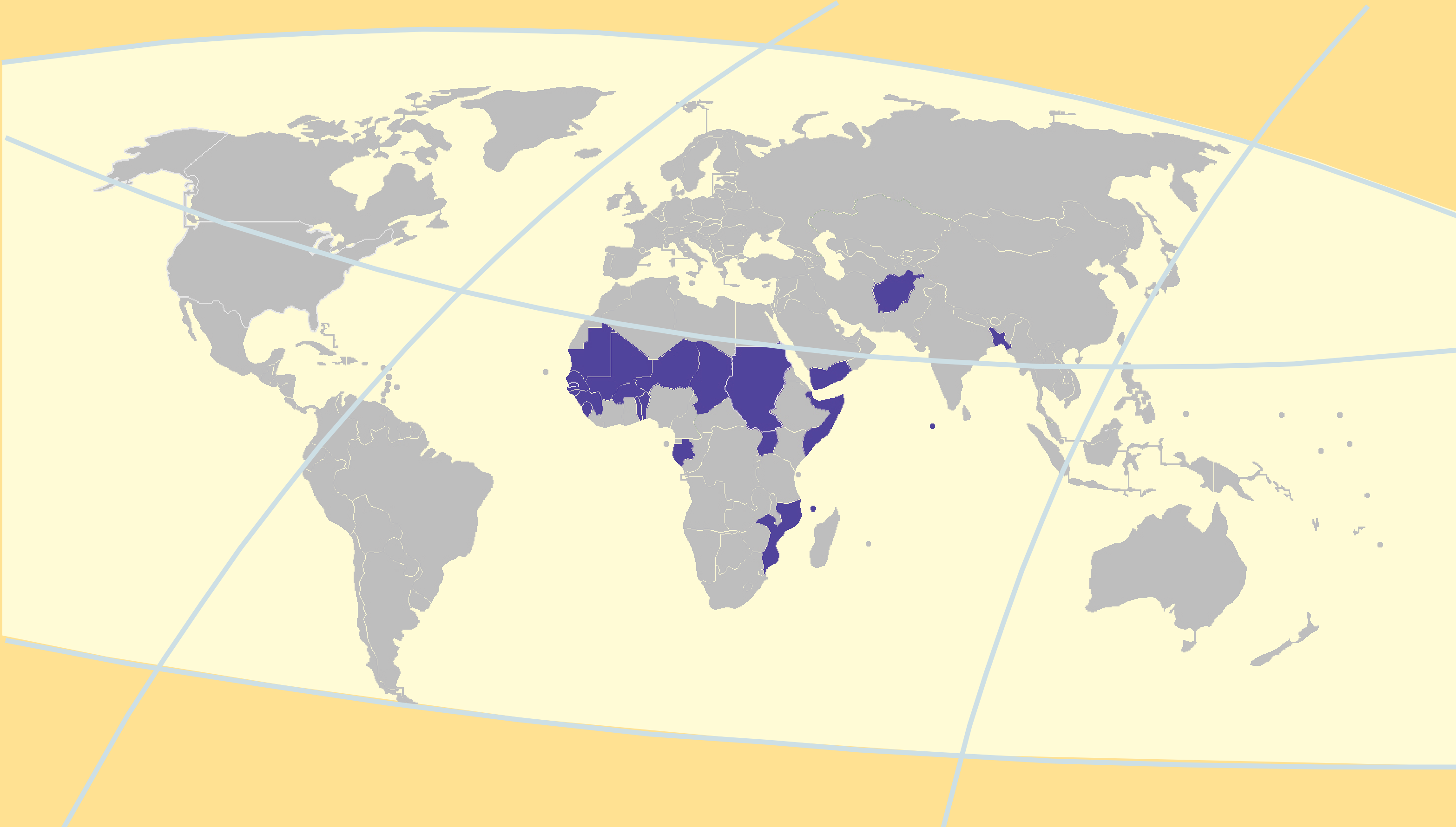
ECONOMIC PROBLEMS OF THE LEAST-DEVELOPED AND LAND-LOCKED OIC COUNTRIES 2008



Organisation of the Islamic Conference

Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

ECONOMIC PROBLEMS OF THE LEAST-DEVELOPED AND LAND-LOCKED OIC COUNTRIES, 2008

Statistical, Economic and Social Research and Training Centre
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1 OIC-LDCs: RECENT ECONOMIC TRENDS

The least-developed countries (LDCs) comprise a group of countries that have been officially identified by the UN as "least-developed" in terms of low Gross Domestic Product (GDP) per capita, weak human resources and high degree of economic vulnerability. In 1971, the General Assembly of the UN approved the first list of LDCs, which at that time included 24 countries. It was of course hoped that as development efforts made an impact, countries would, one by one, graduate from the LDCs group as their level of development rose over time. However, until 1994, only one country (viz. Botswana) had succeeded in doing so. Moreover, the number of countries included in the list increased steadily to reach 48 in 1994. The official inclusion of Senegal in 2001 and Timor-Leste in 2003 brought the total number of those countries to 50[1.] Yet, the graduation of Cape Verde from the list of the LDCs at the end of 2007 brought the number of these countries to 49[2].

The original list of the LDCs in 1971 included 8 OIC member countries[3]. Subsequently, this number increased steadily to reach 21 in 1997. This was due both to the countries that were LDCs and joined the OIC (6 countries)[4], and the countries that were OIC members and became LDCs (7 countries)[5]. The official placement of Senegal in the category of LDCs in 2001 brought the total of the OIC least-developed countries (OIC-LDCs) to 22 countries.

With a combined population of more than 781 million in 2007, or 12 percent of the world's total population, the 50 LDCs represent the poorest and weakest segment of the international community. The distinctiveness of this group of countries lies in the weakness of their economic, institutional and human resources, often compounded by geophysical handicaps. Their regional distribution may also be viewed as having a large bearing on their economic growth and development performance. While the majority of the LDCs (34 countries) are located in Africa, particularly in the region of sub-Saharan Africa, 16 of the LDCs are land-locked and 11 are mostly small island countries. Moreover, 34 LDCs have been classified as Heavily Indebted Poor Countries (HIPCs) and 12 as non-fuel (mostly agricultural) commodity exporters (see Table A.1 in the Annex).

Given this state of affairs, the development needs of the LDCs exceed the capacities of their economies and domestic resources. Therefore, the economic and social development of these countries represents a major challenge not only for themselves but also for their development partners as well as the international community as a whole. Indeed, the LDCs receive particular attention in the development efforts of the UN. Over the last three decades, the UN has been regularly monitoring the developments in these countries and thereby pointing to the need for special concessions in their favour, particularly in the areas of finance, trade and technical cooperation. Those efforts have created an increasing awareness by the international community of the special and specific needs of the LDCs to break out of the vicious circle of underdevelopment that leads to economic stagnation and poverty.

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1 For details on the criteria and thresholds for the inclusion in and graduation from the list of LDCs, see UNCTAD, The Least-developed Countries Report, 2007, p. iii.
2 Since 2007 is the latest year covered in this Report, Cape Verde is considered to be still included in the group of the LDCs in this Report.
3 Afghanistan, Chad, Guinea, Mali, Niger, Somalia, Sudan and Yemen.
4 Benin, Burkina Faso, Maldives, Mozambique, Togo and Uganda.
5 Bangladesh, Comoros, Djibouti, Gambia, Guinea Bissau, Mauritania and Sierra Leone.

The current 22 OIC-LDCs account for a substantial part of the performance of All-LDCs in many respects. With a total population of 397.1 million in 2007, or 50.9 percent of the total population of All-LDCs, they accounted for 53.5 percent of the total output (GDP) of All-LDCs and 38 percent of their total merchandise exports[6.] Yet, as is the case with the other LDCs, the structural weakness of the economies of most OIC-LDCs and the lack of capacities related to growth and development hamper those countries' efforts to improve effectively the standards of living for the majority of their populations.

The regional distribution of the OIC-LDCs, together with some geophysical handicaps, may be viewed as a factor that has a large bearing on their economic growth and development performance. In this context, it is worth noting that the majority of the OIC-LDCs (18 countries) are located in the region of Sub-Saharan Africa and 4 in Asia. Six of these countries are land-locked and two are small island countries (Table A.1 in the Annex). In this context, it is worth mentioning that the landlocked LDCs are among the most disadvantaged countries where the remoteness and isolation of these countries from the world markets and the high dependence on transit trade increases their transactions costs and thus reduces their trade competitiveness in world markets.

The OIC-LDCs, especially those in Sub-Saharan Africa, are particularly less-equipped to develop their domestic economies and ensure a sustainable and adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks and natural disasters as 7 of them are still classified as non-fuel commodity exporters, depending for their growth and development on producing and exporting a few commodities, mostly agricultural. Moreover, 18 of them are classified as Heavily Indebted Poor Countries (HIPCs) (Table A.1 and A.17 in the Annex).

In this respect, as is the case with the other LDCs, the economic and social development of the OIC-LDCs represents a major challenge for themselves, their development partners as well as the OIC community as a whole. Consequently, the group of OIC-LDCs constitutes the weakest and poorest segment of the OIC community. With a 27.9 percent share in the total OIC population in 2007, the 21 OIC-LDCs, for which the data are available, accounted for only 6.1 percent of the total output of all OIC member countries and 3.2 percent of their total exports. Their average per capita GDP ($565) was less than one quarter of that of the overall group of OIC countries ($2595).

This Report aims at analysing the developments in the economies of this group of OIC members and highlighting their specific problems, thereby pointing to the need for special actions in their favour, particularly in the financial, commercial and technical cooperation areas. It examines the trends in their major economic indicators in the latest five-year period for which the data are available and compares them with those in the groups of All-LDCs, OIC countries and developing countries. It also sheds light on some development issues of immediate concern to these countries, such as external financial flows, official development assistance, external debt, human development and poverty eradication.

1.1. Structure of the Economy

This sub-section sheds light on the overall structure of the economies of the OIC-LDCs in terms of the shares of the main economic sectors in their total output (GDP). Figure 1 below, which is derived from the data supplied in Table A.5 in the Annex, shows the average shares of the main economic sectors in the GDP of the OIC-LDCs as a group, compared to other groups of countries. The average of the six-

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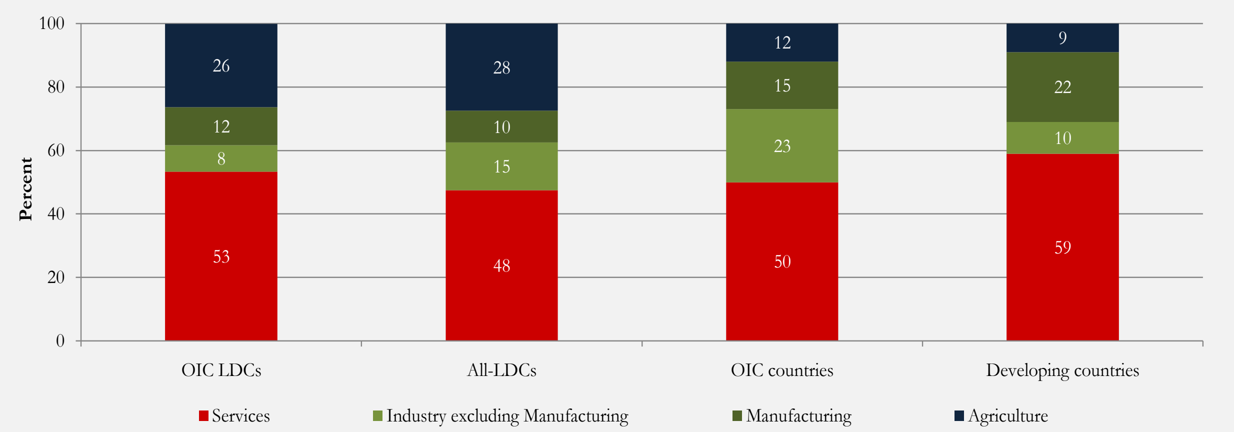
6 See Tables A.2, A.3 and A.8 respectively in the Annex.

year period (2002-2007) was computed in order to avoid the problem of missing data in some countries and the effects of year-to-year cyclical fluctuations in others.

Figure 1 **Structure of Output by Main Economic Activity* (% of GDP: Average 2002-2007)**



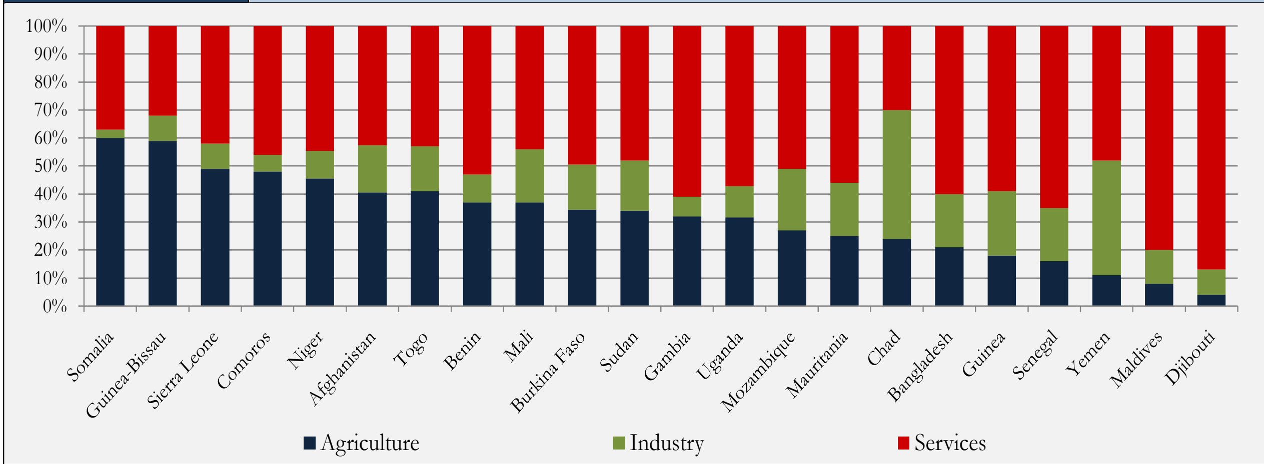
Source: Table A.5 in the Annex. *Figures may not sum to 100% due to rounding.

As is the case in All-LDCs, the services sector, with the highest share in GDP (53 percent), plays a major role and constitutes an important source of income in the group of OIC-LDCs. This holds also for both the OIC and developing countries as groups, where services account, respectively, for 50 percent and 59 percent of the output. At the individual country level, the share of services sector varies from 30 percent in Chad to 87 percent in Djibouti and it dominates the economy in 16 of the OIC-LDCs (see Figure 2).

Agriculture constitutes the second major economic activity in the OIC-LDCs. The average share of this sector in the GDP (26 percent) is almost equal to that in the case of All-LDCs (28 percent), but it is significantly higher than that of the OIC countries (12 percent) and the developing countries (9 percent). Agriculture is still widely believed to be the primary economic activity and assumed to play a major role in the economic development of many OIC-LDCs. At the individual country level, agriculture dominates in 5 OIC-LDCs and accounts for more than 30 percent of the GDP in 13 of them (see Figure 2). Notwithstanding this importance, agricultural production in many OIC-LDCs remains largely underdeveloped for both the domestic market and export.

On the other hand, with an average share of 20 percent in GDP, industry constitutes the third major economic activity in the OIC-LDCs. Yet, this share is lower than that of All-LDCs (25 percent), where the role of industry gains importance in only two OIC-LDCs, namely Chad with 46 percent (the only country where industry dominates) and Yemen with 41 percent. Although the share of industry in GDP accounts for 22 and 23 percent, respectively in Guinea and Mozambique, it accounts for less than 20 percent in the remaining OIC-LDCs (Table A.5 in the Annex). However, this importance of the sector in those countries comes mostly from production of oil and minerals. Since the share of industry in the GDP of any economy does not fully reflect the level of its industrialisation, the performance of the manufacturing sector in the OIC-LDCs must also be considered.

Figure 2	Structure of Output by Main Economic Activity (% of GDP: Average 2002-2007)



Source: Table A.5 in the Annex

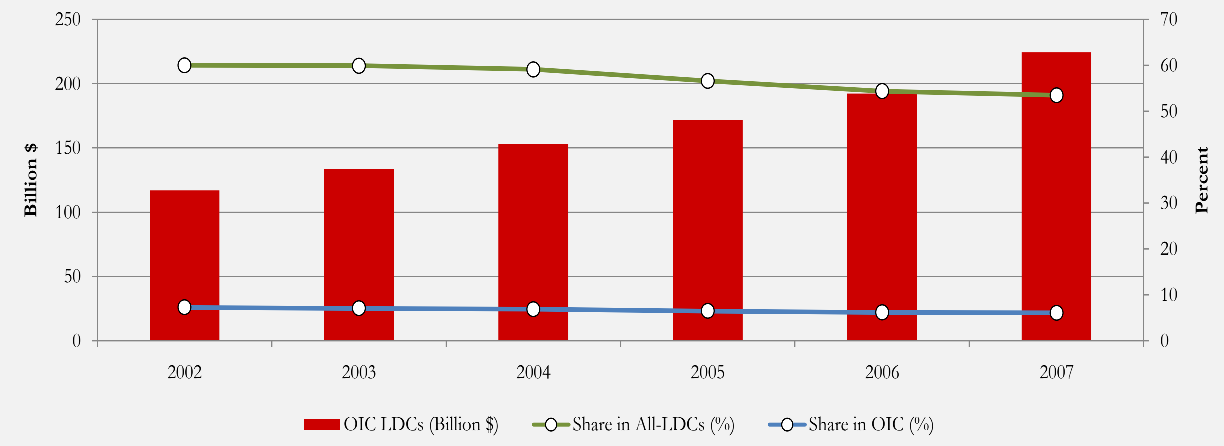
With an average share of 12 percent in the GDP, manufacturing constitutes a minor economic activity in the OIC-LDCs. Although this share is higher than that in All-LDCs (10 percent), it still indicates a weak performance and a limited role of the manufacturing sector in the economies of almost all OIC-LDCs, especially when compared to the average of developing countries (22 percent). At the individual country level, the share of manufacturing in GDP varies from less than 1 percent in Guinea-Bissau to 17 percent in Bangladesh (Table A.5 in the Annex).

Overall, the structure of the economies of the OIC-LDCs in terms of the composition of their output (GDP) by the main economic activity reflects the structure of their export earnings. In this context, 7 of the OIC-LDCs are classified as non-fuel primary product exporters. In addition, two countries (Yemen and Sudan) are classified as oil exporters (see Table A.5 in the Annex). It is, then, clear that the economies of these countries are dependent on some specific commodities, mostly agricultural. There is, therefore, no doubt that the exports of those commodities play a critical role in the prospects of growth and development in those countries. Yet, the large share of primary commodities in output and exports brings about a significant exposure of the national economy to the risks of external shocks, such as the fluctuating trends in international prices and/or adverse seasonal factors. This, in turn, affects economic growth and long-term policy making.

1.2. Production and Growth

As shown in Figure 3, the combined GDP of the OIC-LDCs, for which the data are available (21 countries), amounted to $224.4 billion in 2007, corresponding to 53.5 percent of that of All-LDCs. Following a slightly declining trend during the period 2002-2007, on average, the total GDP of the OIC-LDCs accounted for 57.3 percent of that of All-LDCs with the highest share of 60 percent recorded in 2002. Yet, considering the average share of the OIC-LDCs in the total population of All-LDCs (50.9 percent) during the same period, it seems that, as a group, they performed slightly better than the group of All-LDCs.

Figure 3	GDP of the OIC-LDCs



Source: Table A.3 in the Annex

During the same period, the share of the OIC-LDCs in the total GDP of the OIC countries followed a similar pattern of steadily decreasing trend (from 7.3 percent in 2002 to 6.1 percent in 2007) averaging only 6.7 percent. However, considering the average share of the OIC-LDCs in the total population of the OIC countries (27.9 percent) during the same period, it is clear that these countries still need to make more efforts to attain a higher level of economic progress. The total GDP of the OIC-LDCs is even less than that of some individual OIC countries such as Turkey, Saudi Arabia, Indonesia, and Iran. This, of course, reflects the low levels of their average per capita GDP.

Table 1 **Cumulative Population and GDP of OIC-LDCs**

Country	Population (Million)	GDP (Billion $)	Cumulative Population	% of OIC Population	Cumulative GDP (Bln $)	% of OIC GDP
Guinea-Bissau	1.67	0.34	1.67	0.1	0.34	0.01
Comoros	0.64	0.44	2.31	0.2	0.79	0.02
Gambia, The	1.59	0.65	3.90	0.3	1.44	0.04
Djibouti	0.77	0.84	4.66	0.3	2.28	0.06
Maldives	0.35	1.05	5.01	0.4	3.33	0.09
Cape Verde	0.49	1.43	5.50	0.4	4.76	0.13
Sierra Leone	5.74	1.66	11.24	0.8	6.42	0.17
Togo	6.46	2.50	17.70	1.2	8.92	0.24
Mauritania	2.96	2.76	20.66	1.5	11.67	0.32
Niger	13.35	4.17	34.01	2.4	15.85	0.43
Guinea	9.96	4.71	43.97	3.1	20.56	0.56
Benin	7.86	5.43	51.83	3.6	25.99	0.70
Mali	13.06	6.75	64.88	4.6	32.74	0.89
Burkina Faso	13.73	6.98	78.61	5.5	39.72	1.08
Chad	9.49	7.10	88.10	6.2	46.81	1.27
Mozambique	20.50	7.56	108.61	7.6	54.37	1.47
Cambodia	14.34	8.60	122.95	8.6	62.97	1.71
Afghanistan, Rep. of.	27.41	8.84	150.35	10.6	71.82	1.94
Senegal	12.23	11.12	162.58	11.4	82.94	2.25
Uganda	30.93	11.23	193.51	13.6	94.17	2.55
Yemen, Republic of	22.29	21.66	215.80	15.2	115.83	3.14
Sudan	37.16	46.16	252.95	17.8	161.99	4.39
Bangladesh	159.01	72.42	411.96	29.0	234.41	6.35

Source: Tables A.2 and A.3 in the Annex

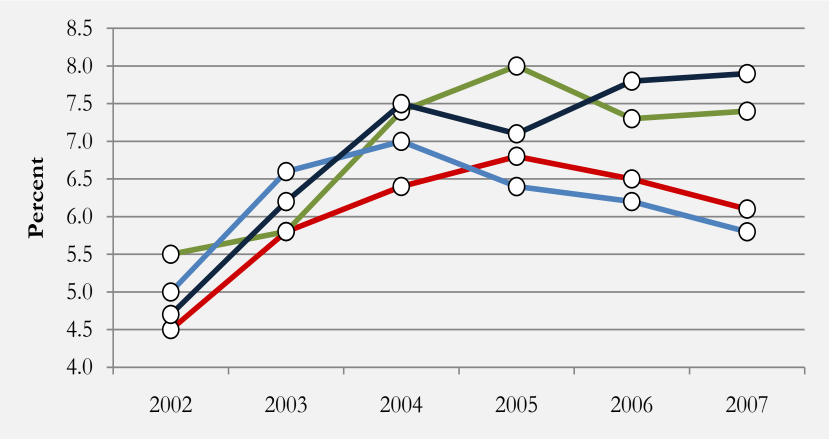
Moreover, it is observed that the bulk of the total output, in terms of GDP, of the OIC-LDCs is still concentrated in a few countries. In 2007, only 3 countries (Bangladesh, Sudan, and Yemen) produced 62.5 percent of the total GDP of the OIC-LDCs (calculated using the data in Table A.3 in the Annex). As it is shown in Table 1, excluding Yemen, Sudan and Bangladesh, the rest of the OIC-LDCs, which account for 13.6% of the total OIC population, contribute only 2.55% of the total GDP of the OIC.

During the period under consideration, the average GDP per capita of the OIC-LDCs, in terms of current US dollar, was higher than that of the All-LDCs, reflecting a better performance than the other LDCs. During this period, the OIC-LDCs maintained a steadily increasing average per capita GDP with the highest level of $565 recorded in 2007 compared to $537 in All-LDCs, $2595 in the OIC countries and $2752 in the developing countries (see Table A.4 in the Annex).

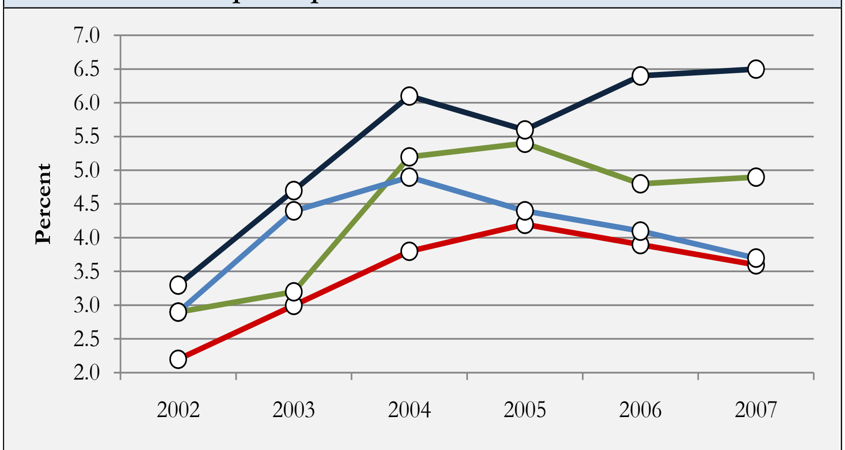
However, in order for a country to maintain the same level of living standards for its population, the economy of that country must, at least, be able to grow (in terms of real GDP) by the same level of growth in its total population. To investigate this relation in the case of the OIC-LDCs during the period under consideration, the figures on the average growth rates for real GDP, real per capita GDP, and population are displayed in Figure 4.

Figure 4.	Average Growth Rates of GDP, GDP per Capita and Population (Percent)

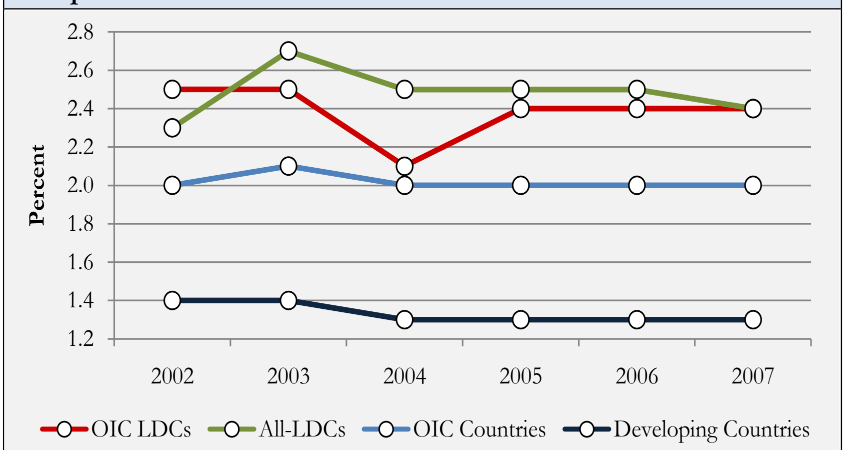
A. GDP Growth



B. Growth of GDP per Capita



C. Population Growth



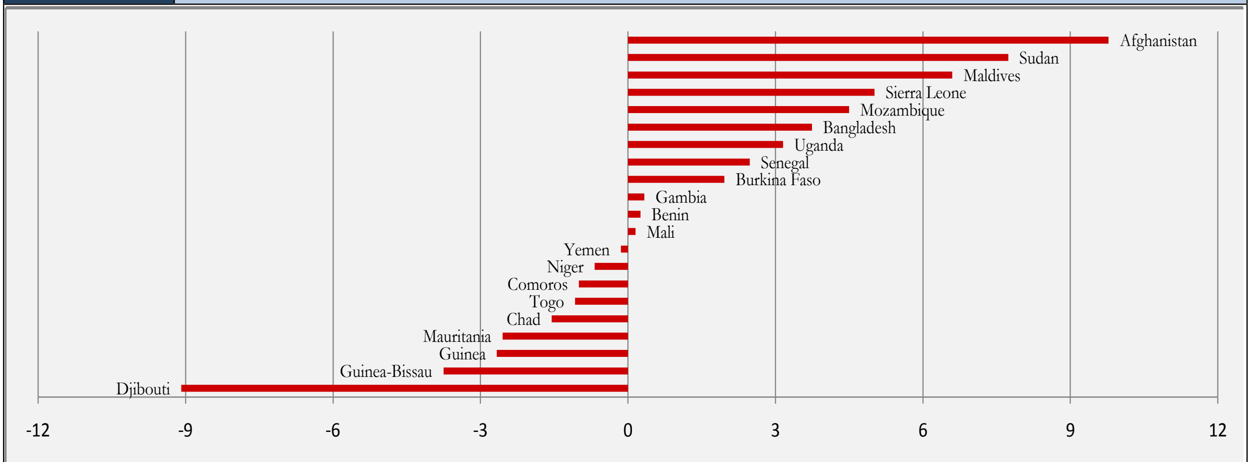
Source: TablesA.2, and A.3 in the Annex

During the period under consideration, all countries experienced increasing average real GDP growth rates after the global economic slowdown in 2001 (Figure 4A). However, though they grew by 5.6 percent on average during 2002-2004, the OIC-LDCs recorded lower growth rates than all the other groups. In the following years, though the average growth rates of the group of OIC-LDCs were declining, they were still higher than those of the group of the OIC countries as a whole. The average real GDP growth rate of the OIC-LDCs was recorded at 6.1 percent in 2007. The major performing countries in the same year were Afghanistan with real GDP growth rate of 12.4 percent, Sudan with 10.5 percent and Gambia and Mozambique with 7.0 percent.

Economic growth performance of All-LDCs, including the OIC-LDCs, in terms of average real GDP growth rates, was also reflected, to a large extent, in their real per capita GDP growth rates (Figure 4B). Nevertheless, as the annual average growth rates of the population in All-LDCs, including the OIC-LDCs, were higher than those of the OIC and the developing countries (Figure 4C), the growth path of GDP per capita for the LDCs was deflated more than those of the other groups. For instance, while the OIC-LDCs performed slightly better than the OIC group with respect to GDP growth in the period 2005-2007 (Figure 4A), they fell below the performance of the OIC with respect to the growth of GDP per capita (Figure 4B). Overall, the OIC-LDCs maintained a growth rate of around 3.5 percent in their real GDP per capita throughout the period under consideration, indicating a lower performance than the other groups.

It is then obvious that, in order for a country to improve the overall standard of living for its population, the economy of that country must be able to grow in terms of real GDP by a higher rate than the rate of growth in the population, assuming that the distribution of income is equitable. Figure 5 illustrates the difference between growth rates of real GDP and population for the OIC-LDCs in 2007. It is clear that the majority of these countries have been able to achieve significant increase in their real GDP growth compared to the growth of population. This is particularly true for countries such as Afghanistan, Sudan, and Maldives. Yet, the economies of some OIC-LDCs, such as Djibouti, Guinea-Bissau, Chad, Guinea, and Mauritania were not able to grow by the same level of growth in their total population.

Figure 5 **GDP Growth over Population Growth (Percentage points)**



Source: Tables A.2 and A.3 in the Annex

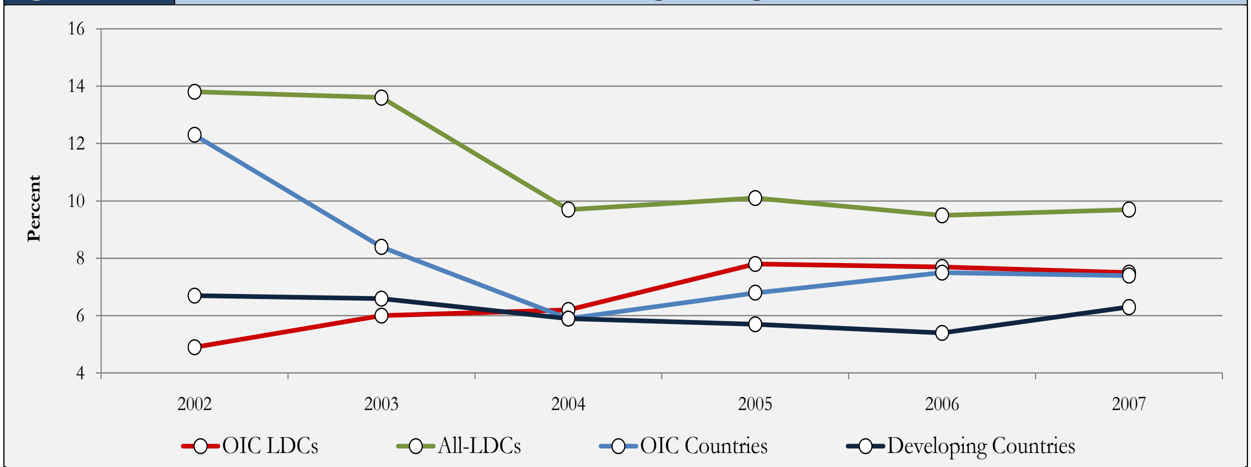
Overall, considering the average rates of growth in population during the period under consideration, it is clear that the developing countries, as a group, did quite better than All-LDCs, including the OIC-LDCs. This means that, unlike the developing countries, the LDCs, including the OIC-LDCs, were not able to grow by a large enough margin over the level of their average population growth to consequently attain the same level of living standards achieved by the developing countries.

1.3. Inflation

Price stability and low levels of inflation rates are important indicators on the macroeconomic stability in the economy. Therefore, the governments of many developing and least-developed countries are paying special attention and applying various fiscal and monetary policies to control inflation and maintain price stability in their economies.

Considering the average inflation rates in the OIC-LDCs, Figure 6 shows that the performance of these countries was quite better than that of the All-LDCs and also better than that of the OIC and developing countries in 2002 and 2003. In 2004, however, inflation rate in OIC-LDCs continued to increase while, in the other groups, it showed a significant decline. Since then, inflation in OIC-LDCs has been slightly higher than that in OIC and some more than that in developing countries. On the other hand, inflation in All-LDCs, despite the serious decline in 2004, remained always above that of the OIC-LDCs throughout the period under consideration. Having peaked in 2005 at 7.8 percent, inflation in OIC-LDCs was 7.5 percent in 2007, compared to 4.9 percent in 2002.

Figure 6 **Consumer Price Index (Annual Percentage Change)**



Source: Table A.7 in the Annex

At the individual country level, all of the OIC-LDCs except Burkina Faso and Chad experienced an increase in the general prices in 2007 (Table A.7 in the Annex). Guinea, Yemen, and Sierra Leone were the countries with highest inflation rates while the lowest rates were recorded in Niger, Togo, and Benin in addition to Burkina Faso and Chad, both of which reported deflation (Figure 7).

Figure 7 **Consumer Price Index (Annual Percentage Change, 2007)**

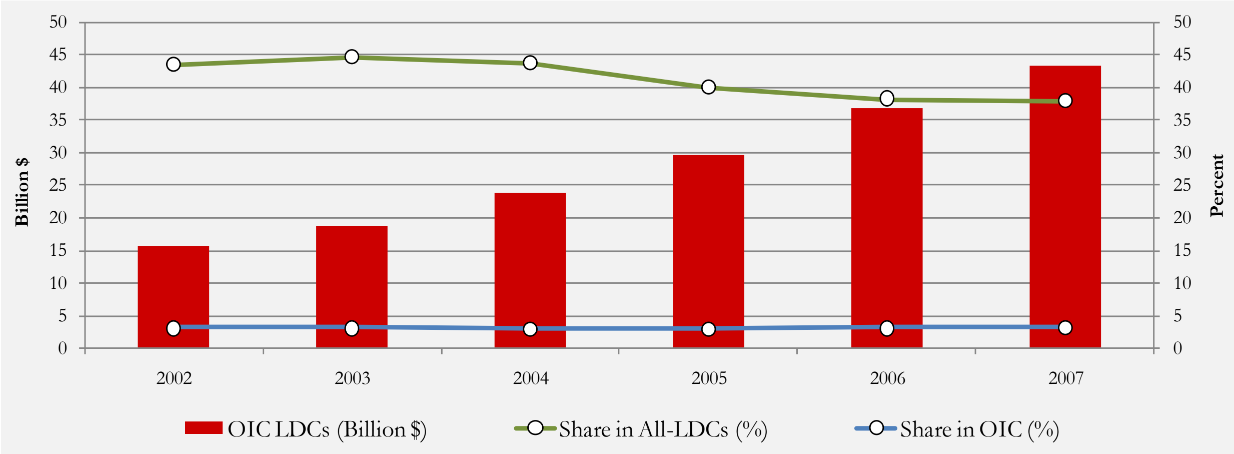
OIC-LDCs with the lowest inflation | **OIC-LDCs with the highest inflation**

Source: Table A.7 in the Annex

1.4. Exports and Imports

Total merchandise exports of the OIC-LDCs increased significantly and steadily during the period under consideration to reach $43.6 billion in 2007, compared to only $15.9 billion in 2002. While this performance accounted for 38 percent of the total merchandise exports of All-LDCs, it made up only 3.2 percent of that of the OIC countries (Figure 8). It is also observed that, while the share of OIC-LDCs in the total exports of the OIC countries remained around 3 percent, their share in that of All-LDCs slightly decreased during this period.

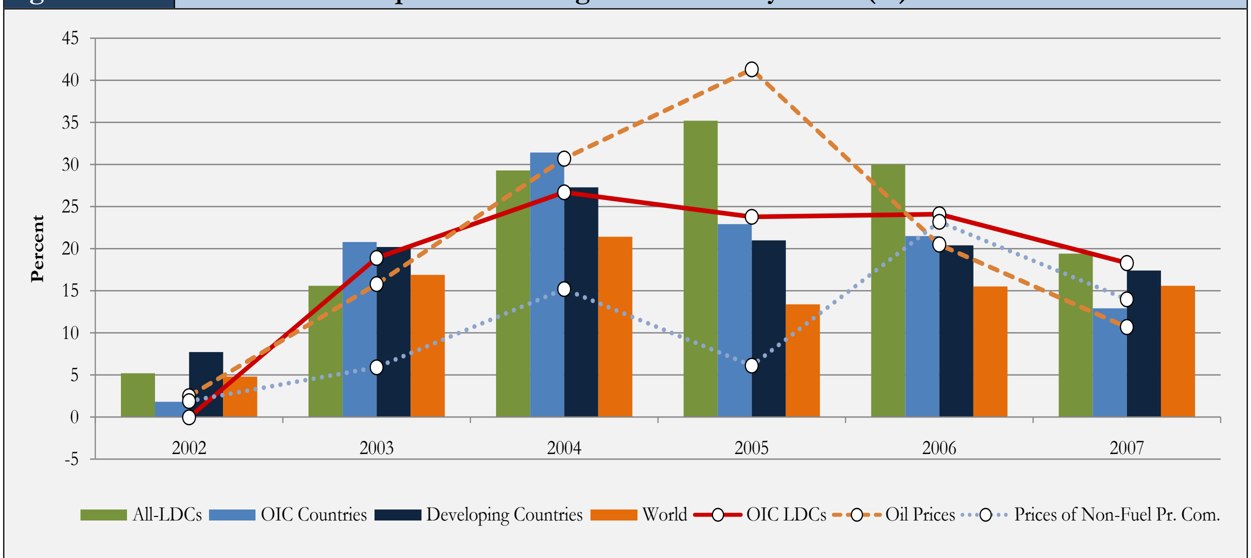
Figure 8 Merchandise Exports



Source: Table A.8 in the Annex

When the average rates of change in merchandise exports during the period under consideration are considered, Figure 9 shows that the export performance of all the groups started to recover in 2002 after the global slowdown in economic activity in 2001, and this performance was much stronger in the following years, with the LDCs performing better than the rest. The total exports of the OIC-LDCs grew by an annual average of 22 percent in the last five years, slightly lower than that of the All-LDCs but higher than those of the other groups. In addition to the negative effects of the sudden slowdown of the world economic activity in 2001, the deterioration of the export performance of the OIC-LDCs as well as the other groups in the early 2000s can also be explained, particularly in the case of LDCs including the OIC members, by the fall in world commodity prices at that time.

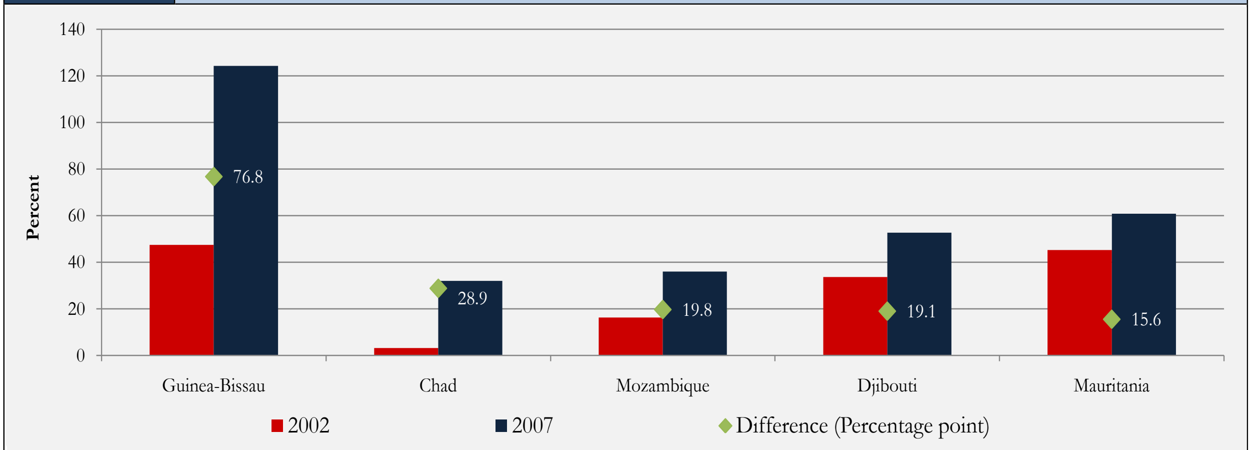
Figure 9 Growth Rate of Exports and Change in Commodity Prices (%)



Source: Table A.8 in the Annex. IMF, World Economic Outlook, April 2008

As may be observed from Figure 9, it is obvious that the export performance of the group of OIC-LDCs is more sensitive to the fluctuations in the world commodity prices. It also seems that, in general, the OIC-LDCs were unable to benefit enough from the expansion of world trade, particularly in 2004 and, consequently, were unable to increase their share in the total exports of the groups of countries to which they belong. Moreover, it is observed that the exports of the OIC-LDCs are still heavily concentrated in a few countries. For example, only Bangladesh, Sudan, and Yemen accounted for 65.1 percent of the total exports of OIC-LDCs in 2007 (calculated using the data in Table A.8 in the Annex).

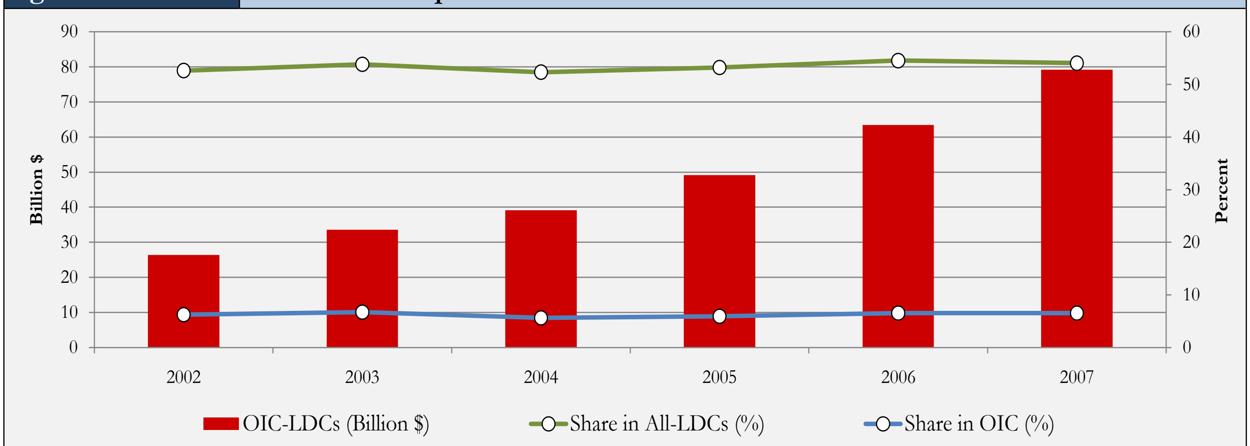
Figure 10 **Merchandise Exports /GDP (%)**



Source: Tables A.3 and A.8 in the Annex

Notwithstanding the situation described above, the ratio of merchandise exports to GDP of the OIC-LDCs increased to 19.3 percent in 2007 compared to 13.5 percent in 2002. This implies that these countries, increasing their export capacities, tended to have more open economies in this period with more integration in the world economy. Only six of the OIC-LDCs experienced a decline in their exports to GDP ratio in this period by up to 2 percentage points. These were Senegal, Comoros, Mali, Gambia, Benin, and Uganda. Among the countries that managed to increase this ratio, the performance of Guinea-Bissau, Chad, Mozambique, Djibouti, and Mauritania were most notable (Figure 10).

Figure 11 **Merchandise Imports**



Source: Table A.9 in the Annex

On the other hand, the total merchandise imports of the OIC-LDCs during the period under consideration was tripled, reaching up to $79.2 billion in 2007 compared to the level of $26.4 billion in 2002. While this figure accounted for 54% percent of the total merchandise imports of All-LDCs, with a small increase of 1.4 percentage point since 2002, it made up only 6.5 percent of the total imports of the OIC countries, compared to 6.2 percent in 2002 (Figure 11).

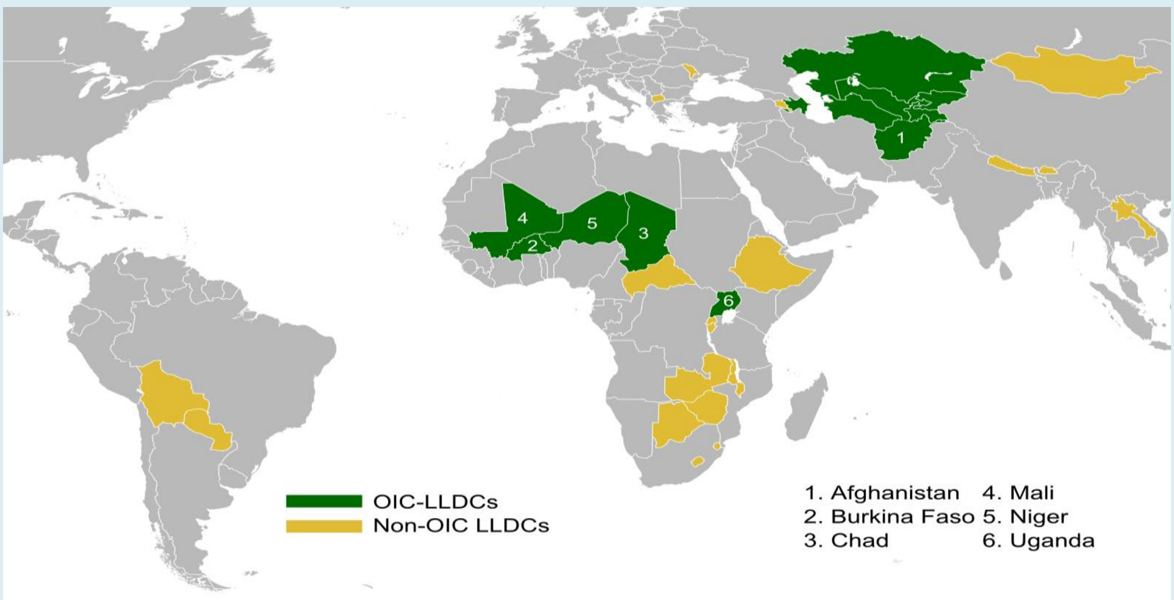
Box 1: What Can Landlocked Least-Developed Countries Do?

31 landlocked developing countries (LLDCs) are widely dispersed around the globe in four continents: 15 are located in Africa, 12 in Asia, 2 in Latin America and 2 in Central and Eastern Europe. Despite their location on different continents, the LLDCs, as a group, are among the most disadvantaged countries. They share common problems and face similar challenges to growth and development. Being landlocked, they all share the common problem of geographical remoteness from world major markets and dependence on trade and transport systems in neighbouring and nearest coastal countries.

Due to their geographical location in the interior of continents, the LLDCs' exports and imports of goods travel hundreds and in some cases even thousands of kilometres to and from the maritime ports of the closest coastal neighbouring countries. The high dependence on transit trade increases the transactions costs of the LLDCs and reduces their trade competitiveness in world markets. This, in turn, discourages foreign investors and decreases the capacity of the LLDCs to benefit from the expansion of world trade and international division of labour.

Moreover, many LLDCs are very poor where 16 of them are least-developed countries (LDCs) far from reaching most of the Millennium Development Goals (MDGs), particularly those related to the primary goal of poverty eradication, such as primary education, infant mortality, and access to safe water. In fact, most LLDCs, particularly the least-developed ones, are still facing the challenges of some basic developmental problems such as poor physical infrastructure, weak institutional and productive capacities, small domestic markets, and high vulnerability to external shocks.

Out of the world 31 LLDCs, 12 are OIC member countries (OIC LLDCs) sharing the common fate of the other LLDCs around the globe (see the map below). In particular, 6 OIC member countries, namely Afghanistan, Burkina Faso, Chad, Mali, Niger and Uganda are facing the challenge of being both landlocked and least-developed countries at the same time.



The international community has given special attention to the specific development constraints of the LLDCs over the last two decades. In 1995, the Global Framework for Transit Transport Cooperation between Land-Locked and Transit Developing Countries and the Donor Community was endorsed by the UN General Assembly with a view to enhancing transit systems and enabling the LLDCs to reduce their marginalisation in the world markets. Urging the international development partners to increase financial and technical assistance to the LLDCs to help them overcome the impediments of geography has been clearly emphasised in the declarations adopted at major United Nations conferences on development.

Box 1: What Can Landlocked Least-Developed Countries Do? (contd.)

In particular, the 2003 UN Almaty International Ministerial Conference of Landlocked and Transit Developing Countries with the participation of donor countries and international financial and development institutions aimed at enhancing transit transport cooperation between these two groups of countries and forming a global partnership to tackle the economic marginalisation of the LLDCs. The Almaty Programme of Action adopted by the Conference deals with issues related to development problems faced by the LLDCs such as infrastructure development and maintenance, transit policies and trade facilitation measures. Within its mandate, the UNCTAD participates in the implementation of the Almaty Programme of Action through providing technical assistance to the LLDCs in related areas such as transit transport, trade facilitation and electronic commerce.

The International Ministerial Meeting of the LLDCs adopted in August 2005, in Asuncion, Paraguay, the Asuncion Platform to harmonise the positions of the LLDCs in the Doha Development Round of multilateral trade negotiations. The 2005 World Summit also reaffirmed the commitment of the international community to urgently address the special needs of and challenges faced by the LLDCs through the full, timely and effective implementation of relevant internationally agreed programmes and objectives, in particular the Almaty Declaration and Programme of Action.

In fact, addressing the special needs of and challenges faced by the LLDCs requires a multidimensional approach to land-lockedness. This implies developing adequate national transport networks and efficient transit systems in collaboration and cooperation with the transit neighbouring countries, promoting regional and/or sub-regional economic integration and encouraging foreign direct investment in economic activities that are based on local resources.

In this context, Paul Collier, in his recent provocative book "The Bottom Billion" describes land-lockedness as a developmental trap of geography, which the LLDCs caught in. According to Collier, being a "landlocked with bad neighbours" impedes the development efforts of the landlocked countries, particularly the least-developed ones. However, Paul Collier emphasised that this trap is not inescapable where LLDCs could break free of it and catch up with the others through their efforts towards more integration into the world markets. This is clear from the experience of some developed landlocked countries like Switzerland.

Referring to the poor landlocked countries in Africa, Collier said that "Being landlocked and resource-scarce in a bad neighbourhood makes development harder". In this context, he asked whether such countries can, nevertheless, develop if their governments do the right things." In answering this question, Collier provided some broad strategies that the governments of the LLDCs, particularly the poor ones, can follow.

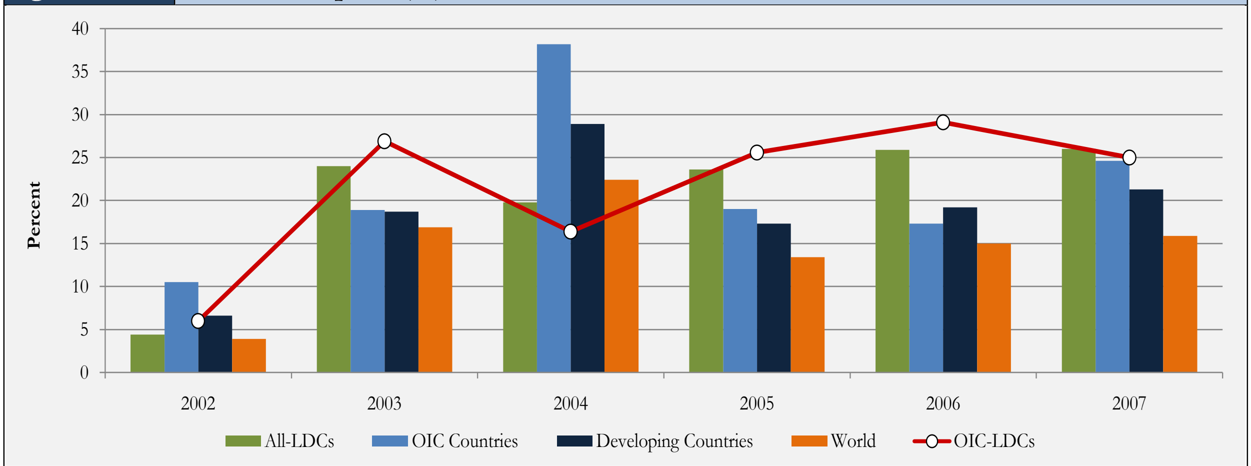
The actions required for the implementation of some of these strategies depend largely on the efforts of cooperation between the landlocked countries and their neighbours at the regional level. These include strategies like increasing neighbourhood growth spillovers and improving neighbours' economic policies and coastal access. On the other hand, landlocked countries should consider some actions at the national level to implement some other strategies such as improving telecommunications infrastructure and e-services and air transportation. Landlocked countries should not be "air-locked and e-locked". They should also encourage remittances and create transparent and investor-friendly environment for resource prospecting and make more efforts towards rural development and attracting more aid.

Sources

1- Paul Collier (2007), *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, Oxford University Press.
2- UNCTAD (2007), "Regional Cooperation in Transit Transport: Solutions for Landlocked and Transit Developing Countries", Note by UNCTAD Secretariat (TD/B/COM.30/2).
3- UNCTAD (2005), "Effective Participation of Landlocked Developing Countries in the Multilateral trading System", International Ministerial Meeting of Landlocked Developing Countries, Paraguay, 9-10 August 2005 (UNCTAD/LDC/2005/3 (Part I)).
4- UNCTAD (2003), "Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation", Almaty, Kazakhstan, 28-29 August 2003 (A/CONF.202/3).

Following the recovery from the slowdown of the early 2000s, imports of all the groups started to grow rapidly (Figure 12). The OIC-LDCs recorded annual growth rates of imports above 25 percent during the last five years except in 2004. Despite the decline in their growth rate of imports in 2004 when the imports of all other groups grew by higher rates, their annual average growth rate of imports during the last five years amounted to 24.6 percent, which is higher than the rates recorded in the other groups.

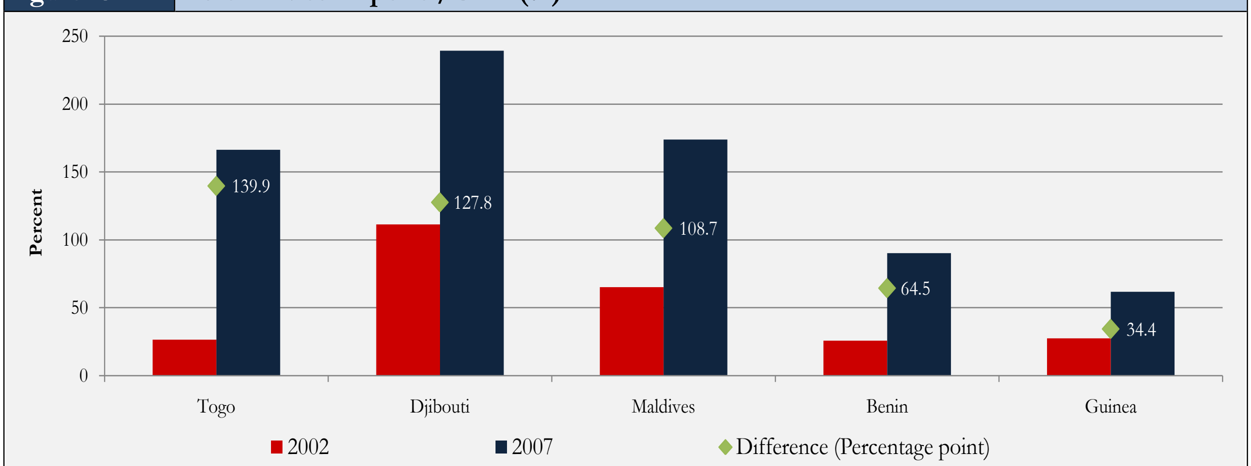
Figure 12 **Growth of Imports (%)**



Source: Table A.9 in the Annex

Like exports, the imports of the OIC-LDCs, albeit to a lesser extent, are also heavily concentrated in a few countries. For example, only for countries, namely Bangladesh, Yemen, Sudan, and Senegal accounted for 52.1 percent of the total merchandise imports of OIC-LDCs in 2007 (calculated using the data in Table A.9 in the Annex). On the other hand, the ratio of merchandise imports to GDP for the OIC-LDCs increased to 34.9 percent in 2007 compared to 22.3 percent in 2002. Although this is an indicator of transformation towards more open economies, it may also be considered as a sign of increasing dependency on imports. Only three OIC-LDCs, namely Sierra Leone, Chad, and Mauritania, experienced a decline in their imports to GDP ratio in this period. In contrast, Togo, Djibouti, Maldives, Benin, and Guinea were among the OIC-LDCs that recorded most notable increase in this ratio, (Figure 13).

Figure 13 **Merchandise Imports /GDP (%)**



Source: Tables A.3 and A.9 in the Annex

1.5. Trade Balance, Current Account and Reserves Position

As the figures on trade balance in Table 2 show, both the OIC-LDCs and All-LDCs recorded trade deficits in all the years over the period 2002-2007. The deficit was always on an increasing trend for the OIC-LDCs while it was stable around $19-$20 billion for All-LDCs over the period 2003-2006. The highest trade deficits of the group of OIC-LDCs ($35.6 billion) and of All-LDCs ($31.6 billion) were recorded in 2007. It is, of course, obvious that the volume of those deficits reflects the performance of both the export and import sectors of the two groups. On the other hand, the groups of both OIC and developing countries, although their trade balance was always positive in the period 2002-2007, recorded a decrease in their surpluses in 2007.

Similarly, the figures on the current account balance show that both the OIC-LDCs and All-LDCs recorded current account deficits in all the years of the period under consideration, except in 2006 when the group of All-LDCs recorded a mere surplus of $0.08 billion (Table 2). This was due to the over $10 billion surplus of Angola in that year. Current account deficit of the OIC-LDCs continuously grew during this period, reaching $11.59 billion in 2007 compared to $5.12 billion in 2002. As for the All-LDCs, the current account deficit reached its peak in 2003 with $10.2 billion and then significantly declined to reach the above-mentioned mere surplus in 2006 before increasing again to $9.53 billion in 2007.

Table 2	**Trade Balance, Current Account Balance and Foreign Reserves (Billion)**					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Trade Balance						
OIC-LDCs	-10.5	-14.6	-15.1	-19.4	-26.5	-35.6
All LDCs	-13.7	-20.0	-19.9	-18.3	-20.0	-31.6
OIC Countries	82.8	108.2	108.1	159.9	228.8	145.0
Developing Countries	105.2	161.5	162.9	323.9	439.9	322.6
Current Account Balance						
OIC-LDCs	**-5.1**	**-5.7**	**-5.8**	**-7.4**	**-8.0**	**11.6**
All LDCs	-8.1	-10.2	-9.0	-7.0	0.1	9.5
OIC Countries	40.6	78.3	112.5	225.9	298.5	306.0
Developing Countries	76.6	144.3	213.6	439.5	606.7	630.9
Reserves Excluding Gold						
OIC-LDCs	**11.9**	**15.2**	**17.8**	**17.8**	**22.1**	**26.3**
All LDCs	20.0	24.5	30.6	33.5	44.1	51.6
OIC Countries	252.7	310.0	387.8	454.5	595.2	771.3
Developing Countries	1510.4	1934.3	2465.0	2893.0	3674.4	4933.3
Source: Tables A.8, A.9, A10 and A.11 in the Annex.						

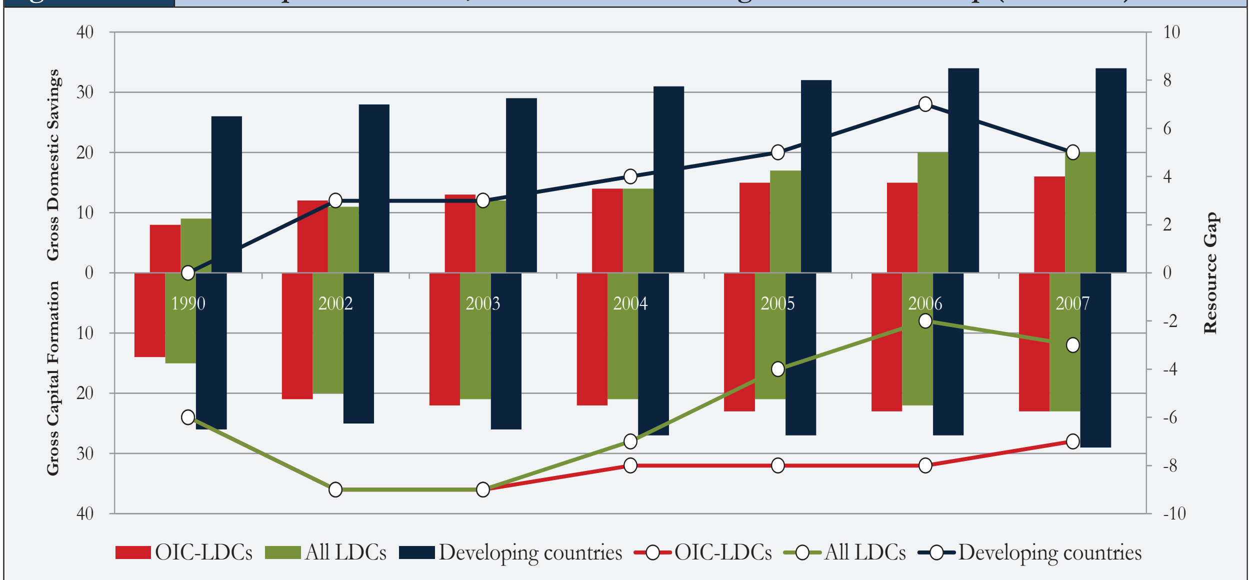
In contrast, the total foreign reserves, excluding gold, in the OIC-LDCs increased significantly and steadily during the period under consideration from $12.0 billion in 2002 to $26.4 billion in 2007. Similar trends were also observed in the other groups (Table 2). As may be observed from the figures in Table 2, since many of the OIC-LDCs had to cope with the deficits in their current account balance, it was naturally expected that their foreign exchange reserves would deteriorate. However, the actual picture did not conform to this expectation. This implies that many OIC-LDCs managed to finance their current account deficits through external financial channels, an issue that we attempt to investigate in the following section.

Despite the high level of real GDP growth performance of the LDCs, including the OIC members, it should be noted that the small size of the economies (in terms of GDP) of most of these countries vis-á-vis their high growth rates of population and vulnerability to external shocks lead to very low levels of income and, consequently, low levels of domestic savings and investments.

As shown in Figure 14, the ratio of Gross Domestic Savings (GDS) to GDP was 9 percent for the group of All-LDCs and 8 percent for the OIC-LDCs in 1990. For both groups, despite the long period passed, it remained at a depressed level of 12-13 percent in 2002 and 2003. However, in 2007, this ratio showed a slight increase reaching to 16 percent for the OIC-LDCs and 20 percent for the All-LDCs. Yet, neither of these groups could compare favourably with the group of the developing countries, for which that ratio was more than twice as high as that for the OIC-LDCs.

The ratio of Gross Capital Formation (GCF) to GDP was also lower in the group of All-LDCs than that of the developing countries, though to a lesser extent (Figure 14). This can be attributed to the stagnated rates in the developing countries as well as the improvement in the group of All-LDCs. As can be seen in Figure 14, the ratio of the GCF to the GDP for the All-LDCs increased from 14 percent in 1990 to 23 percent in 2007, while the increase for the developing countries was only three percentage points, from 26 to 29 percent, respectively. A similar situation is also observed in the case of the OIC-LDCs. The ratio of the GCF to the GDP for the group of OIC-LDCs was 21 percent in 2002 compared to 14 percent in 1990. Yet, this ratio slightly increased to 23 percent in 2005 and remained constant since then.

Figure 14 **Gross Capital Formation, Gross Domestic Savings and Resource Gap (% of GDP)**



Source: Tables A.12 and A.13 in the Annex

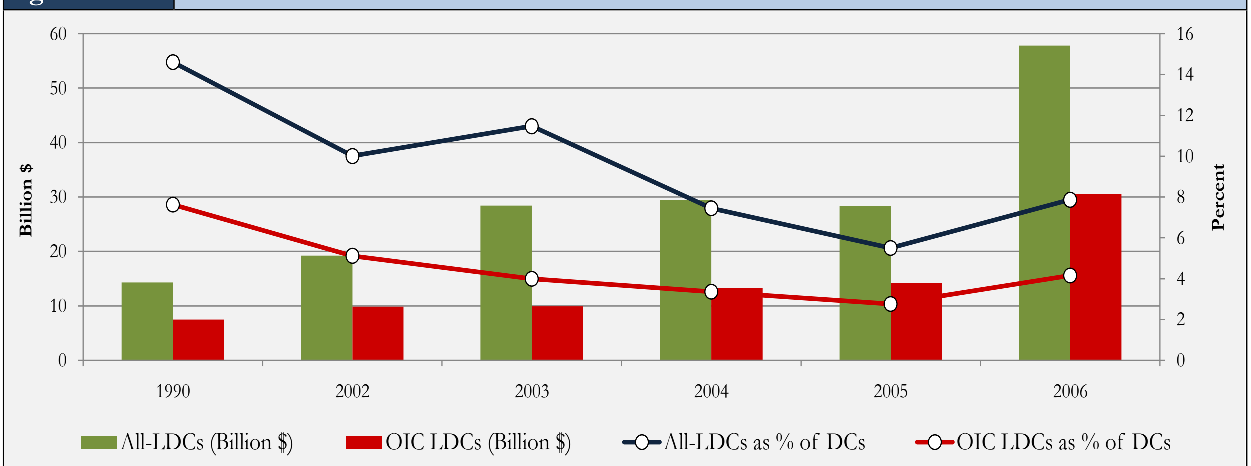
Considering the difference between the GDS and the GCF, it is clear that both the OIC-LDCs and All-LDCs have been suffering a resource gap. For both groups, though the ratio of the resource gap to the GDP was 6 percent in 1990, it was realized at 9 percent in both 2002 and 2003. Although the following years witnessed declines in the resource gap for these groups, the decline for the OIC-LDCs remained below that of the All-LDCs. Consequently, the gap reached down to 3 percent for the All-LDCs and 7 percent for the OIC-LDCs in 2007. In contrast, achieving a balance in 1990, the developing countries experienced a resource surplus between 2002 and 2007, with an average of 4.5 percent of their GDP.

With such limited domestic financial resources, it becomes difficult for most of the OIC-LDCs to finance new investments where the provision of the necessary physical and human infrastructures to keep pace with population growth becomes a constant problem. Education, health and other public services, which form the foundations of modern economic development, are held back by serious domestic financial constraints. Given this state of affairs, most of the OIC-LDCs are trapped in a vicious circle of underdevelopment in which domestic resources fall short of development needs, and high population growth rates and increasing poverty mutually reinforce each other.

Yet, although most of those countries are constantly faced with difficult choices to supplement their domestic financial resources, undoubtedly there is room for improvement through access to external financial resources which can play a key role in their economic growth and development. In fact, external financial flows are already of major importance to the LDCs where the budgetary and financial processes are still dominated by external resources. In this context, the effective use of particularly the official development financial foreign aid could help LDCs meet the Millennium Development Goals (MDGs); an issue which is highlighted in Box 2 below.

In the light of this situation, this section attempts to shed light on the importance of external finance to the LDCs, including the OIC members, by examining the recent trends in their external financial flows.

Figure 15 **Net Resource Flows**



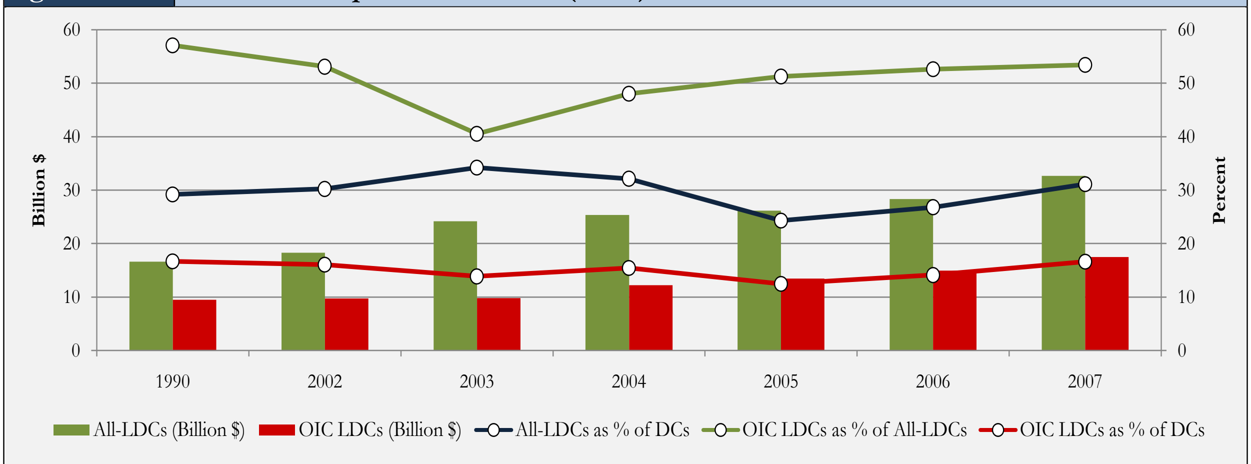
Source: Table A.14 in the Annex

The net external financial flows to All-LDCs amounted to $19.2 billion in 2002, corresponding to only 10 percent of the total flows to the developing countries, as opposed to $14.3 billion, or 14.6 percent in 1990 (Figure 15). Although the financial flows to All-LDCs increased in the following years to reach $57.8 billion in 2006, their share in the total flows to developing countries decreased down to 7.9 percent.

A similar situation is also observed in the case of the OIC-LDCs. Their share in the total financial flows to the developing countries declined from 7.6 percent in 1990 to 4.2 percent in 2006. On the other hand, they remained around 52 percent of the total financial flows to All-LDCs during this period despite the decline in 2003 and 2004. Moreover, the financial inflows to OIC-LDCs are concentrated in a few of them. In 2006, for instance, the total financial inflows to only 5 OIC-LDCs, namely Sudan, Uganda, Mozambique, Senegal, and Mali, accounted for 60.4 percent of the total flows to the OIC-LDCs (Table A.14 in the Annex).

On the other hand, official development assistance (ODA) flows to the LDCs continue to constitute a significant part of the total net financial flows to these countries and play a key role in their economic growth and development. Figure 16 shows that net ODA disbursements to All-LDCs from all donors amounted, in nominal terms, to $18.3 billion in 2002 against $16.6 billion in 1990. In this regard, the share of All-LDCs in the total net ODA flows to the developing countries amounted to 30.2 percent in 2002 with only 1 percentage point increase since 1990. This low level of increase resulted in declining net ODA per capita to $26 in 2002 compared to $31 in 1990 (Figure 17). Yet, net ODA flows to All-LDCs, as well as their ODA per capita, increased steadily after 2002 to reach almost $32.7 billion and $37, respectively in 2007, but the share of All-LDCs in the total net ODA flows to the developing countries increased to only 31.1 percent.

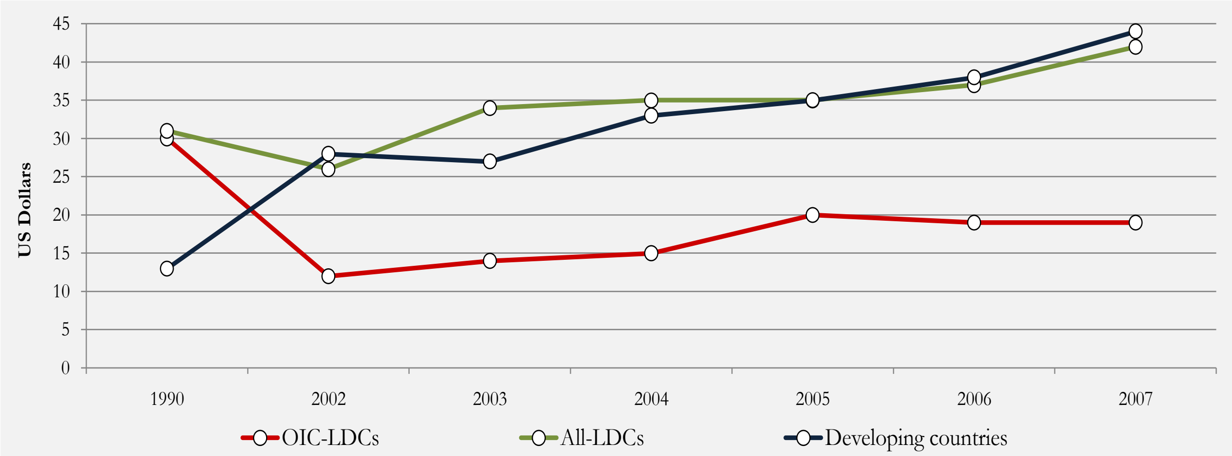
Figure 16 **Official Development Assistance (ODA)**



Source: Table A.15 in the Annex

Similar trends were also observed in the OIC-LDCs where the net ODA disbursements to them amounted to $9.7 billion in 2002 against $9.5 billion in 1990. Considering the high growth rates of population compared to this steady state in the ODA disbursements, their net ODA per capita decreased down to $12 in 2002 compared to $30 in 1990 (Figure 17). During this period, their share in the total net ODA flows to the developing countries and to All-LDCs slightly decreased to 16.1 percent and 53.1 percent, respectively. However, net ODA flows to the OIC-LDCs and their net ODA per capita increased steadily after 2002 to reach $17.5 billion and $19, respectively, in 2007. Their share in the total net ODA flows to All-LDCs in that year reached to its 2002 level after declining significantly in 2003. It is also observed that ODA flows to the OIC-LDCs are still concentrated in a few countries, where only 5 countries (Afghanistan, Sudan, Mozambique, Uganda, and Bangladesh) received 63.4 percent of those flows in 2007 compared to 56.6 percent in 2002 (Table A.15 in the Annex).

Figure 17	Net ODA per Capita

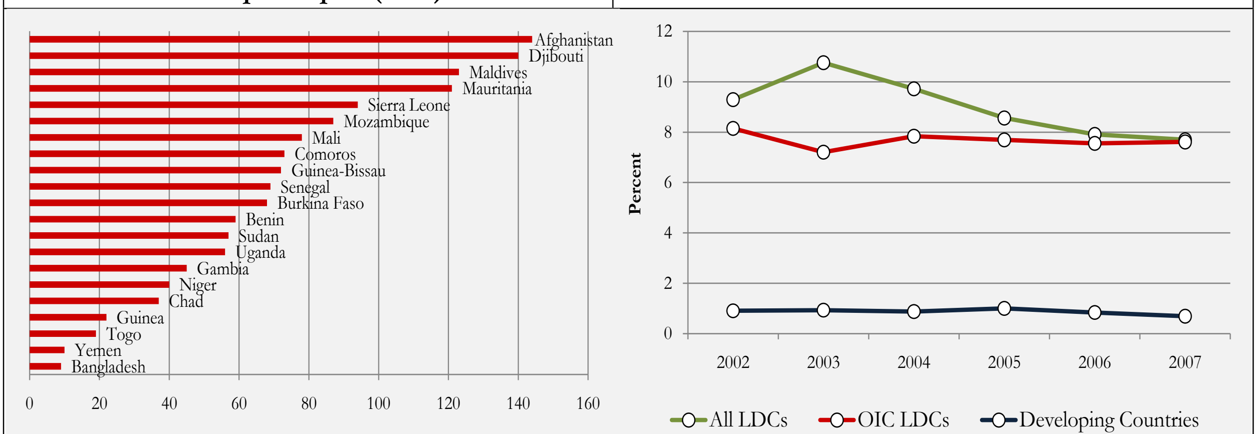


Source: Table A.15 in the Annex

At individual country level, ODA per capita in OIC-LDCs in 2007 was less than $80 in 15 of them while it was above $100 in 4 countries (Figure 18). In this range, the lowest values were recorded in Bangladesh ($9) and Yemen ($10) while the highest values were recorded in Afghanistan ($144) and Djibouti ($140).

On the other hand, Figure 18 also shows that the total ODA flows to All-LDCs as percentage of their total GDP where higher than that of the OIC-LDCs group during the period 2002-2007. While this ratio decreased in the case of All-LDCs particularly in recent years, it remained constant in the case of OIC-LDCs such that their figures became almost equal in 2007 around 7.7 percent. On the other hand, the total ODA flows as percentage of GDP for the group of the developing countries was very low with less than 1 percent during this period.

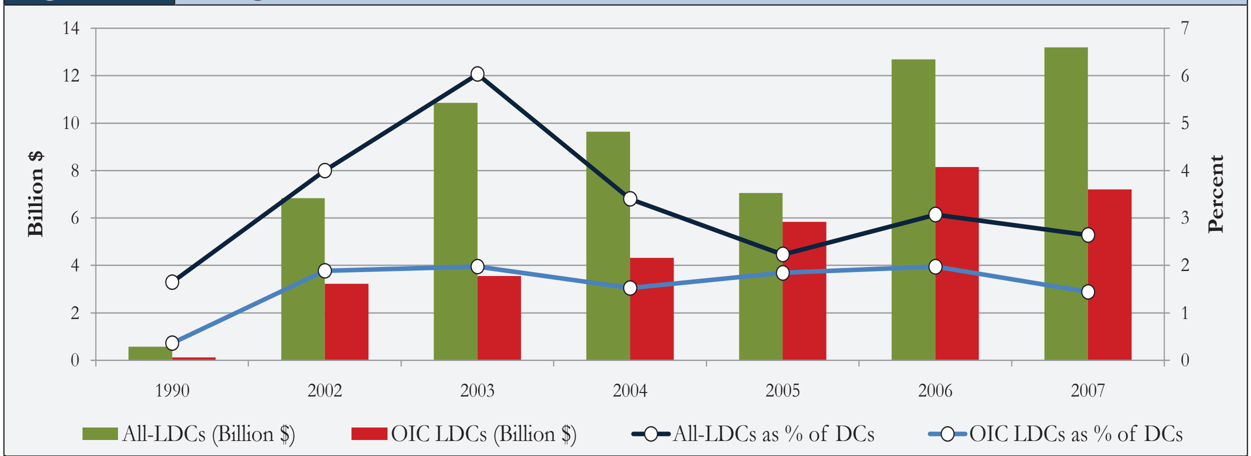
Figure 18	ODA per Capita and ODA as % of GDP
ODA per Capita (2007)	**ODA as % of GDP**



Source: Tables A.3 and A.15 in the Annex

In contrast, net foreign direct investment (FDI) flows to All-LDCs have been increasing over the past decade. In nominal terms, they reached $6.8 billion in 2002 compared to only $578 million in 1990 (Figure 19). Despite their sharp decline in 2004-2005, FDI flows to All-LDCs increased significantly in 2006 to reach $12.7 billion. Yet, they accounted for only 3.1 percent of the total flows to the developing countries in that year. Although the increase in FDI further continued in 2007 to reach $13.2 billion, their share in developing countries declined to 2.6 percent.

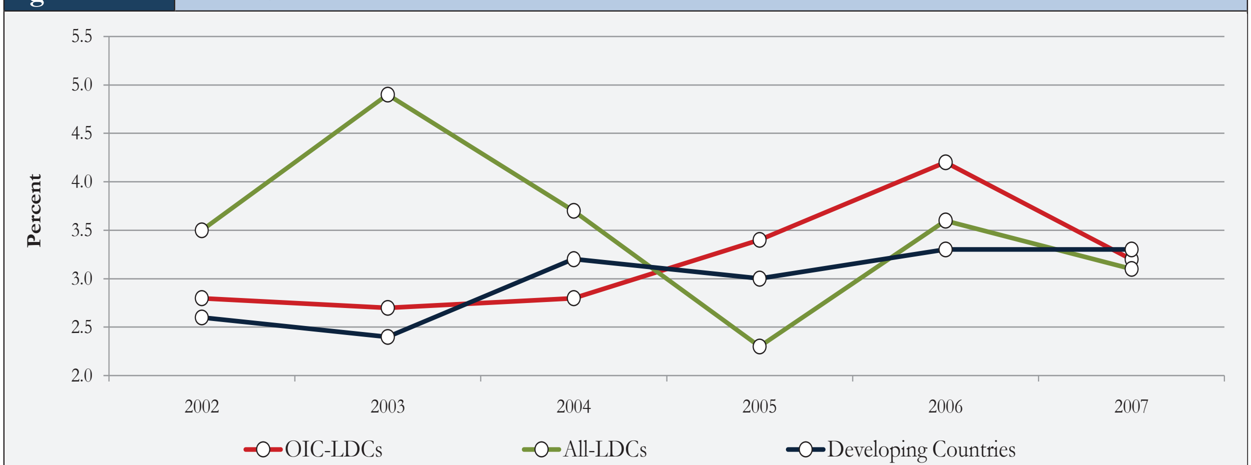
Figure 19 **Foreign Direct Investment (Net Inflows)**



Source: Table A.16 in the Annex

Similar trends were also observed in the OIC-LDCs. In nominal terms, net FDI flows to these countries in 2002 ($3.2 billion) were more than 25 times their level in 1990 ($128 million) (Figure 19). With that amount, they accounted for 2 percent of the total flows to the developing countries and 47 percent of the flows to All-LDCs. Unlike in the case of All-LDCs, FDI flows to OIC-LDCs increased continuously in the following years to reach $8.2 billion in 2006. Consequently, the share of OIC-LDCs in total flows to All-LDCs increased significantly during the years of shrinking FDI flows to All-LDCs to reach up to 83 percent in 2005. After peaking in 2006, total flows to All-LDCs slightly decreased in 2007 to $7.2 billion, representing 64 percent of the flows to All-LDCs and 1.4 percent of the flows to developing countries, compared to 2002 level of 47 percent and 1.9 percent respectively. As is the case of other types of financial flows, it is also observed that the FDI flows to the OIC-LDCs are highly concentrated in a few countries. In 2007, only 4 countries (Sudan, Bangladesh, Chad, and Burkina Faso) accounted for 60 percent of the total FDI inflows to OIC-LDCs (Table A.16 in the Annex).

Figure 20 **FDI as % of GDP**



Source: Tables A.3 and A.16 in the Annex

On the other hand, Figure 20 shows that the total net FDI flows as percentage of GDP for All-LDCs fluctuated during the period under consideration in parallel with the changes in the amounts of inflows to these countries illustrated in Figure 19. In 2003, this ratio was 4.9 percent, yet it decreased down to 2.3 percent in 2005 as a result of the sharp decline in FDI inflows in 2004 and 2005. Although these flows increased rapidly in 2006 and 2007 to a higher level than that in 2003, FDI inflows to GDP ratio remained below its level in 2003 (around 3 to 3.5 percent), indicating lower growth in FDI inflows than in their GDP. On the other hand, the ratio for the OIC-LDCs followed an increasing trend until 2006, reaching up to 4.2 percent. Along with the decrease in FDI flows in 2007, it decreased to 3.2 percent. Overall, it followed a higher track compared to developing countries in general and even to All-LDCs in the last three years.

Box 2: How Can Foreign Aid Potentially Help LDCs Meet the Millennium Development Goals (MDGs)

Some real signs of improving economic performance of the LDCs have been observed since the turn of the century. The steadily accelerating growth in many of these countries and the new trade and investment opportunities, particularly due to increasing demand in emerging markets such as China and India, hold out some hope for more sustained future. Real progress has also been recorded at the international level on issues such as debt relief and public health and education, which will have a direct bearing on poverty reduction prospects in the LDCs.

In this context, perhaps most encouraging of all is that the international community has reaffirmed its commitment to official development assistance (ODA) for LDCs, particularly those in Africa. The call made by UNCTAD, since the turn of the century, for a doubling of aid to Africa, has been subsequently amplified by various international fora such as the High-level Panel on Financing for Development, the Monterrey Consensus, the Practical Plan to Achieve the Millennium Development Goals (the "Sachs Report"), the Report of the Commission for Africa (CFA), set up by the British Prime Minister Tony Blair, and the World Summit. This has been also clear through the promise of the major G8 countries to double aid to Africa by 2015.

However, the reality of the challenge is still apparent where most of the LDCs, particularly those in sub-Saharan Africa are far behind on meeting the Millennium Development Goals (MDGs) and even getting back on track. Although high commodity prices have brought large exports earnings to many LDCs, the average growth rates so far achieved had little impact in terms of reducing poverty and raising employment in these countries. This implies the need for more sustainable growth rates in the next decade that should exceed the 7.4 per cent level achieved by all LDCs in 2007.

Despite the promise of doubling aid, some questions about certain issues of concern in this regard are still there. Among others, these questions are about the inclusion of debt relief as part of the promised increase in aid, the real volume of aid actually received and the concentration of aid flows into a relatively small number of countries. There are also very clear signals that security concerns are again shaping the policy debates on aid and development. Therefore, the credibility of both donors and recipients requires forming a genuine model of partnership that improves transparency and accountability to make aid truly effective source for development and poverty alleviation.

The quality of both the aid supplied by donors and the policies pursued by recipients are critical factors for success and for eventually ending the need for aid. The debate on aid for development and poverty alleviation in LDCs should, therefore, focus on the effective mobilization and investment of domestic resources, strengthening institutional capacity and improving policy coherence. In this context, while doubling aid is designed to urge higher rates of savings, investment in productive sectors for sustainable economic growth is still necessary for a permanent reduction in poverty in these countries. Aid is not, therefore, the only answer to the problems and challenges facing the LDCs, particularly those related to the achievement of the MDGs. However, aid is part of the solution rather than part of the problem.

Among other reasons, aid has not always succeeded in accelerating growth and development due to the fact that aid has been often guided by a search for quick economic fixes rather than considering the long-term needs and priorities of the recipient countries. Weak institutional capacities of the receiving countries and the presence of numerous bodies such as NGOs through which aid is often disbursed without full supervision by the recipient government or other national institutions, are also reasons for making aid inefficient source for development and poverty alleviation in many LDCs.

Box 2: How Can Foreign Aid Potentially Help LDCs Meet the Millennium Development Goals (MDGs) (contd)

Another issue related to the long-term developmental impact of aid is that the sectoral distribution of aid is usually influenced by different criteria applied by the donors. With increasing attention by the international community being given to poverty indicators, there has been a major shift in the allocation of aid from infrastructure, agricultural development and energy supply to social expenditure. This is an issue which raises the question on whether such expenditure can be sustained in the absence of growth-oriented and productive investment.

The challenge in this regard is to complement aid with other actions. The ultimate development impact of foreign aid, particularly the ODA cannot be separated from the main issue of choosing the appropriate development strategies to realize the annual growth rates that are necessary for meeting the MDGs in LDCs. In this context, both donors and recipients should undertake the necessary actions through proper partnership commitment to ensure that the promised increase in aid will have a positive influence on growth, development, and reduction of poverty.

The recognition of the serious shortcomings in the way the international aid system has been so far operating has been reflected in some recent initiatives such as the 2005 Paris Declaration on Aid Effectiveness. The recommendations of the Declaration can indeed be helpful in raising the quality and effectiveness of aid. Greater local ownership of aid programmes, greater policy space for the recipients of aid and less intrusive policy conditions are usually considered as necessary conditions for ensuring that aid results in more positive outcomes. However, in order to attain these objectives, there is a need for more multilateral than bilateral aid so that the distorting influence of individual donor is reduced. Such a shift in the balance of bilateral and multilateral aid will also help to simplify delivery by providing greater coherence, transparency and accountability.

All in all, a new international architecture for aid must ensure to encourage and supplement national resource mobilisation and to fill the gap between national rates of saving and the rates of investment required to meet national development goals, including the MDGs. Addressing many of the problems and issues related to aid delivery and impact, suggests a much better and more coherent model than is currently available. In this context, Paul Collier, in his recent provocative book "The Bottom Billion" believes that, only with the right complementary changes in the current way the international aid system is operating, aid could gradually cumulate to substantially contribute to growth. Otherwise, additional aid will not have such promising results.

<u>Sources</u>

1- Paul Collier (2007), *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, Oxford University Press.
2- UNCTAD (2006), *Economic Development in Africa: Doubling Aid: Making the "Big Push" Work*, United Nations, New York and Geneva.
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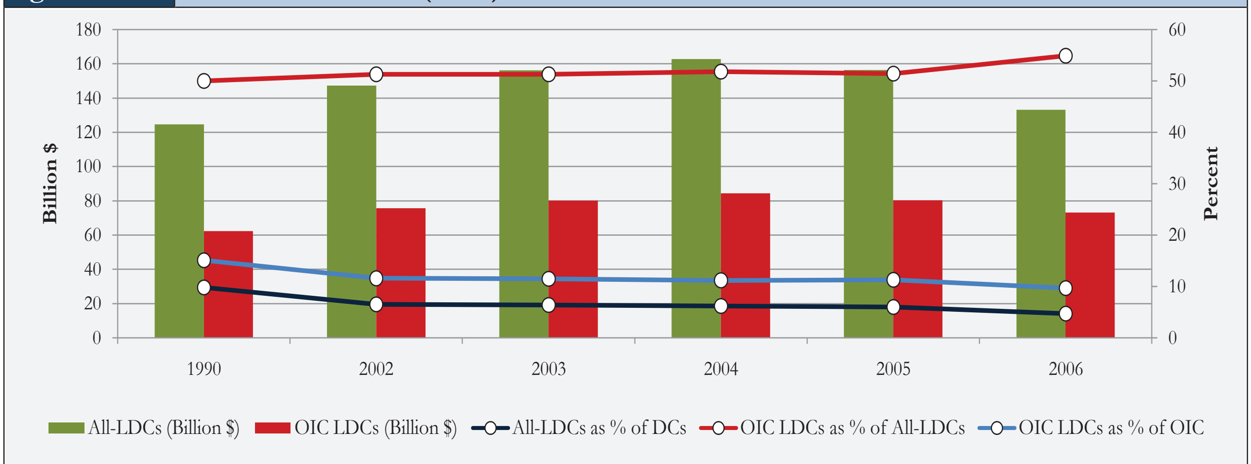
3 EXTERNAL DEBT

Despite the serious efforts so far made by the international community and the LDCs themselves to reduce the burden of their external debt, the severe indebtedness of the majority of the LDCs, including many OIC members, still constitutes a serious obstacle to their development efforts and economic growth. Debt service takes up a large part of the scarce budgetary resources of these countries that could be directed to productive and social sectors, and the debt overhang harms their internal and external investment climate. This situation is often aggravated by the effects of the volatility of external financial flows and export earnings and increases in the prices of their essential imports, particularly oil.

As shown in Figure 21, the total external debt stock (EDT) of All-LDCs increased from $124.7 billion in 1990 to $147.3 billion in 2002, corresponding to a compound annual growth rate of 1.4 percent during this period. The external debt of All-LDCs increased in the following two years to reach $162.8 billion in 2004, and then declined to $133.1 billion in 2006. Despite this up and down movement, the share of All-LDCs in the total external debt of the developing countries followed a steadily decreasing trend during the period under consideration, from 9.8 percent in 1990 to 6.5 percent in 2002 and then to 4.7 percent in 2006.

Figure 21 **External Debt Stock (EDT)**

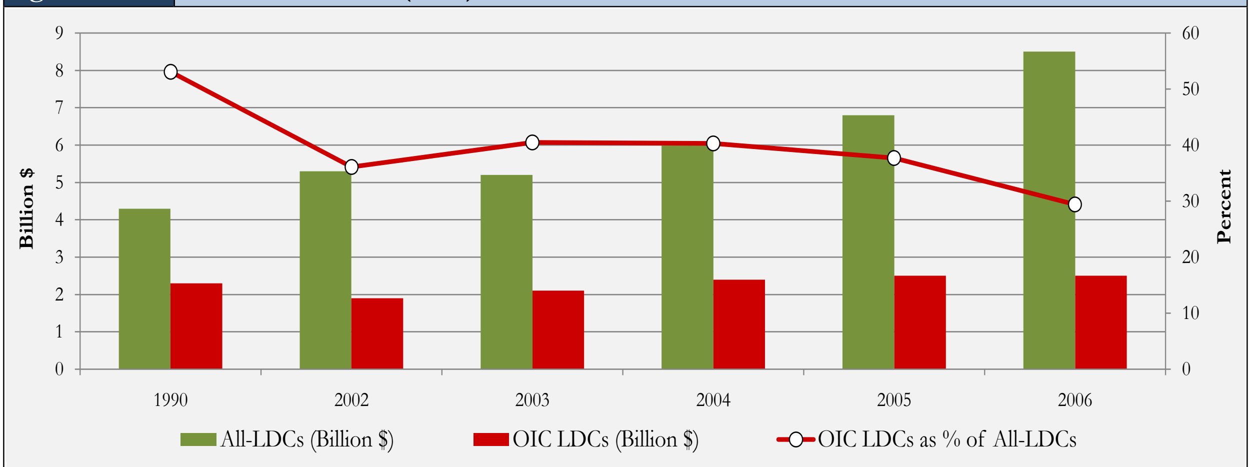


Source: Table A.17 in the Annex

Similar trends were also observed in the case of the OIC-LDCs where total external debt increased from $62.4 billion in 1990 to $75.6 billion in 2002, corresponding to a compound annual growth rate of 1.6 percent during this period (0.2 percent higher than that of the All-LDCs). Although total external debt of OIC-LDCs increased in the following two years to reach $84.3 billion in 2004, it slightly decreased in the following two years to reach $73.1 billion in 2006. The share of OIC-LDCs in total external debt stock of All-LDCs remained constant at around 50-51 percent during the period under consideration except in 2006 where it increased slightly to reach 54.9 percent. In contrast, the share of OIC-LDCs in the total external debt of the OIC countries decreased steadily during the period under consideration, from 15.1 percent in 1990 and 11.6 percent in 2002 to 9.7 percent in 2006 (Figure 21).

The accumulated amount of the external debt stock in the group of All-LDCs increased the liability of their total debt service (TDS) payments during the period under consideration from $4.3 billion in 1990 to $8.5 billion in 2006 (Figure 22). In contrast, the OIC-LDCs succeeded in keeping their level of debt service liabilities at almost the same level in the same period where it was recorded at $2.5 billion in 2006 compared to $2.3 billion in 1990. Accordingly, the share of the OIC-LDCs in total debt service of All-LDCs decreased from 53.1 percent in 1990 to 29.4 percent in 2006 (Figure 22).

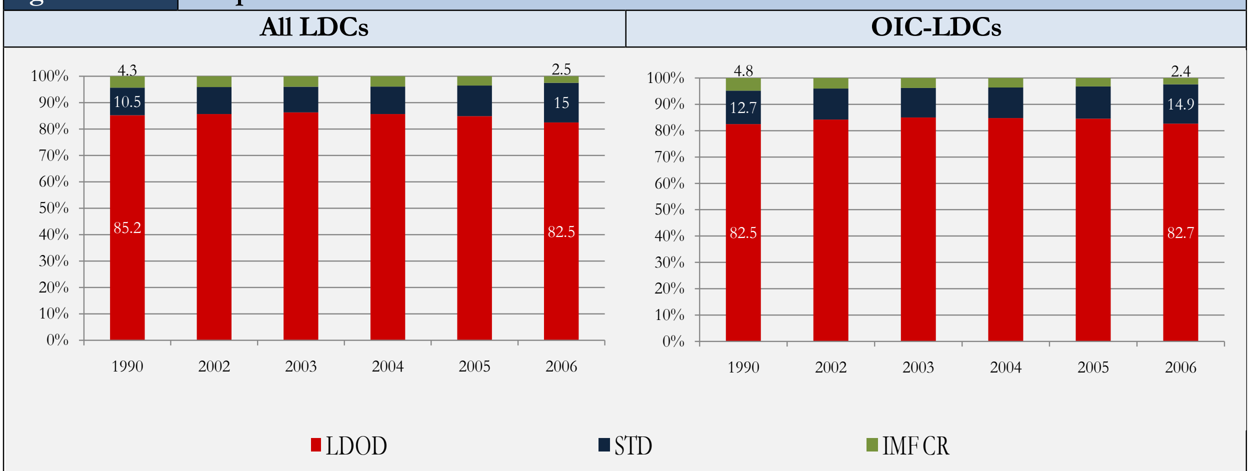
Figure 22 **Total Debt Service (TDS)**



Source: Table A.18 in the Annex

The composition of the external debt stock is an important factor in debt analysis since it has a direct bearing on the process of debt repayment, rescheduling and relief. As Figure 23 shows, total external debt stock is made up, in general, of three categories of debt: long-term debt (LDOD), short-term debt (STD), and the use of IMF credits (IMF CR). It is also worth noting that LDOD is made up of private non-guaranteed debt and public and publicly guaranteed debt.

Figure 23 **Composition of External Debt**



Source: Tables A.19, A20 and A.21 in the Annex

Figure 23 indicates that long-term debt always remained the largest component of the external debt of the LDCs, including the OIC members. The share of the long-term debt in total external debt of All-LDCs decreased from 85.2 percent in 1990 to 82.5 percent in 2006 and from 85.2 percent to 82.5 percent in the case of OIC-LDCs. However, it can be observed that there is a tendency in these countries towards decreasing the share of IMF CR in favour of STD. As Figure 23 shows, while the share of IMF CR in total external debt of All-LDCs declined from 4.3 percent in 1990 to 2.5 percent in 2006, the share of STD increased from 10.5 percent to 15 percent in the same period. Similar trend has been also observed in the case of OIC-LDCs where while the share of IMF CR in total external debt declined from 4.8 percent in 1990 to 2.4 percent in 2006, the share of STD increased from 12.7 percent to 14.9 percent in the same period.

Yet, it is worth noting that more than 80 percent of the long-term debt stock of the LDCs, including the OIC members, is still in the form of public and publicly guaranteed debt. This implies that external debt in LDCs continues still constitutes a serious obstacle to the governments development efforts where debt service takes up a large part of the scarce budgetary resources of these countries that could be directed to productive and social sectors.

On the other hand, examining the levels of indebtedness and repayment burden is also an important factor in monitoring and analysing the external debt situation in the LDCs. In general, the capacity of a debtor country to repay its external debt and debt service obligations depends largely on its own production capacity and, ultimately, its export earnings of foreign exchange. In the literature, a ratio analysis approach is commonly used for measuring a country's indebtedness level and repayment capacity. This is usually done by calculating ratios that provide measures of the cost of servicing the debt in terms of foreign exchange or output foregone through relating the volume of external debt and debt service to the gross national income (GNI) and exports of goods and services (XGS). In this context, the commonly used ratios are: debt-GNI ratio (EDT/GNI), debt-export ratio (EDT/XGS), debt-service ratio (TDS/XGS), and interest-service ratio (INT/XGS). The indebtedness level is measured by the debt-GNI ratio and debt-export ratio while the debt repayment burden is measured by the debt-service ratio and interest-service ratio.

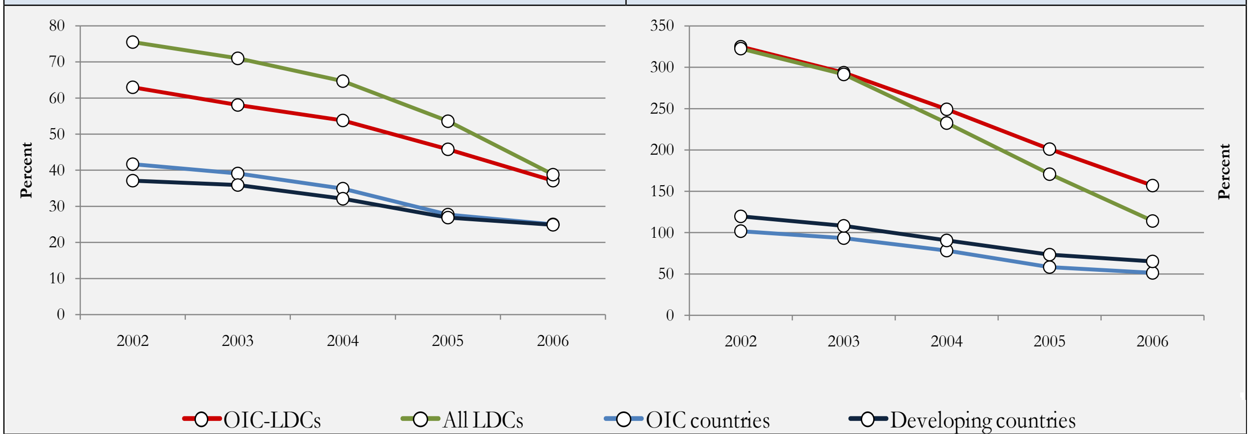
The debt-GNI ratio (EDT/GNI) of a particular country estimates the burden of that country's external debt on its productive capacity and gives an indication of the degree of its solvency. A high ratio signifies that the rate of growth in external debt is higher than that of GNI, implying that the debt burden is heavy. This suggests a deterioration of creditworthiness as the country is supposed to sacrifice an increasing part of its total production capacity to pay back its debt. On the other hand, since the repayment of external debt is mostly financed by export earnings, it follows that the capacity of a debtor country for repayment is indicated by external debt as a percentage of its total exports of goods and services, i.e. by the debt-export ratio (EDT/XGS). The debt-export ratio gives an estimate of the equivalent number of years of exports required to repay a country's total outstanding external debt.

In the light of this understanding, Figure 24 shows that the average debt-GNI ratio of the LDCs including the OIC members showed a decreasing trend during 2002-2006. In this regard, the ratio for the All-LDCs declined from 75.5 percent to 38.8 percent, yet remaining with the higher position than the other groups. The OIC-LDCs also followed a similar declining trend, and managed to decrease this ratio from 63 percent to 37 percent. However, the average debt-GNI ratios of the two groups were still significantly higher than those recorded by the OIC countries and the developing countries in the same period. It is also observed that in 2006 the debt-GNI ratio of 5 OIC-LDCs, namely Guinea Bissau

(241), Gambia (145), Sierra Leone (101), Guinea (100), and Togo (83), was still higher than the critical limit of 80 percent, defined by the World Bank for severe indebtedness[7] (Table A.23 in the Annex).

Figure 24 **Indebtedness Ratios**

EDT/GNI	EDT/XGS



Source: Tables A.23 and A.24 in the Annex

Figure 24 also shows that the averages of the debt-export ratios (EDT/XGS) of both All-LDCs and the OIC-LDCs decreased significantly during 2002-2006. Despite this improvement, these ratios were still higher than those recorded by the OIC and developing countries. As of 2005, both the group of All-LDCs and OIC-LDCs managed to decrease this ratio below the critical limit of 220 percent defined by the World Bank for severe indebtedness[8]. As of 2006, these ratios were further decreased to reach 156.9 percent and 114.2 percent, respectively. At the OIC-LDCs individual country level, the highest debt-export ratios in 2006 were recorded at 35655 percent in Somalia and 596 percent in Comoros, while the lowest rates of 47.9 and 61.3 percent were recorded in Chad and Maldives, respectively (Table A.24 in the Annex).

In contrast, the debt payment burden ratios shown in Figure 25 indicate quite better performance of the LDCs, particularly the OIC members, when compared with that of the OIC and the developing countries. While the debt-service ratio (TDS/XGS) of All-LDCs decreased from 11.7 percent in 2002 to 7.3 percent in 2006, it decreased from 13.1 percent to 8.7 percent in the OIC-LDCs in the same period. Albeit with higher ratios, a similar decreasing trend has been also observed in both the OIC and developing countries.

In fact, the debt-service ratio is a traditional indicator of creditworthiness that reflects the ability of a country to continue borrowing. The higher the debt-service ratio, the greater will be the likelihood that, in case of a severe decline in exports earnings, the country will no longer be able to meet its debt service obligations and will seek a rescheduling of its external debt payments. As such, the declining trend in the debt-service ratio of LDCs shown in Figure 25 implies that these countries have been recently paying quite less from their exports earnings to cover their debt service. This would, in turn, allow freeing more resources for improving social services such as health and education and decreasing the probability of default on external debt obligations and/or rescheduling.

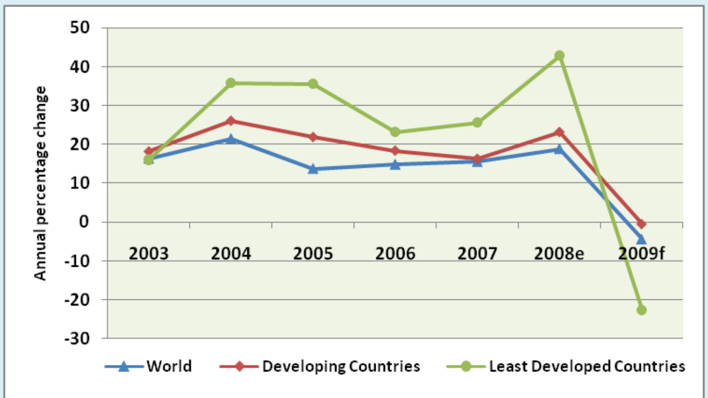
[7] World Bank, Global Development Finance 2005, p. xxxi.
[8] Ibid, p. xxxi.

Box 3: Global Financial Crisis and the LDCs: Expected Impacts

A major economic slowdown is under way across the globe especially in the developed countries. Although most of the LDCs are not well integrated into global financial markets, the current financial crisis is expected to have profound and possibly prolonged effects on their economies especially in countries with a high foreign bank presence. There are various channels through which the global financial crisis may affect LDCs. These include, among others, slower export growth, decrease in aid, Low FDI, falling remittances and contraction of private-sector activity. As a result, medium-term growth prospects for the LDCs are grim. LDCs, which as a group registered higher than world average growth rates of over 7 per cent in 2006 and 2007, are likely to see a slowdown in the next two years. Growth for Sub-Saharan Africa is projected to slow down from 5.4 per cent in 2008 to 3.5 per cent in 2009. The average growth rate among Asian developing countries is also expected to drop from 7.8 per cent in 2008 to 5.5 per cent in 2009 [*IMF, January 2009*].

For the LDCs, the major impact of the crisis is likely to come from a substantial drop in export revenue due to weaker demand for exportable commodities and falling commodity prices. According to a recent UN report, the average growth rate of export revenue of the LDCs is expected to fall from a high record rate of 43% in 2008 to (-23%) in 2009 (see Figure 1). This could worsen the persistent problem of trade and current account deficits in these countries. As it is shown in Section 2 of this report, during 2003-07, LDCs recorded trade deficit of around 22 billion US dollars. While during the same period current account deficit averaged at 7 billion US dollars. A major problem is looming in the area of trade finance as well. The trade finance market has severely deteriorated during this financial crisis due to shortage of liquidity to finance trade credits and a general re-assessment of risks posed by the financial crisis. The flows of trade finance to developing countries, which account for one-third of world trade, seem to have fallen by some 6% or more year-on-year. This will make it more difficult for LDCs to secure necessary credit for trade financing.

Figure 1: Growth Rate of Export Revenue (2003-2009)



Source: UN, World Economic Situation and Prospects 2009

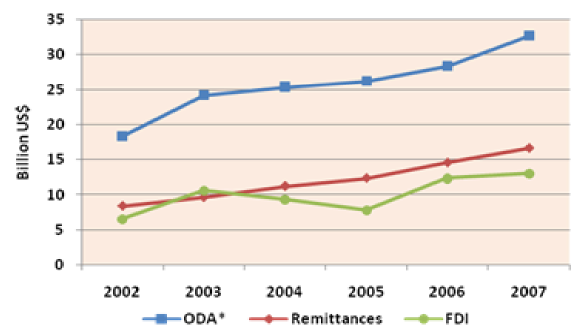
Due to global credit crunch, developing countries are facing shrinking capital flows and the withdrawal of large amounts of capital which has caused dramatic falls in their exchange rates. The World Bank expects a halving of net private capital flows to developing countries in the year 2009. Keeping in view that unlike other developing countries, LDCs are least attractive to foreign direct investment (FDI) even during the normal times; expectations for FDI in LDCs are grim. This will have severe implications for the national balance sheets and private sector activity in these countries. According to Public-Private Infrastructure Advisory Facility (PPIAF), during the three-month period of August-November 2008, 31 Private Participation in Infrastructure (PPI) projects reached financial closure involving investment commitments for US$17.2 billion in 21 developing countries mainly due to higher cost of financing and low investor interest amid the global financial crisis.

Box 3: Global Financial Crisis and the LDCs: Expected Impacts (contd.)

On the other hand, LDCs are heavily dependent on aid flows and remittances. Almost two-thirds of net capital inflows in Sub-Saharan Africa come from official development assistance (ODA); and ODA is the first largest source of external financial inflows in the LDCs. However, the bulk of ODA comes from the traditional developed country donors, particularly the United States, Japan and the Western European countries. Now with the large additional fiscal costs of rescuing their banking system and additional expenditures to minimize the impact of the downturn on their economies, it would not be easy for these countries to meet their aid commitments. An assessment of previous financial crises in developed countries shows that, in some countries, financial crisis has led to significantly lower aid disbursements. Moreover, given the fact that there is still a considerable gap between committed and actual ODA flows to LDCs, aid is estimated to be necessary for implementing measures in pursuit of the MDGs; a shortfall in ODA could have big repercussions for the LDCs real economies and people and, thus make these countries even getting back on track towards achieving the MDGs.

As for remittances, in the last few years, migrant workers' remittances have emerged as an important source of external financing in LDCs. Global economic downturn will negatively affect the income of citizens of LDCs working abroad, especially in developed world. Thus, the remittances inflow will definitely decrease, which is an important source of income for the dependent families and also for foreign exchange of these countries to pay for their import bills. Another related issue will be deteriorating prospects for the LDCs workers to get jobs in the developed countries. The decline in remittances has direct negative effects on household welfare given that, unlike other transfers, remittances are directly used for covering basic needs such as food, education, and health.

Figure2: LDCs FDI, Remittances and ODA



*Source: World Bank WDI data base, OECD database**

In nutshell, LDCs which are already suffering from the food and fuel price crisis will be hard hit by the global financial crisis. The slowdown in world economy will roll back the progress so far made in LDCs towards achieving the MDGs, particularly the poverty reduction related goals and undermine the structural transformations that have occurred in some more successful LDCs, particularly in Asia.

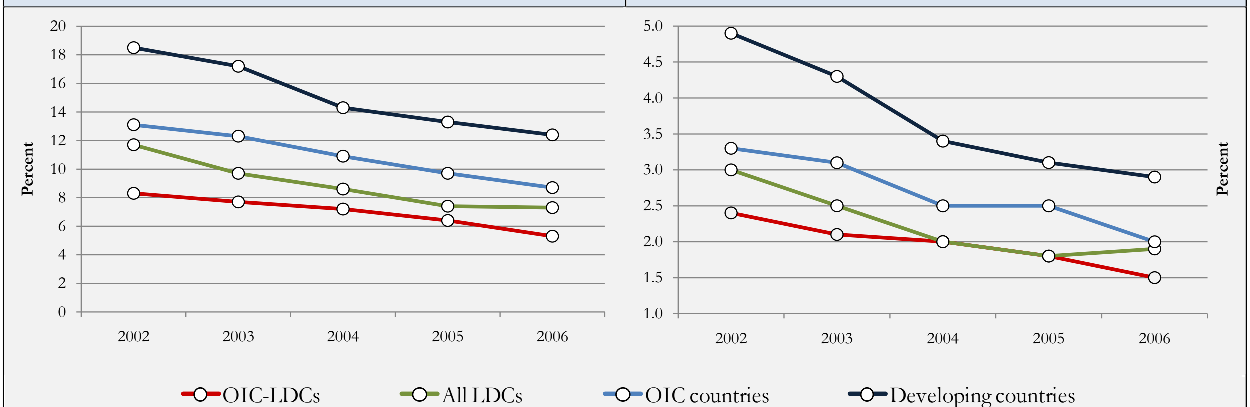
<u>Sources</u>

1- World Bank (2008), Global Financial Crisis and Implications for Developing Countries, A World Bank Background Note for the G20 Finance Ministers' Meeting, São Paulo, Brazil, November 8, 2008.
2- UNCTAD (2008), *Financing for Development*, November 2008.
3- IMF (2009), *World Economic Outlook*, Update January 2009.
4- United Nations (2009), *World Economic Situation and Prospects 2009*.

Figure 25 shows that the LDCs, particularly the OIC members, also performed quite better than the OIC and the developing countries in terms of interest-service ratio (INT/XGS). This ratio decreased from 3 percent in 2002 to 1.9 percent in 2006 in All-LDCs and from 3.3 percent to also 2.0 percent in the OIC-LDCs in the same period. In this context, it is worth mentioning that the interest-service ratio is perhaps a better indicator of the debt-servicing capacity than the debt-service ratio, because creditors are more concerned with the debtor country's ability to service its interest obligations than to pay back the principal amount of debt.

Figure 25 **Debt Payment Burden Ratios**

TDS/XGS **INT/XGS**



Source: Table A.25 and A.26 in the Annex

However, behind those aggregate statistics, there is a much more mixed situation at the individual country level. In this connection, it is worth noting that 18 out of the 22 OIC-LDCs are currently classified as heavily-indebted poor countries (HIPCs) (Table A.17 in the Annex).

In fact, the slight improvements since 2000 in the external debt situation of the LDCs, including the OIC members, were due to debt relief grants and other actions taken in 1999 in the context of the HIPC initiative. Since most of the external debt of the LDCs is owed to multilateral official creditors in the form of official loans, the HIPC initiative is vital to the LDCs, particularly those with unsustainable external debt levels. Reaffirming and accelerating the international community's support regarding aid and debt relief is, therefore, an important requirement for promoting economic growth and poverty reduction in the LDCs, including the OIC members.

The serious debt problems of the LDCs, including the OIC members, necessitate a comprehensive solution, including the full, speedy and effective implementation of the enhanced HIPC initiative and other multilateral official debt relief measures, with a view to addressing the structural causes of indebtedness and provision of ODA. The actions and measures taken by the donor community, particularly by the members of the Paris Club and other bilateral creditors, to provide faster, deeper and broader debt relief for the HIPCs, including a moratorium on debt service payments by the LDCs, are useful steps towards solving the serious debt problems of those countries.

On the other hand, the efforts of the debtor LDCs should aim at maximising benefits from debt relief by creating a conductive national framework, including fiscal reforms, a budgetary framework, sectoral adjustment, contributing to poverty eradication, growth of exports, increased savings and investment, enhanced productive capacities, employment and international competitiveness.

The social and human aspects of the development process have gained special importance in recent decades on the grounds that people should be encouraged to participate actively in that process with greater access to better social services, mainly education and health. Through more investment in people, social and human development leads to a more efficient and productive resource allocation and, thus, acts as a growth generating mechanism. In fact, social and human development contributes directly to the well-being of people through raising their living standards and eradicating poverty in the society.

Many developing countries, including the OIC members, have paid special attention to the social and human development process over the last two decades. However, the development experience of the OIC countries has shown that although so far some of them have made remarkable progress in social and human development, including poverty alleviation, many others have met with serious setbacks.

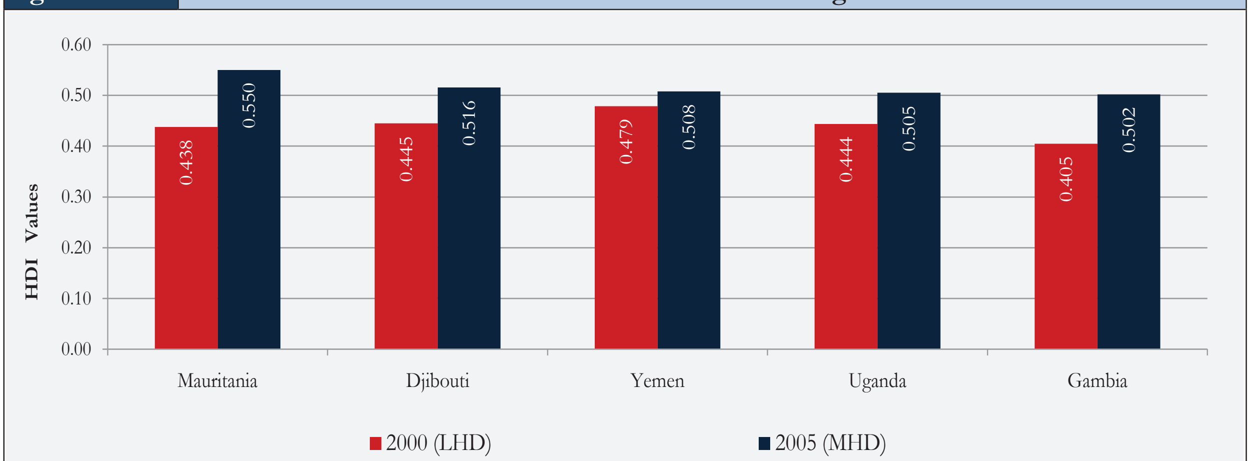
As an attempt to examine the social and human development performance of the OIC-LDCs since 2000, this part of the report highlights the trends in the progress achieved by these countries in terms of the UNDP's Human Development Index (HDI) and Human Poverty Index (HPI) as well as the progress towards the achievement of the UN Millennium Development Goals (MDGs).

4.1. Human Development Index (HDI) for OIC-LDCs

The Human Development Index (HDI) of the UNDP is an attempt to quantify the social and human dimensions of the development process. It is a composite index of life expectancy at birth as a proxy for longevity, adult literacy rate and gross enrolment ratio as a proxy for knowledge, and real GDP per capita as a proxy for income. Based on the value of the HDI, the UNDP classifies the countries by their level of human development into three different groups: High Human Development (HHD) with HDI values (0.800-1.000), Medium Human Development (MHD) with HDI values (0.500-0.799) and Low Human Development (LHD) with HDI values (0.00-0.499).

The performance of the OIC-LDCs in terms of the UNDP HDI in the period 2000-2005 can be seen in Table A.27 in the Annex, which lists the OIC LDCs according to their human development level categories in this period, namely, the OIC middle human development countries (OIC-MHDCs), and the OIC low human development countries (OIC-LHDCs).

Figure 26 **OIC-LDCs that moved from LHD to MHD Level during 2000-2005**



Source: Table A.27 in the Annex

Except in a few cases, it is observed that, overall, the human development level of the OIC-LDCs witnessed a slight change during the period 2001-2005. In 2001, the majority of the OIC-LDCs were classified as Low Human Development (LHD) countries. Yet, as shown in Figure 26 and Table A.27 in the Annex, 5 out of the 15 OIC low human development countries (OIC-LHDCs) in 2001 succeeded to move to the medium human development level by 2005. As such, the total number of countries in LHD and MHD became equal, 10 in each group.

4.2. Human Poverty Index (HPI) for OIC-LDCs

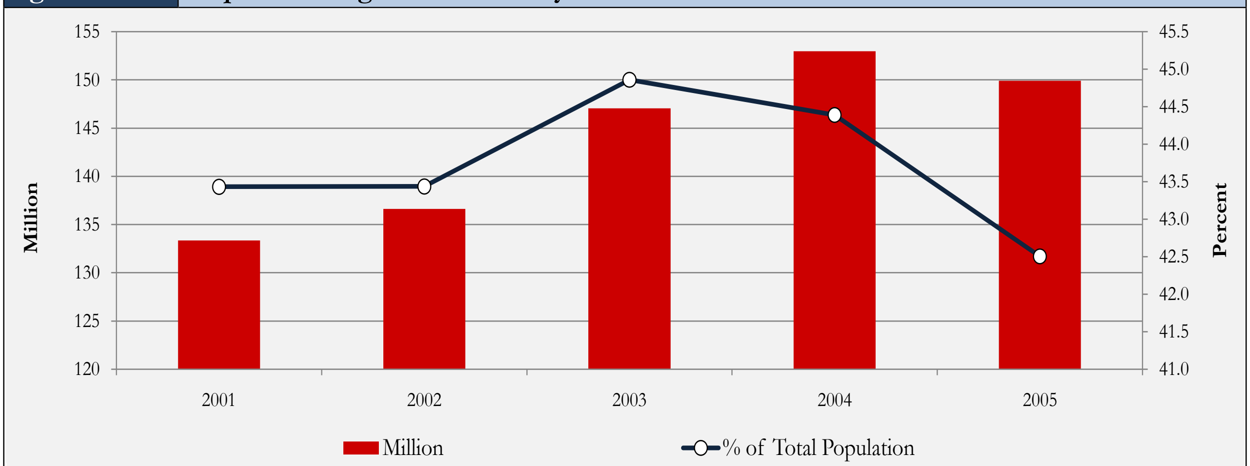
The overall picture of human development in the OIC countries shows that, in general, the problem of poverty in many of these countries emanates from the fact that large segments of their populations still have insignificant access to the basic social needs and do not possess sufficient material resources to improve their income.

As is the case everywhere else, poverty in the OIC countries is a complex and multi-dimensional phenomenon resulting from the complex socio-economic structure of each individual country. In general, poverty is associated with poor economies, poor human resources, poor social services and poor economic and social policies. Hence, the status, determinants and policy measures required to eradicate it would, by definition, vary from one country to another.

In this context, the Human Poverty Index (HPI) of the UNDP is an attempt to quantify the social and human dimension of poverty. It is a composite index calculated based on three essential aspects of human deprivation: longevity measured by the probability at birth of not surviving to the age of 40; knowledge measured by adult literacy rate; and a decent standard of living measured by the percentage of population not using improved water sources and percentage of underweight children under the age of five.

According to the HPI of the UNDP for the OIC-LDCs in the period 2001-2005, the data in Table A.28 in the Statistical Annex and Figure 27 indicate that an average of 43.4% (133.4 million) of the total population in 18 OIC-LDCs were suffering human poverty in 2001. In 2004, this percentage reached 44.4% (153.0 million) of the total population in 20 OIC-LDCs.

Figure 27 **People Suffering Human Poverty in OIC-LDCs**



Source: Table A.28 in the Annex

Moreover, it is observed that the performance of the OIC countries in poverty alleviation has been slightly improved in 2005, where an average of 42.5% (149.9 million) of the total population in 20 OIC countries was suffering human poverty. Yet, despite this slight progress in 2005, it is observed that more than 50% of the total population in 7 OIC countries were still suffering human poverty in the same year (see Table A.28 in the Statistical Annex).

4.3. Progress of OIC-LDCs towards the Achievement of the Millennium Development Goals (MDGs)[9]

In view of the fact that poverty is one of the world's greatest challenges and a major obstacle to economic and human development, the international community has considered reduction of poverty and improved access to basic health and education services as major goals for development. In this respect, the international community agreed at the World Summit for Social Development in 1995 on the need for time-bound goals and quantitative targets for reducing poverty, and put a special emphasis on elaborating definitions, indicators and measurements of poverty. In 2000, the Millennium Summit set the Millennium Development Goals (MDGs) with main targets of halving the proportion of people suffering from hunger, achieving universal primary education, reducing infant and child mortality rates by two thirds, and halving the proportion of people without access to improved water sources by 2015.

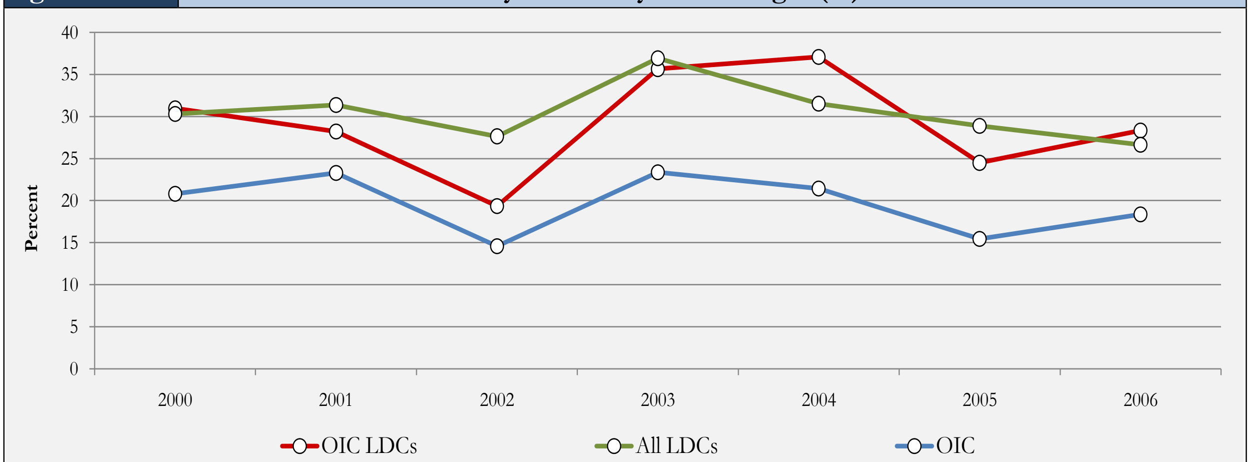
This section summarises the progress of the OIC-LDCs, for which the relevant data are available, towards the achievement of the eight MDGs in terms of some selected indicators under each goal in the period 2000-2006.

Goal 1: Eradicate Extreme Poverty and Hunger

Moderately and severely underweight children under age 5

Figure 28 shows that, except in 2004 and 2006, the average of OIC-LDCs on this indicator was between the averages of All-LDCs and the OIC countries. It should be noted that the relative progress of the OIC-LDCs on this indicator in 2002 may be misleading because only Djibouti and Guinea reported their figures. Yet, this progress has been eroded in 2004 and 2006 due to increasing regional clashes, severe drought and the worldwide escalating food prices.

Figure 28 **Children under 5 Moderately or Severely Underweight (%)**



Source: Table A.29 in the Annex

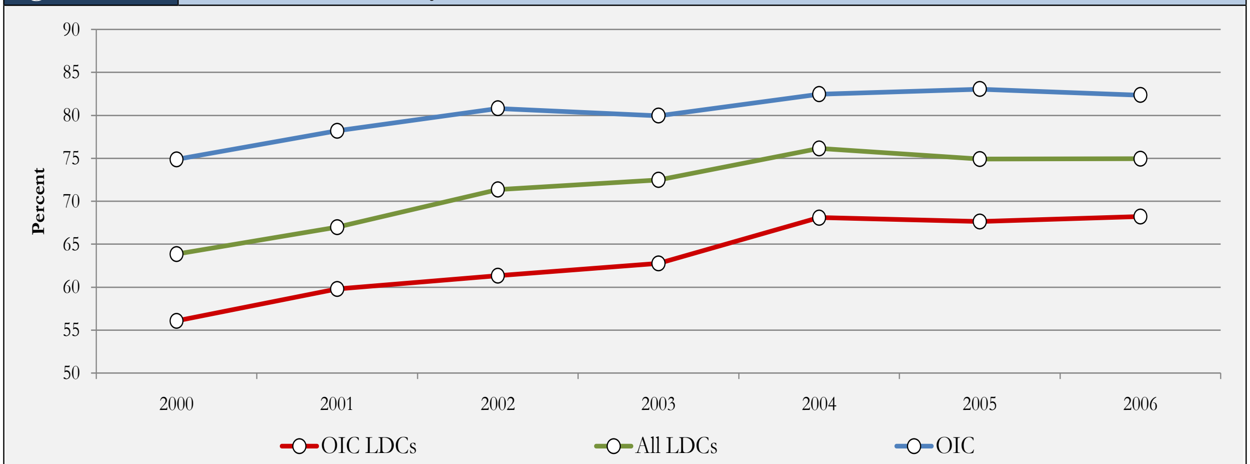
[9] Data used in this section are obtained from United Nations Statistics Division, UN Official Website for the MDGs Indicators, accessed on November 25, 2008, http://mdgs.un.org/unsd/mdg/Data.aspx.

Goal 2: Achieve Universal Primary Education

Total net enrolment ratio (NER) in primary education, both sexes

As shown in Figure 29, the average OIC-LDCs on this indicator was below the averages of All-LDCs and OIC during the period 2000-2006 and steadily kept over 65% since 2004. However, notwithstanding this progress, there is still a need for more efforts to achieve the 2015 target. The school fee subsidies to families and allocation of more public finance sources to education are two of the remedies for reaching the target. However, still facing unsustainable debt and economic growth, the OIC-LDCs seem to have hard times to meet this goal.

Figure 29 **Total NER in Primary Education, Both Sexes**



Source: Table A.29 in the Annex

Goal 3: Promote Gender Equality and Empower Women

Gender Parity Index (GPI[10]) in secondary level enrolment

As shown 2006 in Figure 30, the trend in average OIC-LDCs on this indicator was swinging during 2000-2006 with an index value reaching over 0.70 in 2002 and falling below 0.65 in 2005. Yet, although the GPI of the OIC-LDCs reached its peak in 2006, it was still showing a disparity in favour of males and being under the index values of All-LDCs and OIC. This implies that the OIC-LDCs, as a group, are still facing the challenge of reaching the 2015 target if more girls cannot access and participate in secondary education.

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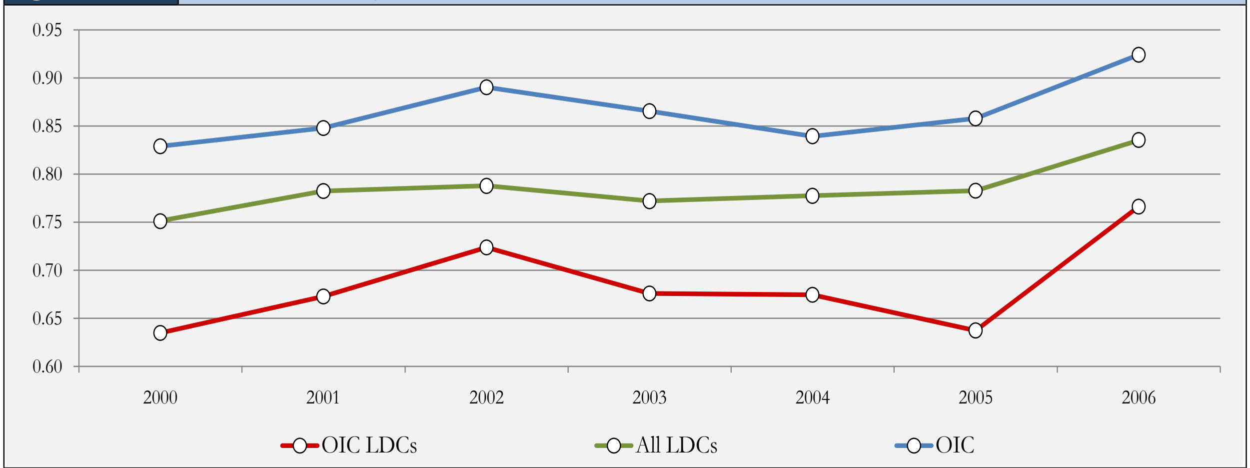
[10] GPI in secondary education is the ratio of the number of female students enrolled at secondary level of education to the number of male students. (**GPI=1**: Parity between the sexes – **0<GPI<1**: Disparity in favour of males – **GPI>1**: Disparity in favour of females.)

Figure 30	GPI in Secondary Level Enrolment



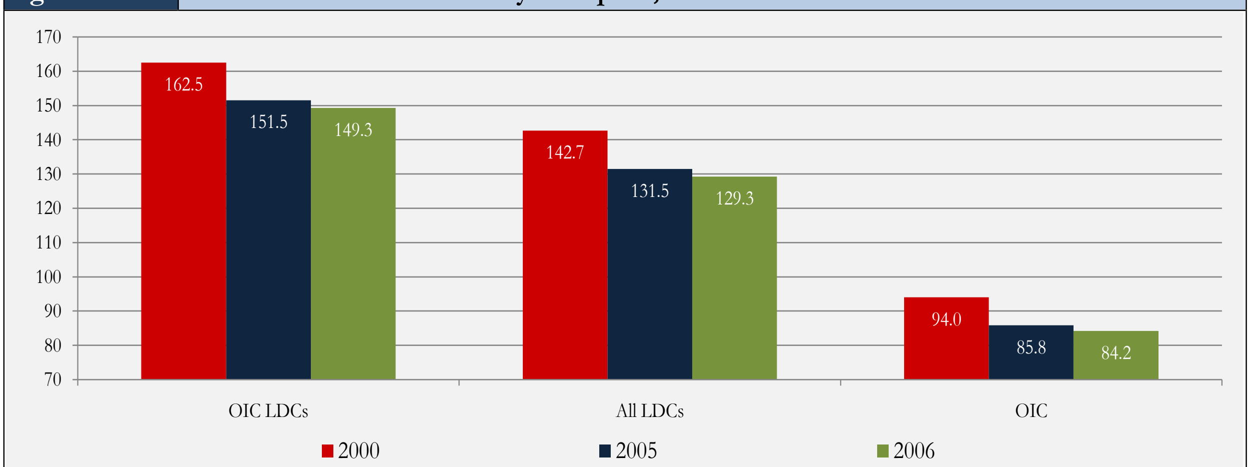
Source: Table A.29 in the Annex

Goal 4: Reduce Child Mortality

Children under five mortality rate (C5MR) per 1,000 live births

Due to the shortage of the relevant data on this indicator, assessment has been done comparing the progress made in 2000 with that in 2005 and 2006. It is clearly shown in Figure 31 that the average performance of the OIC-LDCs on this indicator was worse than those of All-LDCs and OIC. Yet, the OIC-LDCs managed to decrease their average from 163 in 2000 to 149 in 2006. This means that, on average, 14 more children have been saved in these countries. It has been reported that the high number of child deaths in most of these countries is due to diseases such as HIV/AIDS and malaria and the inequities in accessing health services due to differences in income, gender, race, rural/urban residency and ethnic background. Conflict is also stated as an important contributor to the high rate of under-five mortality[11].

Figure 31	Children under Five Mortality Rate per 1,000 Live Births



Source: Table A.29 in the Annex

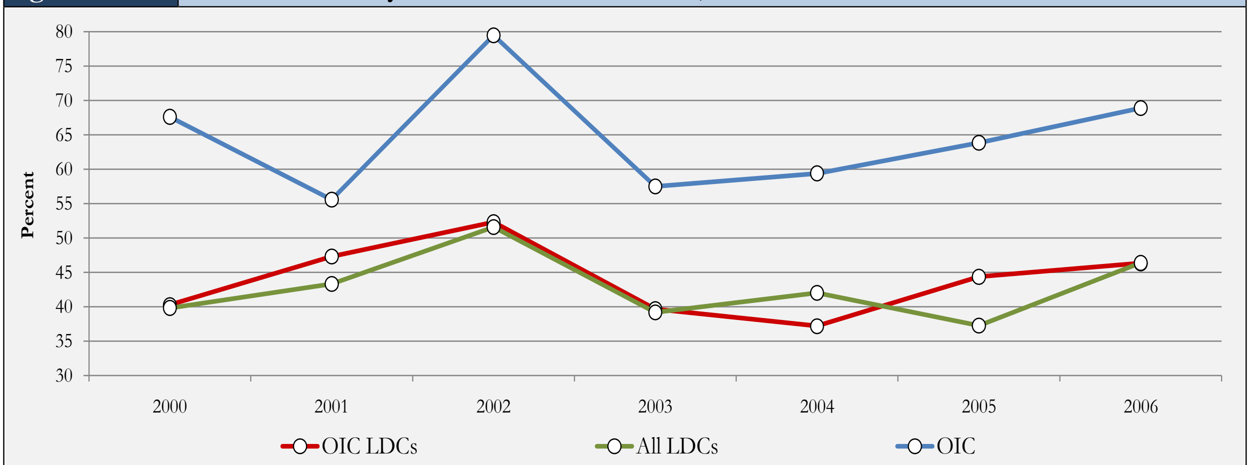
[11] http://www.uneca.org/cfm/2008/docs/AssessingProgressinAfricaMDGs.pdf

Goal 5: Improve Maternal Health

Births attended by skilled health personnel, %

This means the proportion of women who deliver with the assistance of a skilled attendant, defined as a medically trained health care provider – doctor, nurse or midwife. For most of the Figure 32 indicates that, on average, except in 2002, less than 50% of the births in All-LDCs and OIC-LDCs were attended by a health staff during the period 2000-2006. This implies that the OIC-LDCs, as a group, are still facing the challenge of reaching the 2015 target on this indicator, which is also an impediment for reaching the 2015 target of decreasing the child mortality rate.

Figure 32 **Births Attended by Skilled Health Personnel, %**



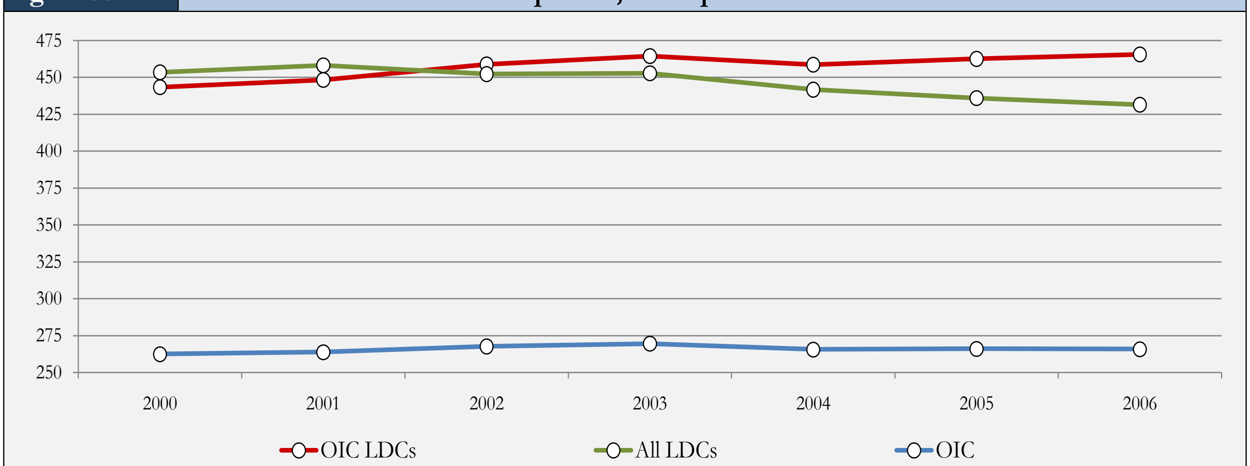
Source: Table A.29 in the Annex

Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

Tuberculosis prevalence rate per 100,000 populations

As shown in Figure 33, while the average tuberculosis prevalence rate per 100,000 populations of All-LDCs showed a slightly falling trend from approximately 450 in 2000 to 425 in 2006, the average of OIC-LDCs increased from 443 in 2000 to 465 in 2006. The reason for this increase is related to the increasing number of people with HIV/AIDS who can easily contract tuberculosis infections.

Figure 33 **Tuberculosis Prevalence Rate per 100,000 Populations**



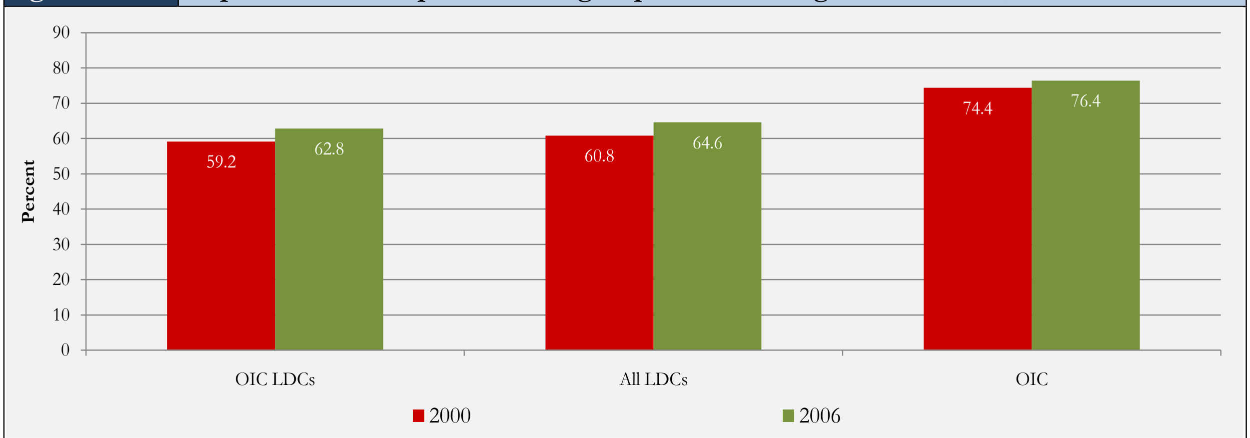
Source: Table A.29 in the Annex

Goal 7: Ensure Environmental Sustainability

Proportion of the population using improved drinking water sources, total

As shown in Figure 34, a slight progress has been made in improved drinking water in All-LDCs, including the OIC-LDCs during the period 2000-2006 with the averages of the two groups are approximately the same exceeding 60% in 2006. However, despite this progress, it seems that the probability of reaching the 2015 target is still low, particularly when the wide rural-urban gap in access to improved drinking water in these countries is considered.

Figure 34 **Proportion of the Population Using Improved Drinking Water Sources, Total**



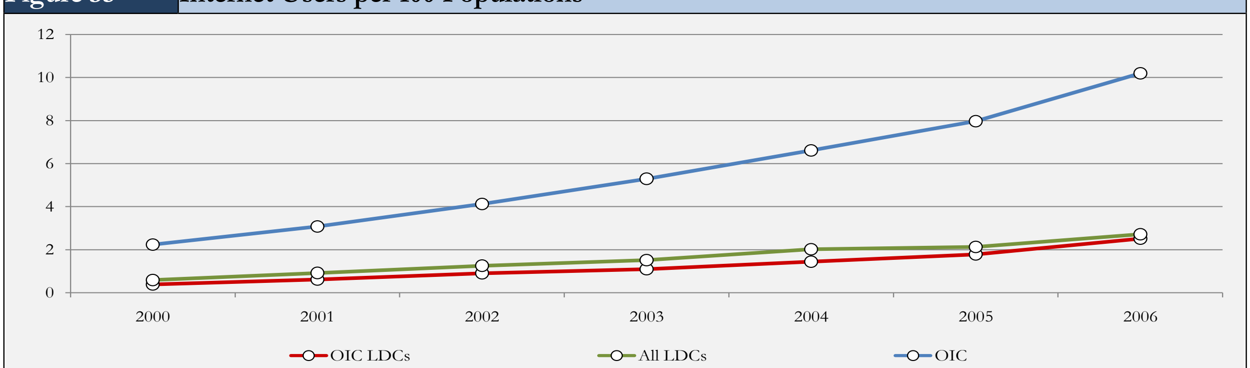
Source: Table A.29 in the Annex

Goal 8: Develop a Global Partnership for Development

Internet users per 100 populations

Figure 35 indicates a very low level of the internet usage in OIC-LDCs compared to the level of the OIC countries as a group. Although the average internet users per 100 populations in the OIC-LDCs increased by 550% in the period 2000-2006 (from 0.4 users in 2000 to 2.5 users in 2006), this average was still slightly lower than that of All-LDCs. This is due to the insufficient infrastructure, digital literacy and shortage of affordable computers. To overcome these obstacles, emerging technologies such as Wi-Max making it possible to access the Internet from remote areas, and international initiatives such as OLPC (One Laptop per Child) programme providing affordable notebooks to increase digital literacy among children have been put under effect by the international community.

Figure 35 **Internet Users per 100 Populations**



Source: Table A.29 in the Annex

5 CONCLUSION AND RECOMMENDATIONS

With 12 percent of the world's total population in 2007, the 50 LDCs represent the poorest and weakest segment of the international community. The structural weakness of the economies of LDCs and the lack of capacities relating to growth and development, often compounded by geophysical handicaps, impede the continuous efforts of these countries to improve the standards of living of their populations and make them extremely vulnerable to external shocks in the world economy and natural disasters.

Out of the world 50 LDCs, 22 are OIC members accounting for a substantial part of the performance of all LDCs in many respects. With a total population of 397 million in 2007, or 50.9 percent of the total population of all LDCs, they accounted for 53.5 percent of the total output (GDP) of all LDCs' and 38 percent of their total merchandise exports, both in terms of current US dollars. Yet, as is the case with the other LDCs, the structural weakness of the economies of most of the OIC-LDCs and the lack of capacities related to growth and development hamper those countries' efforts to improve effectively the standards of living of the majority of their populations.

The majority of the OIC-LDCs (18 countries) are located in the region of sub-Saharan Africa and 4 in Asia. 6 of these countries are land-locked and two are small island countries. The OIC-LDCs, especially those in sub-Saharan Africa, are particularly less-equipped to develop their domestic economies and ensure a sustainable and adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks in world economy and natural disasters where 7 of them are still classified as non-oil commodity exporters, depending for their growth and development on producing and exporting a few commodities, mostly agricultural. Moreover, 18 of them are also classified as Heavily Indebted Poor Countries (HIPCs).

The average real GDP growth rates of the group of all LDCs, including the OIC-members, remained solid during the period 2002-2007. The encouraging growth performance of the LDCs, particularly since 2003, was underpinned by the new trade and investment opportunities, particularly due to increasing demand in emerging markets such as China and India. Meanwhile and, due to the increase in world commodity prices in the same period, progress has been recorded in terms of increasing exports earnings of most LDCs and, thus, in increasing private financial flows, including FDI. Real progress has also been recorded at the international level on issues such as debt relief, increasing ODA and public health and education, which would hopefully have a direct bearing on poverty reduction prospects in the LDCs.

However, the reality of the challenge facing the LDCs in their efforts towards achieving more sustained development level is still apparent where most of them are far behind on meeting the Millennium Development Goals (MDGs) and even getting back on track. Although high commodity prices have brought large exports earnings to many LDCs, the average growth rates so far achieved had little impact in terms of reducing poverty and raising employment in these countries. This implies the need for more sustainable growth rates in the next decade that should exceed the 7.4 per cent level achieved by all LDCs in 2007. Moreover, it is observed that there

still exists a tendency for increasing divergence amongst the LDCs where the bulk of their total output, exports and resource flows are still concentrated in a few countries.
Indeed, some important issues regarding sustainable development in the LDCs continue to be a cause for concern. These include, among others, the high dependency on external aid inflows and primary commodity exports with volatile world prices, the heavy external debt burden and the slow progress in meeting the MDGs, particularly those related to poverty alleviation. Therefore, economic and social development of those countries represents a major challenge for themselves and their development partners as well the international community as a whole.

Given this state of affairs, a set of broad policy recommendations can be made at national level of OIC-LDCs as well as at the intra-OIC cooperation level as follows:

(A) At the OIC-LDCs National Level

- Adopting sound socio-economic policy reforms with a view to attaining sustainable levels of economic growth and empowering people living in poverty through promoting micro-credit schemes and developing their capacities to enable them improve their access to and utilization of productive opportunities and basic social services.

- Developing efficient linkages between different economic activities, particularly in small and medium-sized enterprises (SMEs), and promoting the efficiency of markets through an effective institutional, regulatory and supervisory integrated mechanism.

- Strengthening efforts to fight corruption, bribery, money laundering, illegal transfer of funds and other illicit activities by strengthening anti-corruption laws and regulations and their effective implementation.

- Enhancing the effectiveness of social sector investment through increasing budgetary allocations in favour of social infrastructure and basic social services such as education and vocational training, health and sanitation, etc.

- Developing adequate national health systems in which special attention is given to the poorest segment of the population through strengthening the provision of healthcare services, including nutrition, disease prevention, immunization, safe water and clean sanitation.

- Encouraging involvement of the private sector and civil society, including community organisations, to complement the public sector and invest in productive sectors and social infrastructure and services within an appropriate regulatory framework.

- Upgrading and strengthening critical areas of physical infrastructures such as transportation, energy, telecommunications, and information and communications technologies and enhancing the innovation capacity by increasing investment in national R&D activities.

- Enhancing national entrepreneurship through creating efficient public-private sector dialogue and partnership in order to increase coherence between trade, investment and enterprise policies, particularly in SMEs, through, *inter alia,* the introduction and promotion of new financing schemes in rural areas, such as micro-financing and cooperative arrangements for credit and licensing agreements.

- Increasing and encouraging public and private investment in agriculture and rural development programmes and promoting agro-based industries as a means of improving agricultural technology, raising rural incomes and fostering stronger linkages between agriculture and industry.

- Integrating trade policies into the national development strategies with a view to improving capacity building in trade policy and related areas such as tariffs and customs and removing procedural bottlenecks that increase transaction costs through, *inter alia,* improving efficiency and transparency, implementing trade facilitation measures, improving standards and quality control and promoting the competitiveness of major exports.

- Taking appropriate account in regional integration arrangements and making use of the flexibilities provided for in multilateral trade rules relating to regional trade arrangements with the aim of fostering a smooth and beneficial integration into the world economy.

- Developing efficient and adequate national financial systems to stimulate domestic savings through, *inter alia,* enforcing prudential regulations governing banks and other financial institutions and promoting innovative financial mechanisms such as micro-credit financial schemes.

- Ensuring that aid and debt relief measures support rather than undermine domestic resource mobilisation efforts through, *inter alia,* monitoring the use and effectiveness as well as the fiscal implications of external resources, including ODA, and giving special attention to the productivity and sustainability of investments financed through those resources.

- Sustaining and intensifying efforts to improve debt management capability by, *inter alia,* regularly consulting with creditors and development partners on the debt problem and using resources released by debt relief as well as other sources of development finance in a manner that fully takes into account the interests of the poor.

- Strengthening the enabling environment for the private sector development and attracting FDI inflows. Of particular importance is a supportive regulatory and legal framework for FDI along with the necessary institutional capacity building for its effective use in building the supply capacity.

(B) At the Intra-OIC Cooperation Level

- Assisting and supporting the OIC-LDCs development efforts, through providing financial and other resources, to mitigate the insecurity and vulnerability of those countries and to increase their involvement and benefit from the services and programmes provided by the international financial institutions and other multilateral development organisations.

- Encouraging and supporting the OIC-LDCs in gaining access to information and communications technologies, necessary physical infrastructure and capacity building that would help them derive benefits from globalisation and mitigate its negative consequences.

- Supporting the full and effective participation of the OIC-LDCs in international and regional dialogues and actions on development, peace and security and standards setting in all areas affecting their development.
- Assisting the OIC-LDCs, through providing technical, financial or any other forms of support, to set up effective health infrastructures and increase their access to healthcare services, necessary medicines and vaccines, particularly those related to communicable diseases such as HIV/AIDS, malaria and tuberculosis.

- Supporting and assisting the OIC-LDCs in developing effective safety nets and swift response mechanisms to cope with natural disasters and economic shocks, including those resulting from global financial crises.

- Supporting the OIC-LDCs efforts, through financial, technical and/or other assistance, to achieve appropriate levels of investment in infrastructure for R&D, education and training that are consistent with building local technological capabilities and promoting linkages between R&D institutions in those countries and other OIC countries.

- Supporting the OIC-LDCs in their efforts to develop energy resources through financial assistance and by facilitating private sector joint venture investment, as well as addressing their concerns in coping with increases in prices of energy imports.

- Supporting the OIC-LDCs efforts to improve agricultural productivity through, *inter alia*, facilitating the free access of their agricultural products to the OIC markets, providing appropriate agricultural technologies and practices and developing their irrigation infrastructure to reduce desertification and dependence on rainfall.

- Supporting and assisting through, *inter alia,* financial, technical and/or other forms of assistance, the OIC landlocked LDCs efforts in capacity building in trade policy and related areas such as tariffs, customs, transit trade, removing procedural and institutional bottlenecks that increase transaction costs, implementing trade facilitation measures and improving standards and quality control.

- Facilitating market access for the OIC-LDCs major exports, particularly the landlocked members, through adopting special preferential trade measures in their favour with a view of working towards the objective of duty-free and quota-free market access for all OIC-LDCs products.

- Providing contingency and short-term emergency financial assistance, including balance-of-payments support through appropriate institutions, with a view to assisting the OIC-LDCs cope with the consequences of serious external shocks and financial crises.

- Providing assistance for disaster mitigation and improving the capacity of the OIC-LDCs to identify mitigation scenarios and establishing protective measures and contingency plans through, *inter alia,* supporting and facilitating the participation of those countries in and their benefit from regional and international early warning and disaster mitigation and response networks.

- Supporting and encouraging the participation of the OIC-LDCs in discussions on international aid policy at the regional and international levels as well as urging the donor countries to fulfil their commitments in this regard.

- Initiating debt relief action at the OIC regional level on the debt situation of the OIC-LDCs, including a comprehensive assessment of their debt problems and considering debt relief measures for OIC-LDCs which are not included under the HIPC Initiative.

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STATISTICAL ANNEX

Table A.1	Regional Distribution of the World LDCs	
A F R I C A		**A S I A**
Angola (5)	**Benin** (3)	**Afghanistan** (1) (3)
Burundi (1) (3) (4)	**Burkina Faso** (1) (3) (4)	**Bangladesh**
Cape Verde (2)	C. Africa Rep. (1) (3)	Bhutan (1)
Comoros (2) (3)	**Chad** (1) (3) (4)	Cambodia
Djibouti	Congo, Dem. Rep. (3) (4)	Lao PDR (1) (3)
Eritrea (3)	Equatorial Guinea (5)	**Maldives** (2)
Ethiopia (1) (3)	**Gambia** (3)	Myanmar (3)
Guinea (3) (4)	**Guinea-Bissau** (3) (4)	Nepal (1) (3)
Lesotho (1)	Liberia (3)	**Yemen** (5)
Madagascar (2) (3)	Malawi (1) (3) (4)	**P A C I F I C**
Mali (1) (3)	**Mauritania** (3) (4)	Kiribati (2)
Mozambique (3) (4)	**Niger** (1) (3)	Samoa (2)
Rwanda (1) (3)	Sao Tome Principe (2) (3)	Solomon Islands (2) (4)
Senegal (3)	**Sierra Leone** (3) (4)	Timor-Leste (2)
Somalia (3)	**Sudan** (3) (5)	Tuvalu (2)
Tanzania (3)	**Togo** (3)	Vanuatu (2)
Uganda (1) (3)	Zambia (1) (3) (4)	**C A R I B B E A N**
		Haiti (2) (3)
(1) Land-locked country. (2) Small island country. (3) Heavily Indebted Poor Countries (HIPCs). (4) Non-Fuel commodity exporters. (5) Fuel Exporting Countries (*) Countries in bold are OIC-LDCs.		
Source: UN-OHRLLS, IMF, World Economic Outlook, April 2008		

Table A.2	Total Population (Millions)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	22.8	23.8	24.7	25.7	26.7	27.4
Bangladesh	144.9	147.7	150.5	153.3	156.1	159.0
Benin	6.8	7.0	7.2	7.4	7.6	7.9
Burkina Faso	12.0	12.4	12.8	13.1	13.4	13.7
Chad	7.9	8.6	8.8	9.0	9.3	9.5
Comoros	0.6	0.6	0.6	0.6	0.6	0.6
Djibouti	0.7	0.7	0.7	0.7	0.7	0.8
Gambia	1.4	1.4	1.5	1.5	1.5	1.6
Guinea	8.5	8.8	9.0	9.3	9.6	10.0
Guinea-Bissau	1.4	1.5	1.5	1.6	1.6	1.7
Maldives	0.3	0.3	0.3	0.3	0.3	0.3
Mali	11.7	11.9	12.2	12.5	12.8	13.1
Mauritania	2.6	2.7	2.8	2.8	2.9	3.0
Mozambique	18.4	18.8	19.1	19.6	20.0	20.5
Niger	11.5	11.8	12.2	12.6	12.9	13.4
Senegal	10.9	11.1	11.4	11.7	11.9	12.2
Sierra Leone	5.0	5.2	5.3	5.5	5.6	5.7
Sudan	32.7	33.6	34.5	35.3	36.2	37.2
Togo	5.7	5.8	6.0	6.1	6.3	6.5
Uganda	26.0	26.9	27.8	28.8	29.9	30.9
Yemen	19.1	19.7	20.3	21.0	21.6	22.3
OIC-LDCs(*)	**350.9**	**360.4**	**369.3**	**378.4**	**387.8**	**397.1**
All LDCs (**)	694.4	712.0	726.8	744.4	762.5	780.8
OIC countries	1288.6	1315.7	1341.9	1368.5	1395.5	1422.8
Developing countries	5163.8	5235.2	5304.5	5375.4	5446.1	5516.6
World	6117.3	6194.5	6269.5	6346.7	6423.5	6500.5
OIC-LDCs as % of:						
All LDCs	50.5	50.6	50.8	50.8	50.9	50.9
OIC countries	27.2	27.4	27.5	27.7	27.8	27.9
Developing Countries	6.8	6.9	7.0	7.0	7.1	7.2
World	5.7	5.8	5.9	6.0	6.0	6.1

(*) Excluding Somalia for which complete data during the period under consideration are not available.
(**) Excluding Somalia and Tuvalu for which complete data during the period under consideration are not available.

Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database

Table A.3	GDP at Current Prices (Billion US dollars)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	4.0	4.4	5.4	6.5	7.0	8.8
Bangladesh	49.6	54.5	59.1	61.1	64.9	72.4
Benin	2.8	3.6	4.1	4.4	4.7	5.4
Burkina Faso	3.3	4.3	5.1	5.6	6.1	7.0
Chad	2.0	2.7	4.4	5.9	6.3	7.1
Comoros	0.3	0.3	0.4	0.4	0.4	0.4
Djibouti	0.6	0.6	0.7	0.7	0.8	0.8
Gambia	0.4	0.4	0.4	0.5	0.5	0.7
Guinea	3.2	3.6	3.9	3.3	3.1	4.7
Guinea-Bissau	0.2	0.2	0.3	0.3	0.3	0.3
Maldives	0.6	0.7	0.8	0.8	0.9	1.0
Mali	3.3	4.4	4.9	5.4	6.2	6.7
Mauritania	1.2	1.3	1.5	1.9	2.7	2.8
Mozambique	4.2	4.7	5.7	6.6	6.8	7.6
Niger	2.1	2.6	2.9	3.3	3.6	4.2
Senegal	5.4	6.9	8.0	8.7	9.2	11.1
Sierra Leone	0.9	1.0	1.1	1.2	1.4	1.7
Sudan	15.0	17.8	21.7	27.4	36.4	46.2
Togo	1.5	1.7	1.9	2.1	2.2	2.5
Uganda	5.8	6.2	6.8	8.7	9.5	11.2
Yemen	10.7	11.8	13.9	16.8	19.1	21.7
OIC-LDCs(*)	**117.0**	**133.7**	**153.0**	**171.5**	**192.2**	**224.4**
All LDCs (**)	195.1	223.2	258.9	303.1	353.2	419.5
OIC countries	1610.5	1885.1	2230.7	2657.2	3107.9	3692.6
Developing countries	6656.5	7562.1	8978.4	10701.8	12541.7	15180.6
World	32853.8	36931.3	41546.2	44880.8	48436.0	54311.6
OIC-LDCs as % of:						
All LDCs	60.0	59.9	59.1	56.6	54.4	53.5
OIC countries	7.3	7.1	6.9	6.5	6.2	6.1

(*) Excluding Somalia for which complete data during the period under consideration are not available.
(**) Excluding Somalia and Tuvalu for which complete data during the period under consideration are not available.

Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database

Table A.4	**Per Capita GDP** (Current US $)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	176	186	218	252	264	323
Bangladesh	342	369	393	399	415	455
Benin	411	511	564	596	624	692
Burkina Faso	275	345	399	429	456	508
Chad	254	319	501	651	681	747
Comoros	438	553	605	633	645	691
Djibouti	860	890	931	973	1030	1099
Gambia	265	246	273	306	328	411
Guinea	379	413	435	349	326	473
Guinea-Bissau	141	159	176	191	190	206
Maldives	2095	2197	2390	2242	2629	3040
Mali	287	371	405	433	487	517
Mauritania	437	477	542	658	938	931
Mozambique	228	248	298	336	338	369
Niger	181	224	238	265	277	313
Senegal	493	618	705	743	768	910
Sierra Leone	185	191	202	223	254	290
Sudan	458	529	629	776	1005	1242
Togo	259	287	323	343	352	387
Uganda	224	232	245	303	318	363
Yemen	560	598	682	799	884	972
OIC-LDCs(*)	**333**	**371**	**414**	**453**	**496**	**565**
All LDCs (**)	281	314	356	407	463	537
OIC countries	1250	1433	1662	1942	2227	2595
Developing countries	1289	1444	1693	1991	2303	2752
World	5371	5962	6627	7072	7540	8355
Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database						

Table A.5	Structure of Output (% of GDP, average 2002-2007)			
	Agriculture	Industry:	of which Manufacture	Services
Afghanistan	41	17	16	43
Bangladesh	21	19	17	60
Benin	37	10	9	53
Burkina Faso(2)	34	16	14	49
Chad(2)	24	46	7	30
Comoros	48	6	4	46
Djibouti	4	9	3	87
Gambia	32	7	5	61
Guinea(2)	18	23	4	59
Guinea-Bissau(2)	59	9	0	32
Maldives	8	12	7	80
Mali	37	19	9	44
Mauritania(2)	25	19	5	56
Mozambique	27	22	16	51
Niger(2)	46	10	6	45
Senegal	16	19	16	65
Sierra Leone(2)	49	9	3	42
Somalia	60	3	2	37
Sudan(1)	34	18	9	48
Togo	41	16	9	43
Uganda	31	11	9	56
Yemen(1)	11	41	7	48
OIC-LDCs	**26**	**20**	**12**	**53**
All LDCs	28	25	10	48
OIC countries	12	38	15	50
Developing countries	9	32	22	59

(1) Oil exporters (2 countries).
(2) Non-Fuel Primary Product Exporters (7 countries).

Source: SESRIC, BASEIND Database; UNSD, National Accounts Main Aggregates Database

Table A.6	Real GDP Growth Rates (In percentage)					
	2002	2003	2004	2005	2006	2007
Afghanistan		15.1	9.4	16.4	6.1	12.4
Bangladesh	4.8	5.8	6.1	6.3	6.4	5.6
Benin	4.5	3.9	3.1	2.9	3.8	4.2
Burkina Faso	4.7	8.0	4.6	7.1	5.5	4.2
Chad	8.5	14.7	33.6	7.9	0.2	0.6
Comoros	4.2	2.5	-0.2	4.2	1.2	-1.0
Djibouti	2.6	3.2	3.0	3.2	4.8	5.2
Gambia	-3.2	6.9	7.0	5.1	6.5	7.0
Guinea	4.2	1.2	2.7	3.3	2.2	1.5
Guinea-Bissau	-7.1	-0.6	2.2	3.2	1.8	2.5
Maldives	6.5	8.5	9.5	-4.5	19.1	6.6
Mali	4.3	7.2	2.4	6.1	5.3	2.5
Mauritania	1.1	5.6	5.2	5.4	11.4	0.9
Mozambique	9.2	6.5	7.9	8.4	8.0	7.0
Niger	5.3	7.7	-0.8	7.4	5.2	3.2
Senegal	0.7	6.7	5.8	5.3	2.1	5.0
Sierra Leone	27.4	9.5	7.4	7.3	7.4	6.8
Sudan	5.4	7.1	5.1	6.3	11.3	10.5
Togo	-0.3	5.2	2.4	1.3	4.1	2.1
Uganda	6.4	4.7	5.4	6.8	5.1	6.5
Yemen	3.9	3.7	4.0	5.6	3.2	3.1
OIC-LDCs	4.5	5.8	6.4	6.8	6.5	6.1
All LDCs	5.5	5.8	7.4	8.0	7.3	7.4
OIC countries	5.0	6.6	7.0	6.4	6.2	5.8
Developing countries	4.7	6.2	7.5	7.1	7.8	7.9
World	2.8	3.6	4.9	4.4	5.0	4.9

Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database

Table A.7	Average Annual Inflation Rates (% Change in annual average consumer price indices)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan		24.072	13.246	12.324	5.106	13.027
Bangladesh	3.719	5.361	6.103	7.04	6.544	8.365
Benin	2.432	1.502	0.879	5.371	3.801	1.963
Burkina Faso	2.298	2.041	-0.402	6.411	2.352	-0.249
Chad	5.192	-1.753	-5.355	7.89	7.885	-8.811
Comoros	3.578	3.713	4.496	3.007	3.389	3
Djibouti	0.633	1.968	3.118	3.112	3.469	5.019
Gambia	8.61	17.032	14.287	4.959	2.056	5
Guinea	2.96	12.879	17.463	31.358	34.702	22.861
Guinea-Bissau	3.282	-3.523	0.786	3.429	1.958	3.757
Maldives	0.927	-2.803	6.339	3.285	3.7	5
Mali	5.049	-1.347	-3.1	6.4	1.9	2.5
Mauritania	5.36	5.291	10.421	12.126	6.233	7.262
Mozambique	16.769	13.455	12.634	6.433	13.239	7.892
Niger	2.674	-1.793	0.39	7.841	0.054	0.057
Senegal	2.342	-0.038	0.508	1.714	2.107	5.867
Sierra Leone	-3.659	7.546	14.247	12.05	9.544	11.651
Sudan	8.334	7.711	8.418	8.517	7.197	7.976
Togo	3.066	-0.931	0.398	6.779	2.23	0.955
Uganda	-2.024	5.683	5.01	7.983	6.6	6.8
Yemen	12.239	10.831	12.49	11.762	18.248	12.478
OIC-LDCs	4.9	6.0	6.2	7.8	7.7	7.5
All LDCs	13.8	13.6	9.7	10.1	9.5	9.7
OIC countries	12.3	8.4	5.9	6.8	7.5	7.4
Developing countries	6.7	6.6	5.9	5.7	5.4	6.3
Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database						

Table A.8	Merchandise Exports (FOB, Million US $)					
	2002	2003	2004	2005	2006	2007
Afghanistan	87	210	185	240	277	340
Bangladesh	5443	6229	7586	8494	11649	12719
Benin	242	271	290	300	344	416
Burkina Faso	173	248	376	373	419	477
Chad	63	91	1111	1840	2281	2275
Comoros	28	33	35	24	32	30
Djibouti	202	247	252	274	340	422
Gambia	31	18	38	28	34	46
Guinea	828	629	560	1328	1365	1683
Guinea-Bissau	95	71	110	109	133	373
Maldives	91	113	123	99	170	163
Mali	162	215	328	258	394	243
Mauritania	543	594	803	943	1399	1704
Mozambique	682	1044	1504	1745	2381	2737
Niger	169	200	222	299	429	384
Senegal	949	1159	1276	1443	1364	1724
Sierra Leone	106	141	184	196	209	268
Somalia	113	151	190	251	301	377
Sudan	1942	2609	3774	4822	5655	8866
Togo	249	416	408	364	567	700
Uganda	466	533	574	671	688	853
Yemen	3271	3724	4076	5606	6439	6834
OIC-LDCs	**15935**	**18945**	**24003**	**29709**	**36871**	**43633**
All LDCs	36634	42356	54777	74068	96273	114954
OIC countries	506214	611598	803945	987732	1199816	1354739
Developing countries	2378770	2859620	3640560	4403310	5302290	6223060
World	6433040	7519520	9131870	10359300	11960800	13830000
OIC-LDCs as % of:						
All LDCs	43.5	44.7	43.8	40.1	38.3	38.0
OIC countries	3.1	3.1	3.0	3.0	3.1	3.2
Developing countries	0.7	0.7	0.7	0.7	0.7	0.7
Annual % change:						
OIC-LDCs	**-0.03**	**18.9**	**26.7**	**23.8**	**24.1**	**18.3**
All LDCs	5.2	15.6	29.3	35.2	30.0	19.4
OIC countries	1.8	20.8	31.4	22.9	21.5	12.9
Developing countries	7.7	20.2	27.3	21.0	20.4	17.4
World	4.8	16.9	21.4	13.4	15.5	15.6
Source: SESRIC, BASEIND Database; IMF, Direction of Trade Statistics, December 2008 CD-ROM						

Table A.9	Merchandise Imports (CIF, Million US $)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	1034	1608	1973	3007	3824	4879
Bangladesh	7848	9835	11590	13851	16096	18476
Benin	721	886	897	893	3476	4873
Burkina Faso	650	863	1024	1096	1258	1572
Chad	462	351	412	488	529	718
Comoros	96	124	111	114	142	156
Djibouti	669	864	896	1206	1548	1914
Gambia	412	506	577	638	709	863
Guinea	877	694	1140	1880	2264	2906
Guinea-Bissau	102	159	136	213	201	240
Maldives	391	471	645	745	909	1739
Mali	1381	1525	1887	2067	2352	2818
Mauritania	882	1001	1123	1368	1467	1852
Mozambique	1270	1740	2035	2467	2914	3798
Niger	396	495	588	838	1009	1098
Senegal	1958	2359	2854	3215	3423	4961
Sierra Leone	496	602	523	609	565	643
Somalia	388	422	547	626	793	887
Sudan	2168	2714	4086	6689	8072	8739
Togo	397	563	557	590	2631	4158
Uganda	1074	1375	1494	1702	2134	2842
Yemen	2777	4404	3984	4800	7074	9083
OIC-LDCs	**26446**	**33560**	**39080**	**49104**	**63388**	**79216**
All LDCs	50303	62363	74718	92378	116314	146592
OIC countries	423407	503413	695809	827837	971044	1209775
Developing countries	2273560	2698110	3477680	4079440	4862350	5900460
World	6628790	7750320	9486620	10754800	12362700	14330300
OIC-LDCs as % of:						
All LDCs	52.6	53.8	52.3	53.2	54.5	54.0
OIC countries	6.2	6.7	5.6	5.9	6.5	6.5
Developing countries	1.2	1.2	1.1	1.2	1.3	1.3
Annual % change:						
OIC-LDCs	**6.0**	**26.9**	**16.4**	**25.6**	**29.1**	**25.0**
All LDCs	4.4	24.0	19.8	23.6	25.9	26.0
OIC countries	10.5	18.9	38.2	19.0	17.3	24.6
Developing countries	6.6	18.7	28.9	17.3	19.2	21.3
World	3.9	16.9	22.4	13.4	15.0	15.9
Source: SESRIC, BASEIND Database; IMF, Direction of Trade Statistics, December 2008 CD-ROM						

Table A.10	Current Account Balance (Million US $)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	-150	-456	-265	-183	-444	-67
Bangladesh	167	176	-190	8	762	334
Benin	-238	-298	-292	-260	-296	-310
Burkina Faso	-328	-379	-532	-635	-585	-688
Chad	-1854	-1284	-709	121	-600	-302
Comoros	-4	-12	-17	-25	-21	8
Djibouti	-10	21	-9	9	-109	-212
Gambia	-10	-18	-25	-70	-58	-70
Guinea	-79	-123	-227	-147	-185	-433
Guinea-Bissau	-22	-7	6	-15	-35	-6
Maldives	-36	-32	-128	-269	-369	-472
Mali	-104	-275	-415	-449	-302	-446
Mauritania	35	-175	-517	-877	-36	-184
Mozambique	-566	-489	-356	-752	1335	-713
Niger	-138	-219	-227	-308	-307	-321
Senegal	-303	-422	-488	-676	-895	-906
Sierra Leone	-19	-48	-62	-86	-51	-63
Sudan	-1540	-1388	-1399	-2977	-5489	-5432
Togo	-80	-70	-57	-112	-133	-160
Uganda	-287	-362	-152	-281	-379	-224
Yemen	443	176	225	633	206	-924
OIC-LDCs	**-5123**	**-5684**	**-5836**	**-7351**	**-7991**	**-11591**
All LDCs	-8081	-10200	-9049	-6980	75	-9530
OIC countries	40624	78332	112475	225882	298451	305959
Developing countries	76646	144278	213637	439528	606707	630877
Source: SESRIC, BASEIND Database; IMF, World Economic Outlook, April 2008 Database						

Table A.11	Reserves Excluding Gold (Million US $)					
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan						
Bangladesh	1683	2578	3172	2767	3806	5183
Benin	616	718	640	657	912	1209
Burkina Faso	313	752	669	438	555	1029
Chad	219	187	222	226	625	955
Comoros	80	94	104	86	94	117
Djibouti	74	100	94	89	120	
Gambia	107	59	84	98	121	143
Guinea	171		110	95		
Guinea-Bissau	103	33	73	80	82	113
Maldives	133	159	204	186	231	308
Mali	594	952	861	855	970	1087
Mauritania	396	415	34	64	187	198
Mozambique	803	938	1131	1054	1156	1445
Niger	134	260	258	250	371	593
Senegal	637	1111	1386	1191	1334	1660
Sierra Leone	85	67	125	171	184	217
Somalia						
Sudan	249	529	1338	1869	1660	1378
Togo	205	205	360	195	375	438
Uganda	934	1080	1308	1344	1811	2560
Yemen	4411	4987	5665	6115	7512	7715
OIC-LDCs	**11947**	**15226**	**17837**	**17829**	**22104**	**26348**
All LDCs	19971	24451	30621	33503	44086	51630
OIC countries	252655	310001	387805	454521	595184	771337
Developing countries	1510446	1934343	2465016	2893029	3674394	4933317

Source: SESRIC, BASEIND Database; IMF, International Financial Statistics, November 2008 CD-ROM

Table A.12	Gross Capital Formation (% of GDP)						
	1990	2002	2003	2004	2005	2006	2007
Afghanistan	13	12	13	17	21	24	21
Bangladesh	14	23	23	24	25	25	24
Benin	14	18	20	21	18	21	21
Burkina Faso	19	16	17	15	21	17	18
Chad	7	57	45	27	27	24	22
Comoros	20	11	10	9	9	10	14
Djibouti	27	10	19	22	19	29	37
Gambia	18	21	19	29	27	28	24
Guinea	17	13	10	11	14	14	15
Guinea-Bissau	15	22	19	13	15	17	15
Maldives	31	26	27	42	61	56	46
Mali	22	16	26	22	22	20	23
Mauritania	19	22	27	46	50	23	21
Mozambique	20	30	22	18	18	19	22
Niger	13	16	16	15	23	22	23
Senegal	9	17	22	22	25	26	28
Sierra Leone	10	-12	10	15	16	18	16
Somalia	24	20	20	20	20	20	20
Sudan	7	19	20	22	24	25	23
Togo	16	17	15	15	17	19	17
Uganda	15	21	22	23	23	25	26
Yemen	15	18	21	20	19	16	25
OIC-LDCs	**14**	**21**	**22**	**22**	**23**	**23**	**23**
All LDCs	15	20	21	21	21	22	23
Developing countries	26	25	26	27	27	27	29
Source: SESRIC, BASEIND Database; UNSD, National Accounts Main Aggregates Database							

Table A.13	Gross Domestic Savings (% of GDP)						
	1990	2002	2003	2004	2005	2006	2007
Afghanistan	11	-19	-36	-32	-25	-21	-26
Bangladesh	11	18	19	20	20	20	20
Benin	6	10	10	12	11	12	14
Burkina Faso	6	4	5	2	6	4	6
Chad	1	10	22	46	55	52	49
Comoros	-5	-4	-6	-11	-13	-14	-12
Djibouti	-1	-5	10	8	9	12	17
Gambia	3	13	10	8	4	11	5
Guinea	15	11	8	7	11	9	6
Guinea-Bissau	-12	0	9	-3	2	6	2
Maldives	47	46	49	43	28	32	44
Mali	6	16	19	14	14	17	17
Mauritania	5	4	-3	-1	2	19	11
Mozambique	-14	-1	-1	1	4	5	8
Niger	9	7	8	4	10	11	7
Senegal	6	7	10	9	10	9	13
Sierra Leone	8	-48	-25	-13	-5	2	0
Somalia	19	19	19	19	19	19	19
Sudan	8	13	16	19	14	14	19
Togo	3	2	-1	-2	-11	-9	-6
Uganda	9	5	7	9	10	8	5
Yemen	11	18	19	21	24	25	20
OIC-LDCs	8	12	13	14	15	15	16
All LDCs	9	11	12	14	17	20	20
Developing countries	26	28	29	31	32	34	34
Source: SESRIC, BASEIND Database; UNSD, National Accounts Main Aggregates Database							

Table A.14	Net Resource Flows (Net Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan	0	0	0	0	0	143
Bangladesh	1644	889	1193	1825	1817	2137
Benin	274	191	265	425	314	1212
Burkina Faso	217	372	455	621	613	1839
Chad	247	1124	995	796	1052	991
Comoros	33	22	16	15	15	20
Djibouti	149	56	60	82	86	211
Gambia	62	109	71	119	125	154
Guinea	211	184	227	142	195	167
Guinea-Bissau	96	48	132	49	68	105
Maldives	24	49	41	71	86	75
Mali	348	585	614	706	852	2391
Mauritania	138	447	471	296	356	1024
Mozambique	948	2401	1114	1396	1206	3040
Niger	358	256	406	583	544	1532
Senegal	702	392	303	1042	662	2601
Sierra Leone	70	297	278	406	399	335
Somalia	372	178	154	213	253	470
Sudan	572	1037	1852	2515	4090	5511
Togo	205	102	85	134	157	163
Uganda	479	817	1067	1475	1351	4912
Yemen	333	283	99	361	10	1513
OIC-LDCs	**7483**	**9839**	**9899**	**13274**	**14249**	**30547**
All LDCs	14327	19216	28408	29422	28334	57817
Developing countries	98072	192038	247696	395148	515032	735247
OIC-LDCs as % of:						
All LDCs	52.2	51.2	34.8	45.1	50.3	52.8
Developing countries	7.6	5.1	4.0	3.4	2.8	4.2
Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database						

Table A.15	Official Development Assistance (ODA) (*) (Net Million US $)						
	1990	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Afghanistan	122	1300	1591	2169	2750	2999	3951
Bangladesh	2093	909	1394	1417	1336	1222	1502
Benin	267	221	301	391	348	375	470
Burkina Faso	327	477	522	643	696	870	930
Chad	311	231	251	330	384	284	352
Comoros	45	32	24	25	25	30	44
Djibouti	194	78	79	64	76	117	112
Gambia	97	60	63	55	61	74	72
Guinea	292	250	242	273	201	161	224
Guinea-Bissau	126	59	145	76	79	82	123
Maldives	21	27	21	27	76	38	37
Mali	479	475	554	582	711	825	1017
Mauritania	236	355	249	189	200	190	364
Mozambique	998	2218	1049	1243	1290	1605	1777
Niger	388	299	461	547	520	514	542
Senegal	812	449	454	1053	687	826	843
Sierra Leone	59	383	337	376	350	344	535
Somalia	491	191	174	199	239	392	384
Sudan	813	343	613	992	1829	2052	2104
Togo	258	51	50	65	83	79	121
Uganda	663	732	999	1217	1195	1549	1728
Yemen	400	583	234	251	290	282	225
OIC-LDCs	**9490**	**9723**	**9805**	**12185**	**13429**	**14910**	**17459**
All LDCs	16623	18313	24184	25358	26186	28328	32677
Developing countries	56959	60573	70713	78920	107671	105645	105056
OIC-LDCs as % of:							
All LDCs	57	53	41	48	51	53	53
Developing countries	17	16	14	15	12	14	17
Per capita (current $)							
OIC-LDCs	30	12	13	15	20	19	19
All LDCs	31	26	34	35	35	37	41
Developing countries	13	27	27	32	35	37	43

(*) From all donors, including grants.

Source: SESRIC, BASEIND Database; UNCTAD, Handbook of Statistics Online

Table A.16	Net Foreign Direct Investment Flows (Million US $)						
	1990	2002	2003	2004	2005	2006	2007
Afghanistan		50	58	187	273	242	288
Bangladesh	3	328	350	460	845	793	666
Benin	62	14	45	64	53	53	48
Burkina Faso	0	15	29	14	34	34	600
Chad	9	924	713	495	613	700	603
Comoros	0	0	1	1	1	1	1
Djibouti	0	4	14	39	59	164	195
Gambia	14	43	15	49	45	71	64
Guinea	18	30	83	98	105	108	111
Guinea-Bissau	2	4	4	2	9	18	7
Maldives	6	12	14	15	9	14	15
Mali	6	244	132	101	224	83	360
Mauritania	7	67	102	392	814	155	153
Mozambique	9	347	337	245	108	154	427
Niger	41	2	11	20	30	51	27
Senegal	57	78	52	77	45	220	78
Sierra Leone	32	10	9	61	83	59	81
Somalia	6	0.1	-1	-5	24	96	141
Sudan	-31	713	1349	1511	2305	3541	2436
Togo	23	53	34	59	77	77	69
Uganda	-6	185	202	295	380	400	368
Yemen	-131	102	6	144	-302	1121	464
OIC-LDCs	**128**	**3226**	**3558**	**4323**	**5833**	**8153**	**7203**
All LDCs	578	6834	10862	9643	7060	12685	13198
OIC countries	6810	24815	34722	50271	84965	129290	141488
Developing countries	35087	170966	180114	283618	316407	412972	499720
OIC-LDCs as % of:							
All LDCs	22	47	33	45	83	64	55
OIC countries	2	13	10	9	7	6	5
Developing countries	0.4	2	2	2	2	2	1
Source: SESRIC, BASEIND Database; UNCTAD, Foreign Direct Investment Database (FDISTAT)							

Table A.17	Total External Debt (Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	12439	17046	18774	20129	18928	20521
Benin (*)	1292	1836	1828	1916	1855	824
Burkina Faso (*)	832	1546	1735	2045	2042	1142
Chad (*)	529	1323	1590	1701	1633	1772
Comoros (*)	188	275	293	307	291	282
Djibouti	205	326	385	417	412	464
Gambia (*)	369	577	634	672	668	725
Guinea (*)	2476	3401	3457	3538	3247	3281
Guinea-Bissau (*)	692	699	745	765	693	711
Maldives	78	272	284	353	368	459
Mali (*)	2468	2827	3114	3320	3025	1436
Mauritania (*)	2113	2266	2355	2333	2316	1630
Mozambique (*)	4650	5059	3941	4869	4637	3265
Niger (*)	1726	1787	2070	1973	1980	805
Senegal (*)	3744	4102	4385	3940	3883	1984
Sierra Leone (*)	1197	1440	1604	1728	1682	1428
Somalia (*)	2370	2689	2838	2849	2750	2836
Sudan (*)	14762	17314	18406	19353	18455	19158
Togo (*)	1281	1573	1702	1836	1708	1806
Uganda (*)	2606	3980	4543	4753	4427	1264
Yemen	6352	5225	5375	5488	5363	5563
OIC-LDCs	**62368**	**75562**	**80058**	**84286**	**80360**	**73127**
All LDCs	124697	147276	156189	162771	156448	133082
OIC countries	413666	652486	698182	749263	710459	752575
Developing countries	1268367	2254143	2453484	2610556	2606499	2826609
OIC-LDCs as % of:						
All LDCs	50.0	51.3	51.3	51.8	51.4	54.9
OIC countries	15.1	11.6	11.5	11.2	11.3	9.7
Developing countries	4.9	3.4	3.3	3.2	3.1	2.6
(*) Heavily indebted poor country (HIPC).						
Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database						

Table A.18	Total Debt Service (TDS) (Million US $)					
	1990	2002	2003	2004	2005	2006
Bangladesh	749	727	672	671	805	685
Benin	38	58	60	64	69	83
Burkina Faso	34	44	47	52	46	52
Chad	12	26	47	46	61	68
Comoros	1	5	3	3	4	4
Djibouti	15	12	16	18	15	23
Gambia	38	15	20	37	28	33
Guinea	169	125	131	172	162	165
Guinea-Bissau	8	11	15	45	33	34
Maldives	9	22	21	32	34	35
Mali	68	83	77	99	88	80
Mauritania	146	54	55	57	67	97
Mozambique	79	78	85	74	84	55
Niger	99	26	33	43	38	181
Senegal	324	220	244	336	204	202
Sierra Leone	21	22	25	27	25	34
Somalia	11	0	0	0	0	0
Sudan	50	141	272	312	385	292
Togo	86	13	17	21	17	15
Uganda	145	70	84	103	172	115
Yemen	169	171	176	223	211	226
OIC-LDCs	**2269**	**1923**	**2101**	**2435**	**2547**	**2487**
All LDCs	4274	5334	5190	6041	6753	8467
OIC countries	49868	83866	92239	104184	118290	126883
Developing countries	139751	348141	389365	411618	473400	535687
Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database						

Table A.19	Long-Term Debt (LDOD) (Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	11658	16404	18083	19186	17931	18866
Benin	1218	1689	1726	1827	1762	782
Burkina Faso	748	1407	1596	1901	1917	1022
Chad	469	1191	1462	1582	1537	1686
Comoros	175	245	265	273	257	260
Djibouti	155	296	356	382	377	426
Gambia	308	507	567	620	625	689
Guinea	2253	2972	3154	3188	2931	2980
Guinea-Bissau	630	662	713	738	671	695
Maldives	64	223	259	313	307	360
Mali	2337	2518	2910	3136	2899	1411
Mauritania	1806	1938	2076	2082	2079	1401
Mozambique	4231	4425	3298	4179	3773	2511
Niger	1487	1652	1929	1829	1811	729
Senegal	3008	3556	3990	3700	3699	1863
Sierra Leone	940	1260	1418	1510	1420	1323
Somalia	1926	1860	1936	1949	1882	1923
Sudan	9651	11435	11887	12237	11660	12105
Togo	1081	1323	1485	1609	1469	1565
Uganda	2177	3565	4158	4426	4216	1107
Yemen	5160	4497	4745	4799	4717	5000
OIC-LDCs	**51483**	**63625**	**68012**	**71465**	**67941**	**60465**
All LDCs	106222	126276	134814	139465	132896	109809
OIC countries	347848	530420	561923	594557	555836	593353
Developing countries	1045036	1848150	1965345	2068110	2037751	2183361

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database

Table A.20	Short-Term Debt (STD) (Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	156	572	617	712	688	1178
Benin	55	74	29	24	39	39
Burkina Faso	84	13	14	29	21	85
Chad	30	26	23	23	16	18
Comoros	12	29	28	34	33	22
Djibouti	50	10	9	13	17	19
Gambia	16	37	33	27	23	18
Guinea	172	289	166	229	229	229
Guinea-Bissau	56	14	12	11	10	8
Maldives	14	49	26	40	55	93
Mali	62	144	35	39	17	17
Mauritania	238	215	174	161	167	229
Mozambique	345	434	433	493	706	744
Niger	154	28	10	9	41	49
Senegal	421	294	156	36	36	95
Sierra Leone	148	10	17	22	69	70
Somalia	285	677	735	726	709	745
Sudan	4155	5306	5920	6524	6277	6535
Togo	113	198	175	201	225	233
Uganda	146	158	148	135	79	148
Yemen	1192	341	229	313	353	318
OIC-LDCs	**7905**	**8918**	**8990**	**9801**	**9812**	**10903**
All LDCs	13078	14970	15185	16910	18078	19958
OIC countries	58889	82593	93697	116150	126644	144375
Developing countries	190301	310880	381917	447021	520087	623907

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database

Table A.21	Use of IMF Credits (IMF CR) (Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	626	71	74	231	308	476
Benin	18	73	73	65	53	3
Burkina Faso	0	126	125	115	104	35
Chad	30	107	106	96	79	68
Comoros	0	1	0	0	0	0
Djibouti	0	20	20	21	19	18
Gambia	45	32	35	25	21	18
Guinea	51	139	136	122	87	72
Guinea-Bissau	5	23	20	16	12	8
Maldives	0	0	0	0	6	6
Mali	69	166	169	145	109	8
Mauritania	70	113	104	90	69	0
Mozambique	74	200	209	197	157	10
Niger	85	106	131	135	128	27
Senegal	314	253	240	204	148	26
Sierra Leone	108	169	169	196	192	35
Somalia	159	152	166	174	160	168
Sudan	956	573	599	593	518	518
Togo	87	52	42	27	14	8
Uganda	282	257	236	192	131	9
Yemen	0	386	401	376	292	246
OIC-LDCs	**2980**	**3019**	**3056**	**3020**	**2608**	**1759**
All LDCs	5397	6030	6191	6397	5474	3315
OIC countries	6930	39474	42561	38556	27979	14846
Developing countries	33031	95113	106221	95425	48661	19341
Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database						

Table A.22	Public and Publicly Guaranteed Debt (Million US $)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	11658	16404	18083	19186	17931	18866
Benin	1218	1689	1726	1827	1762	782
Burkina Faso	748	1407	1596	1901	1917	1022
Chad	469	1191	1462	1582	1537	1686
Comoros	175	245	265	273	257	260
Djibouti	155	296	356	382	377	426
Gambia	308	507	567	620	625	689
Guinea	2253	2972	3154	3188	2931	2980
Guinea-Bissau	630	662	713	738	671	695
Maldives	64	223	259	313	307	360
Mali	2337	2518	2910	3136	2899	1411
Mauritania	1806	1938	2076	2082	2079	1401
Mozambique	4211	2912	3219	3768	3773	2511
Niger	1226	1599	1883	1790	1778	703
Senegal	2948	3523	3940	3556	3557	1712
Sierra Leone	940	1260	1418	1510	1420	1323
Somalia	1926	1860	1936	1949	1882	1923
Sudan	9155	10939	11391	11741	11164	11609
Togo	1081	1323	1485	1609	1469	1565
Uganda	2177	3565	4158	4426	4216	1107
Yemen	5160	4497	4745	4799	4717	5000
OIC-LDCs	**50647**	**61530**	**67341**	**70375**	**67271**	**59792**
All LDCs	105369	123632	133599	137342	130930	107535
OIC countries	329351	429904	456992	467455	414565	384621
Developing countries	988584	1341122	1422582	1464368	1330249	1267827

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database

Table A.23	Debt-GNI Ratio (EDT/GNI) (%)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	40.4	34.3	34.3	33.7	30.0	31.1
Benin	71.5	66.0	52.0	47.8	43.5	17.5
Burkina Faso	26.9	47.0	40.6	40.1	36.5	18.5
Chad	30.7	68.6	70.2	45.7	33.6	34.2
Comoros	75.3	109.7	90.7	85.2	75.6	70.3
Djibouti		53.8	57.2	57.0	53.1	54.3
Gambia	126.7	166.0	182.2	176.4	150.0	145.2
Guinea	98.4	107.3	96.4	90.5	98.9	100.2
Guinea-Bissau	296.6	362.9	331.5	295.9	239.6	241.2
Maldives	40.2	45.0	43.4	49.1	50.7	52.3
Mali	102.6	91.1	74.1	70.9	59.3	26.0
Mauritania	196.4	177.6	175.3	144.6	121.8	58.9
Mozambique	200.4	125.6	88.2	90.9	76.1	53.2
Niger	71.2	83.2	76.2	64.9	58.3	22.1
Senegal	67.8	78.4	65.4	50.2	45.7	22.0
Sierra Leone	206.4	158.9	166.6	166.2	143.1	100.9
Somalia	283.9					
Sudan	179.0	125.9	111.9	96.8	71.2	55.5
Togo	80.1	108.1	98.1	90.3	81.7	82.8
Uganda	61.6	69.6	74.1	71.0	51.6	13.6
Yemen	132.6	57.8	54.2	43.6	35.3	31.6
OIC-LDCs	**74.1**	**63.0**	**58.1**	**53.8**	**45.8**	**37.1**
All LDCs	84.3	75.5	71.0	64.7	53.6	38.8
OIC countries	38.5	41.7	39.1	34.9	27.7	25.0
Developing countries	32.2	37.1	35.9	32.1	26.9	24.9

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database; World Bank, World Development Indicators (WDI) Online Database

Table A.24	Debt-Export Ratio (EDT/XGS) (%)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	670.8	253.0	255.5	232.6	198.1	179.3
Benin	343.5	294.3	245.0	236.2	197.3	94.6
Burkina Faso	244.6	533.1	461.9	372.7	376.2	167.1
Chad	180.8	380.7	230.1	76.4	51.0	47.9
Comoros	659.3	694.9	573.5	669.3	602.0	596.2
Djibouti	55.2	120.1	152.2	166.2	143.2	151.1
Gambia	256.5	338.4	365.5	339.1	326.6	327.1
Guinea	310.1	433.3	428.4	418.8	351.7	285.9
Guinea-Bissau	2471.2	1215.7	958.1	915.4	610.3	553.5
Maldives	39.4	49.0	47.0	52.7	72.9	61.3
Mali	568.5	298.4	270.3	272.7	220.3	78.4
Mauritania	463.4	609.2	712.2	488.5	362.0	114.3
Mozambique	2522.6	482.7	321.7	286.8	231.4	163.9
Niger	410.3	541.4	460.5	368.6	313.5	120.8
Senegal	268.9	269.4	240.1	180.8	165.1	84.3
Sierra Leone	566.5	1466.4	907.5	876.1	733.5	541.4
Somalia	28032.4	41350.3	43010.5	41072.2	37754.4	35655.1
Sudan	2035.4	716.2	564.2	412.3	312.3	270.9
Togo	250.1	295.6	284.7	305.6	277.0	263.2
Uganda	1038.9	568.0	550.9	456.6	342.2	97.2
Yemen	1321.4	132.0	125.3	108.8	78.1	70.9
OIC-LDCs	**628.4**	**324.9**	**293.5**	**249.2**	**201.0**	**156.9**
All LDCs	548.7	322.5	291.4	232.6	170.8	114.2
OIC countries	128.3	101.8	93.4	78.3	58.4	51.4
Developing countries	182.4	119.7	108.2	90.6	73.4	65.3

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database; World Bank, World Development Indicators (WDI) Online Database

Table A.25	Debt-Service Ratio (TDS/XGS) (%)					
	1990	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	40.4	10.8	9.1	7.8	8.4	6.0
Benin	10.1	9.4	8.0	7.8	7.3	9.5
Burkina Faso	10.1	15.2	12.5	9.5	8.5	7.6
Chad	4.1	7.5	6.8	2.1	1.9	1.8
Comoros	3.9	12.8	5.9	7.2	8.3	7.6
Djibouti	4.0	4.4	6.2	7.1	5.1	7.4
Gambia	26.2	8.7	11.8	18.8	13.9	14.9
Guinea	21.1	15.9	16.2	20.3	17.5	14.4
Guinea-Bissau	30.1	19.2	19.5	53.8	28.7	26.3
Maldives	4.5	4.0	3.5	4.8	6.7	4.6
Mali	15.6	8.7	6.6	8.1	6.4	4.4
Mauritania	31.9	14.5	16.6	12.0	10.5	6.8
Mozambique	42.6	7.4	6.9	4.4	4.2	2.8
Niger	23.5	7.8	7.4	8.0	6.0	27.2
Senegal	23.3	14.5	13.4	15.4	8.7	8.6
Sierra Leone	10.1	22.1	14.3	13.9	10.9	12.9
Somalia	126.6	2.6	0.0	0.0	1.8	0.2
Sudan	6.8	5.8	8.3	6.7	6.5	4.1
Togo	16.7	2.4	2.9	3.5	2.8	2.2
Uganda	57.7	10.1	10.2	9.9	13.3	8.8
Yemen	35.2	4.3	4.1	4.4	3.1	2.9
OIC-LDCs	**22.9**	**8.3**	**7.7**	**7.2**	**6.4**	**5.3**
All LDCs	18.8	11.7	9.7	8.6	7.4	7.3
OIC countries	15.5	13.1	12.3	10.9	9.7	8.7
Developing countries	20.1	18.5	17.2	14.3	13.3	12.4

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database; World Bank, World Development Indicators (WDI) Online Database

Table A.26	Interest-Service Ratio (INT/XGS) (%)					
	1990	2002	2003	2004	2005	2006
Bangladesh	10.8	2.6	2.4	2.4	2.5	2.0
Benin	4.7	4.1	2.5	2.4	2.2	2.0
Burkina Faso	4.6	5.8	4.3	3.1	3.2	2.5
Chad	1.7	3.0	1.7	0.5	0.5	0.5
Comoros	3.0	2.3	1.8	2.4	2.9	2.9
Djibouti	1.6	0.9	1.3	1.8	1.4	1.7
Gambia	8.5	3.5	5.2	4.6	5.1	4.4
Guinea	7.4	4.6	4.3	5.2	5.1	3.8
Guinea-Bissau	21.7	6.5	5.7	12.1	7.7	7.3
Maldives	1.4	1.0	0.9	1.3	2.0	1.6
Mali	5.5	2.6	1.7	2.2	2.1	1.4
Mauritania	10.4	4.8	4.8	4.4	3.7	1.8
Mozambique	20.5	2.5	2.0	1.5	1.3	1.3
Niger	8.5	2.6	2.5	2.5	2.2	1.9
Senegal	9.2	4.8	4.3	3.4	2.4	3.2
Sierra Leone	4.3	5.6	4.2	5.2	4.1	4.4
Somalia	62.4	2.6	0.0	0.0	1.8	0.2
Sudan	4.6	1.6	1.8	1.7	1.1	0.7
Togo	8.4	0.5	0.5	0.6	0.5	0.8
Uganda	14.3	3.6	3.3	3.5	2.8	2.3
Yemen	18.4	1.5	1.3	1.4	0.9	0.9
OIC-LDCs	**8.2**	**2.4**	**2.1**	**2.0**	**1.8**	**1.5**
All LDCs	7.0	3.0	2.5	2.0	1.8	1.9
OIC countries	5.9	3.3	3.1	2.5	2.5	2.0
Developing countries	8.8	4.9	4.3	3.4	3.1	2.9

Source: SESRIC, BASEIND Database; World Bank, Global Development Finance (GDF) Online Database; World Bank, World Development Indicators (WDI) Online Database

Table A.27	UNDP Human Development Index (HDI) [1]				
	2001[2]	2002[3]	2003[3]	2004[3]	2005[3]
OIC-MHDCs	Maldives, Comoros, **Sudan**, **Bangladesh**, **Togo**	Maldives, Comoros, Bangladesh, Sudan	Maldives, Comoros, Bangladesh, Sudan, **Togo**, **Uganda**	Maldives, Comoros, Bangladesh, Sudan, Uganda	Maldives, Comoros, **Mauritania**, Bangladesh, Sudan, **Djibouti**, **Togo**, **Yemen**, Uganda, **Gambia**
OIC-LHDCs	Uganda, Yemen, Gambia, Djibouti, Mauritania, Senegal, Guinea, Benin, Chad, Guinea-Bissau, Mozambique, Mali, Burkina Faso, Niger, Sierra Leone	*Togo*, Uganda, Yemen, Mauritania, Djibouti, Gambia, Senegal, Guinea, Benin, Chad, Mozambique, Guinea-Bissau, Mali, Burkina Faso, Niger, Sierra Leone	Djibouti, Yemen, Mauritania, Gambia, Guinea, Senegal, Benin, Mozambique, Guinea-Bissau, Chad, Mali, Burkina Faso, Sierra Leone, Niger	*Togo*, Djibouti, Yemen, Mauritania, Gambia, Senegal, Guinea, Benin, Mozambique, Chad, Guinea-Bissau, Burkina Faso, Mali, Sierra Leone, Niger	Senegal, Guinea, Benin, Chad, Mozambique, Mali, Niger, Guinea-Bissau, Burkina Faso, Sierra Leone

1 Countries in **Bold** are countries that witnessed an increase in their level of development and the ones in *Italic* are the countries that have witnessed a decrease in their level of development with respect to the previous year.
2 Index included 175 countries 20 of which were OIC-LDCs.
3 Index included 177 countries 20 of which were OIC-LDCs.

Source: SESRIC, BASEIND Database; UNDP, *Human Development Report*, various issues

Table A.28	UNDP Human Poverty Index (HPI)*				
	2001[1]	2002[2]	2003[3]	2004[4]	2005[5]
Maldives	11.4	11.4	16.6	16.9	17.0
Comoros	31.5	31.4	31.2	31.6	31.3
Sudan	32.2	31.6	32.4	31.3	34.4
Togo	38.5	38.0	39.5	39.2	38.1
Yemen	41.0	40.3	40.3	40.6	38.0
Bangladesh	42.6	42.2	44.1	44.2	40.5
Djibouti	34.3	34.3	29.5	30.0	28.5
Uganda	36.6	36.4	36.0	36.0	34.7
Mauritania	48.6	48.3	40.5	41.0	39.2
Senegal	44.5	44.1	44.2	44.0	42.9
Benin	46.4	45.7	48.4	47.8	47.6
Guinea				52.0	52.3
Gambia	45.8	45.8	44.7	44.7	40.9
Mali	55.1	58.9	60.3	60.2	56.4
Chad	50.3	49.6	58.8	57.9	56.9
Guinea-Bissau	47.8	48.0	48.2	48.2	44.8
Burkina Faso	58.6	65.5	64.2	58.3	55.8
Mozambique	50.3	49.8	49.1	48.9	50.6
Niger	61.8	61.4	64.4	56.4	54.7
Sierra Leone			54.9	51.9	51.7
OIC-LDC Average	43.4	43.4	44.9	44.4	42.5
Total LDCs Population	307.0	314.6	327.8	344.6	352.7
Pop. Suffering. Human Poverty (mill).	133.4	136.6	147.0	153.0	149.9

*The number of countries included in the index are as follows: 2001; 94, 2002; 95, 2003; 103, 2004; 102, 2005; 108. 20 OIC-LDCs were included in all years.

Source: SESRIC, BASEIND Database; UNDP, *Human Development Report*, various issues

Table A.29 Progress of OIC-LDCs towards the Achievement of the Millennium Development Goals (MDGs)

	GOAL 1							GOAL 2							GOAL 3							GOAL 4		
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006	2000	2005	2006
Afghanistan	41.20				39.30													0.35	0.21	0.33		257	257	257
Bangladesh	47.70				47.50			86.80	88.10	88.90	91.60	92.10			1.05	1.1	1.11	1.11	1.03			92	73	69
Benin		22.90					22.60	52.20			80	83.10	79.90	82.80	0.46	0.48	0.48	0.47	0.48	0.57		160	150	148
Burkina Faso				37.70			37.40	35.80	36.60	37.60	37.60	40.30	44.30	47.80	0.66	0.66	0.66	0.68	0.69	0.71	0.72	194	203	204
Chad	28.10				36.70			53.20	54.50	58.50	60.40				0.28	0.28	0.33	0.32	0.33	0.33		205	208	209
Comoros	25.40				24.90			55.50							0.82		0.84	0.83	0.76	0.76		84	71	68
Djibouti			17.90				28.90	27	29	29.80	31.70	33.40	35.10	38.30	0.66	0.62	0.62	0.66	0.69	0.66	0.67	147	133	130
Gambia	17.10						20.30	64.90	69.70	73.50	72.80			63.30	0.69	0.72	0.76	0.84	0.83		0.9	132	116	113
Guinea			20.80			25.80		48.20	51.90	60	64.10	67.70	70.20	72.70	0.38	0.41	0.43	0.47	0.46	0.51	0.53	184	165	161
Guinea-Bissau	25						19.40	45.40	45.30						0.54	0.54						218	203	200
Maldives		30.40						98.70	98	98		99.90	98.10	98.10	1.08	1.07	1.15	1.11	1.14		1.07	54	33	30
Mali		33.20								53.90	53.90	53.90	59.10	60.50	0.54			0.53	0.58	0.6	0.61	224	218	217
Mauritania		31.80						64.50	68.10	69.60	71	78.50	77.10	79.90	0.75	0.79	0.8	0.84	0.88	0.9	0.86	125	125	125
Mozambique	26			23.70				56.10	60.90	56.90		71.10	76.60	76	0.63	0.64	0.66		0.7	0.69	0.72	178	145	138
Niger	39.60						44.40	27.20	30.90	34.40	38.30	42.20	42.50	44.10	0.61	0.61	0.6	0.62	0.61	0.64	0.63	270	256	253
Senegal	22.70					17.30		56.90	58.30	53.90	63.50	67.60	73.10	72.20	0.65	0.66	0.67	0.69	0.72	0.75	0.76	133	119	116
Sierra Leone	27.20					30.40										0.71						277	271	270
Somalia							35.60															165	149	145
Sudan	40.70							44								0.96	0.94	0.92	0.92	0.94	0.96	97	90	89
Togo							26	78.10	79.20	82.30	79	81	80.30	82.90	0.44			0.47	0.5	0.51		124	111	108
Uganda		22.80					20.40								0.77	0.77	0.81	0.81	0.81	0.81		145	136	134
Yemen				45.60				58.60	66.30		71.90	74.30	75.40		0.42	0.42		0.45	0.48	0.49		110	102	100
OIC LDCs	30.97	28.22	19.35	35.67	37.10	24.50	28.33	56.06	59.77	61.33	62.75	68.08	67.64	68.22	0.64	0.67	0.72	0.68	0.67	0.64	0.77	162.50	151.55	149.27
All LDCs	30.30	31.38	27.63	36.92	31.51	28.88	26.64	63.85	66.99	71.37	72.50	76.15	74.93	74.95	0.75	0.78	0.79	0.77	0.78	0.78	0.84	142.70	131.48	129.28
OIC	20.82	23.30	14.59	23.38	21.44	15.46	18.38	74.87	78.20	80.81	79.96	82.46	83.06	82.37	0.83	0.85	0.89	0.87	0.84	0.86	0.92	94.02	85.83	84.16

Goal 1 shows the indicator "Moderately and severely underweight children under age 5".
Goal 2 shows the indicator "Total net enrolment ratio (NER) in primary education, both sexes".
Goal 3 shows the indicator "Gender Parity Index (GPI) in secondary level enrolment".
Goal 4 shows the indicator "Children under five mortality rate (C5MR) per 1,000 live births".

Source: SESRIC, BASEIND Database; UN, Millennium Development Goals, [http://mdgs.un.org]

Table A.29 Progress of OIC-LDCs towards the Achievement of the Millennium Development Goals (MDGs) (contd.)

	GOAL 5							GOAL 6							GOAL 7		GOAL 8						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006	2000	2006	2000	2001	2002	2003	2004	2005	2006
Afghanistan	12.40			14.30				440.40	407.40	367.60	350.30	293.20	266.60	231	0.33					0.07	0.09	1	1.72
Bangladesh	12.10	11.60		13.90	13.20		20.10	499.20	490.60	478	457.30	443.40	415.50	391			0.08	0.14	0.15	0.18	0.22	0.26	0.31
Benin		65.50					77.70	130.10	131.10	138.70	141	135.50	136.80	135.40	0.57		0.24	0.38	0.74	1	1.24	1.33	1.44
Burkina Faso				37.80			53.50	340.50	332.80	338.40	348.80	387.60	431	476.10	0.71	0.72	0.08	0.16	0.21	0.39	0.40	0.49	0.59
Chad	16.30				14.40			485.30	519.50	573.70	652.50	617.60	578.60	570.50	0.33		0.04	0.05	0.19	0.37	0.40	0.41	0.60
Comoros	61.80							111.30	102.60	103.50	106.40	98.70	90.30	86.10	0.76		0.22	0.34	0.42	0.63	1.01	2.51	2.56
Djibouti			74.10	60.60				870.80	891.60	1089.80	1127.60	1221.90	1238.30	1299.60	0.66	0.67	0.22	0.51	0.69	0.97	1.32	1.45	1.36
Gambia	54.70						56.80	508.40	517.90	352.70	361.40	361	387.30	423.20		0.9	0.95	1.39	1.88	2.57	3.35	3.82	5.29
Guinea				55.50		38		361	376.90	396	415.60	428.80	466.10	466.40	0.51	0.53	0.11	0.20	0.46	0.52	0.59	0.63	0.52
Guinea-Bissau	34.70						38.80	307.40	313.30	348.60	341	329.90	328.50	312.70			0.25	0.33	1.12	1.48	1.99	2.32	2.26
Maldives		70.30			84			85.70	71.50	70.50	55.50	58.10	50.30	54.20		1.07	2.22	3.63	5.34	5.93	6.45	6.64	8.97
Mali		40.60						604.80	601	591.70	589.40	587.30	583.40	578.20	0.6	0.61	0.15	0.19	0.24	0.32	0.45	0.53	0.64
Mauritania		56.90						651.40	663.80	677	690.80	536.30	613.30	605.80	0.9	0.86	0.20	0.27	0.37	0.44	0.47	0.65	0.95
Mozambique				47.70				604.50	646.50	667.90	677.70	667.10	644.60	623.70	0.69	0.72	0.12	0.17	0.28	0.45	0.73	0.90	0.89
Niger	15.70						32.90	294.60	298.80	307.80	295.40	309.30	308.60	313.70	0.64	0.63	0.04	0.11	0.13	0.15	0.19	0.21	0.28
Senegal	57.80		58			51.90		437.40	451.20	468.30	469.40	487.90	494.30	503.60	0.75	0.76	0.42	1.02	1.04	2.17	4.66	4.63	5.45
Sierra Leone	41.70					43.20		734	757.70	809.90	854.80	904.90	942.50	976.90			0.11	0.15	0.16	0.18	0.19	0.20	0.21
Somalia			24.80				33	442.10	411.20	391.40	348.30	309.20	287.90	293.10			0.21	0.08	0.12	0.39	1.08	1.09	1.11
Sudan	87							395.70	411.40	385.30	395.30	402	411.10	419.30	0.94	0.96	0.03	0.16	0.49	0.60	0.87	1.43	8.65
Togo	48.60			60.80			62	758.30	766.20	797.20	778.10	779.20	782.20	786.90	0.51		2.16	3.16	4.10	4.20	4.41	5.88	5.07
Uganda		39					42.10	523	542.30	587.70	612.90	591.90	582	560.90	0.81		0.16	0.24	0.39	0.47	0.72	1.74	5.02
Yemen				26.80				165.30	156	151.20	146.70	135.60	135.10	132.30	0.49		0.08	0.09	0.51	0.60	0.87	1.05	1.25
OIC LDCs	40.25	47.32	52.30	39.68	37.20	44.37	46.32	443.24	448.24	458.77	464.37	458.47	462.47	465.48	0.64	0.77	0.39	0.61	0.91	1.09	1.44	1.78	2.51
All LDCs	39.84	43.33	51.60	39.19	42.03	37.28	46.39	453.34	458.04	452.20	452.72	441.65	435.87	431.48	0.78	0.84	0.59	0.92	1.26	1.52	2.02	2.13	2.71
OIC	67.63	55.59	79.49	57.49	59.40	63.84	68.90	262.37	263.64	267.64	269.48	265.50	265.99	265.70	0.86	0.92	2.24	3.08	4.12	5.30	6.61	7.97	10.19

Goal 5 shows the indicator “Births attended by skilled health personnel, %”.
Goal 6 shows the indicator “Tuberculosis prevalence rate per 100,000 population”.
Goal 7 shows the indicator “Proportion of the population using improved drinking water sources, total”.
Goal 8 shows the indicator “Internet users per 100 population”.

Source: SESRIC, BASEIND Database; UN, Millennium Development Goals, [http://mdgs.un.org]