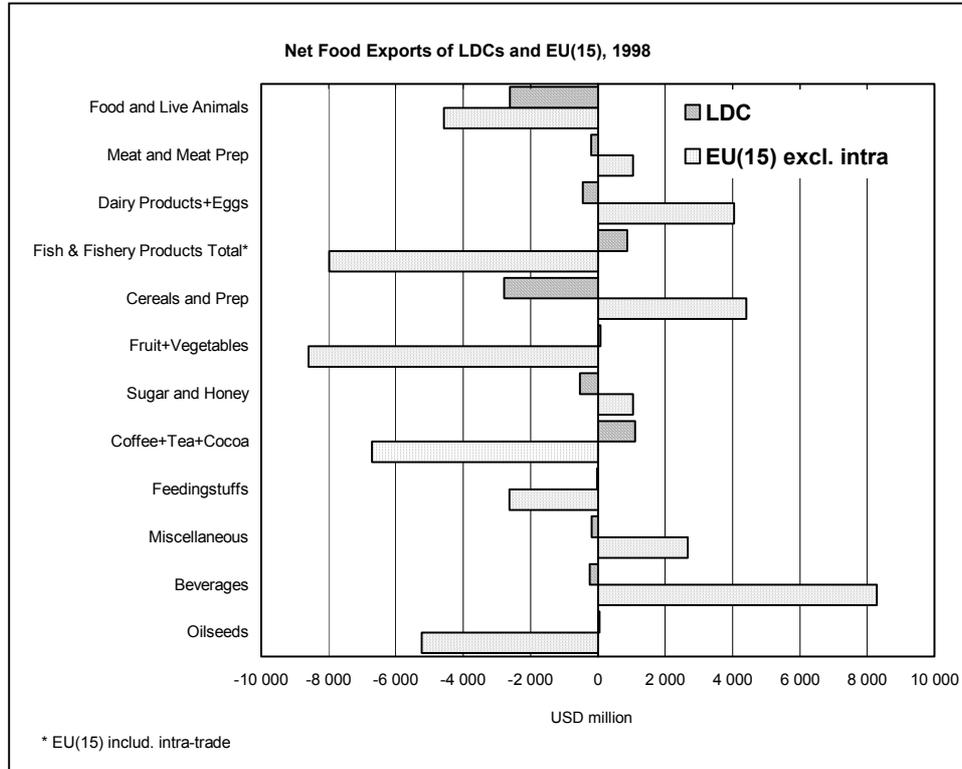
The EBA treaty made by the European Union is an important initiative for the new negotiation round which will probably be launched at the next WTO ministerial meeting in Qatar in November 2001. EBA will grant duty-free and quota-free access to EU markets for LDC products. The EBA covers all goods except arms. The EBA treaty will concern trade in foodstuffs and agricultural products, which has been restricted due to the objectives of the EU common agricultural policy. Certain production lines, e.g. rice and sugar production, are considered particularly vulnerable, and thus imports even from the least developed countries would cause serious difficulties on their markets.

LDCs and the EU do not compete in the world market

The balance of the food trade between the EU and the rest of the world differs markedly from the trade balances of foodstuffs in the LDCs. In the product groups where the LDCs are net importers the EU is a net exporter, and vice versa. The EU is a significant exporter of cereals, dairy products and beverages, and also has an export surplus in meat and meat products.

The LDCs have export surpluses mainly in fish and tropical products, as well as to some extent in fruits and oilseeds. By contrast, in meat and dairy products and particularly in cereals the foreign trade balance of the LDCs shows a clear deficit.

Summary figure: *Net food trade of the LDCs and the EU (excl. intra-trade) in 1998*



* Except in the group fish and fish products, for which the FAO has separate statistics where the intra-EU trade has not been excluded

Source: FAO Statistical Databases

Challenges of the EBA proposal to market balances in the EU

As mentioned, the LDCs and the EU compete little with each other in the world food markets. However, some of the agricultural products that are included in the EBA treaty are relatively sensitive. For many of them the current gap between the EU and the world market price is substantial, and once import tariffs are lifted the EU market becomes a very attractive destination for agricultural exports of the LDCs.

The Agricultural Directorate General (DG Agri) of the European Commission has analysed the potential impacts of the Everything but Arms (EBA) proposal. The analysis points out that while the countries that would

benefit currently lack agricultural production potential, they have well-developed trade arrangements with other agricultural exporting countries which would allow substantially increased quantities of major commodities, principally sugar, rice and bananas, to flow into the lucrative European market. In this respect there are two premises to take into account within the framework of the proposal. At first the LDCs could import agricultural products for their domestic consumption in order to be able to export their own domestic production. Secondly, they can cumulate with other developing countries in the same free trade area and re-export them after processing.

The main threat to the EU market is identified as coming from the crop products, but it is also possible that in the future the cumulation rules would allow milk and meat to be exported from the EU to EBA treaty countries, or other developing countries, to be processed and exported back to Europe, thus potentially undermining the EU market for dairy and meat products.

Special features of trade between Finland and the LDCs

The trade between Finland and the LDCs has in the past been quite marginal. However, imports from LDCs increased rather rapidly during the 1990s and totalled over FIM 1000 million in the year 2000, which was ten times greater than a decade earlier. The share of Finland's total imports coming from LDCs was about 0.5 per cent in 2000.

In 1990, exports from Finland to the LDCs greatly exceeded imports. However, exports to the LDCs decreased during the 1990s by a third. Exports to these countries have mainly been dependent on development co-operation. In 2000 the total amount of bilateral development aid to the LDCs was about a half of the aid in 1990. Thus the fall in exports has been due to the reduction in the development aid from Finland.

The exports and imports of agricultural products between Finland and the LDCs have not been very large. In fact, the exports of food and agricultural products from Finland have been almost insignificant. In 1998 this export totalled only FIM 3.7 million, and most of this was accounted for by milk powder exported to Benin.

Foodstuffs accounted for about a tenth of Finnish imports from the LDCs in 1998. By far the largest imported product was unroasted coffee, totalling FIM 75.5 million, which was 95 per cent of the food imports from the LDCs.

1. BACKGROUND

The GATT Uruguay round of negotiations completed in 1994 changed the setting and structures of international trade and trade negotiations in a significant way. Not only were agricultural products and services incorporated into the central issues of the trade negotiations, but the position of countries and groups of countries also changed considerably. During the Uruguay round most of the issues relevant to the developing countries were still left aside, and these countries had little negotiating power. In terms of the forthcoming negotiations, however, the situation is quite different.

The change is due to a number of factors. First of all, developing countries already make up over a hundred of the 142 WTO countries. All the important decisions at the WTO are made according to the principle of consensus, and thus all countries influence the decisions on the basis of their right to vote. Second, the international legitimacy of the WTO and the other global economic institutions has been called into question, and the weight of the developing countries in the decision-making and negotiation processes has increased as a result of the reforms in the organisational activities.

However, the most important change reinforcing the position of the developing countries has occurred on the market. For example, today about 60 per cent of grain production is consumed in the developing countries, and according to forecasts (FAO) their share of consumption will exceed two-thirds in 2030. A similar but even stronger trend can be observed in foreign trade. In 1970 the net grain imports of the developing countries were about 20 million tonnes, in 2000 these totalled more than 100 million tonnes, and according to forecasts (FAO) in 2030 they will exceed 270 million tonnes. The trends in the consumption and imports of livestock products and processed foodstuffs are similar.

Significant import area

The traditional view of the developing countries as exporters of raw materials and staple commodities on the world market is still basically true, but this is by no means the full picture. When all foodstuffs and agricultural products are taken into consideration, the developing countries as a group in fact constitute

the most significant import area. For example, in grain trade the net imports to the developing countries had risen to about 100 million tonnes by the mid-1990s, and according to forecasts (IFPRI)², by 2020 they should be close to 200 million tonnes.

A considerable share of the very poor developing countries are net importers of foodstuffs, even if their production is dominated by agriculture and most of the labour force is engaged in the agricultural sector. According to the FAO, the number of poor countries that are net importers in foodstuffs is 82. In addition to these poor countries, important producers of foodstuffs include developing countries undergoing a rapid industrialisation process, such as South Korea and Taiwan. In the course of time, however, China is likely to evolve as the most important food importer, and the Chinese import policy will probably change owing to membership of the WTO. A third significant group of developing countries in terms of food imports are countries located particularly in North Africa and the Near East where the shortage of domestic natural resources restricts efforts to increase the domestic production. The impact of other countries suffering from the scarcity of resources on the world market is also going to grow, because factors such as lack of water restrict agricultural production in an increasing number of countries.

Role of agricultural exports

Even if the developing countries as a whole constitute an import area for foodstuffs on the global scale, the export of agricultural products and foodstuffs is highly significant for many of these. This also concerns the poor developing countries that are net food importers, where the export of agricultural products is economically very important.

In addition to the poorest countries, certain other developing countries, such as Argentina, Uruguay, Zimbabwe, Columbia, Brazil, Vietnam, Mexico, Chile, Malaysia and Thailand, are major exporters of foodstuffs and agricultural products, and in most of these the share of the export revenue accounted for by agricultural exports is considerable.

Agricultural products typically exported by the developing countries include various kinds of tropical products such as coffee, cocoa, tea and spices,

² IFPRI: The World Food Situation: Recent Developments, Emerging Issues, and Long-term Prospects, 2020 Vision, Washington 1997

as well as sugar, fruit and meat. The developing countries also export large amounts of vegetable oils and raw materials for protein feed, such as soybean. Argentina, Uruguay and certain other developing countries, especially those belonging to the so-called Cairns group³, are also important exporters of grains and meat.

Role of the agricultural trade in the integration of the LDCs

Agriculture is at the heart of the economies of the least developed countries (LDCs). It accounts for a large share of gross domestic product (GDP) (ranging from 30 to 60 per cent in about two-thirds of them), employs a large proportion of the labour force (from 40 per cent to as much as 90 per cent), represents a major source of foreign exchange (from 25 per cent to as much as 95 per cent) in three quarters of the countries, supplies the bulk of basic food and provides subsistence and other income to more than half of the LDCs' population.

Given the rapid pace of globalization, the external economic environment presents major challenges as well as opportunities for agriculture in the LDCs. One of the major challenges will be the next round of WTO trade negotiations. From the side of the developing countries, as well as the least developed countries, the main demand may be for access to the agricultural markets of the developed countries. Of the 48 LDCs, 29 are at present WTO members, six more are in the throes of accession and three have observer status.

Technical and other trade problems of the LDCs

Recent developments, as shown in changes in domestic legislation, announcements and notifications by WTO Members, and also new initiatives such as Everything but Arms made by the European Union, indicate significant and concrete improvements in market access opportunities for LDCs. However, WTO rights, obligations and work programmes entail significant commitments of human and material resources by all Members. LDCs face difficulties engaging fully in the WTO due to a number of factors, including limited

³ Cairns group of developing countries: Argentina, Bolivia, Brazil, Chile, Costa Rica, the Republic of South Africa, the Philippines, the Fiji Islands, Guatemala, Indonesia, Columbia, Malaysia, Paraguay, Thailand and Uruguay

resources, co-ordination difficulties, the need to improve understanding of obligations and effective use of the opportunities in WTO Agreements.

The institutional integration of LDCs into the multilateral trading system is a major challenge for LDCs, agencies and the international community. The benefits of the multilateral trading system should be extended as widely as possible to the LDCs. Improved co-ordination is required amongst donors, LDCs and agencies in order to achieve the objective of strengthening the capacity of the LDCs to participate fully and effectively in the open rules-based system. Improved co-ordination and the provision of trade-related technical assistance for institutional integration will need to be delivered within a coherent policy framework.

2. SHARE OF THE DEVELOPING COUNTRIES IN INTERNATIONAL FOOD AND AGRICULTURAL TRADE

2.1 Agricultural and food products in the world merchandise trade

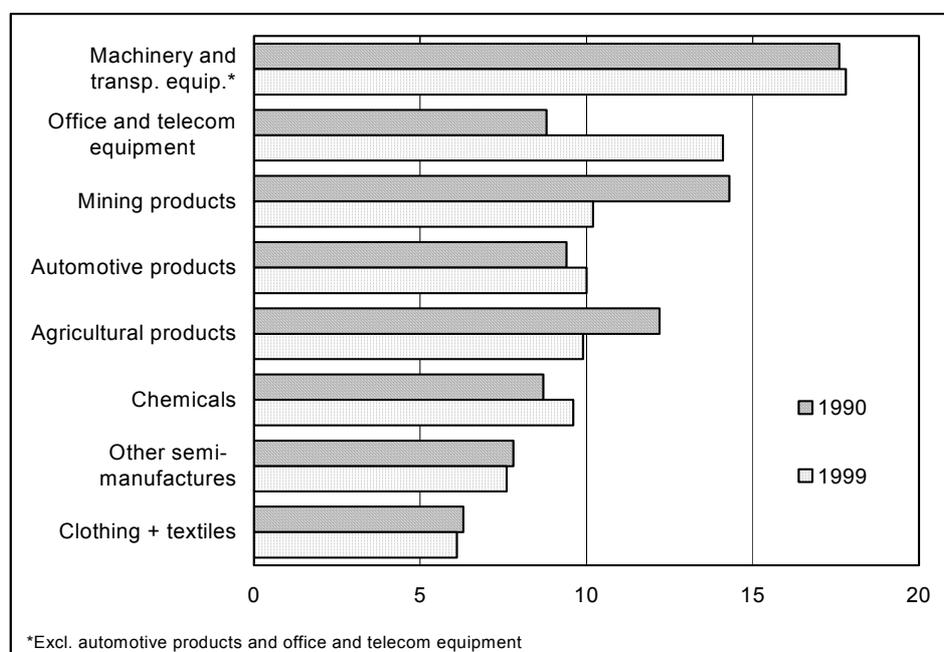
The share of agricultural and food products in the world merchandise trade has been on the decrease for quite a long time. The share of these products in the total trade has fallen gradually, because the value of the trade in agricultural and food products has risen very slowly. The total value of the export of agricultural products, which includes both foodstuffs and other raw materials produced by agriculture⁴, rose from about USD 414 billion in 1990 to USD 544 billion in 1999, i.e. by a little over 30 per cent, while the increase of the total world merchandise trade was about 60 per cent in the 1990s.

The annual value of exports varies, of course, according to the price level each year. From 1990-99 the volume of agricultural trade rose by about 43 per cent and the total merchandise trade by about 75 per cent. Thus, the relative price of agricultural products decreased quite considerably during the last decade.

The share of agriculture in the total merchandise trade has decreased steadily so that during the 1990s it fell from about 12 to 10 per cent. The share of food products in 1999 was about 8 per cent and that of agricultural raw materials 2 per cent.

⁴ Food materials include SITC groups 0, 1, 4 and 22; agricultural raw materials include leather, rubber, fibres, textile raw materials, pulp and waste paper and other materials of animal or plant origin

Figure 1. World merchandise exports by product group, 1990 and 1999, % (share based on value)



Source: WTO 2000, International Trade Statistics 2000

Table 1. Share of merchandise exports in world trade and in the developing countries according to main commodity groups in the 1990s*

	1990 %	1995 %	1998 %
Whole world			
Agricultural products	12	11	10
Minerals	18	13	12
Manufactured goods	70	76	78
Total	100	100	100
Developing countries			
Agricultural products	15	13	12
Minerals	32	20	18
Manufactured goods	53	67	70
Developing countries total	100	100	100

* Excl. trade between EU countries

Source: WTO Agricultural Trade Performance by Developing Countries 1990-98, G/AGNG/S/6, May 2000

The trend in the agricultural trade of the developing countries is similar. At the beginning of the 1990s agricultural products accounted for over 15 per cent of the commodity exports, but by the end of the decade the share of agriculture had fallen to a little over 12 per cent. On the other hand, in exports from the developing countries the share of manufactured goods has been on the increase. Even if the export of minerals has traditionally played a significant role in exports from the developing countries, at the end of the 1990s the share of manufactured goods in the commodity exports rose to almost 70 per cent. The share of manufactured goods in the total commodity exports on the world market is almost 80 per cent (Table 1 and Annex 1).

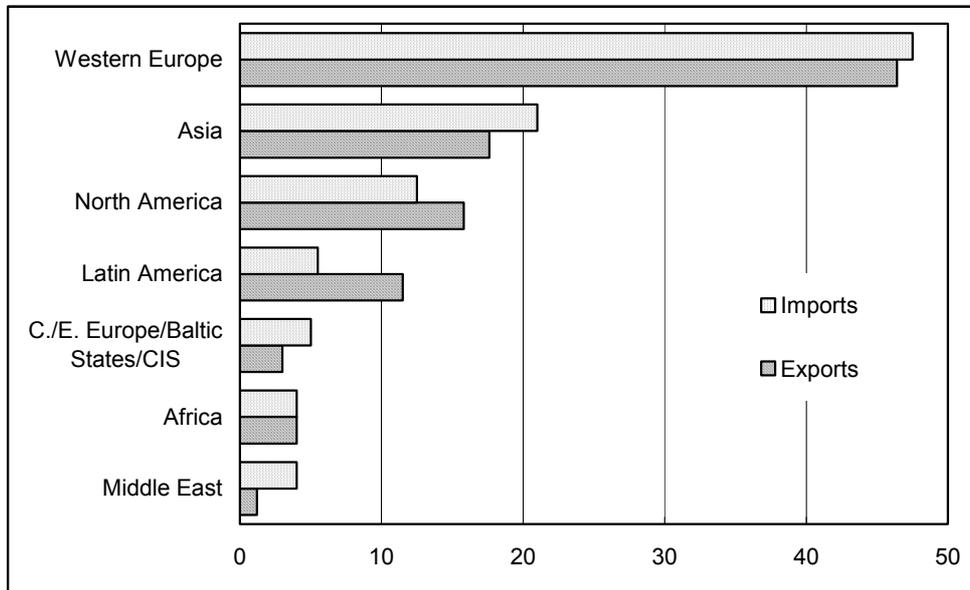
Table 2. Share of agricultural products in total merchandise trade by region in 1999, percentage

	Exports %	Imports %
World	9.9	9.9
North America	10.6	6.4
Latin America	20.2	9.6
Western Europe	10.0	10.8
C./E. Europe/Baltic States/CIS	10.1	12.4
Africa	19.8	16.6
Middle East	3.7	13.9
Asia	7.1	10.6

Source: WTO 2000, International Trade Statistics

In Latin America and in Africa the share of agricultural trade is much higher than on average in the developing countries or in the world as a whole (Table 2).

Figure 2. Regional shares in world trade of food in 1999, percentage (%)



Source: WTO 2000, International Trade Statistics 2000

Four fifth of the agricultural trade is comprised of food products, about 8 per cent of the total merchandise trade. The major share of the world food trade occurs between different European countries. However, it is important to note that there is a big surplus in the balance of Latin America and of Asia countries, too. Asia has a big surplus at the same time as Japan is the second biggest importer of food in the world. The food import of Japan was about 10 per cent of the total world food imports in 1999.

2.2 Changes in agricultural and food trade by developing countries

Share of the developing countries on the increase

The increase in the aggregate share of the developing countries was one of the most important trends in the development of the world merchandise trade in the last decade. On average, the developing countries accounted for about a third of the world merchandise trade, and during the 1990s their share rose by a couple of percentage units.

The share of the developing countries in the trade of manufactured goods also increased, and in the developing countries the export of manufactured goods grew more rapidly than in the world trade during the 1990s. The export of manufactured goods from the developing countries more than doubled.

In the exports from the developing countries the share of agricultural products is much higher than in industrialised countries, and thus the developing countries are in this respect in a more central position than the overall world trade. However, the total agricultural exports from the industrialised countries are still larger than from the developing countries. When the trade between the EU countries is excluded, the share of the developing countries in the export of agricultural products varied between 40 and 43 per cent in the 1990s (Annex 2). Agricultural exports from the developing countries grew somewhat more rapidly than in the case of the industrialised countries.

The slight increase in the share of the developing countries in the world exports of agricultural products was almost solely due to the increase in the export shares of actual foodstuffs and food raw materials (Table 3). By the end of the 1990s the share of the developing countries in the export of these products rose to about 45 per cent, i.e. a little less than half of the edible foodstuffs or their raw materials entering the international trade came from developing countries.

*Table 3. Share of the developing countries in the world export in foodstuffs and export of other raw materials produced by agriculture in the 1990s, %**

	1990	1992	1994	1996	1998
Foodstuffs	43	42	44	43	45
Raw materials	33	33	32	34	33

* Excl. Trade between EU countries

Source: WTO Secretariat

Export of the Latin American countries increased most rapidly

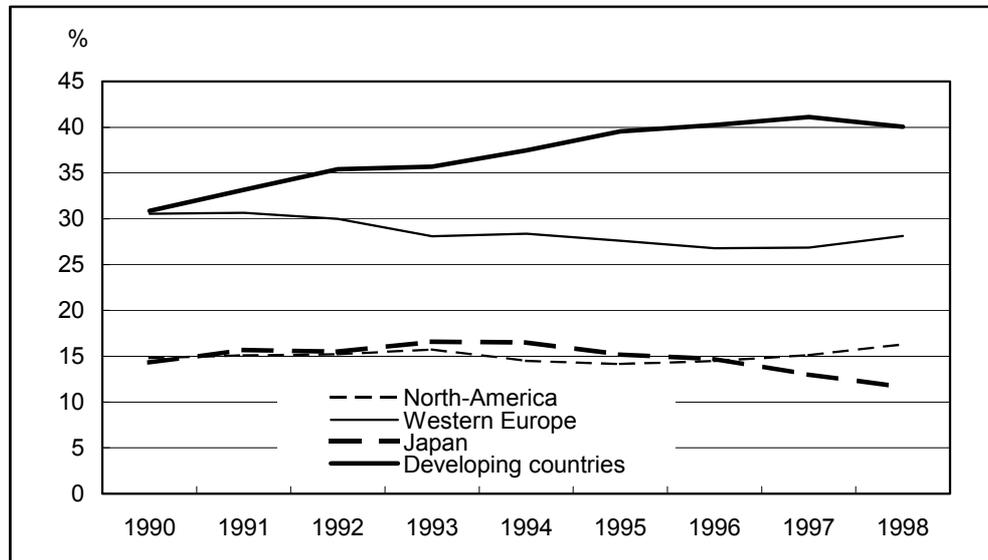
Of the various developing countries, the export of agricultural products in the 1990s grew the most rapidly in the Latin American countries, while the exports from Asia, which in terms of the share and volume is the largest exporter of agricultural products among the developing countries, grew much more slowly.

In the African countries the exports grew a little more than in Asia but less than in America. The share of Africa in the export of agricultural products from the developing countries is a little over 10 per cent, that of Latin America and the Caribbean about 20 per cent and that of Asia a little over 50 per cent, while the remaining exports come from the Near East (Annex 3).

Exports to other developing countries on the increase

A considerable share of the agricultural exports from the developing countries are directed at other developing countries, and the increase in the share of these as the destination area for exports from the developing countries was one of the essential elements in the development of the regional structure of exports during the 1990s. By the end of the 1990s the share of the group Developing Countries as a destination area for exports from the developing countries was more than 40 per cent (Annex 4). The increase in the trade between the developing countries has been due to the economic growth in certain developing countries, especially in East and South-East Asia, as a result of their rapid industrialisation.

Figure 3. Destination areas of agricultural exports from the developing countries in the 1990s



Source: WTO Secretariat

In the agricultural exports between developing countries the share of Asia varied between 55 and 60 per cent. Exports to Asia grew rapidly around the mid-1990s, but fell dramatically in 1998 due to the economic crisis in Asia. The share of Latin America in these exports increased steadily through the 1990s, and in 1998 the share of exports to other developing countries was almost 22 per cent. The shares of the Near East and African countries have been around 10 per cent (Annex 5).

The second most important destination area for agricultural exports from the developing countries is Western Europe, and in the 1990s the share of this varied between 25 and 30 per cent. Western Europe has been historically the most important destination area for agricultural exports and, in particular, the close historical relationships with the developing countries still maintain this trade at a relatively high level.

The shares of Japan and North America in the agricultural exports from the developing countries were around 15 per cent. The relative share of Japan has decreased to some extent, while there has been some increase in the share of North America. These trends are probably due to the considerable differences in the economic development in these areas during the 1990s. The North American economy grew very strongly, but the Japanese economy has

suffered from a prolonged recession. The economic crisis in Asia, which began in 1997, is also reflected in the figures for the following year.

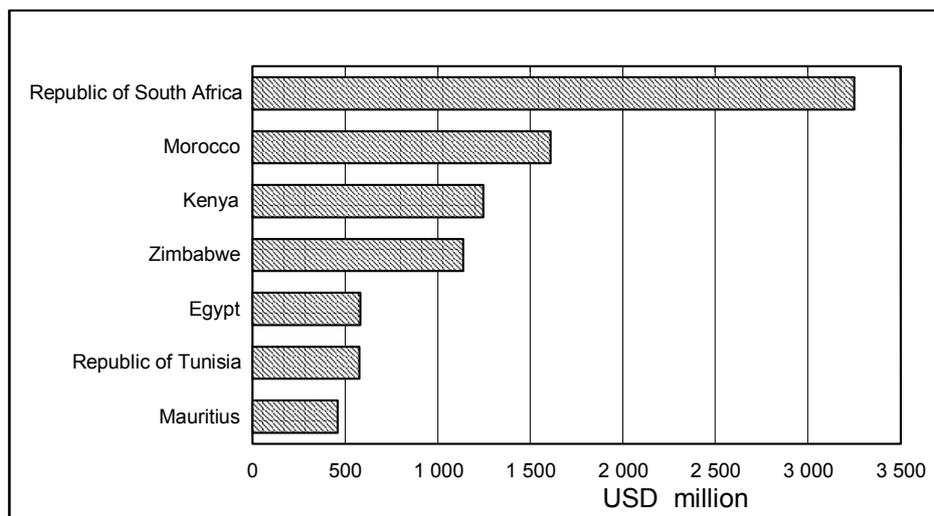
In 1990-98 the total food imports to the industrialised countries grew by less than 40 per cent, but food imports from the developing countries rose by 45 per cent. Thus food imports from the developing countries constitute an important, dynamic element on the markets of the industrialised countries, and their significance may continue to grow if the demands of the developing countries related to alleviating the access to the markets of the industrialized countries progress in the forthcoming WTO negotiations.

Export according to countries

The analysis of individual developing countries is difficult due to the poor statistics for many of these. This paper presents a brief summary of the position of the most important developing countries in different geographical areas.

The Republic of South Africa is by far the largest exporter of agricultural products and foodstuffs in Africa. In 1998 the value of agricultural exports from South Africa totalled USD 3.2 billion, which is about 16 per cent of the African agricultural exports (Figure 4).

Figure 4. Exports of agricultural products in certain African countries in 1998

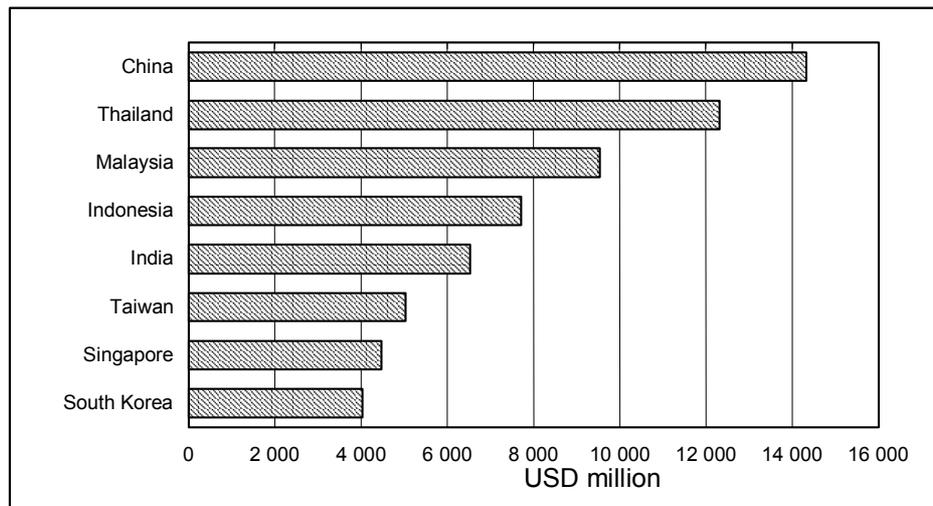


Source: WTO Secretariat

In Asia the eight largest exporters of agricultural products account for 90 per cent of the total exports in the area. In 1998 the largest exporter was China, which is also the largest importer of agricultural products. The role of China is likely to become increasingly important when China joins the WTO.

Apart from China, the most important exporters are Thailand and Malaysia, India and Indonesia; the two last mentioned the Asian countries with the highest population after China and are also significant exporters of agricultural products. In the rapidly developing countries, such as Taiwan, Korea and Singapore, the foreign trade in agricultural products is quite extensive. The new industrialized countries in Asia also import large quantities of agricultural products and foodstuffs. The development of the foreign trade in both directions reflects the overall, quite rapid growth and development in the production, trade and the economy in the countries concerned.

Figure 5. The most important exporters of agricultural products among the developing countries in Asia in 1998



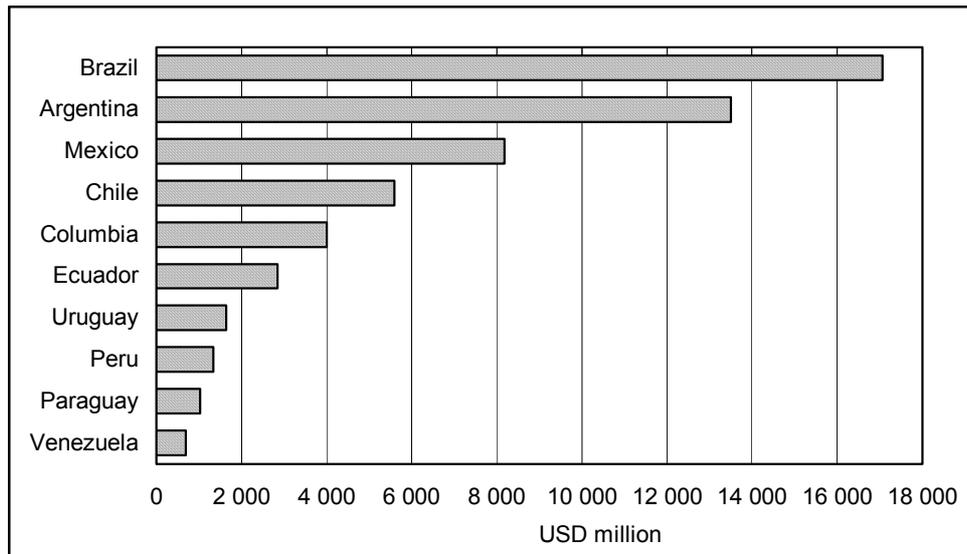
Source: WTO Secretariat

South America and the Caribbean have traditionally been major export areas of foodstuffs and agricultural products. In Latin America there are a few important exporting countries, e.g. Brazil and Argentina, as well as a number of small countries where the agricultural exports are highly significant for the national economy. The total exports of agricultural products and foodstuffs in

Latin America are at about the same level as in the developing countries of Asia.

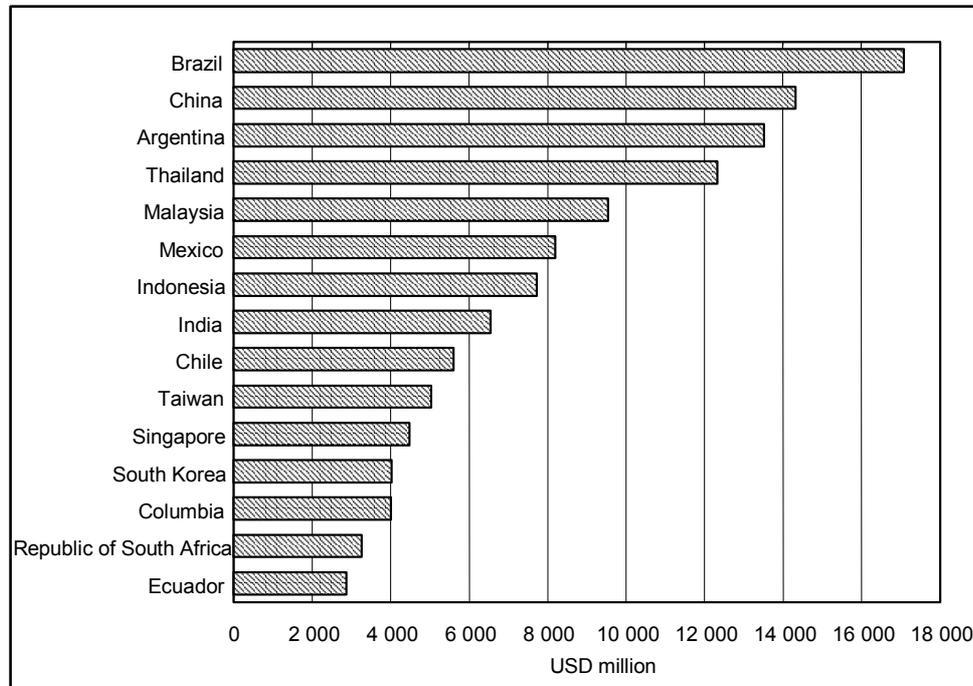
In 1998 the largest exporters of agricultural products among the developing countries, in order of importance, were Brazil, China, Argentina and Thailand. Other significant exporters were Malaysia, Mexico, Indonesia, India, Chile, Taiwan, Singapore, South Korea and Columbia, followed by the largest exporter of agricultural products and foodstuffs in Africa, the Republic of South Africa and Ecuador. Altogether these 15 countries exported 75 per cent of the total agricultural and food exports of the developing countries in 1998.

Figure 6. Export of agricultural products in South America and the Caribbean in 1998



Source: WTO Secretariat

Figure 7. *The most important exporters of agricultural and food products among the developing countries in 1998, USD million*



Source: WTO Trade Statistics

2.3 Agricultural exports of the developing countries according to product groups

In the export of agricultural products and foodstuffs there are certain product groups that are typical of the trade in the developing countries, such as the so-called tropical products coffee, cocoa, tea and spices. The share of the developing countries in the export of natural fibres, such as cotton and jute, as well as vegetable oils is also considerable.

The agricultural exports from the developing countries in Africa are dominated by the product group consisting of fruit and vegetables. According to the calculations of the WTO Secretariat⁵, fruit and vegetables accounted for more than a fifth of the agricultural exports of ten most important exporters

⁵ WTO, Agricultural Trade Performance by Developing Countries, 1990-98, G/AG/NG/S/6

among the countries included in the study. The share of the group coffee, tea, cocoa and spices was a little over 10 per cent and the share of sugar a little less than 10 per cent.

The range of products in the agricultural and food exports of the developing countries in Asia is much more varied than in Africa. The share of the group coffee, tea, cocoa and spices (SITC 07) is quite significant, and in 1998 the share of this in the total agricultural exports from the region was about 7 per cent.

Table 4. Agricultural exports of twelve Asian developing countries by product group in 1990 and 1998, USD million

Product Group	1990		1998	
	USD mill.	%	USD mill.	%
Coffee, tea, cocoa & spices	3 141	6.6	4 472	6.6
Cereals (incl. rice)	2 931	6.2	6 367	9.4
Fruit & vegetables	5 636	11.9	6 953	10.2
Meat	2 020	4.3	3 797	5.6
Vegetable oils & fats	2 771	5.8	7 170	10.5
Rubber	3 863	8.1	4 469	6.6
Natural fibres	3 258	6.9	3 097	4.6
Other agricultural products	23 810	50.2	31 656	41.6
Total	47 431	100.0	67 981	100.0

Source: WTO, Agricultural Trade Performance by Developing Countries, G/AG/NG/S/6

Some Asian countries also export grain, e.g. rice, and in 1998 the share of grain in agricultural exports in Asia was about 9 per cent. In the same year the share of fruit and vegetables was 10 per cent and that of vegetable oils more than 11 per cent. In Asia meat exports are also important, and the share of meat in total agricultural exports is considerable. In 1998 this was about 6 per cent.

The value of the export of foodstuffs and agricultural products in Latin America is at about the same level as in the developing countries in Asia. In 1998 the value of the exports in this sector totalled USD 65.6 billion in Latin America and USD 71.3 billion in the developing countries of Asia.

The developing countries in Latin America and the Caribbean are significant exporters of fruit and vegetables, and the share of this group in the

total export of foodstuffs and agricultural products was 16-17 per cent in 1998. The largest exporters of coffee are also located in this region and the share of the group coffee, tea, cocoa and spices is high. In 1998 this accounted for more than 10 per cent of the total agricultural exports. Significant amounts of grain (8% of total exports), animal feed (8%), meat (6%) and sugar (6%) are also exported from the Latin American countries.

Table 5. Agricultural exports of 14 Latin American and Caribbean countries by product group in 1990 and 1998, USD million

Product group	1990		1998	
	USD mill.	%	USD mill.	%
Fruits & vegetables	5 815	18.7	9 761	17.1
Coffee, tea, cocoa & spices	4 187	13.5	6 657	11.7
Cereals (incl. rice)	1 808	5.8	4 460	7.8
Sugar	1 246	4.0	3 463	6.1
Meat	2 027	6.5	3 192	5.6
Animal feed	3 828	12.3	4 826	8.5
Other agricultural products	12 110	32.0	24 633	43.2
Total	31 021	100.0	56 991	100.0

Source: WTO, Agricultural Trade Performance by Developing Countries, G/AG/NG/S/6

3. TRADE IN FOODSTUFFS AND AGRICULTURAL PRODUCTS IN THE LEAST DEVELOPED COUNTRIES (LDC)

Least developed countries as a special group in the UN

The group of the least developed countries consists of the poorest countries in the world, and the current number of these countries is, according to the definition of the UN General Assembly, altogether 48⁶ (before the designation of Senegal).

The list of the least developed countries is reviewed every three years by the Economic and Social Council (ECOSOC). In its July 2000 review, ECOSOC declared the eligibility of Senegal for designation as a LDC and decided to postpone until 2001 its consideration of Maldives' graduation. The idea is that by means of national and international development policy the countries would be gradually removed from the group of the least developed countries. So far only one country, Botswana, has succeeded in this. Before the consideration of Maldives the number of the LDCs will be 49.

The criteria underlying the current list of the LDCs are⁷:

- a) a low income, based on a three-year average estimate of the gross domestic product (GDP) per capita (under \$900 for inclusion, above \$1 035 for graduation),
- b) a human resources weakness criterion, involving a composite Augmented Physical Quality of Life Index based on indicators of : (a) nutrition; (b) health; (c) education; and (d) adult literacy; and
- c) an economic vulnerability criterion, involving a composite Economic Diversification Index based on indicators of (a) the instability of

⁶ Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Yemen, Cambodia, Cape Verde, Kiribati, Central African Republic, Comoro Islands, Congo, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Equatorial Guinea, Rwanda, Solomon Islands, Zambia, Samoa, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Togo, Chad, Tuvalu, Uganda, Tanzania, Vanuatu

⁷ Source: Statistical Profiles of the Least Developed Countries (UNCTAD/LDC/Misc.72)

agricultural production; (b) the instability of exports of goods and services; (c) the economic importance of non-traditional activities (share of manufacturing and modern services in GDP); (d) merchandise export concentration; and (e) the handicap of economic smallness (as measured through the population in logarithm).⁸

In the 2000 review of the list, a country qualified to be added to the list if it met the above three criteria and did not have a population greater than 75 million.

The marginalization of the LDCs in world agricultural markets

The total population of the least developed countries is more than 610 million, which is about 10 per cent of the world population and 13 per cent of the population of the developing countries.

Throughout the post-World War Two period, the trade performance of LDCs has remained locked in an unfavourable position. The share of LDCs in international trade has always been low. Over the last four decades their share in world exports decreased constantly from little over 3 per cent in 1954 to about 0.4 per cent 1998. Thus, the group of the least developed countries is becoming increasingly marginalized in relation to the world economy. Towards the end of the 1990s these accounted for only 0.6 per cent of the total imports and 0.4 per cent of exports, and instead of growth these shares are decreasing gradually.

The participation of LDCs in international agricultural trade is also insignificant and has been declining. Their share in world agricultural exports has dropped steadily, from 3.3 per cent in 1970-79 to 1.9 per cent in 1980-1989 and a mere 1.5 per cent in 1990-98.

While world agricultural trade (including intra-EU trade) expanded at an average annual rate of 5 per cent during 1990-98, exports from LDCs grew by only 3.9 per cent, in contrast to 6.6 per cent for the developing countries as a whole (FAO, 2001).

⁸ Home page of LDC III Conference

Table 6. Trend in agricultural exports of LDCs and other developing countries

Average annual rate of export growth	LDCs %	All developing countries %
1970-79	9.5	16.0
1980-89	-1.4	2.4
1990-98	3.9	6.6

Source: FAOSTAT (2000)

Agricultural products almost a quarter of total LDC exports

The range of product groups in the exports of the least developed countries is dominated by raw materials. The single most valuable group is petroleum oils and crude oils, which account for a fifth of the export revenue of the LDCs. The share of the export revenue from garments, which is the most significant group of manufactured goods, is about the same, i.e. garments account for about a fifth of the total exports.

Table 7. Leading export products of all LDCs in 1997-1998, USD million

SITC Item	Value USD mill.	As percentage (%) of Devs World	of LDCs	
All commodities	20 076.5	100.0	1.42	0.38
333 Petroleum oils, crude oils	3 919.6	19.5	2.45	1.89
263 Cotton	1 593.2	7.9	23.60	14.31
842 Outer garments, men's, of textile	1 217.7	6.1	6.78	3.86
071 Coffee and coffee substitutes	1 125.8	5.6	8.91	6.94
844 Under garments of textile fabrics	918.4	4.6	10.50	6.87
667 Pearls, precious and semi- precious Stones, unworked and worked	782.9	3.9	9.77	2.15
036 Crustaceans and molluscs	767.6	3.8	7.11	4.92
843 Outer garments, women's	658.0	3.3	2.96	1.61
845 Outer garments and other articles	612.7	3.1	2.70	1.53
682 Copper	549.7	2.7	4.60	1.83
846 Under garments, knitted or croch.	544.9	2.7	3.36	1.91
121 Tobacco, unmanufactured	387.3	1.9	10.16	5.85
247 Other wood in the rough	378.8	1.9	13.76	4.94
034 Fish, fresh, chilled or frozen	353.5	1.8	4.89	1.81
287 Ores and concentrates of base mt.	341.0	1.7	3.60	1.77
54 Vegetables, fresh, chilled, frozen	304.8	1.5	4.16	1.30
281 Iron ore and concentrates	84.3	1.4	6.24	2.83
057 Fruit and nuts, fresh or dried	256.8	1.3	2.17	0.90
611 Leather	212.0	1.1	3.29	1.50
659 Floor covering	208.1	1.0	6.26	2.02

Source: UNCTAD, The Least Developed Countries 2000 Report

Ores and concentrates of base metals also constitute an important export product group. The share of agricultural products is a quarter of the exports of the least developed countries, and cotton is the most important single export article after oil.

In 1997-98 the value of food exports was about USD 2.8 billion, which is 14-15 per cent of all exports. The most important group of food products was

coffee, which accounted for about 6 per cent of the export revenue. Other important groups were crustaceans and molluscs, fish in different forms, as well as fruits and vegetables.

When looking at the most important products among LDC exports, according to tariff and trade information based on the 6-digit level of the HS96 there are only 127 products which, taken together, account for 90 per cent of total LDC exports to the major trading partners⁹. About 30 of these leading products belong to the food and foodstuff product groups.

The two foodstuff products groups of greatest importance to LDCs are different types of fish and seafood product and coffee (Table 8). The share of LDCs in the global export of fish and fish products is about 7 per cent and in the coffee export about 10 per cent.

There is annual variation in the export shares of the different product groups due to variation both in prices and quantities. The figures for the distribution of the exports of the LDCs according to the main commodity groups (SITC) support the figures for the most important export articles in 1995 presented in Table 9.

Table 8. Leading food and foodstuff products of export interest to LDCs

Products	Export value US\$ mill.	Major LDC exporters
Fish and sea food total	1 446.3	Bangladesh., Myanmar, Mauritania
-Frozen shrimps	686.9	Bangladesh
-Octopus	180.3	Mauritania
-Fresh and chilled fish	93.3	Senegal
Coffee, not roasted	1 095.1	Uganda, Ethiopia
Prepared tuna etc.	117.7	Senegal, Madagascar
Sesame seeds	115.9	Sudan, Ethiopia
Beans, total	95.4	Myanmar
Crude ground-nut oil	87.1	Senegal
Cocoa beans	63.9	Togo

Source: WTO: WT/LDC/SWG/IF/14/Rev.1/Add.1

⁹ WTO: Market access conditions for least developed countries, 25 April 2001

Table 9. Total exports of LDCs by major commodity groups in 1995

Code SITC	Product description	Value USD mill.	Share %
0	Food and live animals	4 076.4	18.4
1	Beverage and tobacco	321.5	1.4
2	Crude materials, inedible, except fuels	3 549.5	16.0
3	Mineral fuels, lubricants and related	5 554.8	25.0
4	Animal and vegetable oils, fats	41.7	0.2
5	Chemicals and related products	348.9	1.6
6	Manufactured goods	4 370.7	19.7
7	Machinery and transport equipment	317.3	1.4
8	Miscellaneous manufactured articles	3 433.0	15.5
9	Commodities and transactions not elsewhere classified	180.4	0.8
	Total	22 194.2	100.0

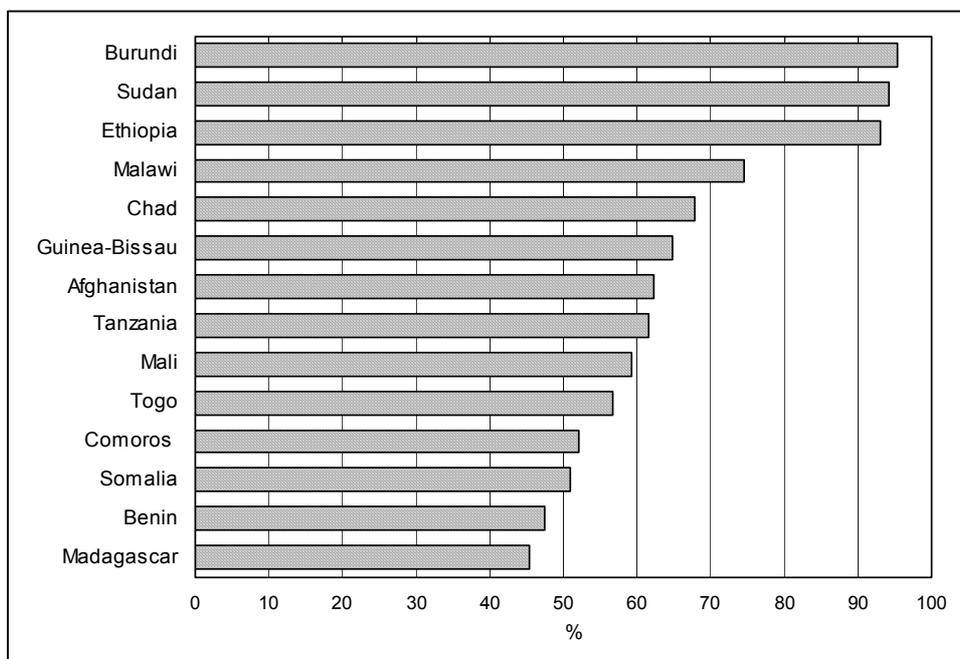
Source: WTO, Document WT/LDC/HL/19, 21 October 1997

According to the SITC classification, the share of the manufactured products in the export of the LDCs in 1995 was almost 40 per cent, the share of crude materials and fuels was little over 40 per cent and 20 per cent of the total export could to be included to the food and agricultural products.

Share of agricultural products in the exports of different LDCs

It is characteristic of the least developed countries that in most of them the share of agriculture in both the national economy and labour force is high. Thus the share of agricultural products is obviously quite high in the exports and export revenue of many LDC countries.

Figure 8. *Share of agricultural products in the exports of certain LDCs in 1995-97*



Source: FAO: Agriculture, Trade and Food Security: Issues and Options in the Forthcoming WTO Negotiations from the Perspective of Developing Countries, 23-24 September 1999, Geneva

The most important foodstuffs in exports

In the case of edible agricultural products and foodstuffs in particular in different LDCs, the most important export product groups are coffee, tea, cocoa and spices, fish and fish products, various kinds of nuts, coconut products, sugar and live animals. Trade in live animals across the borders is common especially in countries bordering on the Sahara desert in the south.

Table 10. The shares of the most important food product groups in the exports of different LDCs in 1997

Country	Product group	Share in 1997, %
Afghanistan	Dried fruit and nuts	51.3
Bangladesh	Fish and shrimps	8.8
Burkina Faso	Live animals	15.1
Burundi	Coffee and tea	80.2
Cape Verde	Fish products	20.1
Republic of South Africa	Coffee	12.8
Chad	Live animals	7.9
Congo	Coffee	8.8
Equatorial Guinea	Cocoa	5.6
Ethiopia	Coffee	37.3
Gambia	Peanuts	8.8
Guinea	Coffee	7.7
Guinea-Bissau	Cashew nuts	87.5
Haiti	Coffee	3.7
Laos	Coffee	6.0
Madagascar	Coffee	11.5
Malawi	Tea and sugar	12.4
Maldives	Canned fish	7.2
Mali	Live animals	17.2
Mauritania	Fish	53.7
Mozambique	Shrimps	20.5
Myanmar	Food and live animals	50.7
Niger	Domestic animals	12.4
Rwanda	Coffee and tea	51.4
Samoa	Coconut products	11.3
Sao Tome and Principe	Cocoa	96.4
Solomon Islands	Fish products	15.0
Somalia	Live animals	44.3
Uganda	Coffee	53.6
Tanzania	Coffee and cashew nuts	18.6
Vanuatu	Copra	9.1

Source: UNCTAD: The Least Developed Countries, Report 1999

Table 10 presents some examples of products with a high share in the exports and especially food exports of the LDCs. Of the 48 least developed countries more than 10 export coffee or coffee products, and coffee is the most important export product group among foodstuffs. In 1997-98 coffee was the fourth most

important export product group in the total exports of LDCs after oil and oil products as well as cotton and garments.

Approximately 80 per cent of the food exports of the least developed countries are directed at the industrialised countries. In 1990-98 food exports in US dollars grew by about a third, and the annual growth was about 4 per cent.

The majority of the total agricultural exports of the least developed countries go to the EU market. In 1998 the share of the EU was 70 per cent, that of the United States 10 per cent and Japan 16 per cent, and no significant changes occurred in these shares during the 1990s (WTO Secretariat).

4. POTENTIAL GROWTH IN FOOD IMPORTS FROM THE LEAST DEVELOPED COUNTRIES (LDCS) – A THREAT TO THE EUROPEAN AGRICULTURAL POLICY

4.1 Everything but Arms proposal is an answer to the market access demand

Access to the agricultural market of the developed countries is a major demand of the developing countries in the forthcoming WTO negotiations. The Everything but Arms (EBA) treaty of the European Union is the main initiative for the new negotiation round that may start next winter.

In practical terms, the EBA calls for the extension of duty and quota free access to a further 919 tariff lines (that is, about 10% of the 10 500 tariff lines in the Community's tariff schedule). All the products included in these 919 tariff lines come from chapters 1-24 of the tariff schedule; in other words, they are agricultural products. The proposed concession applies the current GSP rules of origin that also allow *cumulation* between the LDCs and ASEAN, SAARC¹⁰, and the EU, under certain conditions.

This is to say, the LDCs can export as their own goods, products that have been imported from one of these regions and processed, adding at least 100% to the import value.¹¹

The EBA treaty will concern the trade in foodstuffs and agricultural products, which has been restricted due to the objectives of the common agricultural policy of the EU. Certain production lines are considered particularly vulnerable, and thus imports even from the least developed countries would cause serious difficulties on their markets.

Duty and quota elimination for essentially all products took effect on 5 March 2001, but the full liberalisation of sugar, rice and bananas will be phased in during a transition period. Duties on fresh bananas will be reduced by 20%

¹⁰ ASEAN = Association of Southeast Asian Nations with members including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, SAARC = South Asian Association for Regional Co-operation with members including India, Pakistan, Sri Lanka, Bangladesh, Maldives, Bhutan and Nepal

¹¹ European Commission: Everything but Arms Proposal, First Remarks on the Possible Impacts on the Agricultural Sector, November 2000, DG-AGRI

annually starting on 1 January 2002 and eliminated at the latest on 1 January 2006. Duties on rice will be reduced by 20% on 1 September 2006, by 50% on 1 September 2007 and by 80% on 1 September 2008 and eliminated at the latest by 1 September 2009. Duties on sugar will be reduced by 20% on 1 July 2006, by 50% on 1 July 2007 and by 80% on 1 July 2008 and eliminated at the latest by 1 July 2009.

However, to compensate for the delay in the liberalisation of trade for these products, the EU will offer immediate and real market access to the 49 countries which the United Nations defines as the world's least developed nations, through the creation of duty-free quotas for sugar and rice, based initially on the best figures for LDC exports during the 1990s, plus 15%. These will increase by 15% each year during the interim period.

The decision to proceed with the EBA initiative is the answer of the EU in preparation of the next WTO negotiation round. The Council's decision is thus a sign of political goodwill in the run-up to the fourth World Trade Organisation Ministerial Conference, due to be held in Qatar in November 2001. This is expected to agree on a broad agenda to launch a new round of multilateral trade negotiations in which the interests and concerns of the developing countries will have to be addressed.

In the declaration of the Third United Nations Conference on the Least Developed Countries in Brussels, 14-20 May 2001, this target of liberalisation has been stated as follows: "We aim at improving preferential market access for LDCs by working towards the objective of duty-free and quota-free market access for all LDCs' products in markets of developed countries".

The possible change in the market situation owing to the liberalisation of imports from the LDCs depends on the current supply of the countries concerned as well as their capability to increase their export production in the long run. The best indicator for the current situation is the foreign trade balance, i.e. the ratio between exports and imports in different product groups. Obviously it is very difficult to forecast the development of the supply, but changes in the structure of agriculture are slow and thus the current production structure provides a solid basis for forecasting the future trends over a relatively long term.

4.2 Balance of foreign trade in food products in the LDCs and the European Union

The number of people living in the least developed countries is 50-60 per cent higher than the population of the European Union. However, the position of these two groups of countries in the world trade is very different; in fact, they are the opposites of each other. The EU countries constitute the largest market area in the world, while the share of the LDCs – as has been noted above – is becoming increasingly marginal.

The foreign trade in foodstuffs in the EU is many-fold compared to that in the LDCs. In the EU the foreign trade in foodstuffs is quite well in balance, i.e. the value of food exports (USD 173.4 billion in 1998) is about the same as the value of imports (USD 175.4 billion). In the LDCs, however, the foreign trade in foodstuffs is dominated by imports, and in 1998 the value of imports to the LDCs was almost double the value of exports (Table 11).

Most of the foreign trade of individual EU countries is typically directed at other Member States. In the case of foodstuffs and agricultural products, the trade within the EU accounts for three quarters of the foreign trade. In 1998 only 27.9 per cent of the imports came from outside the EU and 25.5 per cent of exports went to countries outside the EU (Table 11).

Table 11. Imports and exports of food and agricultural products in the LDCs and the EU in 1998, USD mill. (SITC)

Product groups	LDCs		EU (15)	
	Imports USD mill.	Exports USD mill.	Imports USD mill.	Exports USD mill.
Food and Animals (0)	5 318	2 701	136 311	131 177
Beverages +Tobacco (1)	536	344	23 734	32 250
Oilseeds (22)	143	196	6 945	2 032
Fats (4)	1 035	110	8 427	7 901
Food, total (0+1+22+4)	7 032	3 351	175 417	173 360

Source: FAO Statistical Databases

When the trade in foodstuffs in the LDCs is compared to the figures where intra-EU trade has been excluded, the ratio for imports is 13.7 per cent and for exports it is 6.7 per cent. In other words, in 1998 the value of exports from the EU was about 15 times the total value of exports from the LDCs.

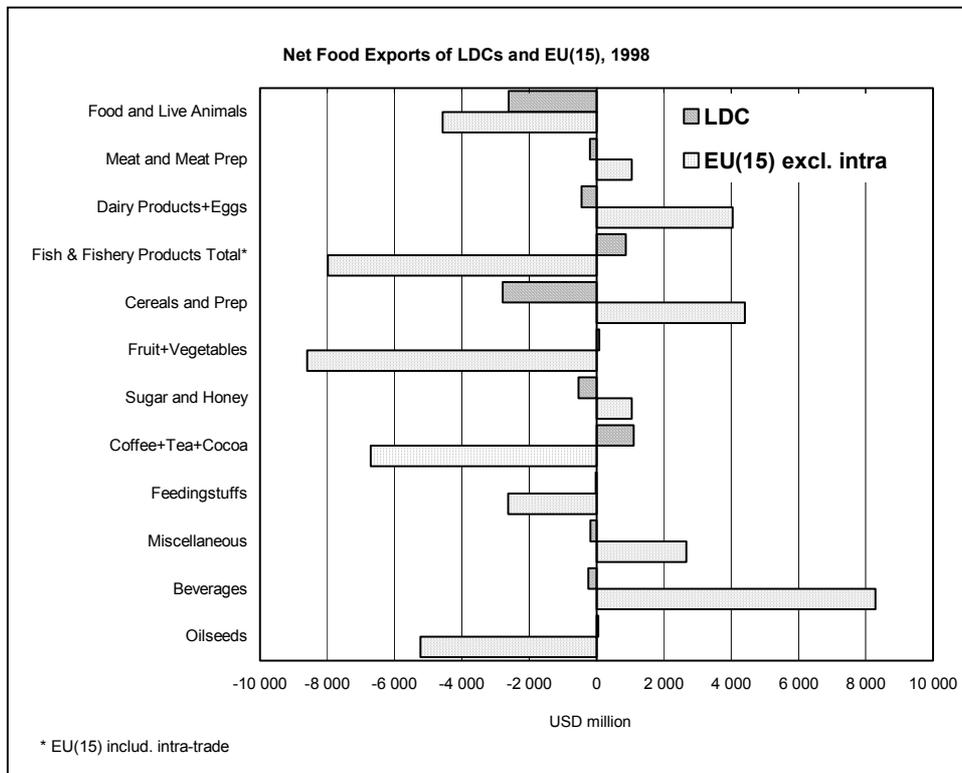
Import and export surpluses vary in different product groups

In the foreign trade between the LDCs and the EU area there is considerable variation in the surpluses and shortfalls between the product groups (Annex 9). In the following, EU trade does not include trade between the Member States.

The LDCs have exports surplus mainly in fish and tropical products, as well as to some extent in fruits and oilseeds. By contrast, in meat, dairy products and particularly cereals the foreign trade balance of the LDCs shows a clear deficit. This means that the LDCs import a significant share of the staple foodstuffs they consume (Figure 9).

The balance of the food trade between the EU and the rest of the world differs clearly from the foreign trade balance of foodstuffs in the LDCs. In the product groups where the LDCs are net importers the EU countries are net exporters and vice versa. On the world market the EU is a significant exporter of cereals (SITC 04), dairy products (SITC 02) and beverages (SITC 11). There is also an export surplus in the groups of meat and meat products (SITC 01) and other foodstuffs (SITC 09).

Figure 9. Net food trade of the LDCs and the EU (excl. intra-trade)¹² in 1998.



Source: FAO Statistical Databases

By contrast, the foreign trade of the EU shows a clear deficit in fruits, fish and fish products, oilseeds and, in particular, various kinds of tropical products, such as coffee, cocoa, tea and spices, as well as in animal feed.

In actual fact the LDCs and the EU do not compete with each other for the world market shares in any of the main categories of foodstuffs. In the products where the foreign trade balance of the EU shows a deficit the LDCs are net exporters and vice versa. Furthermore, in the LDCs the surpluses and shortfalls are quite marginal in terms of the world trade, with tropical products and fish as possible exceptions. In fish exports, too, the most important product groups are various kinds of crustaceans and molluscs, which are not very significant in the EU exports.

¹² Except in the group fish and fish products, for which the FAO has separate statistics where intra-EU trade has not been excluded

4.3 Foreign trade balances of LDCs in different food product groups

LDC imports of livestock products

When the different product categories are divided into sub-categories, there are certain product groups where the LDCs, or some of them, compete with the EU either on the world market or on the West European market. As was pointed out above, this is hardly the case with livestock products, where the LDCs are clearly importers, and the exports are very small indeed (Table 12, Annex 10).

Table 12. Imports and Exports of Main Livestock Products in the LDCs in 1998

Livestock products	Imports	Exports	Balance
	USD mill.	USD mill.	USD mill.
Beef and veal	49	5	- 44
Bovine meat	64	9	- 55
Pig meat	33	0	- 33
Sheep meat, fresh	10	33	23
Poultry meat, fresh	115	0	- 115
Sausages	24	0	- 24
Meat and meat prep. (SITC 01)	236	42	- 194
Milk cond. + dry + fresh	381	1	- 380
Butter	21	3	- 18
Cheese and curd	31	0	- 31
Eggs	24	1	- 23
Dairy products + eggs (SITC 02)	457	5	- 452

Source: FAO Statistical Databases

Thus the foreign trade of the LDCs in livestock products is quite small, and it is dominated by imports. The only product where the exports have been more significant is sheep meat.

Wheat and cereals the most important in cereal imports

The EU is a significant exporter of cereals on the world market, even if in the case of cereals and cereal products, too, the intra-EU trade is much more significant than the trade with third countries. In 1998 the value of the cereal and cereal product exports of the EU totalled USD 20.5 billion, while the value of the exports to third countries was USD 6.6 billion.

In cereals the foreign trade of the LDCs is dominated by imports, and in 1998 the imports of cereals and cereal products totalled USD 2.8 billion (Annex 11). Thus the import to the LDCs is also significant in terms of the world market, because the total value of the cereals imports in the world trade was USD 62.2 billion.

Sorghum and millet are typical cereals produced in the developing countries, but there is no foreign trade in these. The most common cereals in the foreign trade of the poorest countries are rice, wheat and maize.

Table 13. Cereal imports and exports of the LDCs in 1998, USD million

Cereals and cereal products	Imports USD mill.	Exports USD mill.	Balance USD mill.
Barley	3	0	- 3
Maize	273	25	- 248
Millet	1	4	3
Rice	911	24	- 887
Sorghum	44	0	- 44
Wheat	811	0	- 811
Wheat flour	525	6	- 519
Cereals and prep. total (SITC 04)	2 847	65	- 2 782

Source: FAO Statistical Databases

Fruit imports significant in the EU but imports from the LDCs small

In the product group consisting of fruits and vegetables (SITC 05) there is very active foreign trade in the EU. In 1998 the imports to the EU totalled USD 40.0 billion and exports USD 30.7 billion. When the intra-EU trade is excluded, the imports were altogether USD 13.9 billion and exports 5.3 billion.

Table 14. Major fruits and fruit products in EU imports in 1998, USD million

Fruits and Fruit Products	Imports excl. intra-trade USD mill.
Bananas	1 880
Orange juice Single-Streng	914
Apples	559
Grapes	449
Oranges	395
Raisins	323
Pineapples, canned	252

Source: FAO Statistical Databases

Consequently, the foreign trade in fruits and vegetables showed a deficit of USD 8.6 billion (Figure 9, Annex 12).

In 1998 the most significant fruits and fruit products imported to the EU were bananas, orange juice and apples (Table 14).

In the LDCs there is very little trade in fruits and vegetables. In the exports of fruits and vegetables the most important product groups in 1998 were raisins (USD 18 million), grapes (USD 18 million), mangoes (USD 13 million) and bananas (USD 12 million). The impact of the liberalisation of the imports on the trade policy of the EU might be considerable in the case of bananas. In the long term the LDCs might be able to increase their production and export of bananas, once the trade has been liberalised.

Imports of oilseeds and vegetable oils to the EU might grow

The foreign trade of the EU shows a clear deficit in the trade in oilseeds, vegetable oils and feed raw materials in general. Imports to the EU come from North America and many developing countries. For example, Brazil and Argentina are major exporters of soy, in addition to the United States

As in the case of fruits and vegetables, the LDCs also have relatively little foreign trade in oilseeds and vegetable oils, but the foreign trade balance shows a small surplus. Among oilseeds, the most important export products in 1998 were sesame seeds (exports USD 15 million), copra (USD 25 million), cottonseeds (USD 23 million) and peanuts (USD 13 million).

Table 15. Imports and exports of oilseeds and vegetable oils in the LDCs in 1998, USD million

Vegetable oil products	Imports	Exports
	USD mill.	USD mill.
Groundnut oil	1	58
Soybean oil	279	0
Sunflower oil	28	0
Rape + Mustard oil	67	-
Palm oil	493	17
Coconut oil	11	9
Oilseeds, total	143	196

Source: FAO Statistical Databases

The trade in vegetable oils in the LDCs was somewhat more active than in oilseeds, but the imports exceeded the exports clearly. This means that the processing of oilseeds and vegetable oils is still relatively uncommon in the LDCs (Table 15, Annex 13).

A low degree of processing of beverages and sweeteners in LDC exports

Among the tropical products, such as coffee, sugar and other sweeteners and beverages, the emphasis in the foreign trade in the EU and the LDCs is quite the opposite. In the EU there is a considerable surplus in beverages, while tropical products show an almost equal deficit. LDCs export – as was noted above – coffee and other tropical products, but they import both alcoholic and other processed beverages. In sugar and other sweeteners the trade in the EU shows a small surplus, while in the LDCs the trade in these products is dominated by imports (Annex 14).

Table 16. *Imports and exports of tropical products, sugar and honey and beverages in the LDCs and the EU in 1998, USD million*

	LDCs		EU (exl. intra-trade)	
	Imports USD mill.	Exports USD mill.	Imports USD mill.	Exports USD mill.
Sugar and honey (SITC 06)	673	143	1 720	2 767
Coffee+Tea+Cocoa+Sp (SITC 07)	288	1 396	9 767	3 063
- coffee, green	20	1 085	5 984	311
- coffee, roasted	2	18	25	291
- tea	184	188	605	271
Beverages (SITC 11)	260	13	2 423	10 714

Source: FAO Statistical Databases

It is noteworthy that the LDC trade also shows a deficit on the part of sugar, which is a highly sensitive area of trade policy due to the sugar policy of the EU. In the course of time the opening of the market might improve the production possibilities of sugarcane and increase exports. This depends on the practical possibilities for the production of sugarcane in the LDCs.

4.4 Production of foodstuffs in LDCs

LDCs and the EU strong in different fields of food production

It was pointed out above that the LDCs and the EU export very different foodstuffs. In the case of foods where the EU is a major exporter the LDCs are for the most part importers. At present it seems that free access of the LDC imports to the EU without any duties or quotas would have the most immediate impacts on the banana trade, while in the long run the effect on the sugar market might be more significant than in the case of bananas and other fruits.

In the food production of the EU area and LDCs the situation is quite similar to that in foreign trade. Both of them have important product groups of their own, which are clearly different from each other (Annex 15).

Table 17. Cereal production in the LDCs and the EU in 2000, 1000 tons

Product	LDC		EU		World
	1000 tons	Share, %*	1000 tons	Share, %*	1000 tons
Wheat	6 519	1.1	105 505	18.3	576 317
Rice	72 337	12.1	2 534	0.4	598 852
Maize	17 847	3.0	38 694	6.5	590 791
Barley	940	0.7	52 017	39.4	131 990
Sorghum	9 024	15.4	630	1.1	58 500
Millet	7 119	26.1	0	0.0	27 255
Cereals, total	115 887	5.7	217 416	10.6	2 049 415

*share of world production

Source: FAO Statistical Databases

The share of the LDCs in the world population is about 10 per cent, but they account for only about 5 per cent of the production of the most important staple foodstuff, cereals. In terms of production quantities, rice and maize are the most important cereals produced in the LDCs, and in 1998 these accounted for more than 70 per cent of the total production. The share of the LDCs in the total rice production in the world is more than 10 per cent.

In the EU area there is very little rice production, but in some cases competition due to imports from the LDCs might tighten the markets for the European rice production. The production of sorghum and millet is also quite important in the LDCs, and these are typically grown in the developing countries. Production is directed at the domestic market, and thus these do not compete on the global cereal market.

Feed raw materials from the LDCs?

The EU Member States import significant amounts of raw materials for animal feed, especially soy for protein and cassava for starch. Most of the imports have come from the United States and Latin America, primarily Brazil and Argentina, as well as from Thailand. Some of the LDCs also produce cassava and other agricultural products that can be used as raw material for animal feed (Table 18).

Table 18. *Feed raw material production in the LDCs and the EU in 2000, 1000 tons*

Products	LDCs		EU		World
	1000 tons	%	1000 tons	%	1000 tons
Cassava	45 950	26.6	0	0.0	172 737
Oilcrops, primary	3 350	3.1	7 486	6.8	109 669
Soya beans	345	0.2	1 202	0.7	161 993
Groundnuts	4 086	11.8	2	0.0	34 507

* share of world production

Source: FAO Statistical Databases

Production of raw sugarcane still quite small

The price of raw sugar produced in the EU has at times been as much as three times higher than the world market price, and thus the liberalisation of imports is obviously feared to break the current price policy. Only certain ACP countries included in the previous Lomé and the current Cotonou agreement have been granted the right to import sugar at the single market price within a restricted quota.

On the global scale the production of sugarcane in the LDCs is still quite small, accounting for less than 3 per cent of the world production.

Table 19. *Sugar raw material production in the LDCs and the EU in 2000, 1000 tons*

Product	LDCs		EU		World
	1000 tons	Share, %*	1000 tons	Share, %*	1000 tons
Sugarcane	36 018	2.8	84	0.0	1 278 093
Sugar beet	1	0.0	112 630	46.0	244 780

* share of world production

Source: FAO Statistical Databases

Problems on the banana markets

Most of the LDCs are located in areas where various kinds of tropical fruits and other tropical products are produced. For example, the LDCs are important coffee producers, and their coffee production accounts for more than 10 per cent of the world production (Annex 15). The conditions for increasing the production of coffee, fruits, oilseed crops and vegetables in the LDCs are also quite favourable.

The EU trade policy concerning bananas, which favours the overseas banana production of certain EU countries as well as the production in the ACP countries, has met with heavy criticism in the WTO. The liberalisation of imports from the LDCs without the abolition of the other restrictions on banana trade would hardly be possible.

The LDCs would very likely be able to increase their banana production if this were allowed by the export market, and they could probably also increase the production of citrus fruits and pineapple considerably from the current levels. The markets for both product groups are large and highly developed, but the supply coming from the LDCs is still quite small.

Table 20. Fruit production in the LDCs and the EU in 2000, 1000 tons

Product	LDCs		EU		World 1000 tons
	1000 tons	Share, %*	1000 tons	Share, %*	
Bananas	5 669	10.3	415	0.8	64 627
Pineapples	751	6.1	2	0.0	13 504
Apples	32	0.1	9 143	16.8	60 831
Citrus, total	1 539	1.5	10 652	9.8	106 949
Fruit, total	30 851	7.2	59 091	12.6	475 141

* share of world production

Source: FAO Statistical Databases

4.5 Challenges to the agricultural market balance in the EU

Some of the agricultural products involved in the EU's proposed liberalisation are relatively sensitive and are currently imported under quota concession into the EU market. For many of them the current gap between the EU and the world price are substantial, and once import tariffs are lifted the EU market would become a very attractive destination for agricultural exports.

In analysis by the Commission's Agricultural Directorate General (DG Agri) of the potential impact of the Everything but Arms (EBA), as currently proposed, it is pointed out that while the countries that would benefit currently lack agricultural production potential, they have well-developed trade arrangements with other agricultural exporting countries which would allow substantially increased quantities of major commodities, principally sugar, rice and bananas, to flow into the lucrative European market.¹³ In this respect there are two premises to take account within the framework of the proposal. At first the LDCs could import agricultural products for their domestic consumption in order to be able to export their own domestic production. Secondly, they can cumulate – under the conditions set out below – with other countries and re-export them after processing.

Table 21. Prices of food products in the EU and the world market 1999/2000

Product	EU	World	gap
	€/ton	€/ton	%
Wheat	133	118	13
Maize	140	92	52
Rice (milled)	600	300	100
Sugar	650	250	160
Bananas	660	360	83
Citrus fruit	485	467	4
Tomatoes	787	633	24
Beef meat	2780	1776	57
Pig meat	1120	1113	1
Poultry meat	1335	977	37
Sheep meat	3333	1476	126
Whole milk powder	2605	1384	88
Butter	2954	1307	126
Cheese	3500	2154	62

Source: Elaboration of OECD and Fapri by O. Jones DG-Agri A.1 and elaboration on Eurostat-Comext data

¹³ Agra Europe, December 22, 2000

Under the proposed new arrangements, the LDCs would be able to import agricultural products to meet their own domestic consumption needs while exporting their own domestic production. They would be able to import raw commodities from non-EBA treaty countries and re-export them after processing. DG Agri officials also believe that in addition the LDCs could, in the medium- to long-term, develop new production capacities, as new export opportunities would be likely to attract more foreign investment in the farm sector.

EU sugar prices 160% over the world level

The vulnerability of the EU market to dilution from imports arises from the very wide gap between the EU price and the world price. For key products that could be supplied in larger quantities through the potential treaty countries, this ranges from 83% for bananas up to 160% for sugar.¹⁴ DG Agri sees the largest threat to EU market stability from the large production and export potential of bananas, sugar and rice from ASEAN and SCAARC groups. These two groups of countries have almost half of world production of bananas (approx. 22 million tons), more than half of world production of rice, and sugar production of about 30 million tons, that is almost twice the EU production. Notable in the ASEAN/SAARC is also the production of pineapples and of 8 million tons of citrus fruit – comparable with the size of production in the EU.

Currently, animal production in the LDCs is completely absorbed by domestic consumption and for these products domestic production is not enough to cover internal needs. Somewhat similar is the pattern shown for these products in the ASEAN/SAARC. The only big difference in this case is the large production of skimmed milk – 34 million tons comparable with the 43.5 million tons of EU production.

¹⁴ Ibid.

Cumulation of origin

Regional cumulation means that LDCs can export as their own goods those products that have been imported from, and originate from, other members of the same regional organisation, provide that¹⁵:

- a) the value added in the LDC is greater than the highest customs value of the products used originating in any of the countries of the regional group (“at least 100% value added to the import value”);
- b) the working or processing carried out in the LDCs exceeds the “minimal operations”;
- c) adequate proof of the originating status of goods exported within the regional group, or from a country of the regional group to the Community;
- d) the rules regulating trade in the context of regional cumulation, as between the countries of the regional group, are identical to those laid down for the GSP; and
- e) each country of the regional group has undertaken to comply or ensure compliance with these terms and to provide the administrative co-operation necessary both to the Community and the other countries of the regional group in order to ensure the correct issue and verification of proofs of origin.

The main threat to the EU market is identified as coming from crop products, but it is also possible that in the future the cumulation rules would allow milk and meat to be exported from the EU to EBA treaty countries, or other developing countries, to be processed and exported back to Europe, thus potentially undermining the EU market for dairy and meat products.

All LDC sugar output could be exported

There are three especially sensitive products – as noted before – where the market access liberalisation could mean the big challenge for the EU agricultural production and agricultural trade policy, rice, sugar and bananas. In

¹⁵ Articles 72, 72a and 72b of Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, as amended by COMMISSION REGULATION (EC) No 1602/2000 of 24 July 2000, Official Journal L 188 of 26.7.2000

the following, there is a short analysis of possible changes in the sugar production sector.

Sugar-producing LDCs could be expected to choose, quite legitimately, to export their domestic sugar to the EU while importing from third countries to meet their own consumption needs. Altogether the LDCs produce on average some 2.1 million tons of sugar and consume some 3.7 million tons annually. The deficit of 1.6 million tons is covered by imports.

This statistical observation holds for LDCs as a whole. However, today some of these countries are already net exporters of sugar. This is the case in particular for Sudan (114 000 tons of net exports) and Zambia (84 000 tons exports).

If or when the EU lifts its border protection for sugar, the roughly 200 000 tons currently exported by Sudan and Zambia would be directly available for export to the EU market. Furthermore, sugar-producing LDCs could be expected to choose to export their domestic sugar to the EU while importing from third countries to meet their consumption needs. This would be fully legitimate trade, and according to some experts the LDCs could export some 80 to 90% of their domestic production, i.e. some 1.7 to 1.9 million tons.

Finally, the new economic incentive of free access to the EU market can be expected to enhance production in the LDCs as well as their refining activities. This could add another 1.3 million tons of exports to the EU. This figure does not take into account possible cumulation.

The difference between world market and Community prices would mean a strong economic incentive for LDC producers to take advantage of an opening in the EU market. To the extent that LDC exports are allowed to enter the EU without any quantitative limitations, this would result in costs for the EU budget at a level of about 440 € per ton¹⁶.

¹⁶ EU Trade Concession to Least Developed Countries, Everything but Arms proposal: Possible Impacts on the Agricultural Sector, EU Commission 2001

4.6 The most important agricultural producer countries of the LDCs in the sensitive products for the European Union

The 48 LDCs are located in different parts of the world, and they fulfil certain common criteria concerning, for instance, the income level. In other respects the countries differ considerably from each other. The population varies from 122 million in Bangladesh to a few thousand in Tuvalu.

The island states with small populations are quite insignificant in terms of the global food market. These include, *inter alia*, Cape Verde, Comoros, Kiribati, the Maldives, the Solomon Islands, Tuvalu and Vanuatu; Djibouti, Equatorial Guinea, Sao Tome and Principe can be included in the same category. Other countries with a very low production are Bhutan, Burundi, the Central African Republic, Gambia, Guinea Bissau, Lesotho, Liberia, Mauritania and Rwanda. Consequently, only about 30 of the LDCs are large enough in terms of their area and population to be significant actors on the world market (Annex 16).

Cereal production varies according to the geographical area and natural conditions

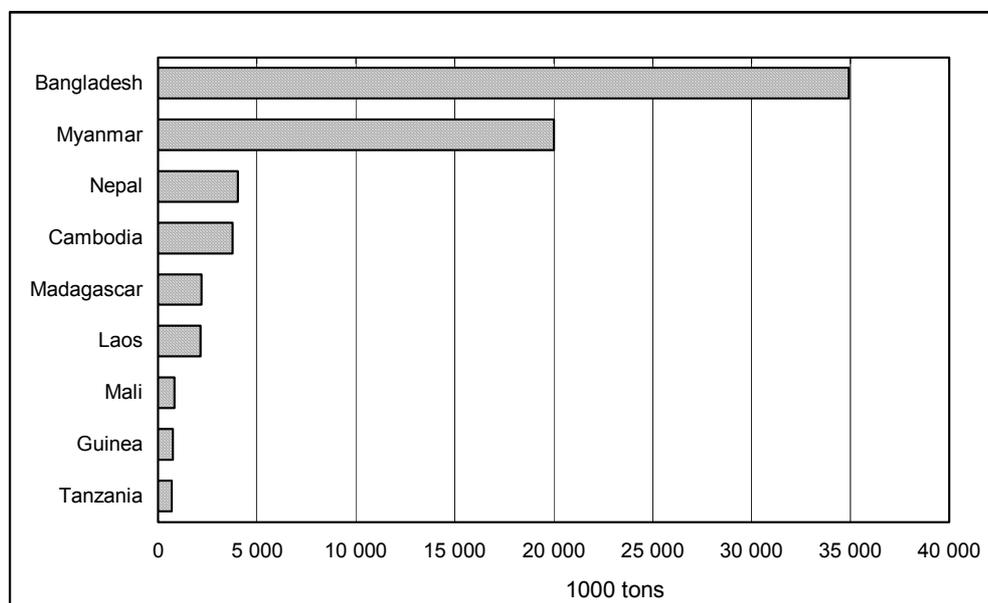
The cultivation of the most important bread cereal of the world market, wheat, is quite uncommon in the LDCs, and wheat is cultivated on a significant scale only in a few of these countries. In 2000 the largest wheat producers among the LDCs were Bangladesh (1.8 million tons), Ethiopia (1.1 million tons) and Nepal (1.0 million tons).

Rice is the most important bread cereal and the main source of nutrition in the majority of the developing countries, and rice is produced in all the LDCs. The largest producers in 2000 were Bangladesh and Myanmar (Figure 10).

Rice is cultivated in 35 LDCs altogether, but 10 of these account for 97 per cent of the total rice production of the LDCs. The largest producers are located in Asia, which obviously is the dominant rice production area in the world.

Maize, like rice, is cultivated in almost every LDC, but the production is much more scattered than in the case of rice. The most important producers are located in Africa. In 2000 the largest maize producers were Tanzania (2.8 million tons), Ethiopia (2.3 million tons), Malawi (1.8 million tons) Nepal (1.4

Figure 10. Main producers of rice among the LDCs in 2000, 1000 tons



Source: FAO Statistical Databases

million tons), Congo (1.2 million tons) and Mozambique (1.1 million tons).

As noted above, sorghum and millet are typical cereals cultivated in the poor developing countries. These are produced to supply the domestic requirement, and there is very little international trade. In 2000 the largest producers of sorghum were Sudan (4.3 million tons), Burkina Faso (1.2 million tons), Ethiopia (1.1 million tons) and Mali (0.7 million tons), which account for two thirds of the sorghum production in the LDCs.

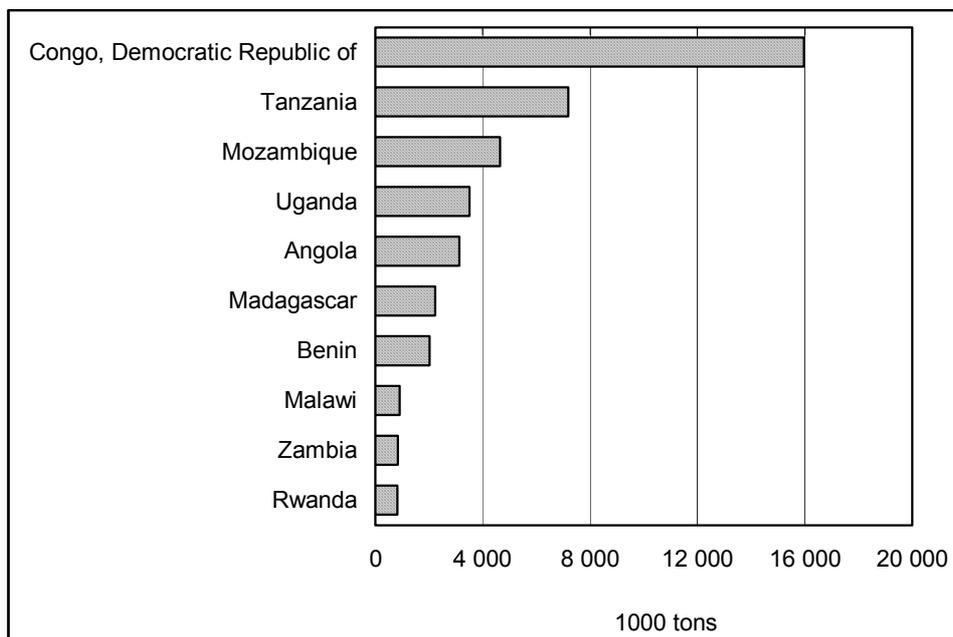
In 2000 the main producers of millet were Niger (2.4 million tons), Burkina Faso (1.0 million tons), Mali (0.7 million tons) and Sudan (0.7 million tons). These four African countries produced two-thirds of the millet produced in the LDCs.

Few large-scale producers of feed raw material and sugar

In terms of the development of the common agricultural policy of the EU, the most important issues concern the possible import of feed raw material and sugar from the LDCs, i.e. the current situation and future trends in the supply of these products.

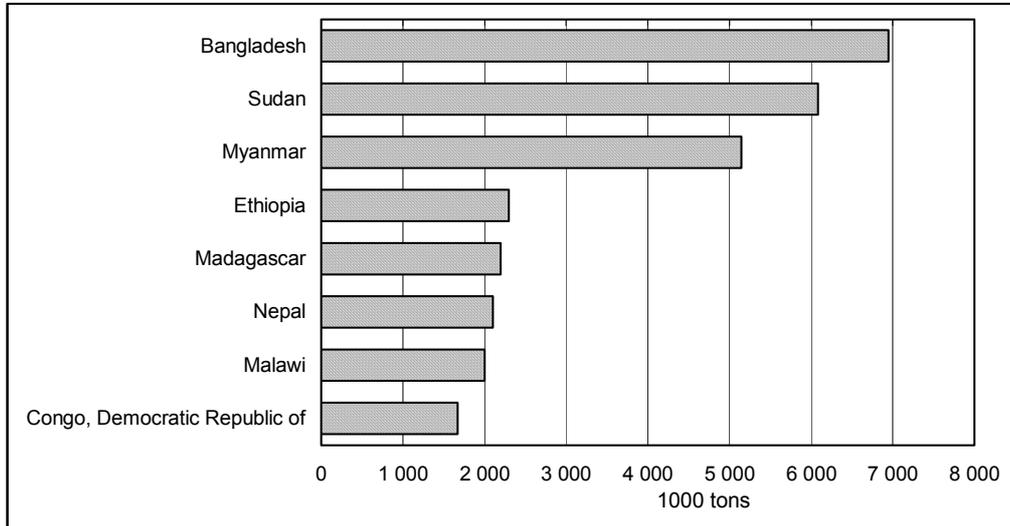
In the case of feed raw material the main issue will be the import of cassava, oilseeds or vegetable oils from the LDCs. However, the LDCs produce very small amounts of oilseed and vegetable oils compared with the global production, and the possibility for any significant imports in these products are very small. Of the feed raw material the cassava supply is the most interesting, because the LDCs account for a little under 30 per cent of the world cassava production. At present, e.g. in 1999, more than 90 per cent of the exports of dried cassava came from Thailand. Of the LDCs cassava was exported only by Tanzania, and its share in the world exports was 0.5 per cent.

Figure 11. Major cassava producers among the LDCs in 2000, 1000 tons



Source: FAO Statistical Databases

Figure 12. Major sugarcane producers among the LDCs in 2000, 1000 tons



Source: FAO Statistical Databases

The largest exporter of tapioca manufactured from cassava was China, and other major exporters were Indonesia, Thailand and Malaysia.

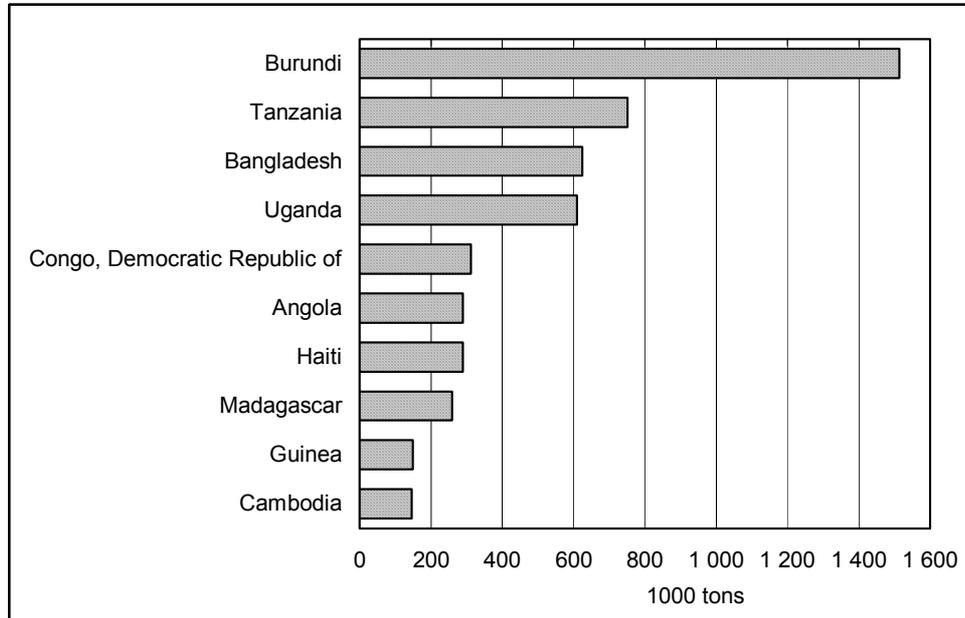
Sugarcane is produced in more than 30 LDCs, and thus there may also be potential to increase the production from the current amounts. As was pointed out above, however, LDCs are net importers of sugar.

In 1998 the share of the LDCs in the world sugar exports (refined) was 0.7 per cent, and the exports came from altogether seven LDCs. The largest sugar exporters among these were Sudan, Djibouti and Malawi.

Preconditions for banana production in different LDCs

The cultivation of fruit and vegetables is obviously quite common in the LDCs as well, but these are mainly cultivated for household use, and thus the production statistics concerning fruit and vegetables are quite uncertain. It is also very difficult to compare the different countries with each other, because there is considerable variation in the functioning of the markets and availability of statistics on these products.

Figure 13. Major banana producers among the LDCs in 2000, 1000 tons



Source: FAO Statistical Databases

The banana markets are quite developed, and many of the LDCs also play a significant role on the export market. Banana production in the LDCs is strongly concentrated in the Central African countries, but other important producers are Bangladesh in Asia and Haiti in the Caribbean.

Supply prospects of the LDCs

The proposal of the European Commission¹⁷ considers bananas, rice and sugar the most sensitive products from the perspective of the EU, which would call for a transitional period when the imports from the LDCs are being liberalised. The majority of the LDCs produce both rice and sugar, and the preconditions for banana production are also good.

Certain LDCs export bananas, and the growth in exports may be quite rapid after the opening of the market. In the case of these products the main issue is how the EU needs to reform its trade and production policies if exceptions to the current trade policy were granted for the part of the LDCs. Such exceptions will not be possible without approval at the WTO.

¹⁷ COM(2000= 561 final, 2000/0239(ACC), Proposal for a Council Regulation

5. TRADE BETWEEN FINLAND AND THE LDCS IN FOOD AND AGRICULTURAL PRODUCTS

Export from Finland to the LDCs depends on development aid

There is relatively little trade between Finland and the LDCs. In 1990 the total value of imports from the current LDCs to Finland was FIM 113.9 million, which is only 0.11 per cent of the total imports in the year in question (Annex 6). Goods were imported from a very small number of these countries. The value of imports exceeded FIM 1 million only in the case of 13 of the LDCs. The main exporters to Finland were Ethiopia (FIM 25.6 million), Malawi (18.2 million), Tanzania (13.4 million) as well as Burundi (11.8 million).

In 1990 the exports from Finland to the countries concerned were much larger than the imports from these. The value of exports totalled FIM 592.5 million, which was 0.58 per cent of the total Finnish exports.

Of the current LDCs, the most important export countries for Finland in 1990 were Zambia (FIM 153.1 million), Tanzania (71.1 million), Ethiopia (67.8 million), Nepal (57.9 million), Mozambique (46.3 million), Sudan (33.9 million), Yemen (31.1 million) and Bangladesh (24.2 million). Except for Yemen, these were also the most important recipients of development aid from Finland. In 1990 the payments in bilateral development aid from Finland were FIM 95.3 million to Zambia, 194.9 million to Tanzania, 81.0 million to Ethiopia, 59.4 million to Nepal, 101.5 million to Mozambique, 47.2 million to Sudan and 47.5 million to Bangladesh (Finnida: Suomen kehitystyhteistyö

Table 22. Imports and exports of Finland in trade with the LDCs in 1990, 1995 and 2000, FIM million

	1990	1995	2000
Imports from the LDCs, FIM mill.	113.9	215.3	1055.8
-share of total imports, %	0.11	0.17	0.48
Exports to the LDCs, FIM mill.	592.5	327.5	389.6
-share of total exports, %	0.58	0.19	0.13
Balance, FIM mill.	478.6	99.1	-666.2

Source: National Board of Customs

1990, Finnish development co-operation in 1990). Thus it may be concluded that the export with these countries has mainly evolved in connection with development co-operation. In 1990 the bilateral development aid to the current LDCs totalled FIM 732.5 million (Annex 7).

In 1999 the total amount of bilateral development aid to the LDCs was FIM 352.5 million (Finnida: global Finland; statistics), i.e. about half of the total aid in 1990. Of the 48 LDCs, bilateral development aid is directed at 30 countries, mainly Mozambique (FIM 82.6 million), Tanzania (FIM 59.3 million), Ethiopia (FIM 33.1 million), Nepal (FIM 31.9 million), and Zambia (FIM 21.1 million), and these accounted for two thirds of the bilateral aid to LDCs.

Changes in trade during the 1990s

A number of significant changes occurred in the foreign trade between Finland and the current LDCs during the 1990s. In 2000 the imports totalled about FIM 1055.8 million (Table 22), which is almost ten times the value of imports in 1990, while exports have fallen to some extent from the early 1990s. In 2000, Finnish exports to the LDCs totalled FIM 389.6 million, which is about 35 per cent less than in 1990.

The development of exports is mainly due to the reduction in development aid referred to above. Almost half of the exports are still directed at the five countries that received more than three quarters of the Finnish bilateral development aid to LDCs in 2000. Of the most important recipients of development aid, the leading LDCs for Finnish exports were Zambia (FIM 106.3 million), Tanzania (59.7 million), Ethiopia (15.4 million), Mozambique (8.3 million) and Nepal (5.2 million).

Table 23. *Leading LDCs for Finnish exports in 2000, FIM million*

Country	Finnish exports in 2000 FIM mill.	Balance FIM mill.
Zambia	106.3	-7.3
Bangladesh	80.2	-124.8
Tanzania	59.7	42.5
Ethiopia	15.4	7.1
Yemen	14.1	14.0
Angola	12.2	12.2
Malawi	11.4	5.2
Mali	9.7	9.6
Cambodia	9.1	-5.7
Uganda	8.4	7.8
Sudan	7.9	4.6
Djibouti	7.8	7.8
Nepal	5.2	2.7
Total	389.6	-666.2

Source: National Board of Customs

Other important countries for Finnish exports in 2000 were Bangladesh (FIM 80.2 million), Yemen (14.4 million), Angola (12.2 million), Malawi (11.4 million), Mali (9.7) and Cambodia (9.1 million) (Table 23).

Similarly, the largest importing countries were Democratic Republic of the Congo (FIM 288.8), Bangladesh (FIM 119.5 million), Mauritania (43.7 million), Zambia (42.2 million), Afghanistan (32.3 million), Ethiopia (27.3 million), Tanzania (17.7 million), Malawi (16.8 million), Laos (14.8 million), and Burundi (14.4 million). Rather than development co-operation these most significant importing countries are characterised by their supply of natural or primary products as well as in the case of Bangladesh the export-oriented textile and garments industry.

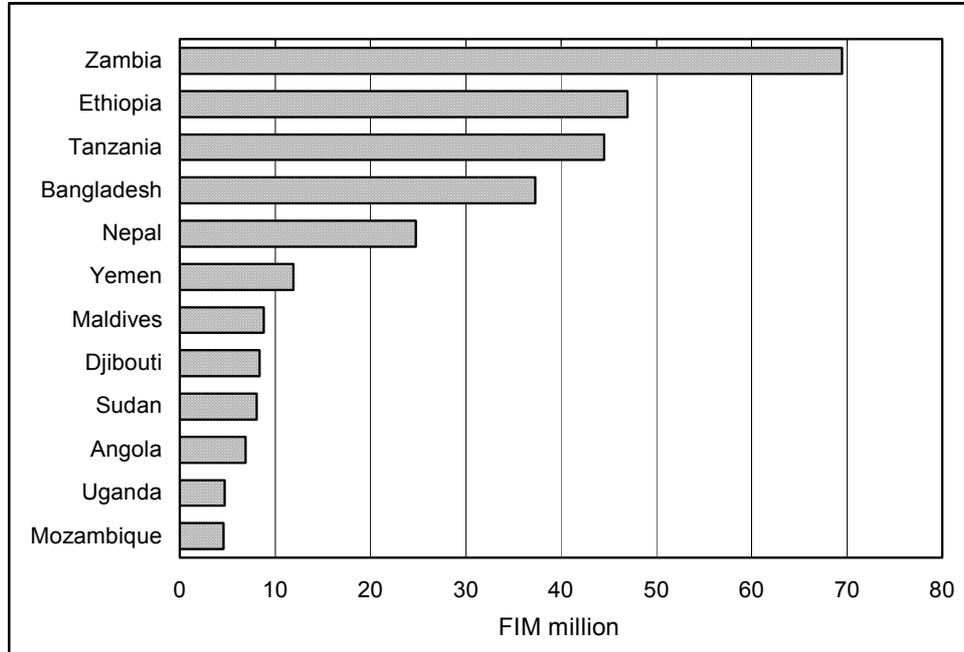
The overall share of the LDCs in Finnish foreign trade was quite small towards the end of the 1990s, accounting for only about 0.2 per cent of the total exports and 0.4 of the total imports. Without active development aid to the least developed countries the Finnish exports to these would be very small, and the share of this in the total exports would probably be less than 0.1 per cent.

Exports dominated by machinery and implements to the development co-operation partners

As was noted above, Finnish export to the least developed countries depends largely on the development co-operation with these, and this also reflected in the range of commodities involved. Of the total exports, which in 1998 were FIM 437.6 million, machinery, implements or their components accounted for two thirds, and two thirds of this product group was directed at the most significant target areas for development co-operation (Figure 14, Annex 8).

Other significant exported products groups include medicinal drugs and pharmaceutical products (6.0 per cent) as well as paper, paperboard and products made of these (8.4 per cent). In these product groups the role of the development co-operation partners is not as significant as in the case of machinery and implements. Most of the exports of both medicinal drugs and pharmaceutical products (FIM 15 million) and paper and paperboard (15.2 million) have been directed at Bangladesh, which thus accounted for more than half of the exports of the former and almost half of the latter to the LDCs.

Figure 14. Export of machinery and implements (HS 7) to the LDCs in 1998



Source: National Board of Customs

The export of foodstuffs and agricultural products to the LDCs from Finland is quite insignificant, and in 1998 this totalled only FIM 3.7 million. Most of this was accounted for by milk powder exported to Benin (FIM 2.1 million).

Other interesting groups of commodity exports are isolated thread and cable to Yemen (FIM 11 million), buildings with steal constructions to Maldives (2.0 million), metal coins to Nepal (1.2 million) as well as iron and steal constructions to Sudan (8.9 million).

Most important product groups in imports

The imports to Finland from the LDCs, which in 1998 totalled FIM 642.4 million, consist of only a few product groups.

Foodstuffs accounted for about a tenth of the Finnish imports from the LDCS in 1998 (Table 24). A more detailed study of the group of foodstuffs shows that the range of products is in fact very narrow. By far the largest single product in imports was unroasted coffee (HS 0711). In 1998 the imports of

unroasted coffee totalled FIM 75.5 million, which is 95 per cent of the food imports from the LDCs. Other imports consisted of fish products and spices from Madagascar, cocoa beans from Sao Tome, roasted coffee from Tanzania and peanuts from Sudan.

Unroasted coffee is imported from ten countries included in the LDCs, and most of this comes from Ethiopia, Tanzania and Burundi (Figure 15).

In 1998 the share of foodstuffs and other agricultural products was about a fifth of all Finnish imports from the LDCs. The largest product group among the other agricultural products was skins and pelts (FIM 35 million) imported from Afghanistan, Eritrea and Ethiopia. In addition to these, mainly raw tobacco was imported.

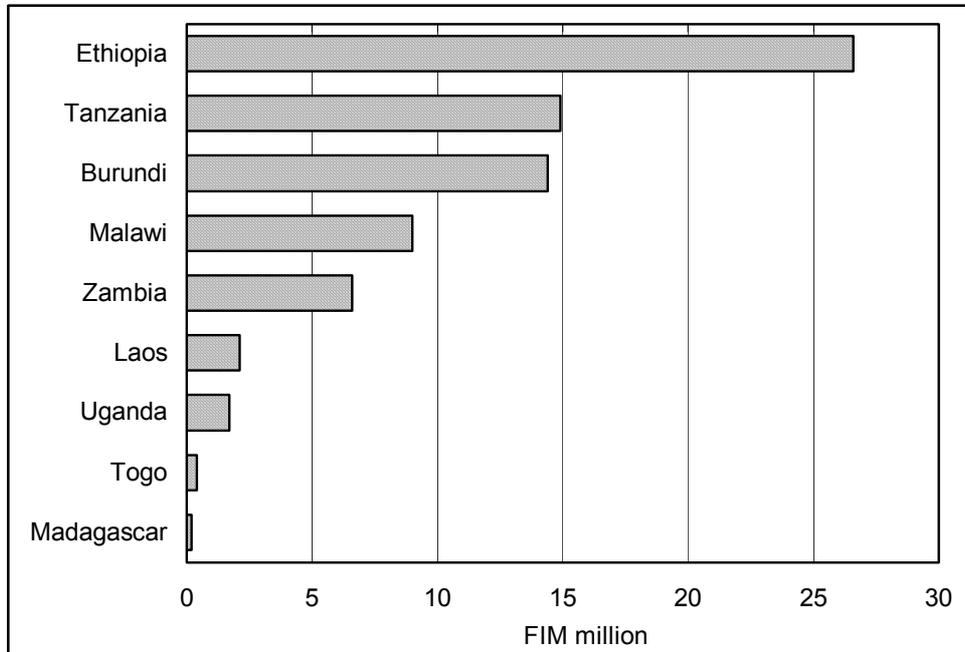
Besides agricultural products and foodstuffs another major group of primary products was ores and metals. In 1998 the imports of these totalled FIM 367.5million, which was more than a half (57.2 per cent) of the total imports. Ores and metals were imported from three countries, the Democratic Republic of Congo (iron ore and concentrates and cobalt ore and concentrate), Mauritania (iron ore and concentrate) and Zambia (cobalt ore and concentrate).

Table 24. Finnish imports from the LDCs according to product groups in 1998

Product group	Imports in 1998	
	FIM mill.	Share,%
Foodstuffs total	79.2	12.3
Other agricultural products	50.0	7.8
Ores and metals	376.1	57.2
Garments and textiles	137.5	21.4
Other products	8.6	1.3
Total	642.4	100.0

Source: National Board of Customs

Figure 15. Import of unroasted coffee (HS 0711) from LDCs in 1998



Source: National Board of Customs

The third most significant group of imports from the LDCs in 1998 consisted of garments and textiles, which accounted for about a fifth of the total imports. Most of these came from only four countries, Bangladesh (FIM 118.1 million), Laos (12.7 million), Cambodia (4.0 million) and Madagascar (2.7 million).

More than 90 per cent of the Finnish imports from the LDCs came from just ten countries, the Democratic Republic of Congo, Bangladesh, Mauritania, Zambia, Afghanistan, Ethiopia, Tanzania, Malawi, Laos, and Burundi.

6. TRADE-RELATED TECHNICAL ASSISTANCE FOR LDCS

Developing countries make up the large majority of WTO members, and are increasingly active in the deliberations of that body. Recent economic policy changes in developing countries, emphasizing openness and market orientation, have given them a much greater stake in the outcome of trade talks. This, together with the emergence of global markets in sector after sector, has held out the prospect of productive participation in world trade as a viable path to development. But it has also increased the risks of exposing domestic markets and institutions to competition from abroad, and made countries with inadequate infrastructure and inappropriate policies vulnerable to marginalization in the global economy.¹⁸

LDCs face many difficulties, both internal and external, in their efforts to develop their agriculture and achieve their objectives of improving food security and increasing export earnings. Internal difficulties include low productivity, inflexible production and trade structures, and deficit institutional and policy framework. At the same time, with the growing integration of markets due to globalization and liberalization, their economies face a more fiercely competitive external trading environment. They continue to export a limited range of primary commodities that are highly vulnerable to instability in demand and a decline in terms of trade.

6.1 Challenges and opportunities for expanding the agricultural exports of developing countries

While some developing countries have been able to improve competitive position and exploit opportunities arising from global agricultural trade liberalization, many developing countries, especially the LDCs, lack the capacity to do so.

¹⁸ Timothy Josling and Stefan Tangermann: "The Interests of Developing Countries in the Next Round of WTO Agricultural Negotiations"; in *A Positive Agenda for Developing Countries; Issues for Future Trade Negotiations*, UNCTAD 1999

They require the resources necessary to assist their producers in providing an improved production infrastructure, improved seeds and other inputs, irrigation and improved production technology to increase productivity. Moreover, they require access to:¹⁹

- a) resources for financing incremental working capital, investment and insurance;
- b) efficient and cheap freight, transport and shipping of their products;
- c) technology and information in order to consistently meet market requirements, including
 - product quality standards;
 - sanitary and phytosanitary requirements;
 - other technical standards; and
- d) modern marketing and distribution infrastructures and skills to improve their competitive positions.

The following issues have been identified as problems facing developing countries, particularly LDCs, and as issues that need to be taken into account in the upcoming agricultural negotiations, in order to permit those countries to compete on a fairer basis.

Market access

High agricultural tariffs in general, and tariff peaks in particular, applied by some WTO members, are still very important barriers to products of identified export interest to developing countries. The complexity of the structure of tariffs in the agricultural sector could be reduced. Tariff rate quota administration has also been complex, in many cases lacking transparency.

Special problems of the LDCs

In the globalizing and liberalizing world economy, the Least Developed Countries face much greater challenges than other developing countries in

¹⁹ UNCTAD: TD/BCOM.1/23,TD/B/COM.1/EM.8/3, 5 August 1999

overcoming their marginalization and require comprehensive and well co-ordinated support measures from the international community.

With regard to concerns about the inability of LDCs to take full advantage of the opportunities provided by the WTO agreements, a variety of constraints have been identified, including:

1. Shortage of skilled personal;
2. Complexity of WTO rules and working structures;
3. Lack of awareness and full information on the rules;
4. Inability to upgrade domestic regulations;
5. Weak institutional infrastructure; and
6. High cost of maintaining a mission in Geneva.²⁰

6.2 Participation in the WTO process

Since the Tokyo Round and particularly in the build-up to the launch of the Uruguay round, the developed countries have called for greater integration of the developing and least developed countries into the global economy and their fuller participation in the WTO process. But it is a fact that many of the least developed countries are not able to participate fully and effectively in the WTO process due to acute limitations arising from inadequate human and institutional capacity as well as the management structure and the decision-making processes of the WTO itself.

There are at least, three distinct but inter-related dimensions to participation in the WTO process²¹. The first is active involvement in formulating the rules governing multilateral trade and trade-related interactions. The second is the “give-and-take” involved in the process of trade negotiations through which interests are identified, articulated and “concessions” constructed around these interests are exchanged. The third

²⁰ Integrating Least Developed Countries into the Global Economy: Proposal for a comprehensive New Plan of Action in the Context of the Third WTO Ministerial Conference; Coordinating Workshop for Senior Advisors to Ministers of trade in LDCs in Preparation for the Third WTO Ministerial Conference, Sun City South Africa; 21-25 June 1999

²¹ Oyejide TA (1999). Perspective and modalities of African participation in the WTO process. Presented at Dissemination Workshop of AERC Project on Africa and the World Trading System, Yaounde, 17-18 April

dimension of participation consists of the effective use of the established rules and institutional mechanisms to ensure that each member country's rights are enforced and its obligations are met.

Active participation of the least developed countries is an important way of ensuring that their particular concerns and interests are adequately reflected in the agreements that define the rules of the world trading system. To do this effectively, they must be able to articulate their interests and effectively define their rights in the WTO framework. As the WTO process becomes increasingly more complex and technical, this challenge becomes ever more critical.

Capacity of competencies

The extent and quality of the participation of the least developed countries in the WTO process are largely determined by their capacity to deploy a number of competencies²².

One set of these competencies involves the capacity to fully understand and internalize the contents, implications and constraints of various WTO agreements; to identify and take advantage of the trade and trade-related opportunities made available under these agreements; and to fulfil the obligations that they impose²³.

Second set of competencies relates to the capacity of the countries to articulate trade objectives and effectively pursue them in the context of multilateral negotiations and to formulate and pursue trade and development strategies that are consistent with the countries' WTO obligations.

A final set of competencies is associated with the countries' capacity to assert and defend their acquired trade and trade related rights against potential and actual infringement and other challenges.

Most of the least developed countries lack technical expertise and negotiations experience; they lack access to in-depth analysis of the implications of the proposals they are required to negotiate and receive inadequate support and guidance from their home capitals.

²² UNCTAD (1996). Strengthening the participation of developing countries in world trade and the multilateral trading system. Document TD/375/Rev.1. Geneva.

²³ Oyejide (2000). Interests and Options of Developing and Least-developed Countries in a New Round of Multilateral Trade Negotiations, G-24 Discussion Paper Series, UNCTAD, Geneva

The need for technical assistance has grown rapidly since the mid-1980s as the number of low-income WTO members has increased. What is needed is a decision to use technical assistance more aggressively as a instrument for enhancing the participation of low-income and least-developed countries by providing adequate funding and by focusing this assistance on the key human, knowledge and institutional capacity-building needs of the least developed countries²⁴.

6.3 Technical assistance

Technical assistance is the means for building human, institutional and infrastructure capacity. It encompasses programmes and projects that are designed to enable the attainment of key defined objectives, such as for integration into the multilateral trading systems, and the global economy. The objectives and positive outcomes of technical assistance activities should be considered as public goods. Technical assistance is a vital component of a series of support measures for the LDCs in building capacity for trade development, and for accelerating their integration into the trading system and the global economy.

The preparation meeting for the Third WTO ministerial Conference of the senior advisers²⁵ underlined the importance of the provision of technical assistance to LDCs by both bilateral and multilateral development partners to enhance the efforts of LDCs in contributing to the formulation of a positive agenda and to build up the negotiating capacity in these countries.

The main technical assistance programme concerning the least developed countries' trade-related issues is an Integrated Framework (IF)²⁶ for Trade-Related Technical Assistance, including Human and Institutional Capacity Building, to Support Least Developed Countries.

²⁴ Ibid.

²⁵ Integrating Least Developed Countries into the Global Economy: Proposal for a comprehensive New Plan of Action in the Context of the Third WTO Ministerial Conference; Coordinating Workshop for Senior Advisors to Ministers of trade in LDCs in Preparation for the Third WTO Ministerial Conference, Sun City South Africa; 21-25 June 1999

²⁶ WTO.WT/LDC/HL/1/Rev.1, 23 October 1997

Background to the IF

At their first Conference in Singapore in December 1996, WTO Ministers adopted the Comprehensive and Integrated WTO Plan of Action for the Least Developed Countries which “envisaged a closer co-operation between the WTO and other multilateral agencies assisting least developed countries” in the area of trade. According to the Plan of Action, aimed at improving the overall capacity of least developed countries to respond to the challenges and opportunities offered by the trading system, it was agreed by the WTO, UNCTAD and ITC Secretariat, in collaboration with the staff of the IMF, the World Bank and the UNDP that an Integrated Framework for the provision of trade-related technical assistance for supporting trade and trade-related activities of the least developed countries.

The Integrated Framework seeks to increase the benefit that least developed countries derive from the trade-related technical assistance available to them from the six agencies involved as well as from other multilateral, regional and bilateral sources.

Objectives and elements

The principal objective of the IF is to increase the benefits that LDCs derive from trade-related technical assistance (TA). Related objectives are to:²⁷

- a) ensure that trade-related TA is demand driven by the LDCs and meets their individual needs effectively;
- b) enhance ownership by each LDC over the trade-related TA being provided;
- c) enable each agency involved to increase its efficiency and effectiveness in the delivery of trade-related TA;
- d) keep under review trade-related TA in each LDC and evaluate it periodically; and
- e) provide comprehensive information about the specific needs of each LDC and about the trade-related TA provided by the six agencies to others, including the private sector.

²⁷ WTO: Report of the Review of the Integrated Framework, WT/LDC/SWG/IF/1, 29 June 2000

The Integrated Framework identified six elements of trade-related technical assistance. These are:²⁸

- a) institution-building to handle trade policy issues,
- b) strengthening of export supply capacity,
- c) strengthening of trade support services,
- d) strengthening of trade facilitation capabilities,
- e) training and human resource development, and
- f) assistance in the creation of a supportive trade-related regulatory and policy framework.

The list of elements reflects a very ambitious agenda for the IF. The reference to such elements as infrastructure development has led many LDCs to believe that the IF goes beyond TA.²⁹

Co-operation of technical assistance

The Integrated Framework was founded because of the danger of overlapping. Numerous multilateral and bilateral donors are involved in providing technical trade assistance to the least developed countries, so intensified co-operation is needed. The separate institutions, organizations and countries vary in their competencies in the area of technical assistance and also in their knowledge of the subject, which could allow them to complement each other.

Competencies of multilateral donors

The founding partners of the Integrated Framework are International Monetary Fund (IMF), International Trade Centre (ITC), United Nations Trade and Development Conference (UNCTAD), United Nation Development Programme (UNDP), World Bank (WB) and World Trade Organization (WTO).

The IMF provides technical assistance in three main areas: fiscal, monetary and exchange affairs, and statistics. This technical assistance

²⁸ Ibid.

²⁹ Ibid.

contributes to trade liberalization and trade promotion³⁰. The main areas of fiscal assistance are tax reform, customs modernization, trade data, the introduction of value-added taxes (VAT), income tax reform and tax harmonisation. Technical assistance in foreign exchange system reforms focuses on the liberalization of exchange controls. Technical assistance in monetary operations and monetary policy implementation contributes indirectly to trade liberalization. Thus the competence of the IMF helps trade policy to become more open.

The ITC is the technical arm of the WTO and UNCTAD for export promotion and improvement of import operations. Its technical co-operation programme is funded by UNDP and voluntary contributions from individual governments and organizations. ITC's core programme work addresses the collective needs of its partner countries and, as such, is designed to apply to LDCs, a priority in its work. The LDCs now account for about one third of the ITC's project delivery from extra budgetary resources. The ITC, UNCTAD and WTO are engaged in a Joint Integrated Technical Assistance Programme to help selected African countries participate more effectively in the multilateral trading system.

The ITC plays a key role in the mechanism that has been established to administer the Integrated Framework. This mechanism consists of an Inter-Agency Working Group, chaired by the WTO, to foster inter-agency collaboration among the six core agencies, and a Administrative Unit, located at ITC, to facilitate the implementation of the Integrated Framework³¹.

Least developed countries have been a major focus of UNCTAD's work since its establishment in 1964. Integration of LDCs into the world economy and the international trading system entails strengthening supply capacities for tradable goods and services. It also requires increased investment, alleviation of their debt burden and improved trade-related infrastructure and enhanced trade efficiency and trade support services.

UNCTAD's technical co-operation mostly addresses the above concerns. In areas related to trade and trade-support services, they include trade policies, assistance to the WTO, commodity diversification and risk management, trade information, competition law and policy, customs modernization, cargo tracking, and so on.³² A Trust Fund for LDCs was established and became

³⁰ Integrated Framework Internet home page

³¹ Ibid.

³² Ibid.

operational in early 1997. The Trust Fund facilitates the start-up of new activities in the four main areas of UNCTAD's work programme.

In LDCs, the UNDP's experience in supporting international trade has taken several directions:

- Capacity-building for trade and development.
- Trade facilities such as streamlining custom offices to increase efficiency and speed and cut down transaction costs.
- Market access and regional grouping.
- Creation of an enabling environment for the promotion of the private sector.³³

The 1994 Marrakesh WTO Ministerial Conference, which established the WTO, decided that LDCs shall be accorded substantially increased technical assistance in the development, strengthening and diversification of their production and export bases including those of services, as well as in trade promotion, to enable them to maximize the benefits from liberalized access to markets.

In response to the specific needs for trade-related technical assistance defined by the LDCs in the context of the Integrated Framework, the WTO's response broadly covers four types of activities:

- a) to organise special trade policy courses for LDCs;
- b) to conduct regional seminars on trade-related topics of specific concern to LDCs;
- c) to organise national seminars in LDCs to increase awareness of the multilateral trading system and their rights and obligations under the WTO Agreements;
- d) to provide computer hardware and software to the Ministries responsible for international trade policy in all LDC Members and Observers to WTO, and provide training in using new technologies to access information through the WTO web site.

There are many other multilateral and bilateral donors in collaboration to contribute to the trade-related technical assistance for LDCs. Concerning agricultural trade, the Food and Agricultural Organization of the United

³³ Ibid.

Nations, FAO, has a duty to enhance technical assistance to LDCs. The FAO has long experience in providing technical assistance to its member countries, including LDCs, in a wide range of trade-related issues. Request for such assistance have intensified since the signing of the Marrakesh Agreement in 1994. FAO assistance covers, inter alia, matters relating to the Agreement on Sanitary and Phytosanitary Measures (SPS), the Agreement on Technical Barriers to Trade (TBT), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), agricultural and food policy adjustment to the new WTO provisions contained in the Agreement on Agriculture, and assistance on the Ministerial Decision on Measures for the Net Food Importing and Least Developed Countries.

In providing its assistance, the FAO follows a policy of making maximum use of technical expertise available in developing countries, through its South-South Co-operation (SSC) scheme and its programmes of Technical Co-operation among developing countries and Countries in Transition (TCDC/TCCT). The assistance includes normative as well as operational field activities with a direct impact on supply-side capacities. In the year 2000 alone, more than 700 field projects, with a total budget value of USD 423 million, were ongoing in 46 of the 48 LDCs³⁴.

Collaboration in the framework of the IF also involves many bilateral donors. Almost all OECD countries belong to this co-operation unity. Many countries have a technical assistance policy and projects of their own.

Mainstreaming the IF

The contributions of the IF have so far been modest. Improvements are underway to strengthen the IF and to make it a more effective mechanism for assisting the trade development of LDCs. The IF has provided the platform for co-ordinating the work of multilateral agencies and provided the basis for the delivery of high quality trade-related technical assistance to and support for LDCs.

³⁴ FAO technical Assistance to Agriculture in the Least Developed Countries, A/CONF.191/BP/6/Add.1, 1 May 2001

SOURCES

Agra Europe, December 22, 2000

FAO technical Assistance to Agriculture in the Least Developed Countries,
A/CONF.191/BP/6/Add.1, 1 May 2001

FAOSTAT 2000

FAO Statistical Databases

Finnida: Suomen kehitysyhteistyö 1990, Finnish development co-operation in
1990

IFPRI: The World Food Situation: Recent Developments, Emerging Issues, and
Long-term Prospects, 2020 Vision, Washington 1997

Integrated Framework (IF); home page

European Union; Articles 72, 72a and 72b of Regulation (EEC) No 2454/93
laying down provisions for the implementation of Council Regulation
(EEC) No 2913/92 establishing the Community Customs Code, as
amended by COMMISSION REGULATION (EC) No 1602/2000 of
24 July 2000, Official Journal L 188 of 26.7.2000

European Commission; Everything but Arms Proposal, First Remarks on the
Possible Impacts on the Agricultural Sector, November 2000, DG-
AGRI

EU Trade Concession to Least Developed Countries, Everything but Arms
proposal: Possible Impacts on the Agricultural Sector, EU
Commission 2001

Josling, Timothy and Tangermann, Stefan: “The Interests of Developing
Countries in the Next Round of WTO Agricultural Negotiations”; in
A Positive Agenda for Developing Countries; Issues for Future Trade
Negotiations, UNCTAD 1999

National Board of Customs in Finland

OECD; Elaboration of OECD and Fapri by O. Jones DG-Agri A.1 and
elaboration on Eurostat-Comext data

Oyejide TA (1999). Perspective and modalities of African participation in the WTO process. Presented at Dissemination Workshop of AERC Project on Africa and the

World Trading System, Yaounde, 17-18 April

Oyejide (2000). Interests and Options of Developing and Least-developed Countries in a New Round of Multilateral Trade Negotiations, G-24 Discussion Paper Series, UNCTAD, Geneva

United Nations; Home page of LDC III Conference

UNCTAD (1996). Strengthening the participation of developing countries in world trade and the multilateral trading system. Document TD/375/Rev.1. Geneva.

UNCTAD; TD/BCOM.1/23,TD/B/COM.1/EM.8/3, 5 August 1999

UNCTAD: The Least Developed Countries, Report 1999

UNCTAD, The Least Developed Countries 2000 Report

UNCTAD; Statistical Profiles of the Least Developed Countries (UNCTAD/LDC/Misc.72)

Integrating Least Developed Countries into the Global Economy: Proposal for a comprehensive New Plan of Action in the Context of the Third WTO Ministerial Conference; Co-ordinating Workshop for Senior Advisors to Ministers of trade in LDCs in Preparation for the Third WTO Ministerial Conference, Sun City South Africa; 21-25 June 1999

WTO, Document WT/LDC/HL/19, 21 October 1997

WTO.WT/LDC/HL/1/Rev.1, 23 October 1997

WTO Negotiations from the Perspective of Developing Countries, 23-24 September 1999, Geneva

WTO Agricultural Trade Performance by Developing Countries 1990-98, G/AGNG/S/6, May 2000

WTO: Report of the Review of the Integrated Framework,
WT/LDC/SWG/IF/1, 29 June 2000

WTO 2000, International Trade Statistics 2000

WTO, Agricultural Trade Performance by Developing Countries,
G/AG/NG/S/6

WTO : WT/LDC/SWG/IF/14/Rev.1/Add.1

WTO: Market access conditions for least developed countries, 25 April 2001

STATISTICAL ANNEXES

- Annex 1: Export development of the main product groups in the developing countries and the world in the 1990s
- Annex 2: Main product groups of exports of the developing countries and total world in the 1990s
- Annex 3: Regional agricultural exports of the developing countries in the 1990s
- Annex 4: Destination of the agricultural exports of the developing countries in 1990-98
- Annex 5: Agricultural exports of developing countries to other developing countries in the 1990s
- Annex 6: Imports and exports of Finland with the LDCs in 1990, 1995 and 2000
- Annex 7: The Finnish bilateral aid to the LDCs
- Annex 8: Exports and imports of food products in the foreign trade between Finland and the LDCs in 1998
- Annex 9: Imports and exports of the food products in the LDCs and the EU in 1998
- Annex 10: Imports and exports of livestock products in the LDCs and the EU countries 1998
- Annex 11: Imports and exports of cereals and cereal products in the LDCs and the EU countries 1998
- Annex 12: Imports and exports of fruits and fruit products in the LDCs and the EU 1998
- Annex 13: Imports and exports of oilseeds and vegetable oils in the LDCs and the EU 1998
- Annex 14: Imports and exports of beverages and alcoholic products in the LDCs and the EU 1998
- Annex 15: Agricultural and food production of the EU, the LDCs and the world in 1998
- Annex 16: Agricultural production of the Least Developed countries in 1998

**ANNEX 1: Export development of the main product groups in the
developing countries and the world in the 1990s,USD billion***

Year	World			Developing countries				
	Agriculture	Mining	Industry	Total	Agriculture	Mining	Industry	Total
1990	284	415	1618	2317	114	254	412	780
1991	282	389	1692	2363	115	233	457	805
1992	301	384	1843	2528	120	232	513	865
1993	300	368	1960	2628	120	217	567	904
1994	348	379	2251	2978	144	218	684	1046
1995	405	445	2653	3503	169	253	837	1259
1996	423	533	2771	3727	174	307	882	1363
1997	424	550	2969	3943	178	315	958	1451
1998	394	436	2939	3769	167	239	941	1347

*Data for World exclude intra-EU trade
Source: WTO Secretariat; G/AG/NG/S/6

ANNEX 2: Main product groups of exports of developing countries and total world in the 1990s, USD billion

Year	Agriculture			Industry		
	World USD bill.	Dev.countries USD bill.	share* %	World USD bill.	Dev. countries USD bill.	share* %
1990	284	114	40.1	1618	412	25.5
1991	282	115	40.8	1692	457	27.0
1992	301	120	39.9	1843	513	27.8
1993	300	120	40.0	1960	567	28.9
1994	348	144	41.4	2251	684	30.4
1995	405	169	41.7	2653	837	31.5
1996	423	174	41.1	2771	882	31.8
1997	424	178	42.0	2969	958	32.3
1998	394	167	42.4	2939	941	32.0

Year	Mining			Total		
	World USD bill.	Dev.countries USD bill.	share* %	World USD bill.	Dev.countries USD bill.	share* %
1990	415.0	254.0	61.2	2317	780	33.7
1991	389.0	233.0	59.9	2363	805	34.1
1992	384.0	232.0	60.4	2528	865	34.2
1993	368.0	217.0	59.0	2628	904	34.4
1994	379.0	218.0	57.5	2978	1046	35.1
1995	445.0	253.0	56.9	3503	1259	35.9
1996	533.0	307.0	57.6	3727	1363	36.6
1997	550.0	315.0	57.3	3943	1451	36.8
1998	436.0	239.0	54.8	3769	1347	35.7

*Share of the World

Source: WTO Secretariat

ANNEX 3: Regional agricultural exports of the developing countries in the 1990s, USD million*

Year	Africa		Asia		Latin America		Middle-East		Developing countries Total
	USD mill.	%	USD mill.	%	USD mill.	%	USD mill.	%	USD mill.
1990	4390	12.7	19580	56.9	5200	15.1	4790	13.9	34440
1991	4810	12.9	21360	57.3	5710	15.3	5120	13.7	37310
1992	5400	13.0	23140	55.6	6330	15.2	6280	15.1	41590
1993	5000	11.9	22950	54.7	7300	17.4	6260	14.9	41980
1994	5270	9.9	31780	59.8	9240	17.4	6320	11.9	53110
1995	6780	10.3	39010	59.3	11300	17.2	7670	11.7	65830
1996	6760	9.8	39970	58.1	12680	18.4	8200	11.9	68830
1997	7100	9.9	40370	56.4	13760	19.2	8720	12.2	71560
1998	7180	10.9	34490	52.6	14370	21.9	8790	13.4	65600

*Developing countries exclude Developing Europe and include destinations not elsewhere specified

Source: WTO Secretariat; G/AG/NG/S/6

ANNEX 4: Destination of the agricultural exports of the developing countries in 1990-98, USD million*

Year	North-America	Western Europe		Japan		Oceania		%
	USD mill.	%USD mill.	USD mill.	%USD mill.	USD mill.	%USD mill.	USD mill.	
1990	16520	14.8	34070	30.6	15980	14.3	950	0.9
1991	16980	15.1	34480	30.7	17620	15.7	1000	0.9
1992	17880	15.2	35230	30.0	18190	15.5	1060	0.9
1993	18530	15.8	33070	28.1	19510	16.6	1110	0.9
1994	20580	14.5	40260	28.4	23430	16.5	1340	0.9
1995	23580	14.2	45920	27.6	25290	15.2	1500	0.9
1996	24740	14.5	45850	26.8	25180	14.7	1460	0.9
1997	26300	15.1	46740	26.9	22640	13.0	1490	0.9
1998	26720	16.3	46070	28.1	19050	11.6	1480	0.9

Year	Transition countries		Developing countries		Total
	USD mill.	%USD mill.	USD mill.	%USD mill.	USD mill.
1990	9550	8.6	34440	30.9	111510
1991	5040	4.5	37310	33.2	112430
1992	3450	2.9	41590	35.4	117400
1993	3420	2.9	41980	35.7	117620
1994	3060	2.2	53110	37.5	141780
1995	4320	2.6	65830	39.6	166440
1996	4970	2.9	68830	40.2	171030
1997	5300	3.0	71560	41.1	174030
1998	4820	2.9	65600	40.1	163740

* Western Europe includes the figures for Developing Europe; Developing Countries exclude Developing Europe and include destinations not elsewhere specified.

ANNEX 5: Agricultural export of developing countries to other developing countries in the 1990s. USD million

Year	Africa		Asia		Latin America		Middle East		Developing countries	
	mill.doll.	%	mill.doll.	%	mill.doll.	%	mill.doll.	%	mill.doll.	%
1990	4390	12.7	19580	56.9	5200	15.1	4790	13.9	34440	100
1991	4810	12.9	21360	57.3	5710	15.3	5120	13.7	37310	100
1992	5400	13.0	23140	55.6	6330	15.2	6280	15.1	41590	100
1993	5000	11.9	22950	54.7	7300	17.4	6260	14.9	41980	100
1994	5270	9.9	31780	59.8	9240	17.4	6320	11.9	53110	100
1995	6780	10.3	39010	59.3	11300	17.2	7670	11.7	65830	100
1996	6760	9.8	39970	58.1	12680	18.4	8200	11.9	68830	100
1997	7100	9.9	40370	56.4	13760	19.2	8720	12.2	71560	100
1998	7180	10.9	34490	52.6	14370	21.9	8790	13.4	65600	100

Source: WTO Secretariat

ANNEX 6: Imports and exports of Finland with the LDCs in 1990, 1995 and 2000. FIM million

LDCs	1990		1995		2000		Balance
	Import FIM mill..	Export FIM mill..	Import FIM mill.	Export FIM mill.	Import FIM mill..	Export FIM mill..	
Afganistan	1.4	2.2	9.4	1.3	62.1	1	-61.1
Angola		8.6		2.1	0	12.2	12.2
Bangladesh	7.8	24.2	50.5	31	205	80.2	-124.8
Benin	0	4.6		3.3		4.2	4.2
Bhutan					0	0.3	0.3
Burkina Faso	0	1.1	0		0	1	1
Burundi	11.8	0	7.2	0.3	3.8	0.3	-3.5
Djibuti		0.4	0	0.3	0	7.8	7.8
Eritrea			1.5	4.1	0	1.7	1.7
Ethiopia	25.6	67.8	14.1	31.5	8.3	15.4	7.1
Gambia	0	0	0	0.1	0	1.5	1.5
Guinea	0	9.7	0.1	0.8	0.1	1.5	1.4
Guinea-Bissau	0	1.2		0.3			
Haiti	0.4	0.8	0.1	1.5	0.1	2.2	2.1
Yemen	0	31.1	0	22.5	0.1	14.1	14
Cambodia	0		1.3	42.2	14.8	9.1	-5.7
Kap Verde		2	0	1.4		0.4	0.4
Central African Republic		0	0	0	0.2	1.8	1.5
Kiribati		0	0.2		0	0	0
Comoros			0	0	0.1	0.1	0
Congo. D. R.(Zaire)	5.9	9.7	64.6	4	541.3	2.4	-538.9
Laos	0.3	2.3	13.7	1.4	13.4	1.5	-11.9
Lesotho	3.7	0.2	0	0.3	0	0	0
Liberia	0	2.9	0	33.5	1.5	0.2	-1.3
Madagascar	0.6	0.8	1.6	1.9	18.9	4.4	-14.5
Malawi	18.2	12	11.9	12.8	6.3	11.4	5.2
Maldives	0	5.5	0	10.8	0	1.1	1.1
Mali	0.1	3.9	4.7	3.3	0.1	9.7	9.6
Mauritania	0	0.1	0.2	2	26.4	1.7	-24.7
Mosambique	3	46.3	0	6.3	0.1	8.3	8.2
Myanmar	3.7	2.4	1.6	6.8	13.2	1.5	-11.7

continues

LDCs	1990		1995		2000		
	Import FIM mill.	Export FIM mill.	Import FIM mill.	Export FIM mill.	Import FIM mill.	Export FIM mill.	Balance
Nepal	1.1	57.9	2	12.6	2.6	5.2	2.7
Niger	0	4.7	0.1	1.6	0	2.3	2.3
Equatorial Guinea	0	0			0	0.1	0.1
Rwanda	1.7	1	0	1	0	0.1	0.1
Solomon Islands	0	0	0	0		0	0
Zambia	4.6	153.1	0.3	49.7	113.5	106.3	-7.3
Samoa	0						
Sao Tome and Principe					0.4	0	-0.4
Sierra Leone	0.1	7	0.9	3.4	0.4	0.9	0.5
Somalia	0	8.6	0	0	0	0.5	0.4
Sudan	10.5	33.9	6.8	1.6	3.4	7.9	4.6
Tanzania	13.4	71.7	17.8	20.2	17.2	59.7	42.5
Togo	0	6.4	0.1	3.6	1.9	0.5	-1.4
Csad		5.2	0		0	0.5	0.5
Tuvalu			0	0.2	0	0	0
Uganda	0	3.2	4.6	7.8	0.6	8.4	7.8
Vanuatu		0				0.2	0.2
Total	113.9	592.5	215.3	327.5	1055.8	389.6	-666.2
	0.11	0.58	0.17	0.19	0.48	0.13	
World	103026.7	101327	128555.4	176021.4	218152.5	293643.2	75490.7

ANNEX 7: The Finnish Bilateral Aid to the LDCs

	1990	1998	1999
LDCs	FIM mill.	FIM mill.	FIM mill.
Afganistan	0.6	15.5	20.1
Angola	4.1	6.3	20.2
Bangladesh	47.5	3.8	3.5
Benin	0	0.1	0
Bhutan	0.5	0	0
Burkina Faso	0	1.7	2.7
Burundi	0	2.1	4.6
Cambodia	1.2	12.3	11.9
Cape Verde	0	0	0
Central African Republic	0	0	0
Chad	1.5	0	0
Comoros	0	0.1	0
Democratic Republic of the Congo	1.5	1.7	0
Djibuti	0.1	0	0
Equatorial Guinea	0	0	0
Eritrea	0	2.2	2
Ethiopia	81	37.4	33.1
Gambia	0.2	0.1	0.1
Guinea	0.1	2.6	0.4
Guinea-Bissau	0	0	2
Haiti	0	0.2	0.4
Kiribati	0	0	0
Laos	0	6.9	11.9
Lesotho	0.7	0.1	0
Liberia	1.7	3.1	4.5
Madagascar	0	0.3	0.3
Malawi	0.2	7.2	4.1
Maldives	0	0	0
Mali	0	0	0
Mauritania	0	0	0
Mozambique	101.5	65.2	82.6
Myanmar	0	0.1	0.4
Nepal	59.4	69.7	31.9
Niger	0	0	0
Rwanda	0.8	3	3
Samoa	0	0	0
Sao Tome and Principe	0	0	0

	1990	1998	1999
LDCs	FIM mill.	FIM mill.	FIM mill.
Sierra Leone	0.3	3	3.8
Solomon Islands	0	0	0
Somalia	85.9	2	12.4
Sudan	47.2	7	9.7
Togo	0	0.3	0
Tuvalu	0	0	0
Uganda	5.6	6	6.5
United Republic of Tanzania	194.9	63.7	59.3
Vanuatu	0	0	0
Yemen	0.7	0	0
Zambia	95.3	38.1	21.1
Total	637.2	323.7	331.4

Source: Finland's Developing Aid. Foreign Ministry

**ANNEX 8: Exports and imports of food products in the foreign trade
between Finland and LDCs in 1998**

Import 1998			
SITC	Products	Country	FIM mill.
0711	Coffee. not roasted	Burundi	14.4
		Ethiopia	25.6
		Laos	2.1
		Madagascar	0.2
		Malawi	9
		Rwanda	0.6
		Zambia	6.6
		Tanzania	14.9
		Togo	0.4
		Uganda	1.7
			75.5
0371	Fish. Prepared or pres.	Madagascar	2.2
075	Spices	Madagascar	0.2
0721	Cocoa Beans	Sao Tome	0.9
0712-13	Coffee. Roasted.Extract.	Tanzania	0.3
2221	Groundnuts	Sudan	0.1
	Food products Total		79.2
21	Hides. Skins and Fursk.	Afganistan	32.2
		Eritrea	1.2
		Ethiopia	1.6
292	Crude Vegetable Mater.	Sudan	5.5
121	Tobacco. Unmanufact.	Malawi	7.1
		Tanzania	2.4
	Other Agricultural Products Total		50
	Minerals and Metals	Congo.D. R.	288.8
		Mauritania	43.5
		Zambia	35.2
	Minerals and Metals Total		367.5

Import 1998			
	Products	Country	FIM mill.
84	Apparel and Clothing	Bangladesh	115.4
		Cambodia	4
		Laos	12.7
		Madagascar	2.7
65	Textile Yarn. Fabrics	Bangladesh	2.7
	Clothing and Textiles Total		137.5
	Muut tuotteet		8.6
	Import total		642.8

Export 1998			
SITC	Products	Country	FIM mill.
0222	Milk and Cream. Concentrated or Sweetened	Benin	2.1
		Madagascar	0.5
0484	Bread. Pastry. Cakes. Biscuits and Other	Djibouti	0.2
		Ethiopia	0.9
	Food Products Total		3.7
54	Medical and Pharmacial Products	Bangladesh	15
		Burkina Faso	4
		Haiti	2.1
		Madagascar	0.5
		Nepal	2.9
		Tanzania	1
		Togo	1.1
	Medical Products Total		26.6
64	Paper. Paperboard and Articles of Paper P.	Bangladesh	15.2
		Benin	1.2
		Haiti	1.5
		Yemen	6
		Madagascar	2.1
		Mali	1
		Mauritania	0.1
		Sudan	4
		Tanzania	1.7
		Togo	0.6
		Uganda	3.9
	Paper and Papreboard Products Total		37.3

Export 1998			
SITC	Products	Country	FIM mill.
7	Machinery and Transport Equipments	Angola	6.9
		Djibouti	8.4
		Eritrea	4.5
		Ethiopia	47
		Guinea	1.5
		Mosambique	4.6
		Sudan	8.1
		Tanzania	44.5
		Uganda	4.7
		Zambia	69.5
		Bangladesh	37.3
		Laos	2.6
		Nepal	24.8
		Maldives	8.8
		Yemen	11.9
		Solomon Isl.	3.9
	Machinery and Transport Products Total		289

ANNEX 9: Imports and exports of the food products in the LDCs and the EU 1998. USD million

SITC	Products	LDC			EU excl. intra trade		
		Import USD mill.	Export USD mill.	Balance USD mill.	Import USD mill.	Export USD mill.	Balance USD mill.
0	Food and Animals	5 318	2701	-2 617	37 983	33409	-4 574
	Meat and Meat						
01	Preparations	236	42	-194	3418	4470	1 052
02	Dairy Products+Eggs	457	5	-452	903	4943	4 040
	Fish and Fishery						
*	Products Total	182	1051	869	18 967	10 985	-7 982
	Cereals and						
04	Preparations	2847	65	-2 782	2169	6587	4 418
05	Fruit+Vegetables	452	539	87	13892	5301	-8 591
06	Sugar and Honey	673	143	-530	1720	2767	1 047
	Coffee+Tea+Cocoa+						
07	Spices	288	1396	1 108	9767	3063	-6 704
08	Feedingstuffs	66	50	-16	4537	1911	-2 626
09	Miscellaneous	203	19	-184	1006	3673	2 667
11	Beverages	260	13	-247	2423	10714	8 291
22	Oilseeds	143	196	53	5547	323	-5 224

* According to FAO Fishery Statistics. EU including intra-trade. 1997
Source: FAO Statistics

ANNEX 10: Imports and exports of livestock products in the LDCs and the EU countries 1998. USD million

Products	LDC 1998			EU(15) 1998			EU(15) excluding intra trade		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Meat and Meat Products									
Meat and Meat Prep (Site 01)	236	42	-194	20186	21876	1690	3418	4470	1052
Beef and Veal	49	5	-44	3140	3279	139	40	169	129
Bovine Meat	64	9	-55	6040	5904	-136	1170	949	-221
Meat of Swine	3	0	-3	4851	6101	1250	103	1368	1265
Pig Meat	33	0	-33	7234	9512	2278	43	1004	961
Meat Sheep Fresh	10	33	23	1442	684	-758	755	17	-738
Horse Meat	-	-	-	325	135	-190	198	3	-195
Meat Poultry Fresh	115	0	-115	3127	3642	515	524	957	433
Turkey Meat	2	-	-2	763	973	210	47	154	107
Meat Preparations Pigs	2	0	-2	635	1109	474	9	322	313
Meat Meal	1	0	-1	180	327	147	9	183	174
Sausages	24	-	-24	653	1019	366	60	344	284
Milk and Milk Products									
Dairy Products+Eggs (Site 02)	457	5	-452	16313	20548	4235	903	4943	4040
Milk Cond+Dry+Fresh	381	1	-380	6280	8743	2463	128	2678	2550
Cow Milk. Whole. Fresh	23	0	-23	1658	1672	14	5	52	47
Cream. Fresh	0	0	0	881	893	12	3	76	73
Butter	21	3	-18	2283	2379	96	198	379	181
Cheese and Curd	31	0	-31	7019	8586	1567	535	1711	1176
Hen Eggs	24	1	-23	512	609	97	16	139	123

Source: FAO Statistics

ANNEX 11: Imports and exports of cereals and cereal products in the LDCs and the EU countries 1998, USD million

	LDC 1998			EU 1998			EU excluding intra trade		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Cereals									
Barley	3	0	-3	644	1135	491	11	410	399
Maize	273	25	-248	1912	1658	-254	445	81	-364
Millet	1	4	3	32	12	-20	20	1	-19
Oats	1	0	-1	43	124	81	0	70	70
Rice	911	24	-887	1128	883	-245	467	163	-304
Rye	-	-	-	39	76	37	1	41	40
Sorghum	44	0	-44	71	44	-27	36	6	-30
Wheat	811	0	-811	3599	3929	330	677	1089	412
Cereal Products									
Bran+Milling products	1	7	6	125	149	24	4	7	3
Flour of Maize	41	0	-41	66	96	30	9	50	41
Flour of Wheat	525	6	-519	300	1130	830	3	813	810
Breakfast Cereals	9	0	-9	839	977	138	52	179	127
Wheat+Flour,Wheat Equiv.	1336	6	-1330	3899	5058	1159	680	1902	1222
Cereals and Prep (Sitc 04), Total	2847	65	-2782	15421	20489	5068	2169	6587	4418

Source: FAO Statistics

**ANNEX 12: Imports and exports of fruits and fruit products in the LDC
and the EU 1998. USD million**

	LDC 1998			EU 1998			EU excluding intra trade		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Fruits									
Apples	19	2	-17	1578	1278	-300	559	202	-357
Apricots	0	-	0	129	141	12	13	19	6
Bananas	4	12	8	3209	1396	-1813	1880	14	-1866
Grapefruit and Pomelos	0	1	1	343	139	-204	238	15	-223
Grapes	4	18	14	1250	976	-274	449	107	-342
Kiwi Fruit	-	-	-	528	460	-68	185	87	-98
Lemons and Limes	1	0	-1	406	369	-37	115	108	-7
Mangoes	0	13	13	159	52	-107	102	4	-98
Oranges	8	1	-7	1179	922	-257	395	200	-195
Papayas	0	-	0	31	7	-24	24	0	-24
Peaches and Nectarines	0	-	0	728	797	69	24	95	71
Pineapples	1	1	0	295	131	-164	194	9	-185
Plums	0	0	0	213	137	-76	78	9	-69
Fruit Products									
Applejuice Single-Streng	0	-	0	249	105	-144	145	16	-129
Applejuice Concentrated	-	-	-	256	268	12	92	88	-4
Citrusjuice Single-Streng	0	0	0	88	56	-32	30	12	-18
Citrusjuice Concentrated	0	0	0	20	6	-14	0	8	8
Fruit Dried nes	2	0	-2	106	71	-35	59	19	-40
Fruit Fresh nes	7	6	-1	240	122	-118	105	9	-96
Fruit Juice	7	2	-5	514	400	-114	105	106	1
Grape juice	0	-	0	132	214	82	3	78	75
Grapefruitjuice Single-Streng	0	-	0	117	60	-57	62	4	-58
Orangejuice Single-Streng	1	1		1860	1176	-684	914	120	-794
Orangejuice Concentrated	0	-	0	141	44	-97	1	5	4
Pineapplejuice Single-Streng	0	0		195	75	-120	91	8	-83
Pineapples. canned	2	-	-2	323	67	-256	252	3	-249
Raisins	3	18	15	417	110	-307	323	18	-305
Fruit+Vegetables (Site 05)	452	539	87	39987	30678	-9309	13892	5301	-8591

Source: FAO Statistics

**ANNEX 13: Imports and exports of oilseeds and vegetable oils in the
LDCs and the EU 1998. USD million**

	LDC 1998			EU 1998			EU 1998 excl. intra trade		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Oilseeds									
Groundnuts Total	5	13	8	515	101	-414	429	24	-405
Rape+Mustard Seed	75	0	-75	775	924	149	208	201	-7
Soybeans	4	6	2	4131	3795	-336	473	10	-463
Sunflowerseeds	1	1	0	924	322	-602	712	42	-670
Copra	56	25	-31	83	22	-61	47	0	-47
Linseeds	-	1	1	217	65	-152	160	5	-155
Cotton Seeds	-	23	23	58	14	-44	48	5	-43
Sesame Seeds	1	115	114	79	23	-56	63	8	-55
Oilseed products									
Cake of Cotton Seed	1	17	16	31	1	-30	28	0	-28
Cake of Groundnuts	0	16	16	40	6	-34	33	0	-33
Cake of Palm Kernel	-	1	1	101	27	-74	78	0	-78
Cake of Rapeseed	-	0	0	288	242	-46	78	1	-77
Cake of Soyabeans	24	-	-24	3502	1198	-2304	2639	323	-2316
Cake of Sunflower Seed	0	1	1	264	72	-192	194	2	-192
Oilseed Cake Meal	26	39	13	4379	1616	-2763	3123	329	-2794
Vegetable oils									
Groundnuts Oil	1	58	57	181	70	-111	123	9	-114
Olive oil. Total	7	1	-6	1467	646	-821	192	227	35
Soybean Oil	279	0	-279	442	1105	663	49	742	693
Cottonseed Oil	8	3	-5	39	29	-10	14	6	-8
Sunflower Oil	28	0	-28	636	700	64	135	204	69
Maize Oil	16	-	-16	205	199	-6	121	114	-7
Rape+Mustard Oils	67	-	-67	682	1233	551	29	579	550
Palm Oil	493	17	-476	1542	430	-1112	1178	62	-1116
Coconut Oil	11	9	-2	635	94	-541	521	21	-500
Palm Kernel Oil	4	4	0	263	11	-252	220	2	-218
Aggregates									
Oilseeds Total (Sitc 22)	143	196	53	6945	2032	-4913	5547	323	-5224

Source: FAO Statistics

ANNEX 14: Imports and exports of beverages and alcoholic products in the LDC and the EU 1998. USD million

	LDC 1998			EU 1998			EU 1998 excl. intra trade		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Alcoholic Drinks									
Beer (barley)	81	2	-79	1765	2682	917	165	1299	1134
Wine	62	0	-62	7774	10998	3224	1388	4107	2719
Beverages	49	7	-42	3761	7725	3964	690	4454	3764
Tropical drinks									
Coffee. Green	20	1085	1065	6515	804	-5711	5984	311	-5673
Coffee Roasted	2	18	16	807	1087	280	25	291	266
Coffee Green+Roasted	23	1103	1080	7329	1894	-5435	6010	603	-5407
Tea	184	188	4	786	445	-341	605	271	-334
Sweetenings									
Cocoa Beans	0	58	58	1984	180	-1804	1717	17	-1700
Cocoa Butter	0	-	0	1024	827	-197	274	192	-82
Cocoa Paste	0	0	0	338	241	-97	122	42	-80
Cocoa Powder and Cake	1	0	-1	158	279	121	29	155	126
Chocolate Products nes	13	0	-13	3904	4976	1072	270	1373	1103
Sugar Refined	483	47	-436	1584	3365	1781	43	1765	1722
Sugar Conectionary	28	1	-27	1441	2080	639	167	795	628
Spices nes	25	4	-21	130	137	7	55	66	11
Aggregates									
Sugar and Honey (Sitc 06)	673	143	-530	5717	6490	773	1720	2767	1047
Coffee+Tea+Cocoa+Sp (Sitc 07)	288	1396	1108	17108	10089	-7019	9767	3063	-6704
Beverages Non-Alcoholic	57	1	-56	1475	1612	137	124	366	242
Beverages (Sitc 11)	260	13	-247	15552	24248	8696	2423	10714	8291

Source: FAO Statistics

ANNEX 15. Agricultural and Food Production of the EU, the LDCs and World in 1998. 1000 tons

Product and Product groups	EU		the LDCs		World	
	1000 ton	Share*. %	1000 ton	Share*. %	1000 ton	
Cereals. total	213 859	10.3	107 866	5.2	2 079 928	
Wheat	103 882	17.5	7 957	1.3	592 258	
Rice	2 676	0.5	61 554	10.7	577 452	
Barley	51 876	37.7	1 392	1.0	137 629	
Maize	36 351	5.9	15 510	2.5	614 179	
Millet	0	0.0	7 431	25.4	29 298	
Sorghum	599	1.0	11 283	18.2	61 913	
Cassava	0	0.0	45 830	28.1	163 090	
Potatoes	43 787	14.7	6 573	2.2	298 419	
Sweet Potatoes	48	0.0	6 517	4.8	135 005	
Yams	2	0.0	3 956	11.1	35 754	
Sugarcane	84	0.0	36 325	2.9	1 253 804	
Sugabeet	115 262	44.1	1	0.0	261 116	
Oilcrops	7 595	7.4	3 234	3.2	102 567	
Soyabeans	1 582	1.0	286	0.2	160 018	
Groundnuts	3	0.0	3 943	11.6	34 037	
Sunflower seed	3 496	13.9	190	0.8	25 227	
Vegetables & melons. total	54 100	8.6	15 596	2.5	625 859	
Tomatoes	14 681	15.9	1 178	1.3	92 116	
Onions. dry	3 464	8.5	1 094	2.7	40 750	
Fruit. primary	54 765	12.6	31 175	7.2	433 609	
Bananas	431	0.8	5 727	10.3	55 800	
Pineapples	2	0.0	736	6.1	12 163	
Apples	9 550	16.8	31	0.1	56 959	
Citrus. total	9 626	9.8	1 525	1.5	98 616	
Coffee. green	0	0.0	768	11.8	6 523	
Cocoa beans	0	0.0	69	2.2	3 083	
Tea	0	0.0	190	6.4	2 978	
Meat. total	35 848	16.1	5 568	2.5	222 212	
Eggs	5 408	10.4	734	1.4	52 064	

* Share in World Production

Source: FAO Statistics

**ANNEX 16: Agricultural production of the Least Developed countries
in 1998. 1000 ton**

Country	Cereals	Wheat	Rice	Barley	Maize	Millet	Sorghum
	1000 ton						
Afganistan	3 876	2 834	450	240	330	22	0
Angola	621	6	21	0	505	89	0
Bangladesh	30 162	1 803	28 293	6	3	57	1
Benin	867	0	36	0	662	29	138
Bhutan	174	20	50	5	85	7	0
Burkina Faso	2 662	0	89	0	378	973	1 203
Burundi	261	10	41	0	132	11	67
Cambodia	3 558	0	3 510	0	49	0	0
Cape Verde	10	0	0	0	10	0	0
Cent Afr Rep	148	0	19	0	88	12	29
Chad	1 352	5	121	0	180	357	555
Comoros	21	0	17	0	4	0	0
Congo. Dem. Rep	1 692	10	363	0	1 215	50	54
Djipouti	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0
Eritrea	458	23	0	57	29	52	270
Ethiopia	7 197	1 142	0	983	2 344	260	1 083
Gambia	114	0	27	0	13	65	10
Guinea	984	0	764	0	89	10	5
Guinea-Bissau	191	0	130	0	9	30	21
Haiti	403	0	101	0	206	0	95
Kiribati	0	0	0	0	0	0	0
Laos	1 784	0	1 675	0	110	0	0
Lesotho	171	29	0	0	119	0	22
Liberia	210	0	210	0	0	0	0
Madagascar	2 610	10	2 447	0	152	0	1
Malawi	1 904	2	69	0	1 772	20	41
Maldives	0	0	0	0	0	0	0
Mali	2 552	7	718	0	387	746	674
Mauritania	198	0	111	0	11	3	73
Mozambique	1 688	2	191	0	1 124	53	318
Myanmar	17 684	92	17 075	0	308	197	0
Nepal	6 331	1 001	3 641	37	1 367	285	0
Niger	2 957	6	54	0	5	2 391	501
Rwanda	194	4	8	0	59	3	120

Country	Cereals 1000 ton	Wheat 1000 ton	Rice 1000 ton	Barley 1000 ton	Maize 1000 ton	Millet 1000 ton	Sorghum 1000 ton
Sao Tome and Principe	2	0	0	0	2	0	0
Sierra Leone	373	0	328	0	9	17	18
Solomon Is	1	0	1	0	0	0	0
Somalia	197	1	1	0	145	0	50
Sudan	5 602	585	3	0	61	670	4 284
Tanzania	4 495	129	811	6	2 750	206	593
Togo	620	0	87	0	350	41	137
Tuvalu	0	0	0	0	0	0	0
Uganda	1 911	9	90	0	750	642	420
Vanuatu	1	0	0	0	1	0	0
Yemen	830	164	0	56	62	74	474
Zambia	798	64	7	2	638	62	25
TOTAL	107 866	7 957	61 544	1 392	16 510	7 431	11 283

Country	Sweet					
	Cassava 1000 ton	Potatoes 1000 ton	Potatoes 1000 ton	Yams 1000 ton	Sugarcane 1000 ton	Pulses 1000 ton
Afganistan	0	235	0	0	38	35
Angola	3 211	25	190	0	340	86
Bangladesh	0	1 553	398	0	7 379	510
Benin	1 989	0	41	1 583	50	90
Bhutan	0	34	0	0	13	2
Burkina Faso	2	2	14	45	400	66
Burundi	622	23	590	11	190	313
Cambodia	67	0	26	0	133	9
Cape Verde	3	2	4	0	13	2
Cent Afr Rep	608	1	0	360	91	29
Chad	275	8	65	240	280	74
Comoros	30	1	14	0	0	11
Congo. Dem. Rep	17 060	55	390	260	1 731	190
Djipouti	0	0	0	0	0	0
Equatorial Guinea	43	0	34	0	0	0
Eritrea	0	45	0	0	0	55
Ethiopia	0	365	160	0	1 650	822
Gambia	6	0	0	266	0	4
Guinea	812	0	135	0	220	60
Guinea-Bissau	17	0	0	89	6	2
Haiti	320	11	170	0	1 000	75
Kiribati	0	0	0	193	0	0
Laos	70	33	108	0	170	15
Lesotho	0	0	0	0	0	13
Liberia	313	0	17	0	250	3
Madagascar	2 412	280	510	20	2 180	92
Malawi	835	1 578	0	0	1 900	254
Maldives	0	0	0	0	0	0
Mali	10	0	16	0	300	120
Mauritania	0	1	2	15	0	34
Mozambique	5 639	75	60	2	369	191
Myanmar	81	237	23	0	5 137	1 429
Nepal	0	972	0	0	1 718	196
Niger	101	3	35	0	139	783
Rwanda	188	181	751	4	30	162
Sao Tome and Principe	5	0	0	1	0	0

Country	Sweet					
	Cassava 1000 ton	Potatoes 1000 ton	Potatoes 1000 ton	Yams 1000 ton	Sugarcane 1000 ton	Pulses 1000 ton
Sierra Leone	289	0	42	0	21	42
Solomon Is	2	0	73	24	0	3
Somalia	60	0	5	0	190	13
Sudan	10	15	9	135	6 243	175
Tanzania	6 128	250	403	10	1 045	412
Togo	579	0	6	696	0	39
Tuvalu	0	0	0	0	0	0
Uganda	3 204	384	2 176	0	1 550	403
Vanuatu	0	0	0	0	0	0
Yemen	0	196	0	0	0	77
Zambia	817	8	50	0	1 550	13
TOTAL	45 830	6 573	6 517	3 956	36 325	6 903

Country	Oilcrops	Soyabeans	Groundnuts	Cottonseeds
	1000 ton	1000 ton	1000 ton	1000 ton
Afganistan	29	0	0	0
Angola	75	0	18	12
Bangladesh	162	0	40	33
Benin	89	2	99	359
Bhutan	1	1	0	0
Burkina Faso	118	3	215	325
Burundi	6	0	9	3
Cambodia	19	28	7	0
Cape Verde	1	0	0	0
Cent Afr Rep	68	0	102	40
Chad	177	0	471	261
Comoros	10	0	0	0
Congo. Dem. Rep	328	15	412	25
Djipouti	0	0	0	0
Equatorial Guinea	6	0	0	0
Eritrea	8	0	2	0
Ethiopia	157	24	57	0
Gambia	25	0	73	0
Guinea	131	0	174	38
Guinea-Bissau	20	0	18	3
Haiti	12	0	20	1
Kiribati	11	0	0	0
Laos	10	4	15	23
Lesotho	0	0	0	0
Liberia	50	2	4	0
Madagascar	30	0	34	39
Malawi	39	0	108	36
Maldives	2	0	0	0
Mali	110	0	150	500
Mauritania	2	0	3	0
Mozambique	132	0	143	91
Myanmar	392	75	540	0
Nepal	52	16	0	0
Niger	34	0	112	4
Rwanda	3	10	5	0
Sao Tome and Principe	5	0	0	0
Sierra Leone	77	0	35	0
Solomon Is	63	0	0	0

Country	Oilcrops	Soyabeans	Groundnuts	Cottonseeds
	1000 ton	1000 ton	1000 ton	1000 ton
Somalia	11	0	3	0
Sudan	394	0	776	155
Tanzania	126	2	73	118
Togo	40	0	27	200
Tuvalu	0	0	0	0
Uganda	106	92	140	45
Vanuatu	51	0	2	0
Yemen	10	0	0	0
Zambia	24	12	57	0
TOTAL	3 234	286	3 943	2 636

Country	Oil of		
	cotton seeds 1000 ton	Groundnuts 1000 ton	Palm 1000 ton
Afganistan	0	0	0
Angola	3	2	54
Bangladesh	2	9	0
Benin	0	10	10
Bhutan	30	0	0
Burkina Faso	0	6	0
Burundi	0	1	2
Cambodia	0	0	0
Cape Verde	3	0	0
Cent Afr Rep	14	24	6
Chad	0	31	0
Comoros	2	0	0
Congo. Dem. Rep	0	19	157
Djipouti	0	0	0
Equatorial Guinea	0	0	0
Eritrea	0	0	0
Ethiopia	0	0	0
Gambia	0	12	3
Guinea	0	39	50
Guinea-Bissau	0	4	5
Haiti	0	0	0
Kiribati	3	0	0
Laos	0	2	0
Lesotho	0	0	0
Liberia	3	0	0
Madagascar	3	7	4
Malawi	0	9	0
Maldives	30	0	0
Mali	0	33	0
Mauritania	7	1	0
Mozambique	0	23	0
Myanmar	0	0	0
Nepal	0	0	0
Niger	0	15	0
Rwanda	0	1	0
Sao Tome and Principe	0	0	1
Sierra Leone	0	0	51

Country	Oil of		
	cotton seeds 1000 ton	Groundnuts 1000 ton	Palm 1000 ton
Solomon Is	0	0	29
Somalia	0	0	0
Sudan	16	162	0
Tanzania	10	6	6
Togo	11	1	7
Tuvalu	0	0	0
Uganda	3	5	0
Vanuatu	0	0	0
Yemen	0	0	0
Zambia	0	0	0
TOTAL	173	570	429

Country	Vegetables 1000 ton	Tomatoes 1000 ton	Onions.Dry 1000 ton
Afganistan	492	0	0
Angola	263	15	0
Bangladesh	1 572	94	138
Benin	285	105	11
Bhutan	10	0	0
Burkina Faso	228	9	0
Burundi	215	0	0
Cambodia	465	0	0
Cape Verde	16	4	1
Cent Afr Rep	76	0	0
Chad	101	0	14
Comoros	6	1	0
Congo. Dem. Rep	448	41	57
Djipouti	23	1	0
Equatorial Guinea	0	0	0
Eritrea	32	0	0
Ethiopia	596	53	44
Gambia	8	0	0
Guinea	476	0	0
Guinea-Bissau	25	0	0
Haiti	217	3	4
Kiribati	5	0	0
Laos	150	0	0
Lesotho	18	0	0
Liberia	76	1	0
Madagascar	350	23	6
Malawi	253	35	18
Maldives	26	0	0
Mali	351	34	65
Mauritania	12	0	0
Mozambique	180	21	8
Myanmar	2 758	0	225
Nepal	1 414	0	0
Niger	286	62	183
Rwanda	132	0	0
Sao Tome and Principe	6	0	0
Sierra Leone	182	27	0
Solomon Is	7	0	0

Country	Vegetables 1000 ton	Tomatoes 1000 ton	Onions.Dry 1000 ton
Somalia	68	0	0
Sudan	1 116	239	57
Tanzania	1 148	135	54
Togo	160	9	0
Tuvalu	0	0	0
Uganda	509	12	112
Vanuatu	10	0	0
Yemen	566	231	72
Zambia	246	22	25
TOTAL	15 586	1 178	1 094

Country	Fruit. primary 1000 ton	Bananas 1000 ton	Pineapples 1000 ton	Apples 1000 ton	Citrus. total 1000 ton
Afganistan	615	0	0	18	17
Angola	461	310	38	0	82
Bangladesh	1 405	625	149	0	36
Benin	190	13	45	0	12
Bhutan	64	0	0	6	58
Burkina Faso	73	0	0	0	1
Burundi	1 484	1 399	0	0	0
Cambodia	317	146	16	0	68
Cape Verde	6	0	0	0	0
Cent Afr Rep	252	115	14	0	28
Chad	115	0	0	0	0
Comoros	62	59	0	0	0
Congo. Dem. Rep	3 120	318	204	0	217
Djipouti	0	0	0	0	0
Equatorial Guinea	18	18	0	0	0
Eritrea	6	0	0	0	0
Ethiopia	231	81	0	0	28
Gambia	4	0	0	0	0
Guinea	996	150	72	0	215
Guinea-Bissau	72	4	0	0	8
Haiti	968	288	3	0	63
Kiribati	6	5	0	0	0
Laos	171	22	34	0	67
Lesotho	13	0	0	0	0
Liberia	142	90	7	0	7
Madagascar	847	260	51	7	99
Malawi	511	93	0	0	2
Maldives	9	0	0	0	0
Mali	51	0	0	0	0
Mauritania	15	0	0	0	0
Mozambique	378	87	18	0	41
Myanmar	1 220	0	0	0	0
Nepal	415	0	0	0	0
Niger	48	0	0	0	0
Rwanda	2 683	0	0	0	0
Sao Tome and Principe	19	17	0	0	0
Sierra Leone	159	0	0	0	75
Solomon Is	16	0	0	0	0

Country	Fruit. primary 1000 ton	Bananas 1000 ton	Pineapples 1000 ton	Apples 1000 ton	Citrus. total 1000 ton
Somalia	206	53	0	0	28
Sudan	960	71	5	0	140
Tanzania	2 113	778	74	0	37
Togo	49	16	0	0	12
Tuvalu	1	0	0	0	0
Uganda	9 962	595	0	0	0
Vanuatu	20	13	0	0	0
Yemen	555	85	0	2	178
Zambia	95	1	0	0	3
TOTAL	31 175	5 727	736	31	1 525

Country	Coffee 1000 ton	Cocoa beans 1000 ton	Tea 1000 ton	Meat. total 1000 ton	Eggs 1000 ton
Afganistan	0	0	0	0	0
Angola	5	0	0	138	4
Bangladesh	0	0	51	412	156
Benin	0	0	0	72	19
Bhutan	0	0	0	0	0
Burkina Faso	0	0	0	120	17
Burundi	17	0	0	25	3
Cambodia	0	0	0	0	0
Cape Verde	0	0	0	0	0
Cent Afr Rep	13	0	0	82	1
Chad	0	0	0	75	4
Comoros	0	0	0	2	1
Congo. Dem. Rep	57	7	3	244	7
Djipouti	0	0	0	9	0
Equatorial Guinea	0	0	0	0	0
Eritrea	0	0	0	0	0
Ethiopia	0	0	0	0	0
Gambia	0	0	0	8	1
Guinea	21	9	0	28	8
Guinea-Bissau	0	0	0	17	1
Haiti	27	5	0	80	4
Kiribati	0	0	0	0	0
Laos	17	0	0	74	8
Lesotho	0	0	0	25	1
Liberia	0	0	0	0	0
Madagascar	60	4	0	274	17
Malawi	4	0	4	48	19
Maldives	0	0	0	0	0
Mali	0	0	0	205	12
Mauritania	0	0	0	58	5
Mozambique	1	0	2	87	14
Myanmar	0	0	0	0	0
Nepal	0	0	3	229	22
Niger	0	0	0	120	9
Rwanda	14	0	15	32	2
Sao Tome and Principe	0	4	0	1	0
Sierra Leone	31	13	0	21	7
Solomon Is	0	3	0	3	0

Country	Coffee 1000 ton	Cocoa beans 1000 ton	Tea 1000 ton	Meat. total 1000 ton	Eggs 1000 ton
Somalia	0	0	0	0	0
Sudan	0	0	0	612	42
Tanzania	38	3	22	311	56
Togo	13	9	0	41	6
Tuvalu	0	0	0	0	0
Uganda	197	3	26	226	18
Vanuatu	0	2	0	7	0
Yemen	0	0	0	0	0
Zambia	0	0	0	0	0
TOTAL	768	69	190	5 568	734

Source: FAO Statistics