

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

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With a combined population of about 325 million, the current 21 OIC least developed countries (OIC-LDCs) account for almost half of the total population of the world's 48 LDCs and represent 26 per cent of total OIC population. Economic and social development of OIC-LDCs represents a major challenge for themselves, for the OIC, and for their development partners. Given this situation, the present Report analyses the recent trends in major economic indicators of these countries in the latest five-year period for which the data are available. The Report also sheds light on some issues related to the preparatory process and the mandate of the Third United Nations Conference on the LDCs, which is planned to be held in May 2001 in Brussels.

### **1. INTRODUCTION**

In 1971, the international community recognised the existence of a category of countries whose distinctness lies not only in the profound poverty of their people but also in the weakness of their economic, institutional and human resources, often compounded by geophysical handicaps. Currently, 48 countries (see Table A.1 in the Annex) with a combined population of 614 million--equivalent to 10.4 per cent of world population (1998 estimates)--are identified by the United Nations as "least developed countries" (LDCs). These countries are particularly ill-equipped to develop their domestic economies and to ensure an adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks or natural disasters.

In the development efforts of the United Nations, LDCs receive particular attention, since their development needs are even greater than those of other developing countries. In this respect, a mid-term global review of the progress made in the implementation of the Programme of Action for the LDCs for the 1990s<sup>1</sup> concluded in 1995 that these countries continue to be marginalised. In 1997, The General Assembly

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<sup>1</sup> The Programme of Action for the LDCs for the 1990s was adopted at the Second United Nations Conference on the LDCs, held in Paris, in September 1990.

of the United Nations responded to the marginalisation of the LDCs by deciding to convene the Third United Nations Conference on the LDCs in May of the next year.

The original list of LDCs in 1971 included 8 OIC member countries. Subsequently, the number of OIC countries included in the list rose steadily, reaching 21 in 1997. This increase is due both to countries that were LDCs and became OIC members (6 countries), and countries that were OIC members and became LDCs (7 countries) between 1971 and 1997. Currently, with a combined population of 324.7 million, the 21 OIC least developed countries (OIC-LDCs) represent 49.8 per cent of total world's LDCs population and 25.9 per cent of total OIC population (1999 estimates). The group of OIC-LDCs constitutes the weakest segment of the OIC community. Economic and social development of these countries represents a major challenge for themselves, for the OIC, and for their development partners.

Given this situation, monitoring the developments in the group of OIC-LDCs is among the prime concerns of the OIC. Accordingly, this Report analyses, as usual, the recent trends in major economic indicators of the OIC-LDCs. The analysis is carried out in the light of the ongoing recovery in the world economy after the severe slowdown in the wake of the Asian financial crisis in the period 1997-98. As a special topic, the Report devotes a special section to shed light on some issues related to the preparatory process and the mandate of the Third United Nations Conference on the LDCs, which is planned to be held in May 2001 in Brussels.

## **2. THE CURRENT GLOBAL RECOVERY**

The world economy is now recovering from the severe downturn that took place in the wake of the financial crises in Asia and other emerging market countries. The global slowdown of the period 1997-98 appears now to be over; global economic and financial conditions improved in 1999. World output and trade strengthened considerably, improving thereby the prospects for higher growth in the current year. According to the May 2000 *World Economic Outlook* of the IMF, the world economy will prosper in 2000. World real GDP will grow by 4.2 per cent in 2000, up from 2.5 per cent in 1998 (IMF 2000: 203). The current upswing in the world economy reflects mainly the strong performance of most of the large developed economies and the economies of many emerging markets and newly industrialised Asian countries in 1999.

World trade benefited from the stronger global economic activity. A strengthening of world economic output in 1999 led to a dynamic

expansion of trade. The United States economy and the economies of the newly industrialised Asian countries provided a major stimulus to world trade in 1999 as real domestic demand grew dramatically in these economies. Although for 1999 as a whole, world merchandise trade expanded in volume terms at the same rate as in 1998 (4.5 per cent), the pace of expansion in the fourth quarter exceeded the average rate of 6.5 per cent recorded in the 1990s. On the other hand, the value of world merchandise trade increased by 3.0 per cent in 1999 compared with a negative annual percentage change of 2.6 per cent in 1998 (WTO 2000).

In the developing countries, the recovery in 1999 was slow and uneven. Despite the remarkable rebound in output of Asian countries, the average real economic growth rate of the group recorded a slight increase by 3.8 per cent in 1999 from 3.2 per cent in 1998. Growth rates, however, remained below the pre-crisis trends in many countries and regions, particularly in Africa, Latin America, and the Middle East (IMF 2000: 209).

Unlike the developing countries, the LDCs were not, in general, able to benefit enough from the current strengthening of world economic output and, consequently, they were unable to benefit from the enlargement of world trade by increasing their share in it. The slowdown trend in the economic growth of the LDCs continued in 1999. Real economic growth rate of the group remained well below the pre-crisis levels. The group of LDCs realised an average real growth rate of 3.8 per cent in 1999; a rate, which is significantly, lower than the 6.5 per cent realised in 1995 (*ibid.*). While the share of the group in world exports of goods and services stood at the same level of about 0.5 per cent before and after the crisis, the deficit in the current account balance increased to \$13 billion in 1999 compared with \$9.4 billion in 1996 (*ibid.* 250).

### **3. LDCs: DEVELOPMENTS AND PROSPECTS**

In the light of the above brief account on the current situation in the world economy, this section presents an overview of the main developments in the LDCs, particularly in the 1990s. Emphasis is made on some essential areas, where a number of related policy options could be made with a view to facilitating prospects in the current decade.

#### **3.1. Background**

The LDCs are the poorest countries in the world. They are officially designated as “least developed” by the General Assembly of the United

Nations, i.e., by the world community as a whole. In 1971, the General Assembly approved the first list of LDCs, which at that time included 24 countries. In the following years, the number of countries included in the list rose steadily, reaching 48 in 1994. It was of course hoped that, as development efforts had an impact, countries would one by one “graduate” from the LDCs group as their level of development rose. In fact, in 25 years only one country has succeeded in doing so: Botswana in 1994.

During the 1970s, it became evident that LDCs were lagging further and further behind, and in some cases moving backward. Their average growth rates were lower in the Second United Nations Development Decade (about 0.6 per cent) than in the First (about 0.9 per cent), and much lower than those of other developing countries (UNCTAD 2000: 1). As a group, the LDCs recorded per capita declines in this period in each of the following key economic areas: agricultural production, manufacturing output, gross domestic investment, export purchasing power, and import volume.

During the 1980s, despite major policy reforms initiated by many LDCs to carry out a structural transformation of their domestic economies, and supportive measures taken by a number of donors in the areas of aid, debt and trade, the economic situation of these countries as a whole worsened. Factors that contributed to this worsening state of affairs included domestic policy shortcomings, natural disasters and adverse external conditions. In addition, external debt servicing emerged as a major problem for most LDCs during the 1980s.

### **3.2. Developments in the 1990s and prospects for the current decade<sup>2</sup>**

Development remained elusive for a significant number of LDCs during the 1990s. Since the adoption of the Programme of Action in 1990, there have been major factors at both the domestic and global levels, with significant implications for the development prospects of the LDCs in the current decade. At the domestic level, these have included: inappropriate macroeconomic policy design and management, political and civil strife in several LDCs, a generally disappointing performance of the agriculture sector, and a lack of appropriate legal and institutional frameworks. At the global level, developments such as the acceleration of globalisation and liberalisation, the continuous decline in official

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<sup>2</sup> This section is based mainly on the report prepared by UNCTAD secretariat in July 2000 (see UN 2000 in the references).

development assistance (ODA) flows and the high levels of LDCs external indebtedness posed major challenges to realising the objectives of the Programme of Action for the 1990s.

Overall, the existing economic structure in the LDCs as a group failed to generate the growth and export earnings needed to maintain and expand investment, which in turn impeded structural change and economic growth. The rate of growth in LDCs, which had accelerated in the mid-1990s, fell continuously in the second half of the decade. The group of LDCs realised a real average GDP growth rate of 3.8 per cent in 1999, down from the peak of 6.5 per cent recorded in 1995. Consequently, while world output and trade have been increasing during the 1990s, the LDCs' share of world trade has remained almost unchanged. Their share in world exports is a mere 0.5 per cent and in world imports 0.6 per cent, which reflect their small share in world output.

During the second half of the 1990s, the general trend in gross domestic savings (GDS) in LDCs has shown signs of appreciable recovery from the levels of the first half of the decade. From an annual average of 6.9 per cent of GDP in the period 1990-95, GDS rates have risen to 9.1 per cent in the period 1995-98. Despite this positive trend, however, the levels of savings in LDCs are still low by any standard compared to the levels in other developing regions and countries. The general explanation for this state of affairs is, of course, the low per capita incomes. It might also be said that debt-servicing obligations undermine national capacity to mobilise domestic savings and deprive the LDCs of potentially investible resources.

Poor investment performance (both domestic and foreign) has been an important aspect of the economic records of LDCs as a whole during the 1990s. The weighted average annual gross domestic investment (GDI) as a percentage of GDP rose from 15 per cent for the period 1990-94 to 17.6 per cent in 1998, but was still less than the 19 per cent in 1980. This ratio is also rather modest compared with the 25 per cent, the average for developing countries as a whole. On the other side, despite the general positive trend in foreign direct investment (FDI) inflows to LDCs in the second half of the 1990s, their share in total FDI inflows to all developing countries hardly reached 2 per cent in 1998. Overall, this means that LDCs continue to experience very low levels of capitalisation, which can only perpetuate their least developed status.

The agricultural sector lies at the centre of the LDCs economies. It accounts for a large share of GDP, employs a large proportion of the labour force, supplies the bulk of their basic food and represents a major

source of their foreign exchange earnings. Notwithstanding this importance, however, agricultural production in the LDCs remains largely underdeveloped--both for the domestic market and for export. Although agricultural growth in LDCs improved slightly in the 1990s, it remained slightly below population growth and significantly lower than the average of the developing countries.

In addition, the incidence of food insecurity in the LDCs continued to be high. Between 1979 and 1997, the percentage of undernourished in the total population remained unchanged, at around 38 per cent. For the rest of the developing countries, by contrast, this incidence fell from 28 to 15 per cent during the same period. Overall, the high population growth rates, the weak productive capacity and the pressure of external debt-servicing led to low levels of per capita income which in turn was reflected in high levels of poverty incidence and poor social and human development records. As of 1998, LDCs represented four fifths of the group of countries in the low human development index category of the UNDP Human Development Report.

Of course, the overall bleak picture described above should not mask the progress achieved by a number of individual LDCs in various fields during the 1990s. Despite all the difficulties, almost one third of the LDCs managed to achieve positive per capita income gains during the 1990s. The notable success story was Botswana, which was the only country to graduate in 1994 from the LDC category since its establishment in 1971. Four other LDCs--Cape Verde, Maldives, Samoa and Vanuatu--have achieved significant progress in their socio-economic development and have thus become borderline cases of possible graduation.

This is a forceful testimony to the relevance of the effective implementation of conducive macroeconomic policies by these countries and a supportive external environment. Intensified efforts by LDCs and their development partners should hopefully lead to more LDCs graduating from the list by the end of this decade. Yet, apart from weather conditions and natural disasters, the prospects for LDCs' recovery in the short term will depend on factors such as movements in international prices, particularly of non-fuel commodities, official development assistance (ODA) flows, debt service obligations and access to international markets for their major exports.

#### **4. DEVELOPMENTS IN THE OIC-LDCs**

As a substantial part of the world LDCs, the OIC-LDCs as a group followed, in general, the same trends. However, for the purpose of this

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

#### 4.1. Overview

Eight OIC member countries were among the 24 countries included in the first list of LDCs which has been approved by the General Assembly of the United Nations in 1971 (UNCTAD 2000). However, in the following years, the number of OIC countries included in this list rose steadily, reaching 21 countries in 1997. This increase is due both to countries that were LDCs and became OIC members (6 countries), and countries that were OIC members and became LDCs (7 countries) between 1971 and 1997. To date, and despite the development efforts of the past three decades, none of these countries has succeeded in graduating from the LDCs group. With a combined population of 324.7 million, the current 21 OIC-LDCs represent 49.8 per cent of the 48 world LDCs' total population and 25.9 per cent of the 56 OIC member countries' total population (1999 estimates; see Table A.3 in the Annex).

As is the case with the other LDCs, the regional distribution of the OIC-LDCs may be viewed as having a large bearing on their economic growth and development performance. The majority of these countries (17 countries) are in the region of sub-Saharan Africa, 3 countries in the region of South Asia, and one country in West Asia. In addition, 5 of these countries are land-locked countries and two are small island countries (see Table A.2 in the Annex). The OIC-LDCs, especially those in sub-Saharan Africa, are particularly ill equipped to develop their domestic economies and to ensure an adequate standard of living for their populations. Their economies are also extremely vulnerable to external shocks or natural disasters.

As a group, the OIC-LDCs constitute the weakest and the poorest segment of the OIC community. With almost 26 per cent of the total OIC population, they produce only 7 per cent of the total OIC output. The average per capita GDP in the OIC-LDCs is less than one third of that in

the OIC countries. An average of 46.3 per cent of the people in 19 OIC-LDCs (126.3 million) suffer from human poverty (SESRTCIC 2000: 5). The UNDP Human Poverty Index (HPI) is almost equal or exceeds 50 per cent in 9 of these countries, and in terms of global ranking, 7 OIC-LDCs are ranked within the lowest 10 HPI ranks (ibid. 6). Moreover, 13 OIC-LDCs are currently classified as severely indebted countries and 6 others as moderately indebted countries (see Table A.2 in the Annex).

#### 4.2. Structure of the economy

This sub-section sheds light on the overall structure of the economies of the OIC-LDCs based on a brief analysis of the sectoral distribution of the output (GDP) and the structure of the main source of export earnings. Table 1 below, which is derived from the data supplied in Table A.5 in the Annex, displays the averages of sectoral shares in the GDP of the OIC-LDCs as a group. The averages of all LDCs group, the OIC countries and the developing countries are also included for the purpose of comparison. The average of the five-year period (1994-98) has been computed in order to avoid the problems of missing data in some countries and the effects of year-to-year cyclical fluctuations in others.

The figures in Table 1 below indicate that the services sector, with the highest share in GDP (46.5 per cent), plays a major role and constitutes an important source of income in OIC-LDCs. This holds also for the groups of 'all LDCs', developing countries, and OIC countries.

**Table 1: Structure of Output** <sup>(\*)</sup>

	Agriculture	Industry:	of which Manufacture	Services
<b>OIC-LDCs</b>	<b>32.5</b>	<b>20.2</b>	<b>9.0</b>	<b>46.5</b>
All LDCs	33.0	25.0	11.0	42.0
OIC countries	16.6	37.9	15.7	45.4
Developing countries	13	36	23	51

Source: Table A.5 in the Annex.

(\*) Value added as % of GDP, average 1994-98.

At the individual level of the OIC-LDCs, this share varies from 26 per cent in Somalia to 76.5 per cent in Djibouti. It exceeds 30 per cent in 20 countries and 50 per cent in 4 countries (see Table A.5 in the Annex).

In contrast, with an average share of 9 per cent in GDP, manufacturing constitutes a minor economic activity in the OIC-LDCs. The share of the manufacturing sector in the GDP is rather modest

compared to the average share for all LDCs which is 11%. But it is still significantly low compared to the average shares of 23 per cent in the developing countries and 15.7 per cent in the OIC countries. This indicates clearly the weak performance and the insignificant role of this sector in the OIC-LDCs. The share varies from 4.3 per cent in Comoros to 18.2 per cent in Burkina Faso; it exceeds 10 per cent in only 5 OIC-LDCs. Similar trends are also observed in the case of the industrial sector as a whole (see Table 1 above).

With about a 33 per cent share in GDP, agriculture is widely believed to be the primary economic activity and is assumed to play the major role in the economies of all LDCs including the OIC-LDCs. It employs a large proportion of the labour force, supplies the bulk of basic food and represents a major source of foreign exchange earnings in many OIC-LDCs. It accounts for 30 per cent in the GDP of 16 OIC-LDCs. Notwithstanding this importance, however, agricultural production in many of these countries remains largely underdeveloped--both for the domestic market and for export.

The average share of agriculture in the GDP of the OIC-LDCs decreased from 34.2 per cent in the period 1991-95 (SESRTCIC 1999: 20) to 32.5 per cent in the period 1994-98 (Table 1 above) and remained below population growth in this period. In addition, the incidence of food insecurity in the OIC-LDCs continued to be high. According to the United Nations, as of May 1997, there are 87 low-income food-deficit countries (LIFDCs)<sup>3</sup> in the world. With the exception of Uganda, all the other 20 OIC-LDCs are included in the list of the world LIFDCs (UN 1997).

The picture of the overall structure of the economies of the OIC-LDCs described above in terms of the composition of their output (GDP) reflects clearly the structure of their export earnings. Services and agriculture are the two main economic activities that contribute with the highest shares to the output of these countries. In reflection of this picture and according to the recent IMF classification of all economies by main source of export earnings, 12 OIC-LDCs are classified as non-oil primary products exporting countries. All of these countries are in sub-Saharan Africa depending for their growth and development on exports of no more than two or three non-oil primary commodities, mostly agricultural ones. In

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<sup>3</sup> The United Nations defines LIFDCs as "all countries which are net importers of basic foodstuffs with per capita GNP in 1995 not exceeding the level set by the World Bank to determine eligibility for International Development Association (IDB) 'soft loan' assistance".

addition, there are 5 countries classified as services exporting countries and 3 countries as having a diversified source of exporting earnings. Only one country (Bangladesh) is classified as manufactures exporting country (see Table A.2 in the Annex).

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

#### 4.3. Production and growth

During the period under consideration (1995 to 1999), the combined GDP of the 21 OIC-LDCs reached a peak in 1995 with \$102.4 billion. This makes up only 7.8 per cent of the total GDP of OIC countries and 37.5 per cent of that of all LDCs in that year (Table 2 below). In the same year, the total population of the OIC-LDCs (288 million) accounted for 24.8 per cent and 48.8 per cent of the total population of OIC countries and all LDCs respectively (see Table A.3 in the Annex). In the following years, however, while the total population of OIC-LDCs increased to reach 324 million in 1999 (25.9 per cent of OIC countries and 49.8 per cent of all LDCs), their combined GDP decreased steadily, reaching \$92.9 billion in 1999. This makes up only 7 per cent of total OIC countries' GDP and 25.2 per cent of the total GDP of all LDCs.

**Table 2: GDP and Per Capita GDP**

	1995	1996	1997	1998	1999
<u>GDP (billion US \$)</u>					
<b>OIC-LDCs</b>	<b>102.4</b>	<b>100.6</b>	<b>84.8</b>	<b>88.6</b>	<b>92.9</b>
<u>As % of:</u>					
All LDCs	37.5	31.9	27.9	26.5	25.2
OIC countries	7.8	7.0	5.8	6.7	7.0
<u>Per capita GDP (US \$)</u>					
<b>OIC-LDCs</b>	<b>356</b>	<b>341</b>	<b>312</b>	<b>319</b>	<b>318</b>
All LDCs	436	488	546	585	623
OIC countries	1132	1228	1251	1113	1091

Sources: Table A.4 and Table A.7 in the Annex.

As it may be observed, the share of the OIC-LDCs group in the total output of both OIC countries and all LDCs is very low relative to their total population. The total GDP of the OIC-LDCs is even less than that of some individual OIC countries such as Indonesia, Turkey, Iran and Saudi Arabia (see Table A.4 in the Annex). This, of course, reflects in the very low levels of average per capita GDP in the OIC-LDCs compared with those of all LDCs and OIC countries (Table 2 above).

During the period under consideration, the OIC-LDCs maintained the highest average per capita GDP of \$356 in 1995. In the same year, this average amounted to \$436 in all LDCs and \$1132 in OIC countries. However, the average per capita GDP in OIC-LDCs decreased in the following years to reach the lowest level at \$312 in 1997, and then increased slightly to \$318 in 1999. In contrast, the average per capita GDP in all LDCs was increasing steadily during the same period and reached a level of \$623 in 1999, which is almost twice that of OIC-LDCs. At individual country level, Sierra Leone was the country with the lowest per capita GDP (\$135) in 1999, while Maldives was the country with the highest per capita GDP (\$1530) in the same year.

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

**Table 3: Real GDP and Per Capita GDP Growth Rates**  
(Average annual % change)

	1995	1996	1997	1998	1999
<u>Real GDP</u>					
<b>OIC-LDCs</b>	<b>4.9</b>	<b>5.3</b>	<b>4.3</b>	<b>3.9</b>	<b>3.7</b>
All LDCs	6.5	5.4	4.5	4.0	3.8
OIC countries	4.0	5.6	4.5	-0.1	1.3
Developing countries	6.1	6.5	5.8	3.2	3.8
<u>Real per capita GDP</u>					
<b>OIC-LDCs</b>	<b>1.4</b>	<b>2.1</b>	<b>2.0</b>	<b>1.6</b>	<b>0.8</b>
All LDCs	3.2	3.0	1.5	1.4	1.1
OIC countries	1.5	4.7	1.9	-0.1	0.5
Developing countries	4.2	4.9	4.3	1.6	2.2

Source: Derived from Table A.6 and Table A.3 in the Annex.

Throughout the period under consideration, the OIC-LDCs achieved the highest average real GDP growth rate of 5.3 per cent in 1996. This rate was relatively comparable to the rates achieved by all LDCs and OIC countries in that year, but lower than the average rate of the developing countries. However, the growth performance of the OIC-LDCs deteriorated steadily in the following years and the average real GDP growth rate decreased to 3.7 per cent in 1999. In general, similar trends have been observed in the case of all LDCs, that of the OIC countries and even of the developing countries as a group.

It appears, however, that the OIC-LDCs and all LDCs as groups performed quite better than the groups of OIC countries and the developing countries in 1998 (the year the Asian financial crisis reached its peak). While the average real GDP growth rate of the OIC-LDCs decreased from 4.3 per cent in 1997 to 3.9 per cent in 1998, it dropped sharply in the case of OIC countries from 4.5 per cent in 1997 to reach a negative rate of 0.1 per cent in 1998. In the case of the developing countries, the rate dropped from 5.8 per cent to 3.2 per cent in the same period. However, at the time when these two groups started to show a slow recovery in 1999, the slowdown trend in the economic growth of the OIC-LDCs and all LDCs continued in 1999.

A similar pattern was also observed in terms of the number of OIC-LDCs that experienced negative real growth rates during the same period. The number of such countries diminished from four in 1995 to two in 1996 and to only one country in 1997, but increased again to three and two in 1998 and 1999, respectively (Table A.6 in the Annex). Within the group, countries like Mozambique, Maldives and Uganda attained high rates of growth during the period under consideration, even in the last three years of the average slowdown experienced by the group. On the other hand, the growth performance of countries like Sierra Leone, Comoros and Djibouti stagnated or even deteriorated in some years.

Lastly, it is obvious that the figures on the average real per capita GDP growth rates in Table 3 above reflect largely the trends in both real GDP and population growth in OIC-LDCs discussed above. After achieving the highest rate of 2.1 per cent in 1996, the OIC-LDCs' average rate of real per capita GDP dropped continuously in the following years to reach 0.8 per cent in 1999. While this rate is slightly higher than the average rate of OIC countries and slightly lower than that of all LDCs, it is still significantly lower than the average rate of the developing countries in the same year.

To sum up, the overall picture reflects mainly the recession, which took place in the two-year period of 1997-98. In part, this can be explained by the repercussion and spillover effects of the Asian financial crisis, but also, particularly in the case of the least developed countries, by the fall in commodity prices and the decline in ODA flows in the same period. For example, prices of non-oil commodities weakened steadily over the financial year 1997, resulting in a decline of 14.7 per cent in 1998 (IMF 2000: 231). ODA flows to LDCs declined sharply in 1996 by no less than \$2.4 billion. The decline continued in 1997, when net ODA to LDCs amounted to \$13.5 billion as compared with \$16.6 billion in 1995 (UNCTAD 1999: 22).

#### 4.4. Inflation

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

As it may be seen from Table 4 below, the average inflation rate in the developing countries declined from 22.9 per cent in 1995 to only 6.5 per cent in 1999. A similar pattern was also observed in the case of the LDCs in the four-year period of 1995-98. During this period, the group managed to curb its average inflation rate and decrease it to 13.2 per cent in 1998 from 50.5 per cent in 1995, but it increased again in 1999 to reach 18.4 per cent.

**Table 4: Average Inflation Rates**  
(Annual % change in consumer prices)

	1995	1996	1997	1998	1999
<b>OIC-LDCs</b>	<b>19.2</b>	<b>19.2</b>	<b>7.8</b>	<b>7.0</b>	<b>5.2</b>
All LDCs	50.5	51.0	20.1	13.2	18.4
OIC countries	34.9	22.6	18.7	26.2	14.3
Developing countries	22.9	15.1	9.5	10.1	6.5

Source: Table A.8 in the Annex.

On the other hand, when the average inflation rates in the OIC-LDCs are considered, the figures in Table 4 above show that the

performance of these countries is quite better than that of all the other groups including the developing countries. The OIC-LDCs managed to curb its average inflation rate and bring it down to a low level of 5.2 per cent in 1999 from a level of 19.2 per cent in both 1995 and 1996. Except in 1996, the average inflation rates realised by the group of OIC-LDCs were lower than the averages of the other groups during the period under consideration. Within the OIC-LDCs, Sierra Leone was the country with the highest inflation rate of 29.6 per cent in 1999 and Chad with the lowest negative inflation rate of -8.4 per cent in the same year.

#### **4.5. Foreign trade and payments balances**

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

##### *4.5.1. Exports and imports*

During the five-year period of 1995-99, the total OIC-LDCs' exports of merchandise reached its peak in 1999 with \$11.8 billion. However, while this amount accounted for 40 per cent of the total LDCs' merchandise exports, it makes up only 3 per cent of the total OIC countries' merchandise exports in that year (Table 5 below). In fact, over this period, the share of OIC-LDCs in the total merchandise exports of these two groups was fluctuating around the mentioned percentages.

When the average rates of change in merchandise exports are considered, the figures in Table 5 show that the group of OIC-LDCs realised the highest rate of 28.9 per cent in 1995. This rate was higher than the rates realised by the other groups in the same year. However, the average rate of change in merchandise exports of OIC-LDCs dropped sharply in the following year to 5.8 per cent. The export performance went into a severe slump in 1998 when the group of OIC-LDCs experienced a negative rate of growth (-5.8 per cent) in its exports. In 1999, however, export performance regained its strength and recorded a rate of 14.4 per cent growth.

In general, similar patterns of export performance have been observed in all the other groups in the period under consideration. It is, however, worth mentioning that, except in 1996, the OIC-LDCs has outperformed the group of all LDCs. The export performance of the OIC-LDCs was quite better than that of all LDCs and OIC countries but slightly poorer than that of developing countries in the slump period of 1997-98. In the recovery year 1999, the OIC-LDCs recorded an average rate of change in merchandise exports higher than the rates realised by the developing countries and all LDCs but lower than the average rate of OIC countries.

**Table 5: Merchandise Exports (FOB, Billion US \$)**

	1995	1996	1997	1998	1999
<b>Total OIC-LDCs</b>	<b>9.7</b>	<b>10.3</b>	<b>11.0</b>	<b>10.3</b>	<b>11.8</b>
<u>As % of:</u>					
OIC total	2.8	2.7	2.8	3.2	3.1
All LDCs	39.8	37.6	38.3	38.4	40.0
<u>Average annual % change</u>					
<b>OIC-LDCs</b>	<b>28.9</b>	<b>5.8</b>	<b>6.7</b>	<b>-5.8</b>	<b>14.4</b>
All LDCs	21.4	12.3	4.7	-6.6	10.1
OIC countries	19.0	11.4	3.0	-18.4	19.8
Developing countries	21.0	7.5	6.8	-5.1	4.8

Source: Table A.9 in the Annex.

During the period under consideration, a similar pattern was also observed in terms of the number of OIC-LDCs that experienced negative rates of growth in exports. The number of these countries increased from 5 countries in 1995 to 9 countries in 1996 and increased again to reach 10 countries in 1998 before decreasing to 8 countries in 1999, the same as in 1997. Another observation on the export performance in the OIC-LDCs is the heavy concentration of exports in few countries. For example, Bangladesh, Yemen, Guinea and Sudan accounted for 64.5 per cent of the total OIC-LDCs' exports in 1999. From these countries, Bangladesh and Yemen, together, accounted for 51 per cent in the same year (calculated from Table A.9 in the Annex).

As in the case of total output growth performance, the overall picture of export performance in OIC-LDCs and the other groups reflects mainly the recession, which took place in the two-year period of the 1997-98. As we mentioned above, in addition to the repercussion and spill-over effects of the Asian financial crisis in that period, this can be explained, particularly in the case of the least developed countries, by the fall in commodity prices and the decline in ODA flows in the same period.

On the other hand, during the period under consideration, the total imports of merchandise reached its peak in 1998 with \$22.2 billion. While this makes up only 5.6 per cent of the total OIC countries' imports of merchandise in that year, it accounts for almost 57 per cent of the total LDCs' imports of merchandise (Table 6 below). Over this period, the share of OIC-LDCs in the total imports of merchandise of OIC countries was fluctuating between 5 to 6 per cent and between 53 to 57 per cent of the total imports of all LDCs.

When the average rates of change in merchandise imports are considered, the figures in Table 6 below show that the group of OIC-LDCs, like any other group in the table, realised the highest rate in 1995 (22 per cent). This rate was higher than the rates realised by the OIC countries and all LDCs, but slightly lower than that of the developing countries. However, the average rate of change in merchandise imports of OIC-LDCs dropped sharply in 1996 to 7.8 per cent. The import performance went into a severe slump in 1997 when the group of OIC-LDCs experienced a negative rate of growth (-1.0 per cent) in its imports.

In 1998, however, import performance regained its strength and recorded a rate of 10 per cent growth at a time when all the other groups experienced a decline in the average rates of growth in their imports. In contrast, while import performance started to recover in developing countries and LDCs in 1999, the average rates of imports growth in OIC-LDCs and OIC countries dropped sharply again and recorded negative rates of 1.1 per cent and 6.9 per cent in the two groups, respectively.

**Table 6: Merchandise Imports (CIF, Billion US \$)**

	1995	1996	1997	1998	1999
<b>Total OIC-LDCs</b>	<b>18.9</b>	<b>20.4</b>	<b>20.2</b>	<b>22.2</b>	<b>22.0</b>
<u>As % of:</u>					
OIC total	5.4	5.4	4.9	5.6	6.0
All LDCs	56.9	55.9	53.4	56.9	53.7
<u>Average annual % change</u>					
<b>OIC-LDCs</b>	<b>22.0</b>	<b>7.8</b>	<b>-1.0</b>	<b>10.0</b>	<b>-1.1</b>
All LDCs	18.1	9.9	3.6	3.4	4.8
OIC countries	21.0	7.8	8.5	-3.5	-6.9
Developing countries	22.4	6.6	6.2	-9.6	4.6

Source: Table A.10 in the Annex.

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

and Mozambique accounted for more than 57 per cent of the total OIC-LDCs' imports in 1999 (calculated from Table A.10 in the Annex).

#### 4.5.2. Trade balance, current account and reserves position

The figures on the trade balance in Table 7 below show that both the OIC-LDCs group and the group of all LDCs recorded trade balance deficits in all the years over the period 1995-99. It is, of course, obvious that the volumes of these deficits reflect the performance of both the export and the import side in the two groups in each year.

**Table 7: Trade Balance, Current Account and Reserves Position**  
(Billion US \$)

	1995	1996	1997	1998	1999
<b>Trade Balance</b>					
<b>OIC-LDCs</b>	<b>-9.2</b>	<b>-10.1</b>	<b>-9.3</b>	<b>-11.9</b>	<b>-10.2</b>
All LDCs	-8.8	-9.0	-9.1	-12.2	-11.5
OIC countries	-10.9	0.9	-19.9	-77.6	13.4
Developing countries	-24.3	12.0	28.8	-3.7	55.3
<b>Current Account Balance</b>					
<b>OIC-LDCs</b>	<b>-3.0</b>	<b>-3.6</b>	<b>-3.0</b>	<b>-3.2</b>	
All LDCs	-9.0	-9.4	-9.8	-13.0	-13.0
OIC countries	-34.9	-9.1	-11.9	-27.3	
Developing countries	-111.4	-74.2	-59.1	-89.9	-32.7
<b>Number of OIC-LDCs with</b>					
(-) Current Account Balance	16	16	16	14	
(+) Current Account Balance	3	2	2	1	
<b>Reserves Excluding Gold</b>					
<b>OIC-LDCs</b>	<b>5.5</b>	<b>5.8</b>	<b>6.0</b>	<b>6.2</b>	<b>4.9</b>
All LDCs	10.7	11.0	11.4	11.7	12.5
OIC countries	102.5	126.9	131.9	136.4	155.6
Developing countries	429.0	514.7	564.7	578.6	616.0
<b>Number of OIC-LDCs with</b>					
Deteriorating position	6	8	9	7	7
Improving position	13	11	9	10	8

Source: Tables 5, 6 above and Tables A.11, A.12 in the Annex.

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

During the period under consideration, the trade balance deficit in the OIC-LDCs exceeded that of the all LDCs group in the first three years (1995 to 1997) and the opposite in the last two years of the period. However, the two groups recorded the highest deficit in their trade balance in 1998. The volume of this deficit amounted to \$11.9 billion in the OIC-LDCs and \$12.2 billion in all LDCs. While trade deficits in the

two groups continued in 1999, the trade balance of both OIC countries and developing countries recovered strongly in that year and recorded a surplus which amounted to \$13.4 billion in OIC countries and \$55.3 billion in the developing countries.

The figures on the current account balance in Table 7 above show that the OIC-LDCs as a group has succeeded in decreasing slightly the deficit in its current account balance from \$3.6 billion in 1996 to \$3.2 billion in 1998. In contrast, this deficit increased in the case of all LDCs from \$9 billion in 1995 to \$13 billion in 1998 and 1999. More important, the figures in Table 7 on the number of countries with deficit or surplus current account balance indicate that an overwhelming majority of the OIC-LDCs had a current account balance deficit during the period 1995-98.

Table 7 above also summarises the position of reserves excluding gold in the OIC-LDCs in terms of the US dollar and according to the number of countries with a deteriorating or improving reserve position. The terms “deteriorating” indicates a decrease in or depletion of international foreign reserves excluding gold. These reserves are usually used to partially finance the deficit in the current account balance. In contrast, the term “improving” indicates an addition to or accumulation in these reserves. This may occur even when a country has a deficit current account balance, providing that it may manage to finance its deficit through external financial channels, such as external borrowing (foreign debt), attracting more foreign direct investment (FDI) or receiving foreign official financial assistance (e.g., ODA).

In terms of the US dollar, the total foreign exchange reserves excluding gold in the OIC-LDCs, on which the data are available, increased slightly during the four-year period 1995-98 from \$5.5 billion in 1995 to \$6.2 billion in 1998. In this period, the share of the OIC-LDCs in the total reserves of all LDCs accounted for about 50 per cent. However, in 1999, the total reserves of the OIC-LDCs dropped to \$4.9 billion while those of all LDCs increased to reach \$12.5 billion.

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

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

#### 4.6. Official development assistance and other financial flows

Total financial flows to LDCs have declined since the beginning of the 1990s, particularly in the second half of the decade. These flows amounted to \$15.1 billion in 1997, as compared with \$16.9 billion in 1990 and \$16.2 billion in 1995 (Table 8 below). The total financial flows to LDCs accounted only for 7.7 per cent of the total flows to developing countries in 1997 compared with 21.1 per cent in 1990 and 10.2 per cent in 1995 (calculated from Table 8). Official flows, mainly Official Development Assistance (ODA) accounted for 90 per cent of the total financial flows to LDCs in 1997, as compared with 94.7 per cent in 1990 and 93.4 in 1996.

Similar trends have been observed in the total financial flows to the OIC-LDCs in the same period. These flows amounted to \$6.7 billion in 1997, as compared with \$8.8 billion in 1990 and \$6.9 billion in both 1995 and 1996. The share of OIC-LDCs in total financial flows to all LDCs accounted for 44.6 per cent in 1997 compared with 52.1 per cent in 1990 and 45.7 per cent in 1996. As it may be observed, almost all the official financial flows to OIC-LDCs are in the form of ODA.

**Table 8: Total Financial Flows and ODA**  
(Net disbursement in billion US \$)

	Total Financial Flows				Of which: ODA			
	1990	1995	1996	1997	1990	1995	1996	1997
All LDCs	16.9	16.2	15.2	15.1	16	16.7	14.2	13.5
<b>OIC-LDCs</b>	<b>8.8</b>	<b>6.9</b>	<b>6.9</b>	<b>6.7</b>	<b>8.8</b>	<b>7.3</b>	<b>6.8</b>	<b>6.6</b>
% share in All LDCs	52.1	42.5	45.7	44.6	55.0	43.7	47.6	48.4
Developing countries	80	159	192	197	56.5	59.5	55.8	49.6

Source: Table A.13 in the Annex.

It is clear that ODA, which has declined since the beginning of the 1990s, constitutes the main source of official financial flows to all LDCs, including the OIC-LDCs. While other sources of such financial flows to

the LDCs have remained limited, these countries in general have not been able to compensate for the shortfall in official development finance by gaining access to private financing. For example, private capital flows to LDCs have remained modest (they amounted to \$1.1 billion on a net basis in 1997) and inflows of portfolio and equity investment turned negative in the same year (UNCTAD 1999: 22).

On the other hand, foreign direct investment (FDI) inflows to LDCs increased slightly in the second half of the 1990s. These flows amounted to \$2.9 billion in 1998 compared with \$0.8 billion in 1994. However, this makes up only 1.7 per cent of FDI inflows to the developing countries in 1998 compared with 0.8 per cent in 1994 (calculated from Table 9). In general, similar trends have been observed in the case of the OIC-LDCs. FDI inflows to these countries amounted to \$1.1 billion in 1998 compared with only \$0.2 billion in 1994. The share of OIC-LDCs in total FDI inflows to all LDCs increased accordingly from 24.4 per cent in 1994 to 35.5 per cent in 1998. However, although the bulk of these flows went to a limited number of countries, there was a sharp drop in FDI flows to both OIC countries and OIC-LDCs as groups in 1995.

**Table 9: FDI Inflows (Billion US \$)**

	1994	1995	1996	1997	1998
<b>OIC-LDCs</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</b>	<b>0.5</b>	<b>1.1</b>
All LDCs	0.8	1.4	1.8	2.5	2.9
OIC countries	13.8	11.9	19.0	23.5	16.4
Developing countries	101.2	106.2	135.3	172.5	165.9
<b>OIC-LDCs as % of:</b>					
All LDCs	24.4	7.9	23.3	21.5	35.5
OIC countries	1.4	0.9	2.2	2.3	6.5

Source: Table A.14 in the Annex.

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

The figures in Table 10 show that the total outstanding external debt of LDCs as a group increased by \$7.5 billion in 1998 to reach \$148.3 billion after it fell to \$140.8 billion in 1997 from \$146.6 billion in 1995. Similar trends have also been observed in the case of the OIC-LDCs in which the total outstanding external debt increased to reach \$72.1 billion

in 1998 compared with \$68.5 billion in 1997 and \$70.5 billion in 1994. It might be observed that the increase in the external debt of the OIC-LDCs in 1995 has been matched with the sharp drop in FDI inflows to these countries in the same year. The share of OIC-LDCs in total external debt of all LDCs decreased from 49.7 per cent in 1996 to 48.6 per cent in 1997 and 1998. However, despite the significant decrease in the debt to GNP ratios in the OIC-LDCs in the second half of the 1990s, these ratios remained relatively high compared with those of the group of low-income countries (Table 10).

**Table 10: Total External Debt (Billion US \$)**

	1994	1995	1996	1997	1998
All LDCs	142.7	146.6	144.9	140.8	148.3
<b>OIC-LDCs</b>	<b>70.5</b>	<b>72.4</b>	<b>72.0</b>	<b>68.5</b>	<b>72.1</b>
As % of:					
All LDCs	49.4	49.4	49.7	48.6	48.6
OIC countries	13.8	13.1	12.8	11.9	11.7
<b>Debt to GNP ratio (%)</b>					
<b>OIC-LDCs</b>	<b>115.8</b>	<b>102.9</b>	<b>93.9</b>	<b>78.2</b>	<b>81.6</b>
OIC countries	71.7	59.8	53.8	53.4	79.7
Developing countries	39.4	37.6	35.7	36.0	42.1
Low-income countries	47.1	42.1	37.6	36.0	39.3

Source: Table A.15 in the Annex.

Overall, foreign debt continues to be one of the most troublesome problems facing LDCs including the OIC ones in their development efforts. In this respect, it is worth mentioning that while the launching of the Heavily Indebted Poor Countries (HIPC) initiative in 1996 holds promise for eventually addressing the debt overhang of the LDCs, its implementation so far has fallen short of expectations. Most debtor LDCs have not yet reached an exit from the debt restructuring process. With the effects of the global financial crisis on commodity prices, which are projected to remain depressed over the next several years, such a goal will move further out of reach, unless more generous and flexible action is to be undertaken under the HIPC initiative.

## **5. THE THIRD UNITED NATIONS CONFERENCE ON THE LDCs**

In its fifth session in 1978, UNCTAD adopted a resolution on a comprehensive and expanded action programme for the LDCs in two phases: an immediate Action Programme (1979-1981) and a Substantial New Programme of Action (SNPA) for the 1980s. This resolution stressed the urgent need to reverse the poor performance of LDCs,

mostly through the infusion of vastly increased flows of foreign assistance, and to double the aid to these countries as soon as possible. In view of the special importance of this resolution and the recommendations of the SNPA, the General Assembly of the United Nations decided in 1979 to convene a United Nations Conference on the LDCs in order to finalise, adopt and support the SNPA.

*The First United Nations Conference on the LDCs* was held in Paris from 1 to 14 September 1981. At that Conference, the international community adopted the SNPA for the 1980s for the LDCs, containing guidelines for domestic action by the LDCs, which were to be completed by international support measures. However, despite major policy reforms initiated by many LDCs to carry out a structural transformation of their economies, and supportive measures taken by a number of donors in the areas of aid, debt and trade, the economic situation of these countries as a whole worsened during the 1980s. Upon this state of affairs and the recommendation of UNCTAD, the United Nations General Assembly decided in 1987 to convene the Second United Nations Conference on the LDCs.

*The Second United Nations Conference on the LDCs*, in which 150 governments participated, was held in Paris from 3 to 14 September 1990. It reviewed the socio-economic progress in the LDCs in the 1980s as well as the progress in the international support measures during that decade. It also formulated national and international policies and measures for accelerating the development process in the LDCs for the 1990s. Drawing on the experience and lessons from the 1980s, the Conference was able to agree on the strategies and development priorities for these countries for the 1990s. The outcome of the Conference was embodied in the Paris Declaration and the Programme of Action for the LDCs for the 1990s.

In September 1995, a Mid-term Global Review of the progress in the implementation of the Programme of Action for the LDCs for the 1990s concluded that these countries continue to be marginalised. The High-level Intergovernmental Meeting which conducted the mid-term review adopted conclusions and recommendations to accelerate the implementation of the Programme of Action during the second half of the 1990s. However, in its resolution 52/187 of December 1997, the United Nations General Assembly responded to the marginalisation of the LDCs

by deciding to convene the Third United Nations Conference on the LDCs in the year 2001 and set the mandate of the Conference as follows:

- (i) To assess the results of the Programme of Action during the 1990s at the country level;
- (ii) To review the implementation of international support measures, particularly in the areas of official development assistance, debt, investment and trade; and
- (iii) To consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of the LDCs and their progressive integration into the world economy.

The General Assembly designated UNCTAD as the focal point for organising the Conference (the Secretary General of the Conference) and accepted the offer of the European Union (EU) to host the conference from 14 to 20 May 2001, on the premises of the European Parliament in Brussels. It also decided to convene a two-part intergovernmental preparatory committee and three expert-level preparatory meetings. The Intergovernmental Preparatory Committee (IPC) will undertake substantive preparations for the Conference, including a review of progress in the preparatory process and an assessment of progress in the implementation of the Programme of Action during the 1990s at the country level. The first session of the IPC was held from 24 to 28 July 2000, and the second will be held in the first quarter of 2001.

The General Assembly emphasised the importance of comprehensive country-based preparations for the Conference where the LDCs themselves will have a central role in the process. It also stressed the importance of the involvement of civil society, including NGOs, and the private sector both at the country and international levels. Among other things, it invited the Secretary General of the Conference to facilitate and organise well-focused sectoral and thematic country-specific round table meetings during the Conference. Overall, the General Assembly underlined the importance of the Conference resulting in feasible, tangible, measurable and action-oriented outcomes.

The Conference will be an important forum in which the special problems of the LDCs are brought into prominence in the hope that changes in international cooperation adequately address their needs. It

will be a major opportunity for the LDCs and their development partners to devise practical mechanisms of partnership and policy coherence. It is imperative for the Conference to come up with policy proposals and commitments that are based on a correct diagnosis of the weaknesses of past domestic and international policies.

## **6. CONCLUDING REMARKS**

Although some progress has been recorded in a number of LDCs in the 1990s, the requisite progress has not been made in most of these countries in realising the overall objective of the Programme of Action for the 1990s. This is also true for the OIC-LDCs, which constitute a substantial part of all LDCs and followed in general the same patterns of growth in the same period. Therefore, the present concluding remarks on the LDCs as a whole are also applicable to the OIC-LDCs as a group.

The LDCs as a whole have made limited progress in overcoming structural constraints, weak productive capacity and inefficient use of domestic resource, debt overhang, promoting and diversifying exports and attracting FDI. Consequently, while world output and trade have been increasing during the 1990s, the rate of growth in LDCs fell continuously, particularly in the second half of the decade. Their share of world trade has remained almost unchanged at a mere 0.5 per cent in world exports and 0.6 per cent in world imports, which reflect their small share in world output.

Overall, the existing economic structure in LDCs as a group failed to generate the growth and export earnings needed to maintain and expand investment, which in turn impeded structural change and economic growth. Because of the very low income per capita of most LDCs and their sluggish or even negative per capita growth rates, the potential for domestic resource mobilisation (savings and investments) is not being realised. The LDCs are thus caught in a trap, with low incomes and slow growth limiting the scope for domestic resource mobilisation, and low rates of investment and low efficiency of resource use in turn limiting growth. The only way to escape is through external finance.

However, while the LDCs' access to private finance for investment remains limited, ODA and other development finance from the main donor countries have declined since the beginning of the 1990s. Since then, LDCs that rely mostly on ODA have to cope with reduced aid

flows as well as volatile and generally depressed commodity prices. If this situation persists, the LDCs' agendas for sustainable growth, poverty reduction and human development will be at risk.

Considering this state of affairs, most LDCs including the OIC-LDCs will face globalisation and liberalisation in the world economy in a constrained environment. Although globalisation remains potentially a powerful and dynamic force for growth and development, for the LDCs, including the OIC ones, it imposes a serious risk of marginalisation because they lack the means to make use of its potential and minimise its risks. With serious structural problems, small and non-diversified supply capacities, poor infrastructure, weak institutions and low levels of investment, it is harder for these countries to cope with the challenges of globalisation and liberalisation. They face capacity limitations to take advantage of market opening opportunities, and to access information, skills, technology and capital, which the process of globalisation has generated.

In the light of the experiences of LDCs with adjustment and other reforms over the last decade or more, there is a growing recognition that, to be successful, macroeconomic and sectoral policies would need to give adequate attention to structural constraints and to focus adequately on capital accumulation. This in turn needs to be linked to trade, to enhance productive capacity, efficiency and competitiveness. However, such policies should be pursued within the context of national-level economic, social and institutional realities of each LDC. It is also important to emphasise that a supportive external environment, particularly adequate support by development partners, would continue to be an essential component of successful policies and measures in improving overall performance of LDCs.

As the LDCs and their development partners are currently working towards the Third United Nations Conference on the LDCs, they need to keep in mind the need for a new orientation and policy direction to address the multifaceted challenge facing the LDCs and to enhance their integration in the global economy. It is important that any future action plan for the LDCs should be flexible enough and based on alternative future scenarios to accommodate the hopeful shift in their least developed status. In the end, it is for the international community including the LDCs themselves to decide in this Conference on the most appropriate national and international measures and the elements of a new action plan

for the coming decade. But it is vital for them to make their decisions on the basis of a realistic diagnosis of what has happened in the recent past. It will then be possible to achieve better results this time.

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## ANNEX

**Table A.1: Regional Distribution of the World LDCs**

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

Source: UNCTAD, [www.unctad.org](http://www.unctad.org), Statistical Synopsis of the LDCs.  
 Notes: (\*) Land-locked country. (\*\*) Island country. (\$) Lower-middle-income country.  
 The countries in bold are the OIC-LDCs.

**Table A.2: OIC Least Developed Countries: An Overview**

<u>S U B - S A H A R A N</u>		<u>A F R I C A</u>	<u>S O U T H</u>	<u>A S I A</u>
Benin (3) (2)	Burkina Faso (3) (7) (1)		Afghanistan (4) (1)	
Chad (3) (7) (2)	Guinea-Bissau (3) (1)		Bangladesh (6) (2)	
Comoros (8) (1) (5)	Mauritania (3) (1)		Maldives (8) (5) (9)	
Djibouti (5) (9) (10)	Mozambique (1) (5)		<u>W E S T</u>	<u>A S I A</u>
Gambia (3) (2)	Niger (3) (7) (1)		Yemen (4) (2)	
Guinea (3) (1)	Sierra Leone (1) (4)			
Mali (3) (7) (1)	Somalia (3) (1)			
Sudan (3) (1)	Togo (3) (2)			
Uganda (7) (1) (5)				

**Sources:** World Bank, Global Development Finance 2000, Vol. 1, pp. 150-53.  
 IMF, World Economic Outlook, May 2000, p. 194.  
**Notes:** (1) Severely indebted country. (2) Moderately indebted country. (3) Non-oil primary products exporting country. (4) Diversified source of exporting earnings country. (5) Services exporting country. (6) Manufactures exporting country. (7) Land-locked country. (8) Island country. (9) Lower-middle-income country. (10) North African region.

**Table A.3: Total Population**  
(In millions)

	1995	1996	1997	1998	1999
Afghanistan (*)	19.66	20.88	20.89	21.6	21.87
Bangladesh	118.51	120.4	122.24	124.45	134.49
Benin	5.47	5.63	5.79	5.96	6.12
Burkina Faso	10.75	11.03	11.31	11.6	11.97
Chad	6.35	6.52	6.68	6.83	6.98
Comoros	0.5	0.51	0.53	0.54	0.55
Djibouti	0.63	0.65	0.66	0.67	0.67
Gambia	1.11	1.15	1.18	1.23	1.27
Guinea	6.55	6.74	6.94	7.15	7.34
Guinea-Bissau	1.09	1.11	1.13	1.16	1.17
Maldives	0.25	0.26	0.27	0.28	0.28
Mali	9.79	10.11	10.4	10.66	10.88
Mauritania	2.57	2.65	2.7	2.77	2.85
Mozambique	15.84	16.19	16.53	16.93	17.28
Niger	9.22	9.51	9.84	10.14	10.51
Sierra Leone	4.51	4.64	4.75	4.87	4.97
Somalia (*)	8.2	8.47	8.82	9.24	9.82
Sudan	25.17	25.69	26.29	26.84	27.35
Togo	4.12	4.24	4.38	4.52	4.66
Uganda	19.77	20.43	21	21.61	22.19
Yemen	17.77	18.39	19.03	19.75	20.45
<b>Total OIC-LDCs</b>	<b>287.83</b>	<b>295.2</b>	<b>301.36</b>	<b>308.8</b>	<b>323.67</b>
<b>As % of All LDCs</b>	<b>48.8</b>	<b>49.5</b>	<b>49.4</b>	<b>49.6</b>	<b>49.8</b>
<b>As % of OIC total</b>	<b>24.8</b>	<b>25.1</b>	<b>25.1</b>	<b>25.3</b>	<b>25.9</b>

Source: IMF, Web site, [www.imf.org](http://www.imf.org), WEO Database.

(\*) UN, *Monthly Bulletin of Statistics*, February 2000.

**Table A.4: GDP at Current Prices**  
(Million US \$)

	1995	1996	1997	1998	1999
Afghanistan (*)	14190	15041			
Bangladesh	38989	40694	41685	42810	47206
Benin	2009	2208	2141	2306	2381
Burkina Faso	2355	2536	2387	2599	2586
Chad	1435	1623	1522	1694	1514
Comoros	215	213	194	193	193
Djibouti	491	485	500	513	531
Gambia	368	393	403	416	419
Guinea	3729	3959	3895	3795	3753
Guinea-Bissau	254	270	269	206	223
Maldives	266	299	360	400	434
Mali	2466	2619	2475	2632	2731
Mauritania	1011	1054	990	915	939
Mozambique	2392	2881	3438	3893	4147
Niger	1881	1988	1859	2048	2080
Sierra Leone	866	942	850	672	671
Somalia (*)	1563	1647			
Sudan	10293	9017	8913	9715	9436
Togo	1310	1473	1501	1414	1407
Uganda	5279	5495	5692	6180	5791
Yemen	11056	5739	5728	6181	6421
<b>Total OIC-LDCs</b>	<b>102418</b>	<b>100576</b>	<b>84802</b>	<b>88582</b>	<b>92863</b>
<b>As % of All LDCs</b>	<b>37.5</b>	<b>31.9</b>	<b>27.9</b>	<b>26.5</b>	<b>25.2</b>
<b>As % of OIC total</b>	<b>7.8</b>	<b>7.0</b>	<b>5.8</b>	<b>6.7</b>	<b>7.0</b>

Source: IMF, Web site, [www.imf.org](http://www.imf.org), WEO Database.

(\*) Ankara Centre (SESRTCIC) databases.

**Table A.5: Structure of Output**  
(Value added as % of GDP, average 1994-98)

	Agriculture	Industry:	of which Manufacture	Services
Bangladesh	28.8	19.8	12.6	50.6
Benin	36.6	13.2	8.8	50.5
Burkina Faso	34.0	26.4	18.3	39.8
Chad	42.4	18.0	13.5	40.0
Comoros(**)	38.6	12.8	4.3	48.5
Djibouti(**)	2.9	20.6	4.5	76.5
Gambia	27.7	14.8	7.0	58.8
Guinea	24.4	33.8	5.5	41.8
Guinea-Bissau	52.5	15.4	6.3	32.4
Maldives	22.0	16.0	6.0	61.6
Mali	46.0	17.4	7.0	36.4
Mauritania	25.6	30.2	11.0	44.2
Mozambique	35.4	17.8		46.8
Niger	39.2	17.8	6.5	43.5
Sierra Leone	44.8	23.4	6.1	32.4
Somalia(**)	65.0	8.5	5.0	26.0
Sudan(**)	37.0	16.2	9.2	46.2
Togo	38.5	21.4	9.8	39.8
Uganda	46.4	15.8	6.0	37.6
Yemen	19.0	43.5	11.0	38.3
<b>Average OIC-LDCs</b>	<b>32.5</b>	<b>20.2</b>	<b>9.0</b>	<b>46.5</b>
<b>All LDCs*</b>	<b>33</b>	<b>25</b>	<b>11</b>	<b>42</b>
<b>OIC average</b>	<b>16.6</b>	<b>37.9</b>	<b>15.7</b>	<b>45.4</b>
<b>Developing countries*</b>	<b>13</b>	<b>36</b>	<b>23</b>	<b>51</b>

Sources: World Bank, World Development Report 1995 to 1999/2000.  
(\*\*) 1991-95, (\*) 1998.

**Table A.6: Real GDP Growth Rates**  
(In per cent)

	1995	1996	1997	1998	1999
Afghanistan (*)	-	6.0	-	-	-
Bangladesh	5.3	5.1	5.3	4.7	4.3
Benin	4.6	5.5	5.7	4.5	5.0
Burkina Faso	4.0	6.0	4.8	6.2	3.7
Chad	1.1	3.7	4.1	8.1	-1.1
Comoros	-3.9	-0.4	0.0	0.0	1.0
Djibouti	-3.6	-3.7	0.7	0.8	1.3
Gambia	-3.4	5.3	0.8	9.9	4.2
Guinea	4.4	4.6	4.8	4.5	3.7
Guinea-Bissau	4.4	4.6	5.4	-28.1	8.7
Maldives	7.2	6.5	6.2	6.0	6.0
Mali	6.4	2.1	6.8	3.4	5.2
Mauritania	4.5	4.7	4.8	3.5	4.1
Mozambique	4.3	7.1	11.3	12.0	9.7
Niger	2.6	3.4	3.3	8.3	2.3
Sierra Leone	-10.0	5.0	-17.6	-0.8	-8.1
Somalia (*)	5.2	5.4	-	-	-
Sudan	8.9	4.0	6.7	5.0	6.0
Togo	7.8	9.6	4.2	-2.2	2.1
Uganda	10.6	7.8	4.5	5.4	7.8
Yemen	8.6	5.6	5.2	2.5	3.3
<b>Average OIC-LDCs</b>	<b>4.9</b>	<b>5.3</b>	<b>4.3</b>	<b>3.9</b>	<b>3.7</b>
<b>All LDCs</b>	<b>6.5</b>	<b>5.4</b>	<b>4.5</b>	<b>4.0</b>	<b>3.8</b>
<b>OIC average</b>	<b>4.0</b>	<b>5.6</b>	<b>4.5</b>	<b>-0.1</b>	<b>1.3</b>
<b>Developing countries</b>	<b>6.1</b>	<b>6.5</b>	<b>5.8</b>	<b>3.2</b>	<b>3.8</b>

Source: IMF, World economic Outlook, May 2000.

(\*) Ankara Centre (SESRTCIC) databases.

**Table A.7: Per Capita GDP**  
(Current US \$)

	1995	1996	1997	1998	1999
Bangladesh	329	338	341	344	351
Benin	367	392	370	387	389
Burkina Faso	219	230	211	224	216
Chad	226	249	228	248	217
Comoros	432	418	369	359	349
Djibouti	780	746	757	769	788
Gambia	331	343	341	337	330
Guinea	569	587	561	531	511
Guinea-Bissau	234	244	238	178	190
Maldives	1071	1157	1341	1451	1530
Mali	252	259	238	247	251
Mauritania	393	397	367	330	330
Mozambique	151	178	208	230	240
Niger	204	209	189	202	198
Sierra Leone	192	203	179	138	135
Sudan	409	351	339	362	345
Togo	318	347	343	313	302
Uganda	267	269	271	286	261
Yemen	622	312	301	313	314
<b>Average OIC-LDCs</b>	<b>356</b>	<b>341</b>	<b>312</b>	<b>319</b>	<b>318</b>
<b>All LDCs</b>	<b>436</b>	<b>488</b>	<b>546</b>	<b>585</b>	<b>623</b>
<b>OIC average</b>	<b>1132</b>	<b>1228</b>	<b>1251</b>	<b>1113</b>	<b>1091</b>

Source: IMF, Web site, [www.imf.org](http://www.imf.org), WEO Database.

**Table A.8: Rates of Inflation**  
(In per cent)

	1995	1996	1997	1998	1999
Bangladesh	7.7	4.5	4.8	8.0	7.2
Benin	14.5	4.9	3.8	5.8	1.0
Burkina Faso	7.8	6.1	2.3	5.0	-1.0
Chad	9.5	11.4	5.9	4.4	-8.4
Comoros	7.1	1.4	1.0	1.0	3.0
Djibouti	4.5	2.6	2.4	2.0	2.0
Gambia	4.0	4.8	2.1	2.1	2.5
Guinea	5.6	3.0	1.9	5.1	4.5
Guinea-Bissau	45.4	50.7	49.1	8.0	-0.9
Maldives	5.5	6.2	7.2	5.0	2.3
Mali	12.4	6.5	-0.7	4.1	-1.1
Mauritania	6.5	4.7	4.5	8.0	4.0
Mozambique	54.4	44.6	6.4	0.6	1.7
Niger	10.9	5.3	2.9	4.5	3.0
Sierra Leone	26.0	23.1	14.9	35.5	29.6
Sudan	68.4	132.8	46.7	17.1	16.0
Togo	15.8	4.6	7.1	1.0	-0.1
Uganda	6.1	7.5	7.8	5.8	-0.2
Yemen	62.5	41.8	4.3	11.2	7.0
<b>Average OIC-LDCs</b>	<b>19.2</b>	<b>19.2</b>	<b>7.8</b>	<b>7.0</b>	<b>5.2</b>
<b>All LDCs</b>	<b>50.5</b>	<b>51.0</b>	<b>20.1</b>	<b>13.2</b>	<b>18.4</b>
<b>OIC average</b>	<b>34.9</b>	<b>22.6</b>	<b>18.7</b>	<b>26.2</b>	<b>14.3</b>
<b>Developing countries</b>	<b>22.9</b>	<b>15.1</b>	<b>9.5</b>	<b>10.1</b>	<b>6.5</b>

Source: IMF, World Economic Outlook, May 2000.

**Table A.9: Merchandise Exports**  
(FOB, million US \$)

	1995	1996	1997	1998	1999
Afghanistan	166	126	147	143	150
Bangladesh	3129	3297	3628	3822	3830
Benin	217	253	260	246	410
Burkina Faso	164	189	194	191	320
Chad	124	124	92	124	180
Comoros	11	14	6	4	10
Djibouti	95	116	100	125	120
Gambia	28	22	163	128	30
Guinea	683	614	642	814	830
Guinea-Bissau	94	58	70	75	73
Maldives	50	105	93	98	80
Mali	237	283	270	286	560
Mauritania	564	554	521	499	450
Mozambique	235	227	250	271	260
Niger	169	61	108	271	300
Sierra Leone	196	213	213	147	140
Somalia	168	187	177	197	188
Sudan	530	489	512	546	760
Togo	369	362	424	420	420
Uganda	533	559	602	416	500
Yemen	1942	2413	2479	1497	2200
<b>Total OIC-LDCs</b>	<b>9704</b>	<b>10266</b>	<b>10951</b>	<b>10320</b>	<b>11811</b>
<b>As % of:</b>					
<b>OIC total</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>3.2</b>	<b>3.1</b>
<b>All LDCs</b>	<b>39.8</b>	<b>37.6</b>	<b>38.3</b>	<b>38.4</b>	<b>40.0</b>
<b>Annual % change:</b>					
<b>OIC-LDCs</b>	<b>28.9</b>	<b>5.8</b>	<b>6.7</b>	<b>-5.8</b>	<b>14.4</b>
<b>All LDCs*</b>	<b>21.4</b>	<b>12.3</b>	<b>4.7</b>	<b>-6.6</b>	<b>10.1</b>
<b>OIC countries</b>	<b>19.0</b>	<b>11.4</b>	<b>3.0</b>	<b>-18.4</b>	<b>19.8</b>
<b>Developing countries*</b>	<b>21.0</b>	<b>7.5</b>	<b>6.8</b>	<b>-5.1</b>	<b>4.8</b>

Sources: (1)IMF, *Direction of Trade Statistic Yearbook 1999*, and *Direction of Trade Statistics Quarterly*, April 2000.

(\*) IMF, *World Economic Outlook*, May 2000, pp. 250-1.

**Table A.10: Merchandise Imports**  
(CIF, million US \$)

	1995	1996	1997	1998	1999
Afghanistan	363	622	561	495	450
Bangladesh	6496	6935	6863	7313	6970
Benin	847	876	970	1048	680
Burkina Faso	481	603	530	641	750
Chad	161	175	133	153	160
Comoros	157	154	57	48	50
Djibouti	427	395	389	514	320
Gambia	140	272	322	341	250
Guinea	808	691	576	740	1090
Guinea-Bissau	139	110	82	93	80
Maldives	357	482	467	433	400
Mali	989	1121	1137	1237	1238
Mauritania	652	632	602	581	320
Mozambique	1253	1217	1209	1360	1460
Niger	525	544	582	630	617
Sierra Leone	246	294	235	200	143
Somalia	276	295	313	280	320
Sudan	1300	1331	1486	1976	1870
Togo	992	959	1037	1106	1114
Uganda	744	842	820	890	1410
Yemen	1578	1852	1837	2167	2320
<b>Total OIC-LDCs</b>	<b>18931</b>	<b>20402</b>	<b>20208</b>	<b>22246</b>	<b>22012</b>
<b>As % of:</b>					
<b>OIC total</b>	<b>5.4</b>	<b>5.4</b>	<b>4.9</b>	<b>5.6</b>	<b>6.0</b>
<b>All LDCs</b>	<b>56.9</b>	<b>55.9</b>	<b>53.4</b>	<b>56.9</b>	<b>53.7</b>
<b>Annual % change:</b>					
<b>OIC-LDCs</b>	<b>22.0</b>	<b>7.8</b>	<b>-1.0</b>	<b>10.1</b>	<b>-1.1</b>
<b>All LDCs</b>	<b>18.1</b>	<b>9.9</b>	<b>3.6</b>	<b>3.4</b>	<b>4.8</b>
<b>OIC countries</b>	<b>21.0</b>	<b>7.8</b>	<b>8.5</b>	<b>-3.5</b>	<b>-6.9</b>
<b>Developing countries</b>	<b>22.4</b>	<b>6.6</b>	<b>6.2</b>	<b>-9.6</b>	<b>4.6</b>

Sources: Same sources as those of Table A.9.

**Table A.11: Current Account Balance**  
(Million US \$)

	1994	1995	1996	1997	1998
Bangladesh	199.6	-823.9	-991.4	-327.3	-189.8
Benin	84.6	-82.6	-41.0	-154.0	-157.0
Burkina Faso	14.9	15.0	-103.0	-237.0	-225.0
Chad	-37.7	-34.0	-126.3	-97.0	-113.0
Comoros	-7.22	-18.96	-16.0	-16.0	
Djibouti	-46.1	-23.0			
Gambia	8.11	-8.14	-47.12	-22.95	
Guinea	-248.0	-216.5	-177.3	-91.1	-118.5
Guinea-Bissau	-47.63	-50.65	-60.43	-30.28	
Maldives	-11.2	-18.1	-7.5	-36.5	-23.2
Mali	-162.6	-283.8	-273.2	-178.4	-125.0
Mauritania	-69.9	22.1	91.3	47.8	77.2
Mozambique	-467.2	-444.7	-420.5	-295.6	-429.3
Niger	-126.1	-151.7	-181.0	-185.0	-192.0
Sierra Leone	-89.1	-126.5	-181.0	-34.5	-78.9
Sudan	-601.7	-499.9	-826.8	-828.1	-956.5
Togo	-63.3	-54.0	-58.0	-35.0	-64.0
Uganda	-207.5	-338.9	-252.3	-387.8	-413.2
Yemen	365.9	182.7	106.3	51.6	-228.1
<b>Total OIC-LDCs*</b>	<b>-1.5</b>	<b>-3.0</b>	<b>-3.6</b>	<b>-3.0</b>	<b>-3.2</b>
<b>All LDCs*</b>	<b>-6.8</b>	<b>-9.0</b>	<b>-9.4</b>	<b>-9.8</b>	<b>-13.0</b>
<b>OIC total*</b>	<b>-23.0</b>	<b>-34.9</b>	<b>-9.1</b>	<b>-11.9</b>	<b>-27.3</b>
<b>Developing countries*</b>	<b>-88.6</b>	<b>-111.4</b>	<b>-74.2</b>	<b>-59.1</b>	<b>-89.9</b>

Sources: (1) IMF, *International Financial Statistics*, June 2000.

(2) IMF, *World Economic Outlook*, May 2000, pp. 250-1.

(\*) Billion US dollars.

**Table A.12: Reserves Excluding Gold**  
(Million US \$)

	1995	1996	1997	1998	1999
Bangladesh	2339.7	1834.6	1581.5	1905.4	1603.6
Benin	197.9	261.8	253.1	261.5	399.6
Burkina Faso	347.4	338.6	344.8	373.3	295.1
Chad	142.52	164.48	135.82	120.09	95.02
Comoros	44.48	50.55	40.48	39.14	37.15
Djibouti	72.16	76.97	66.57	66.45	70.61
Gambia	106.15	102.13	96.04	106.36	111.25
Guinea	86.76	87.34	121.63		
Guinea-Bissau	20.27	11.53			
Maldives	47.95	76.17	98.31	118.54	127.12
Mali	323.0	431.5	414.9	402.9	349.8
Mauritania	85.5	141.2	200.8	202.9	224.3
Mozambique	195.32	344.06	517.35	608.50	654.01
Niger	94.7	78.5	53.3	53.1	39.4
Sierra Leone	34.6	26.6	38.5	44.1	39.5
Sudan	163.4	106.8	81.6	90.6	
Togo	130.4	88.5	118.6	117.7	122.1
Uganda	458.9	528.4	633.5	725.4	763.1
Yemen	619.0	1017.2	1203.1	995.5	
<b>Total OIC-LDCs*</b>	<b>5.5</b>	<b>5.8</b>	<b>6.0</b>	<b>6.2</b>	<b>4.9</b>
<b>All LDCs*</b>	<b>10.7</b>	<b>11.0</b>	<b>11.4</b>	<b>11.7</b>	<b>12.5</b>
<b>OIC total*</b>	<b>102.5</b>	<b>126.9</b>	<b>131.9</b>	<b>136.4</b>	<b>155.6</b>
<b>Developing countries*</b>	<b>429.0</b>	<b>514.7</b>	<b>564.7</b>	<b>578.6</b>	<b>616.0</b>

Sources: (1) IMF, *International Financial Statistics*, June 2000.

(2) IMF, *World Economic Outlook*, May 2000, p. 259.

(\*) Billion US dollars.

**Table A.13: Total Financial Flows and ODA**  
(Million US \$)

	Total Financial Flows				Of which: ODA			
	1990	1995	1996	1997	1990	1995	1996	1997
Afghanistan	135	215	198	270	137	215	228	279
Bangladesh	2170	853	1235	1054	2101	1279	1255	1009
Benin	244	283	297	274	269	282	293	225
Burkina Faso	351	484	412	390	335	488	418	370
Chad	318	288	354	262	317	239	305	225
Comoros	46	42	40	28	46	43	40	28
Djibouti	192	105	113	110	195	106	97	87
Gambia	108	50	46	41	100	48	39	40
Guinea	287	433	209	425	296	416	296	382
Guinea-Bissau	136	114	204	135	132	117	180	126
Maldives	38	43	-61	37	22	56	33	26
Mali	480	609	556	469	487	546	505	455
Mauritania	221	215	279	246	240	231	274	250
Mozambique	1055	1131	1056	1077	1008	1101	923	963
Niger	384	201	212	312	398	274	259	341
Sierra Leone	66	212	205	143	63	207	196	130
Somalia	489	192	173	104	494	191	91	104
Sudan	744	282	218	137	827	236	230	187
Togo	259	189	156	113	261	193	166	124
Uganda	668	850	755	782	671	831	684	840
Yemen	402	99	278	328	406	175	260	366
<b>Total OIC-LDCs</b>	<b>8793</b>	<b>6890</b>	<b>6935</b>	<b>6737</b>	<b>8805</b>	<b>7274</b>	<b>6772</b>	<b>6557</b>
All LDCs*	16.9	16.2	15.2	15.1	16.0	16.7	14.2	13.5
Developing countries*	80	159	192	197	57	59	56	50

Source: UNCTAD, The Least Developed Countries 1999 Report.

(\*) Billion US dollars.

**Table A.14: FDI Inflows to OIC Countries**  
(Million US \$)

	1994	1995	1996	1997	1998
Bangladesh	11	2	14	141	317
Benin	-	1	25	27	26
Burkina Faso	-	2	17	13	14
Chad	27	12	23	37	35
Djibouti	1	3	20	25	25
Gambia	10	8	12	13	14
Guinea	-	-	24	17	15
Guinea-Bissau	-	-	1	10	8
Maldives	9	7	8	8	7
Mali	17	111	84	39	30
Mauritania	2	7	4	-	6
Mozambique	35	45	73	64	213
Niger	-11	7	15	-7	-
Sierra Leone	-3	-2	19	10	30
Sudan	-	-	-	98	10
Togo	3	-	21	5	5
Uganda	88	125	120	175	210
Yemen	11	-218	-60	-138	100
<b>Total OIC LDCs</b>	<b>200</b>	<b>110</b>	<b>420</b>	<b>537</b>	<b>1065</b>
All LDCs	820	1411	1780	2480	2948
OIC countries*	13.8	11.9	19.0	23.5	16.4
Developing countries*	101.2	106.2	135.3	172.5	165.9
<b>OIC-LDCs as % of:</b>					
<b>OIC total</b>	<b>1.4</b>	<b>0.9</b>	<b>2.2</b>	<b>2.3</b>	<b>6.5</b>
<b>All LDCs</b>	<b>24.4</b>	<b>7.9</b>	<b>23.3</b>	<b>21.5</b>	<b>35.5</b>

Source: World Investment Development Report 1999. United Nations, New York and Geneva.

(\*) Billion US dollars.

**Table A.15: Total External Debt**  
(Million US \$)

	1994	1995	1996	1997	1998
Bangladesh	16258	16325	16007	15125	16376
Benin	1589	1614	1594	1624	1647
Burkina Faso	1129	1267	1294	1297	1399
Chad	828	902	997	1026	1091
Comoros	192	204	206	200	203
Djibouti	263	282	296	274	288
Gambia	425	429	460	434	477
Guinea	3110	3242	3240	3519	3546
Guinea-Bissau	852	897	937	921	964
Maldives	124	155	168	161	180
Mali	2694	2957	3006	3142	3202
Mauritania	2223	2350	2412	2456	2589
Mozambique	7272	7458	7566	7639	8208
Niger	1525	1586	1536	1576	1659
Sierra Leone	1493	1178	1179	1144	1243
Somalia	2616	2678	2643	2561	2635
Sudan	16918	17603	16972	16326	16843
Togo	1444	1464	1472	1327	1448
Uganda	3372	3573	3674	3868	3935
Yemen	6125	6217	6362	3856	4138
<b>Total OIC-LDCs</b>	<b>70452</b>	<b>72381</b>	<b>72021</b>	<b>68476</b>	<b>72071</b>
All LDCs*	142.7	146.6	144.9	140.8	148.3
<b>OIC-LDCs as % of:</b>					
OIC total	13.8	13.1	12.8	11.9	11.7
All LDCs	49.4	49.4	49.7	48.6	48.6
<b>Debt to GNP ratio (%)</b>					
<b>OIC-LDCs</b>	<b>115.8</b>	<b>102.9</b>	<b>93.9</b>	<b>78.2</b>	<b>81.6</b>
OIC countries	71.5	59.8	53.8	53.4	79.7
Developing countries	39.4	37.6	35.7	36.0	42.1
Low-income countries	47.1	42.1	37.6	36.0	39.3

Source: World Bank, Global Development Finance 2000.

(\*) Billion US dollars.