ECONOMIC PROBLEMS OF THE LEAST-DEVELOPED AND LAND-LOCKED OIC COUNTRIES, 2007

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

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

Attar Sokak No. 4, 06700 GOP, Ankara, TURKEY
Tel: **(90-312) 468 6172** (4 lines) Fax: **(90-312) 468 5726**
E-mail: **oicankara@sesrtcic.org**   Web: **www.sesrtcic.org**

Contents

Boxes

Tables

Figures

Statistical Appendix

1 INTRODUCTION

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. In the following years, the number of countries included in the list increased steadily reaching 48 in 1994. 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. However, since 1971, only one country has succeeded in doing so (viz. Botswana in 1994). The official inclusion of Senegal in 2001 and Timor-Leste in 2003 brought the total of those countries to 50[1].

With a combined population of more than 730 million in 2006, or 11.4 percent of the world's total population, the current 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 are land-locked and 11 are mostly small island countries. Moreover, 34 LDCs have recently been classified as Heavily Indebted Poor Countries (HIPCs) and 28 as non-oil (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.

Out of the current 50 LDCs worldwide, 22 are OIC members. As is the case with the other LDCs, the economic and social development of the OIC least-developed countries (OIC-LDCs) represents a major challenge for themselves, their development partners as well as the OIC community as a whole. In this connection, 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] 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 OIC-LDCs: RECENT ECONOMIC TRENDS

2.1. Overview

The original list of the LDCs in 1971 included 8 OIC member countries[2]. 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)[3], and the countries that were OIC members and became LDCs (7 countries)[4]. The official placement of Senegal in the category of LDCs in 2001 brought the total of the OIC-LDCs to 22 countries.

The current 22 OIC-LDCs account for a substantial part of the performance of all LDCs in many respects. With a total population of 354.75 million in 2006, or 48.5 percent of the total population of all LDCs, they accounted for 54.8 percent of the total output (GDP) of all LDCs and 39.1 percent of their total merchandise exports[5]. 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).

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 14 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, 17 of them are classified as Heavily Indebted Poor Countries (HIPCs) (Table A.17 in the Annex).

Therefore, as the rest of this Report will show, the group of OIC-LDCs constitutes the weakest and poorest segment of the OIC community. With a 25.8 percent share in the total OIC population in 2006, the 20 OIC-LDCs, for which the data are available, accounted for only 6.4 percent of the total output of all OIC member countries and 3.1 percent of their total exports. Their average per capita GDP ($515) was less than one quarter of that of the overall group of OIC countries ($2079).

2.2. 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). Table 1 below,

---

2 Afghanistan, Chad, Guinea, Mali, Niger, Somalia, Sudan and Yemen.
3 Benin, Burkina Faso, Maldives, Mozambique, Togo and Uganda.
4 Bangladesh, Comoros, Djibouti, Gambia, Guinea Bissau, Mauritania and Sierra Leone.
5 See Tables A.2, A.3 and A.8 respectively in the Annex.

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. The average of the six-year period (2000-2005) 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.

Table 1	**Structure of Output** Value added as % of GDP (Average 2000-2005)			
	Agriculture	**Industry**	***of which Manufacture***	**Services**
OIC-LDCs	28	26	*12*	46
All LDCs	30	28	*10*	42
OIC Countries	13	40	*16*	47
Developing Countries	11	37	*23*	52
Source: Table A.5 in the Annex				

As is the case in all LDCs, the figures in Table 1 indicate that the services sector, with the highest share in GDP (46 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. At the individual country level, the services sector accounts for the highest share of GDP in 15 of the OIC-LDCs. This share varies from 28 percent in Guinea-Bissau to 80 percent in Djibouti (see Table A.5 in the Annex).

Agriculture constitutes the second major economic activity in the OIC-LDCs. However, although the average share of this sector in the GDP (28 percent) is significantly higher than that in the group of all OIC countries (13 percent) and all developing countries (11 percent), it remains below the average of all LDCs (30 percent). Yet, agriculture is still widely believed to be the primary economic activity and assumed to play a major role in the economies of many OIC-LDCs. At the individual country level, agriculture accounts for more than 30 percent of the GDP in 14 OIC-LDCs, and dominates the other sectors in 7 of them (Table A.5 in the Annex). 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 26 percent in GDP, industry constitutes the third major economic activity in the OIC-LDCs. This share is lower than that in all-LDCs (28 percent) and the role of industry gains importance in only a few OIC-LDCs, notably Yemen (44 percent), the only country where industry dominates, Guinea (35 percent) and Chad (28 percent). However, this importance of the sector 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.

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 the weak performance and the limited role of the manufacturing sector in the economies of almost all OIC-LDCs. It varies from 2 percent in Somalia to 16 percent in Afghanistan, Bangladesh, and Senegal (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) reflects the structure of their export earnings. In this context, 14 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.

2.3. Production and Growth

As shown in Table 2.a, the combined GDP of the OIC-LDCs, for which the data are available (20 countries), amounted to $187.1 billion in 2006, corresponding to 54.8 percent of that of all-LDCs. Following a stable level of 59-60 percent in the period 2001-2004, this level seems to have started a declining trend in the last two years. On average, during the period 2001-2006, the total GDP of the OIC-LDCs accounted for 58.2 percent of that of all-LDCs with the highest share (60.0 percent) recorded in 2003. Considering the average share of the OIC-LDCs in the total population of all LDCs (48.5 percent) during the same period, it seems that, as a group, they performed quite better than the group of all-LDCs.

Table 2.a	GDP and GDP per Capita (Current Prices)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
GDP (Billion US$)						
OIC-LDCs	104.7	112.3	129.5	147.5	164.3	187.1
As % of:						
All LDCs	59.3	59.7	60.0	59.1	56.4	54.8
OIC Countries	7.3	7.3	7.2	7.0	6.6	6.4
Per capita GDP (US$)						
OIC-LDCs	334	339	380	425	463	515
All LDCs	273	280	314	354	404	462
OIC Countries	1148	1188	1361	1565	1818	2079
Developing Countries	1667	1671	1815	2051	2339	2639
Source: Table A.3 and Table A.4 in the Annex						

In contrast, during the said period, the combined GDP of the OIC-LDCs accounted, on average, for only 7.0 percent of that of all the OIC countries, with the highest share (7.3 percent) having been recorded in 2001 and 2002. Yet, considering the average share of the OIC-LDCs in the total population of the OIC countries (25.4 percent), it is clear that they 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. 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 2006, only 3 countries (Bangladesh, Sudan and Yemen) produced 64.9 percent of the total GDP of the OIC-LDCs (calculated using the figures in Table A.3 in the Annex).

Moreover, as it is shown in Table 2.b, excluding Yemen, Sudan and Bangladesh, the rest of the OIC-LDCs, which account for around 11% of the total OIC population, contribute only 2.26% of the total OIC GDP.

Table 2.b	Cumulative Population and GDP of the OIC-LDCs					
Country	Population (Million)	GDP (Billion)	Cumulative Population	% of OIC Population	Cumulative GDP	% of OIC GDP
Guinea-Bissau	1.63	0.31	1.63	0.1	0.31	0.01
Comoros	0.63	0.40	2.26	0.2	0.71	0.02
Gambia	1.56	0.51	3.82	0.3	1.21	0.04
Djibouti	0.75	0.77	4.57	0.3	1.98	0.07
Maldives	0.35	0.99	4.92	0.4	2.97	0.10
Sierra Leone	5.59	1.42	10.51	0.8	4.39	0.15
Togo	6.31	2.21	16.82	1.2	6.60	0.23
Mauritania	2.89	2.66	19.71	1.4	9.26	0.32
Guinea	9.56	3.32	29.27	2.1	12.58	0.43
Niger	12.95	3.55	42.22	3.1	16.13	0.55
Benin	7.61	4.76	49.83	3.6	20.89	0.72
Burkina Faso	13.42	6.06	63.25	4.6	26.94	0.93
Mali	12.77	6.19	76.02	5.5	33.14	1.14
Chad	9.26	6.55	85.28	6.2	39.68	1.37
Mozambique	20.04	7.30	105.32	7.6	46.98	1.62
Senegal	11.94	9.24	117.26	8.5	56.22	1.93
Uganda	29.85	9.44	147.11	10.7	65.66	2.26
Yemen	26.99	18.70	174.1	12.6	84.36	2.90
Sudan	36.22	37.56	210.32	15.3	121.93	4.19
Bangladesh	144.45	65.22	354.77	25.8	187.14	6.44
Source: Table A.2 and Table A.3 in the Annex						

During the period under consideration, the OIC-LDCs maintained the highest average per capita GDP of $515 in 2006, gradually increasing from the 2001 level of $334. It is worth noting that 2001 was the year of a slowdown and unfavourable conditions in the world economy. In 2006, the average per capita GDP amounted to $462 in all-LDCs, $2079 in the OIC countries and $2639 in the developing countries.

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 total population. To investigate this relation in the case of the OIC-LDCs during the period under consideration, the figures on the average real GDP and real per capita GDP as well as population growth rates are displayed in Table 3.

Overall, when the average real GDP growth rates are considered, it seems that the OIC-LDCs and all-LDCs as groups performed quite better than the groups of the OIC and the developing countries in the years of the slowdown in the world economy. This is clear, for instance, in 2001 when the world economic activity witnessed a sudden slowdown. However, unlike the developing and OIC countries, the LDCs, including the OIC-LDCs, were not able to benefit enough from the strengthening of the world economic activity, which started in 2002 and continued until 2004.

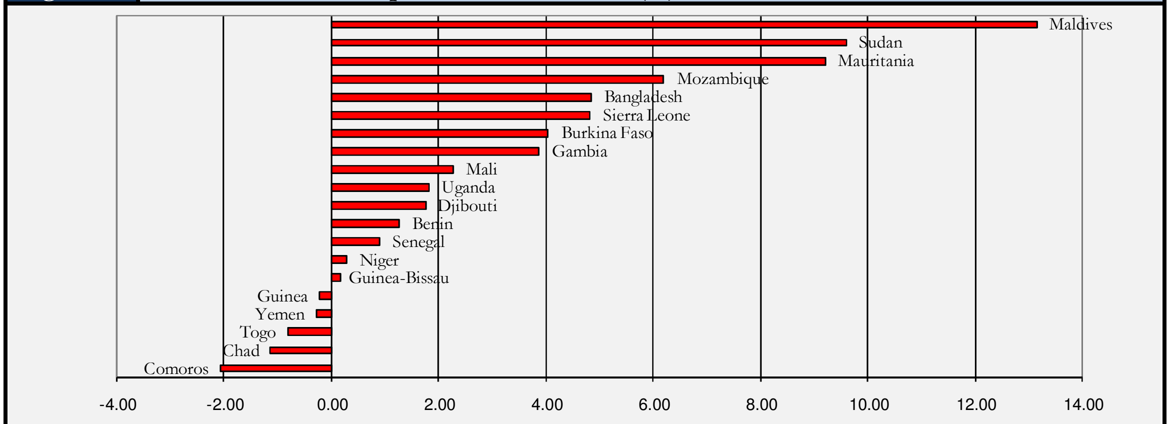
Table 3	Real GDP, GDP per Capita and Population (Average annual % change)					
	2001	2002	2003	2004	2005	2006
Real GDP						
OIC-LDCs	5.6	5.8	6.4	6.0	6.5	6.7
All LDCs	7.1	6.2	5.8	7.3	7.8	7.1
OIC Countries	1.8	4.5	6.6	6.7	6.3	5.8
Developing Countries	4.3	5.0	6.7	7.7	7.5	7.9
World	2.5	3.1	4.0	5.3	4.9	5.4
Real per capita GDP						
OIC-LDCs	3.0	3.2	3.6	3.4	3.9	4.1
All LDCs	4.6	3.5	3.2	4.8	5.2	4.6
OIC countries	-0.2	2.4	4.4	4.6	4.3	3.8
Developing countries	3.0	3.1	5.2	6.3	6.1	6.5
Population						
OIC-LDCs	2.5	2.6	2.7	2.5	2.5	2.5
All LDCs	2.4	2.6	2.5	2.4	2.5	2.4
OIC countries	2.0	2.0	2.1	2.0	1.9	1.9
Developing countries	1.3	1.8	1.4	1.4	1.3	1.3
Source: Derived from Table A.2, Table A.4 and Table A.6 in the Annex						

During the period under consideration, the group of the OIC-LDCs experienced a stable average real GDP growth rate around 6 percent. In 2006, they achieved the highest growth rate of 6.7 percent. Maldives with 16.1 percent, Sudan with 12.2 percent, and Mauritania with 11.7 percent growth rate were the most important contributors to this growth rate. On the other hand, the group of all-LDCs performed relatively better especially in the last three years with an average growth rate of more than 7 percent though the average growth rate showed a declining trend in the first three years. These growth rates of the LDCs and the OIC-LDCs were higher than the world average and comparable to the averages of the OIC and the developing countries.

The economic growth performance of the OIC-LDCs and all LDCs, in terms of average real GDP growth rates, was reflected, to a large extent, in their real per capita GDP growth rates. The OIC-LDCs maintained a growth rate of more than 3 percent in their real per capita GDP throughout the period under consideration except for the last year when they achieved the highest rate of 4.1 percent. The lowest rate of 3.0 percent realised in 2001 was achieved when the OIC group experienced a decline (0.2 percent) in its real per capita GDP.

The performance of the group of the all-LDCs in this period was relatively better than that of the OIC-LDCs. Though their per capita GDP growth rate declined in the first three years, they managed to expand by an average of 4.3 percent in this period thanks to the high rates they experienced in the last three years. On average, the performance of these two groups was better than that of the OIC group but worse than that of the developing countries as a whole which grew by more than 6 percent in the last three years of the period.

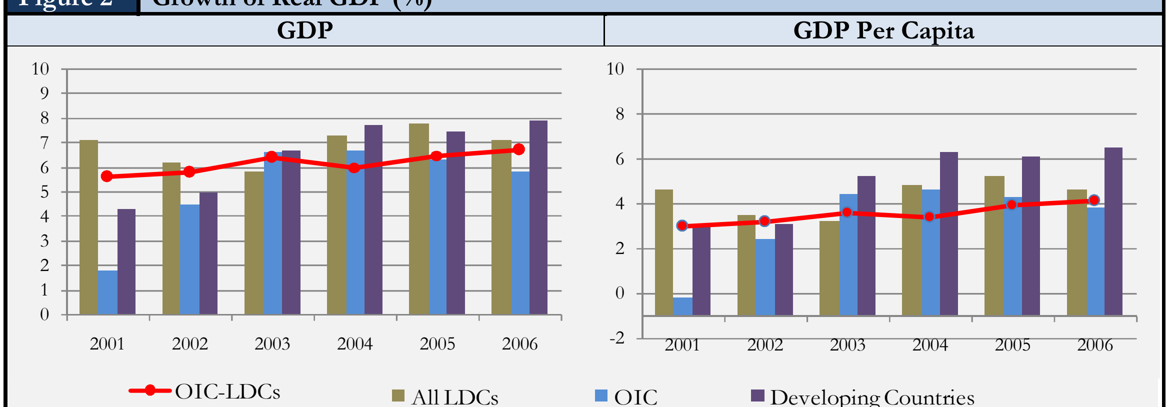
Figure 1	GDP Growth over Population Growth 2006 (%)



Source: Table A.2 and Table A.6 in the Annex

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. In Figure 1, the difference between real GDP growth rates and population growth rates of the OIC-LDCs in 2006 have been shown. It is clear that the majority of these countries have been able to achieve significant increase in their real GDP growth with respect to the population growth rates. This is particularly true for countries such as Maldives, Sudan, Mauritania, Bangladesh and Sierra Leone. Yet, the economies of some OIC-LDCs, such as Comoros, Chad, Togo, Yemen and Guinea, were not been able to grow by the same level of growth in total population.

Figure 2	Growth of Real GDP (%)



Source: Table 3

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.

2.4. Inflation

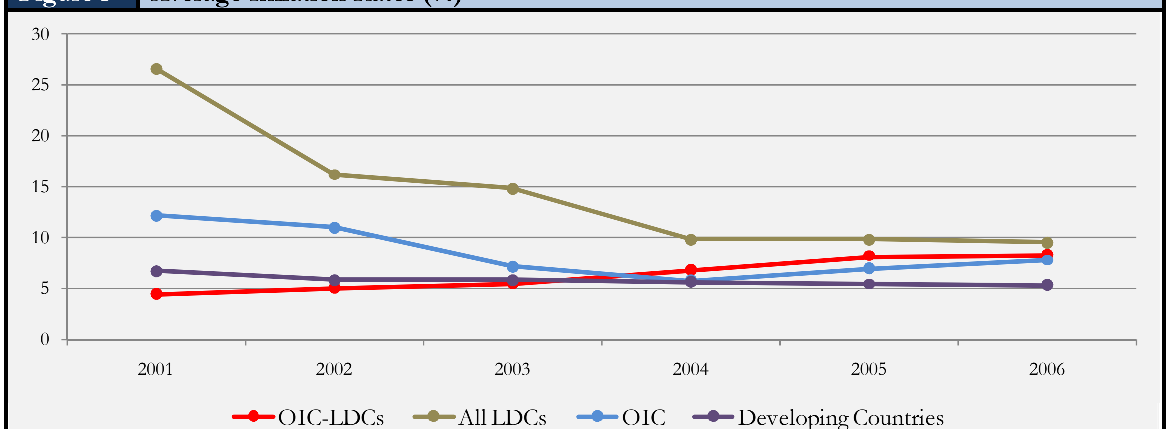
Price stability and low levels of inflation rates are essential for and constitute important indicators of macroeconomic stability in the economy. The governments of many developing and least-developed countries are paying special attention and applying different fiscal and monetary policies to control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

Table 4	Average Inflation Rates (Annual % change in consumer prices)					
	2001	2002	2003	2004	2005	2006
OIC-LDCs	4.4	5.0	5.5	6.8	8.2	8.3
All LDCs	26.6	16.2	14.8	9.8	9.8	9.5
OIC Countries	12.2	11.0	7.2	5.8	7.0	7.8
Developing Countries	6.7	5.8	5.8	5.6	5.4	5.3

Source: Table A.7 in the Annex

When considering the average inflation rates in the OIC-LDCs, the figures in Table 4 and Figure 3 show that, during the period under consideration, the performance of these countries was quite better than that of all-LDCs. The OIC-LDCs managed to curb the average inflation rate and bring it down to 4.4 percent in 2001. This rate was significantly lower than it was in all other groups, as it was 26.6 percent in all-LDCs, 12.2 percent in OIC countries, and 6.7 percent in developing countries. However, though other groups experienced a downward trend in the following years, the inflation in OIC-LDCs slightly increased to reach 8.3 percent in 2006 and stood higher than that of the OIC and the developing countries.

Figure 3 **Average Inflation Rates (%)**



Source: Table 4

At the individual country level, all of the OIC-LDCs without exception experienced an increase in the general prices in 2006. The highest inflation rates were recorded in Guinea (33.9 percent) and Yemen (21.6 percent) while the lowest rates were recorded in Niger (0.1 percent) and Gambia (1.5 percent) (Table A.7 in the Annex).

Box 1.

High Food Prices: A Boon for farmers but a Burden for the LDCs and the Poor

As the world stayed fixated on the subprime crisis in the US and its effects on the World financial markets, food prices have really shot up especially in the recent months. As a result, since 2005, the prices of staples peaked by 80 percent. Price of corn doubled, the real price of rice reached a 19-year high; the real price of wheat rose to a 28-year peak, amounting to about twice the average price level of the last quarter century.

Although all of this may appear as good news for the farmers everywhere, including those in the developing and the least developed countries (LDC's), on a closer look it is easy to see that it represents a crushing burden for the food insecure importing countries, the majority among the latter. Moreover, at the level of societies, this burden is an ominous one for the millions of poor people that make up the majority of the urban populations in these countries, who no longer have an access to the relative safety of their rural homes. According to one estimate, 33 countries around the world face potential social unrest because of the sharp rises in food and energy prices, as food makes up from half to three quarters of consumption in the Third World, with no margin for survival. Worse still, demographic realities, changing diets, rising energy prices, bio-fuels, and climate changes all indicate to high and fluctuating food prices for years to come.

The high rates of global growth experienced during the last several years sustained largely by the strong performance of emerging markets drove up commodity prices especially in fuels and metals, later followed by increases in food prices. These increases originated largely from the growth in rich and middle-income countries, but there were also delays in the supply response, and other factors also led to such increases.

Unfavorable weather conditions and ensuing serious droughts in some parts of the world, and animal disease in others had an impact. There were serious depletions in inventories, with cereal stocks at their lowest since 1982. Furthermore, policies favoring bio-fuels (e.g. ethanol from corn) in industrial countries also played a part, as the resulting reallocation of substantial farm resources away from food production into that of bio-fuels led to subsequent increases in food prices. E.g. corn prices doubled, while wheat and soybean prices also rose, since much land has been turned from wheat and dairy to corn to produce ethanol.

The effect of persistent increases in food prices will be limited in rich countries, since food makes up about 10–15 percent on average of consumption in most of them. Meanwhile, food constitutes 50 percent or more of consumption in many of the much poorer LDC's. This means that the same global increase in the prices of corn, wheat, milk, and meat is reflected as higher inflation in poorer countries. Furthermore, it diverts into food imports in these countries substantial amounts from imports of real development needs.

The worst case is that of the poorest people especially in the urban areas, where the impact of high food prices is immediate and directly reflected on the family budgets, as these people must pay more than before for the food they eat. With population growth continuing in many poorer countries, only the people who produce enough food for themselves and the market can benefit from increased food prices. Yet, such gains depend on exactly what happens to the relative prices of what they produce and what they consume. Same holds for the countries as a whole, especially the LDC's, most of which lack food security and sufficiency.

Despite, this gloomy outlook for the Developing and the Least Developed Countries, some analysts argue that a good can come out of all of this provided that the developed countries show the resolve to ease out their farm subsidies, which have long impeded the liberalization attempts in the international trading system, and improve access to their protected markets. High food prices are already making subsidies mostly unnecessary, as seen in the European Union decision to suspend the export subsidies for milk.

Similarly, it is argued that tariffs on the import of bio-fuels (e.g. ethanol produced from sugar) into rich countries should also be eliminated, allowing freer trade, which would generally help agricultural sectors everywhere and bring benefits to poor, rural societies. Substantial enhancement of value-added in the agriculture sector will be ensured, if all the countries are given incentives to produce bio-fuels for a truly global market.

Sources: (1) Johnson, Simon, "the (Food) Price of Success", **Finance and Development,** December 2007,
Volume 44, number 4.
(2) Helbling, Thomas, Valerie Mercer-Blackman, and Kevin Cheng, "Riding a Wave", **Finance and Development,** March 2008, Volume 45, number 1.
(3) World Bank, "High Food Prices – A Harsh New Reality", http://econ.worldbank.org

2.5. Exports and Imports

During the period under consideration, the highest level of total merchandise exports of the OIC-LDCs ($38.1 billion) was recorded in 2006, as compared to the lowest level of $15.9 billion in 2001. While this performance accounted for 39.1 percent of the total merchandise exports of all LDCs, it made up only 3.1 percent of that of the OIC countries (Table 5). It is also observed that, while the share of OIC-LDCs in the total exports of the OIC countries fluctuated around 3 percent, their share in that of all LDCs decreased slightly during the period under consideration.

When the average rates of change in merchandise exports are considered, it seems that the export performance of all of the groups deteriorated sharply in 2001. OIC-LDCs and all-LDCs increased their exports by 1.2 percent and 1.9 percent respectively, while the other groups experienced negative changes in their exports in 2001. All of the groups in question started to recover in 2002, and this process was much stronger in the following years, with the LDCs performing better than the rest.

Table 5 **Merchandise Exports**

	2001	2002	2003	2004	2005	2006
OIC-LDCs (Billion US$)	15.9	15.9	18.9	24.0	29.7	38.1
As % of:						
All LDCs	45.8	43.5	44.7	43.8	40.1	39.1
OIC Countries	3.2	3.1	3.1	3.0	3.0	3.1
Annual % change						
OIC-LDCs	**1.2**	**0.03**	**18.9**	**26.7**	**23.7**	**28.2**
All LDCs	1.9	5.2	15.6	29.3	35.1	31.5
OIC countries	-7.7	1.8	20.8	31.4	23.9	22.6
Developing countries	-5.7	7.6	20.1	27.4	21.1	20.2
World	-3.9	4.8	16.8	21.5	13.5	15.4
World Trade Prices (*)						
Oil	-13.8	2.5	15.8	30.7	41.3	20.5
Non-oil primary commodities	-4.9	1.7	6.9	18.5	10.3	28.4

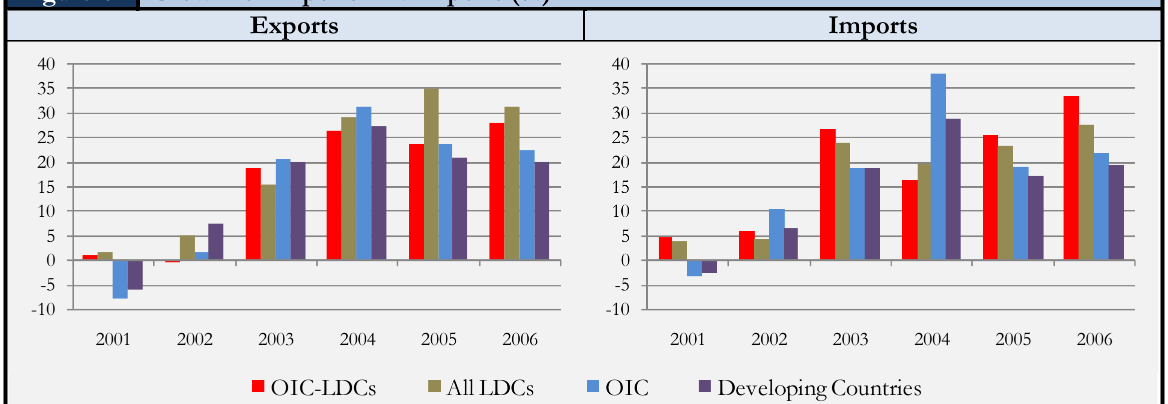
Source: Table A.8 in the Annex (*) Annual Change in US dollar, IMF: World Economic Outlook, October 2007.

The deterioration of the export performance of the OIC-LDCs and the other groups in 2001 can be explained, in part, by the negative effects of the sudden slowdown of the world economic activity. However, it can also be explained, particularly in the case of all LDCs including the OIC members, by the fall in world commodity prices in the same year. In contrast, the export performance of all groups, except for the OIC-LDCs in 2002, was positively affected by the improved situation in the world economy and world commodity prices, which started in 2002 and continued in the following years.

As may be observed from the figures in Table 5, it seems that the export performance of the group of OIC-LDCs is more vulnerable 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 the year 2002 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, Yemen and Sudan accounted for 65.4 percent of the total exports of OIC-LDCs in 2006 (calculated using the data in Table A.8 in the Annex).

Notwithstanding the situation described above, according to the analysis made by the SESRIC on the ratio of merchandise exports to the GDP of the OIC-LDCs, it was observed that many of these countries managed to increase this ratio in 2006 compared to 2000. This implies that these countries tended to have more open economies in this period. In this context, it was found that 13 OIC-LDCs managed to increase their export/GDP ratios, particularly Chad, Mozambique, and Guinea, while the rest 7, particularly Guinea Bissau and Yemen were not able to achieve similar performance.

Figure 4 **Growth of Exports and Imports (%)**



Source: Table 5 and Table 6

On the other hand, the total merchandise imports of the OIC-LDCs reached their peak of $65.5 billion in 2006 (Table 6). While this figure accounted for 55.5 percent of the total merchandise imports of all-LDCs, it made up only 6.5 percent of that of the OIC countries. The figures in Table 6 show that the deterioration in the import performance of the OIC-LDCs in 2001 was significantly lower than that of all other groups while, on the other hand, the increase in imports in the following years was relatively higher than the other groups except in 2004.

Like exports, the imports of the OIC-LDCs, albeit to a lesser extent, are also heavily concentrated in a few countries. For example, Bangladesh, Sudan, Yemen, and Afghanistan accounted for 56.8 percent of the total imports of OIC-LDCs in 2006 (calculated using the data in Table A.9 in the Annex).

Table 6 **Merchandise Imports**

	2001	2002	2003	2004	2005	2006
OIC-LDCs (Billion US$)	24.9	26.4	33.6	39.1	49.1	65.5
As % of:						
All LDCs	51.8	52.6	53.8	52.3	53.2	55.5
OIC Countries	6.5	6.2	6.7	5.6	5.9	6.5
Annual % change						
OIC-LDCs	**4.8**	**6.0**	**26.9**	**16.4**	**25.6**	**33.4**
All LDCs	3.8	4.4	24.0	19.8	23.5	27.8
OIC countries	-3.2	10.5	18.9	38.2	19.1	21.9
Developing countries	-2.6	6.5	18.7	28.9	17.2	19.6

Source: Table A.9 in the Annex

2.6. Trade Balance, Current Account and Reserves Position

The figures on trade balance in Table 7 show that both the OIC-LDCs and all-LDCs recorded trade balance deficits in all the years over the period 2001-2006. 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 last four years. The highest trade deficits of the OIC-LDCs group ($27.4 billion) and of all-LDCs ($20.6 billion) were recorded in 2006. 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 recorded trade balance surpluses over the same period, with a peak in 2006.

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. The highest current account deficit of the OIC-LDCs ($9.1 billion) was recorded in 2006 while that of all LDCs ($10.6 billion) was recorded in 2003. In contrast, the total foreign reserves, excluding gold, in the OIC-LDCs increased steadily during the period under consideration from $9.6 billion in 2001 to $21.9 billion in 2006. Similar trends were also observed in all the other groups.

Table 7 **Trade Balance, Current Account Balance and Foreign Reserves**

	2001	2002	2003	2004	2005	2006
Trade Balance						
OIC-LDCs	**-9.0**	**-10.5**	**-14.6**	**-15.1**	**-19.4**	**-27.4**
All LDCs	-13.3	-13.7	-20.0	-19.9	-18.3	-20.6
OIC Countries	114.2	82.7	108.1	108.1	167.0	210.7
Developing Countries	72.5	102.9	154.0	156.5	326.6	419.5
Current Account Balance						
OIC-LDCs	**-5.2**	**-5.5**	**-5.9**	**-5.6**	**-7.7**	**-9.1**
All LDCs	-10.0	-9.0	-10.6	-8.9	-8.7	-9.2
OIC countries	62.6	42.1	81.1	113.9	215.5	258.7
Developing countries	39.4	77.3	147.6	212.6	428.0	544.2
Foreign Reserves(*)						
OIC-LDCs	**9.6**	**11.9**	**15.2**	**17.8**	**17.8**	**21.9**
All LDCs	16.4	19.9	24.3	30.2	33.2	43.7
OIC countries	216.7	252.6	310.0	387.8	454.5	595.2
Developing countries	1277.5	1525.0	1932.0	2457.0	2901.6	3657.7

Source: Table A.8, Table A.9 Table A.10 and Table A.11 in the Annex. (*) Excluding Gold

As may be observed in Table 7, 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.

3 TRENDS IN EXTERNAL FINANCIAL FLOWS

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

As shown in Table 8 and Figure 5, the ratio of Gross Domestic Savings (GDS) to GDP was 9 percent for the group of all-LDCs and 10 percent for the OIC-LDCs in 1990. For both groups, despite the long period passed, it remained at a depressed level of 13-14 percent in 2002 and 2003 but showed a slight increase to 16 percent in 2005 and remained the same in 2006. The

group of OIC-LDCs followed almost the exact rates, but neither of these groups compare favourably with the group of the developing countries, for which that ratio was almost twice as high as that for all-LDCs and 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. 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 from the figures in Table 8 and Figure 5, the ratio of the GCF to the GDP for the all-LDCs increased from 15 percent in 1990 to 21 percent in 2005, while the increase for the developing countries was only two percentage points, from 26 to 28 percent, respectively.

Table 8 **Resource Gap (% of GDP)**

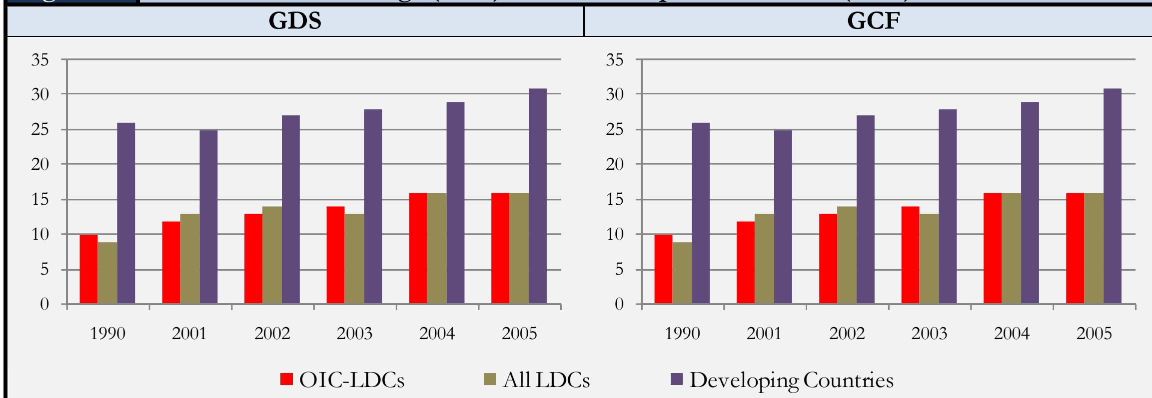
	1990	2001	2002	2003	2004	2005
GDS (% of GDP)						
All LDCs	9	13	14	13	16	16
OIC-LDCs	**10**	**12**	**13**	**14**	**16**	**16**
Developing countries	26	25	27	28	29	31
GCF(% of GDP)						
All LDCs	15	20	20	21	22	21
OIC-LDCs	**16**	**21**	**22**	**23**	**23**	**24**
Developing countries	26	25	25	26	28	28
Resource Gap						
All LDCs	-6	-7	-6	-8	-6	-5
OIC-LDCs	-6	-9	-9	-9	-7	-8
Developing countries	0	0	2	2	1	3

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

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 2001 compared to 16 percent in 1990. Yet, this ratio increased steadily to 24 percent in 2005, standing in a better position than the group of all-LDCs.

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. Though the ratio of the resource gap to the GDP was 6 percent in 1990 for both groups, it was realized at 5 percent for all-LDCs and 8 percent for the OIC-LDCs. On the other hand, achieving a balance in 1990 and 2001, the developing countries, on average, experienced a resource surplus between 2002 and 2005, yet at a quite low rate of 2-3 percent.

Figure 5 **Gross Domestic Savings (GDS) and Gross Capital Formation (GCF) as % of GDP**



Source: Table 8

With such limited domestic financial resources, it becomes difficult for most 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 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, there is doubtlessly 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, particularly official financial aid inflows. 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.

The net external financial flows to all-LDCs amounted to $16.5 billion in 2001, corresponding to only 7.9 percent of the total flows to the developing countries, as opposed to $14.4 billion, or 15.5 percent in 1990 (Table 9). Although the financial flows to all-LDCs increased in the following years to reach $29.1 billion in 2005, they still accounted for only 5.8 percent of the total flows to the developing countries.

Table 9 **Total Financial Flows (Net Billion US$)**

	1990	2001	2002	2003	2004	2005
All LDCs	14.4	16.5	19.1	29.7	30.0	29.1
As % of DCs	15.5	7.9	9.9	12.0	7.8	5.8
OIC-LDCs	7.5	7.8	9.7	9.8	12.9	13.6
As % of:						
All LDCs	52.1	47.0	51.1	32.8	43.2	46.5
Developing countries	8.1	3.7	5.1	3.9	3.4	2.7

Source: Table A.14 in the Annex

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 8.1 percent in 1990 to 2.7 percent in 2005 and from 52.1 to 46.5 percent of the total financial flows to all-LDCs in the same years. Moreover, the financial inflows to OIC-LDCs are concentrated in a few of them. In 2005, for instance, the total financial inflows to only 5 OIC-LDCs[6] accounted for 67.8 percent of the total flows to the OIC-LDCs.

On the other hand, though they declined in the 1990s, official development assistance (ODA) flows to the LDCs still constitute a significant part of the total net financial flows to these countries and play a key role in their economic growth and development. The figures in Table 10 show that net ODA disbursements to all-LDCs from all donors amounted, in nominal terms, to almost $13.5 billion in 2001 against $16.4 billion in 1990. Net ODA per capita in all-LDCs also decreased to reach $21 in 2001, as compared to $31 in 1990. The share of all-LDCs in the total net ODA flows to the developing countries amounted to 28.7 percent in 2001 compared to 29.6 percent in 1990. Yet, net ODA flows to all-LDCs, as well as their ODA per capita, increased steadily after 2001 to reach almost $25.5 billion and $36, respectively in 2005, but the share of all-LDCs in the total net ODA flows to the developing countries decreased to 25.3 percent.

Table 10 Official Development Assistance (ODA) (*)

	1990	2001	2002	2003	2004	2005
All LDCs (Million US$)	16358	13467	17595	23351	24159	25538
As % of DCs	29.6	28.7	32.6	35.7	32.7	25.3
OIC-LDCs (Million US$)	9490	6961	9613	9676	12124	13376
As % of:						
All LDCs	58.0	51.7	54.6	41.4	50.2	52.4
Developing countries	17.2	14.8	17.8	14.8	16.4	13.2
Net ODA Per capita ($)						
OIC-LDCs	30	20	25	24	29	30
All LDCs	31	21	27	34	35	36
Developing countries	13	9	11	13	14	19

Source: Table A.2 and Table A.15 in the Annex. (*) From all donors, including grants

Similar trends were also observed in the OIC-LDCs where the net ODA disbursements to them amounted to almost $7 billion in 2001 against $9.5 billion in 1990. Their net ODA per capita also decreased to reach $20 in 2001, as compared to $30 in 1990. Their share in the total net ODA flows to the developing countries and to all-LDCs decreased 2.4 and 6.3 percentage points, respectively, in 2001 relative to their shares in 1990. However, net ODA flows to the OIC-LDCs and their net ODA per capita increased steadily after 2001 to reach $13.4 billion and $30, respectively, in 2005. Yet, their share in the total net ODA flows to all-LDCs in the said year decreased to 52.4 percent compared to 58.0 percent in 1990. It is also observed that ODA flows to the OIC-LDCs are still concentrated in a few countries, where only 5 countries (Afghanistan, Sudan, Bangladesh, Mozambique, and Uganda) received 50 percent of those flows in 2005 (Table A.15 in the Annex).

At individual country level, ODA per capita in OIC-LDCs was less than $70 in 18 of the OIC-LDCs in 2005 while the rest 2 countries, namely Maldives and Djibouti achieved a quite higher value of $197 and $108 respectively (Figure 6). On the other hand, the lowest values were recorded for Bangladesh ($9.3) and Yemen ($13.0).

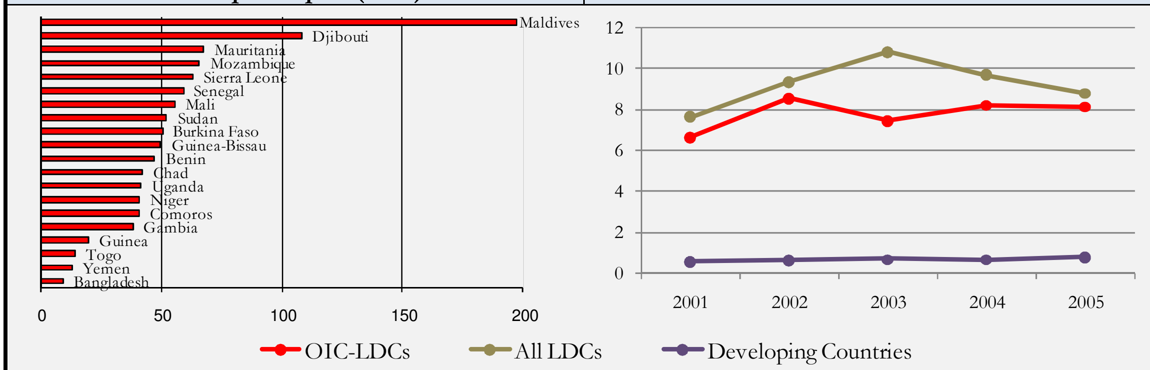
On the other hand, Figure 6 shows that the total ODA flows to all LDCs as percentage of their total GDP where higher than that of the OIC-LDCs group during the period 2001-2005. It reached its peak of 10.8 percent in 2003 while that of the OIC-LDCs was 7.5 percent in the same year. However, while this ratio decreased in the case of all LDCs in the following two

[6] Sudan, Bangladesh, Mozambique, Uganda, and Chad (Table A.14 in the Annex).

years, it increased slightly in the case of OIC-LDCs. In contrast, the total ODA flows as percentage of the GDP for the group of the developing countries was very low with an average of 0.7 percent during the same period.

Figure 6 **ODA per Capita and ODA as % of GDP**

ODA per Capita (2005) | **ODA as % of GDP**



Source: Table A.3, Table A.15 and Table 10

In contrast, net foreign direct investment (FDI) flows to all-LDCs have been increasing over the past decade. In nominal terms, they reached $6.9 billion in 2001 compared to only $548 million in 1990 (Table 11). They peaked at $10.8 billion in 2003. However, they accounted for only 6.8 percent of their total to the developing countries in that year. Yet, in 2005, net FDI flows to all LDCs declined to $7.7 billion, corresponding to a decrease of 4.1 percentage points in their share in total FDI flows to the developing countries.

Table 11 **Net FDI Flows**

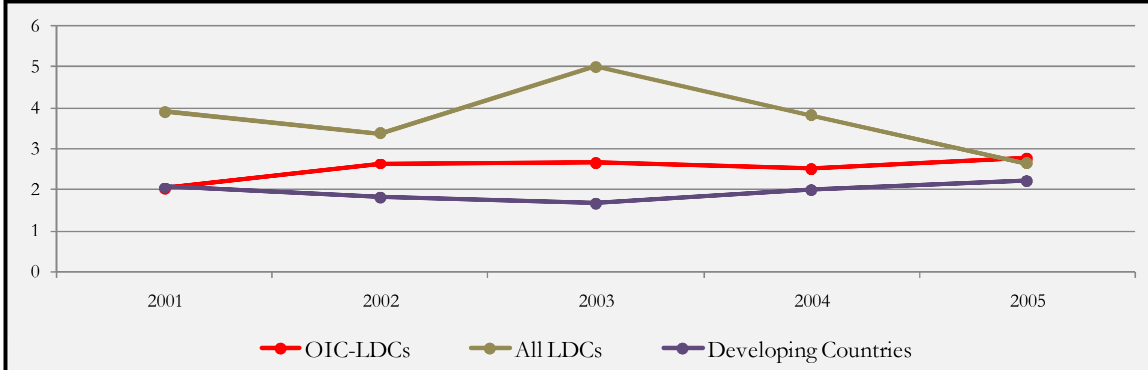
	1990	2001	2002	2003	2004	2005
All LDCs (Million US$)	548	6874	6349	10807	9511	7663
As % of DCs	2.2	3.9	4.0	6.8	4.4	2.7
OIC-LDCs (Million US$)	122	2131	2967	3446	3729	4574
As % of:						
All LDCs	22.3	31.0	46.7	31.9	39.2	59.7
OIC countries	2.1	17.7	15.7	13.5	10.5	9.1

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 2001 ($2.1 billion) were more than 17 times their level in 1990 ($122 million). They increased in the following years to reach $4.6 billion in 2005 representing 59.7 percent of the total flows to all LDCs compared to 31.0 percent in 2001. Yet, this accounted for only 9.1 percent of the total flows to the OIC countries compared to 17.7 percent in 2001 (Table 11). As is the case for 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 2005, 3 countries only (Sudan, Bangladesh, and Chad) accounted for 83 percent of the total FDI inflows to all OIC-LDCs (Table A.16 in the Annex).

On the other hand, Figure 7 shows that the total net FDI as percentage of the GDP of all LDCs was higher than that of both the OIC-LDCs and the developing countries during the period 2001-2004. In contrast, in 2005, the OIC-LDCs recorded the highest ratio with 2.8 percent.

Figure 7 FDI as % of GDP



Source: Table A.2 and Table A.16

4 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 Table 12, the total external debt stock (EDT) of all-LDCs increased from $124.7 billion in 1990 to $138.7 billion in 2001, corresponding to a 1.02 percent increase per annum during the said period. The external debt of all-LDCs increased in the following four years to reach $157.4 billion in 2005, with a peak of $163 billion in 2004.

Similar trends were also observed in the case of the OIC-LDCs where total external debt increased from $62.3 billion in 1990 to $70.6 billion in 2001, corresponding to a 1.2 percent increase per annum during the said period. Though it increased in the following three years to reach $84.4 billion in 2004, it slightly decreased to $80.7 billion in 2005. In 2005, the total external debt stock of the OIC-LDCs still accounted for 51.3 percent of that of all-LDCs and 11.2 percent of that of the group of OIC countries.

Table 12	Total External Debt (EDT) and Total Debt Service (TDS)					
	1990	2001	2002	2003	2004	2005
Total External Debt (EDT)						
All LDCs (Billion US$)	124.7	138.7	147.0	157.0	163.0	157.4
As % of DCs	9.4	6.1	6.2	6.1	5.9	5.7
OIC-LDCs (Billion US$)	62.3	70.6	75.5	80.9	84.4	80.7
As % of:						
All LDCs	50.0	50.9	51.4	51.5	51.8	51.3
OIC countries	15.1	11.5	11.6	11.5	11.3	11.2
Total Debt Service (TDS)						
All LDCs (Billion US$)	4.3	5.4	5.3	5.2	6.0	6.3
OIC-LDCs (Billion US$)	2.3	2.1	1.9	2.1	2.4	2.5
As % of all LDCs	53.1	38.9	36.1	40.5	40.5	40.0
Source: Table A.17 and Table A.18 in the Annex						

However, while the accumulated amount of the external debt stock in the group of all-LDCs increased the liability of their total debt service (TDS) payments in the 1990s, the OIC-LDCs succeeded in keeping their debt service liabilities at the same level in the same period (Table 12). In 2005, while the total debt service of all-LDCs amounted to $6.3 billion, a level which is higher than that in 1990, the total debt service of the OIC-LDCs amounted to only $2.5 billion 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 40 percent in 2005.

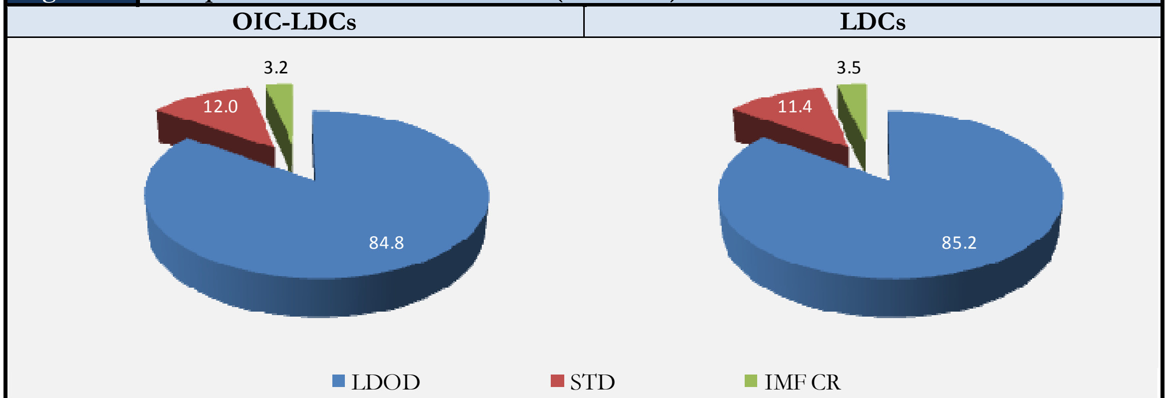
The composition of the external debt stock is an important factor in debt analysis since it has a direct bearing on the process of debt repayment, rescheduling and relief. As Table 13 shows, total external debt stock is made up, in general, of three categories of debt: long-term debt (LDOD), short-term 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.

Table 13	**Composition of Total External Debt Stock** (% of Total)					
	1990	2001	2002	2003	2004	2005
All LDCs						
Long-term Debt **(LDOD)**	85.2	83.6	86.0	86.7	85.8	85.2
Short-term Debt **(STD)**	10.5	12.1	10.2	9.7	10.3	11.4
Use of IMF Credits **(IMF CR)**	4.3	4.0	4.1	3.9	3.9	3.5
Public and Publicly Guaranteed	*84.5*	*81.9*	*84.2*	*85.3*	*84.3*	*83.4*
OIC-LDCs						
Long-term Debt **(LDOD)**	82.6	84.1	84.2	85.1	84.9	84.8
Short-term Debt **(STD)**	12.7	11.8	11.8	11.1	11.6	12.0
Use of IMF Credits **(IMF CR)**	4.7	4.2	4.0	3.8	3.6	3.2
Public and Publicly Guaranteed	*81.2*	*81.0*	*81.4*	*83.3*	*83.1*	*83.1*
Source: Table A.19, Table A.20, Table A.21 and Table A.22 in the Annex						

The figures in Table 13 and Figure 8 indicate that long-term debt remained the largest component of the external debt of the group of all LDCs, including the OIC members. In 2005, the share of the long-term debt in the total external debt stock was 85.2 percent in all-LDCs and 84.8 percent in the OIC-LDCs. The share of the short-term debt in the total external debt stock of the two groups did not show a significant change compared to 1990. In 2005, it realized as 11.4 percent in all-LDCs (with an increase of 0.9 percentage points) and 12 percent in OIC-LDCs (with a decrease of 0.7 percentage points). On the other hand, with a share of around 4 percent, the use of

IMF credits continued to constitute the smallest component of total external debt stock in the two groups. It is also worth noting that more than 83 percent of the long-term debt stock of the LDCs, including the OIC members, is still in the form of public and publicly guaranteed debts.

Figure 8 **Composition of 2005 External Debt (% of total)**



Source: Table 13

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 for the repayment of 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 serving 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, as shown in Tables 14 and 15, 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.

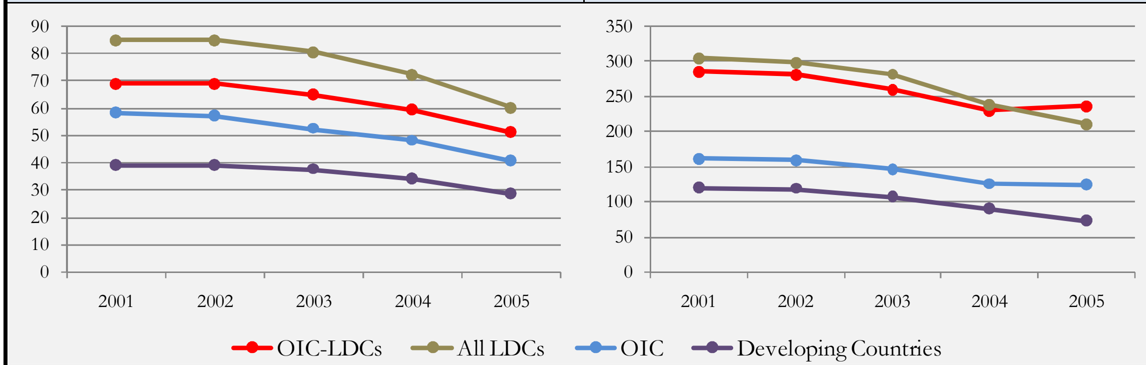
Table 14	Indebtedness Ratios (%)					
	1990	2001	2002	2003	2004	2005
Debt-GNI Ratio (EDT/GNI)						
All LDCs	91.8	85.2	85.0	80.7	72.3	60.2
OIC-LDCs	**78.7**	**69.2**	**69.2**	**65.0**	**59.4**	**51.0**
OIC Countries	54.4	58.4	57.2	52.6	48.3	40.9
Developing Countries	36.2	39.2	39.2	37.8	34.3	28.7
Debt-Export Ratio (EDT/XGS)						
All LDCs	523.6	305.1	299.0	282.3	239.2	211.0
OIC-LDCs	**456.3**	**286.6**	**281.6**	**260.4**	**229.9**	**237.0**
OIC countries	193.6	161.5	158.4	146.0	125.8	124.1
Developing countries	181.8	120.6	119.4	108.3	91.2	73.6
Source: Table A.23 and Table A.24 in the Annex						

In the light of this understanding, the figures in Table 14 and Figure 9 show that although the average debt-GNI ratio of all-LDCs as a group showed a slightly decreasing trend since 1990, it was, until 2003, higher than the critical limit of 80 percent[7] defined by the World Bank for severe indebtedness, before it declined to 72.3 percent in 2004 and 60.2 percent in 2005. Following a similar trend, the average debt-GNI ratio of the OIC-LDCs as a group was significantly lower than that of all-LDCs and the critical limit of 80 percent, implying quite a better performance than the group of all-LDCs. 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 the debt-GNI ratio of 6 of the OIC-LDCs in 2005 was still higher than the critical limit of 80 percent (Table A.23 in the Annex).

The figures in Table 14 and Figure 9 also show that although the averages of the debt-export ratios of both all-LDCs and the OIC-LDCs as groups decreased steadily since 1990, they were still significantly higher than those recorded by the two groups of OIC and developing countries. As of 2005, while the group of all-LDCs managed to decrease this ratio to 211 percent below the critical limit of 220 percent defined by the World Bank for severe indebtedness[8], the group of OIC-LDCs was still beyond that limit with a ratio of 237 percent. In the same year, the debt-export ratio of both all-LDCs and OIC-LDCs revealed that, on average, almost three years' exports earnings would have been required to repay the external debt of each group. At the OIC-LDCs individual country level, the highest debt-export ratios in 2005 were recorded at 621 percent in Sierra Leone and 308 percent in Sudan, while the lowest rates of 65.3 and 75.1 percent were recorded in Yemen and Maldives, respectively (Table A.24 in the Annex).

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

Figure 9	Indebtedness Ratios (EDT/GNI & EDT/XGS)
EDT/GNI	EDT/XGS



Source: Table 14

In contrast, the figures on debt payment burden ratios in Table 15 and Figure 10 indicate quite a better performance by 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 18.0 percent in 1990 to 8.5 percent in 2005, it decreased from 16.6 percent to 7.5 percent in the OIC-LDCs in the same period. 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.

Table 15 **Debt Payment Burden Ratios (%)**

	1990	2001	2002	2003	2004	2005
Debt-Service Ratio (TDS/XGS)						
All LDCs	18.0	12.0	10.9	9.3	8.9	8.5
OIC-LDCs	**16.6**	**8.6**	**7.2**	**6.8**	**6.7**	**7.5**
OIC Countries	23.3	19.4	20.4	19.2	17.7	20.8
Developing Countries	20.1	19.5	18.7	17.4	14.6	13.8
Interest-Service Ratio (INT/XGS)						
All LDCs	6.7	2.4	2.8	2.5	2.1	2.1
OIC-LDCs	**6.0**	**2.4**	**2.1**	**1.9**	**1.9**	**2.1**
OIC countries	9.1	6.3	5.0	4.7	4.0	5.2
Developing countries	8.7	5.9	4.8	4.3	3.4	3.1

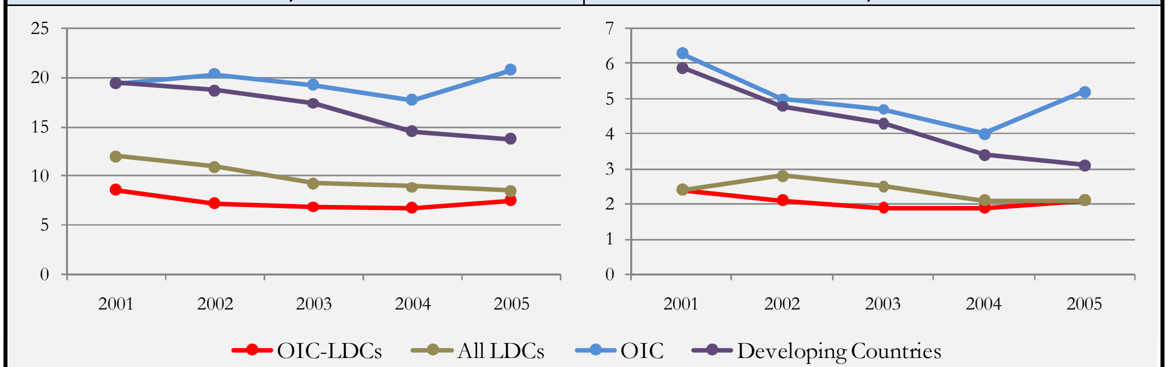
Source: Table A.25 and Table A.26 in the Annex

The figures in Table 15 and Figure 10 show 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 6.7 percent in 1990 to 2.1 percent in 2005 in all LDCs and from 6.0 percent to also 2.1 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.

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 17 out of the 22 OIC-LDCs are currently classified as heavily-indebted poor countries (HIPCs) (Table A.17 in the Annex).

Figure 10 | **Debt Payment Burden Ratios (TDS/XGS & INT/XGS)**

TDS/XGS | **INT/XGS**



Source: Table 15

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 and faster economic growth, export growth, increased savings and investment, enhanced productive capacities, employment and international competitiveness.

Box 2.
External Debt and LDCs

External debt burden is one major impediment in front of continued capital formation and economic growth in most of the Least Developed Countries (LDCs). These countries have reached a stage where they simply cannot repay these debts without help from the donor community, the international institutions and the developed countries (DCs). Under normal circumstances, a viable economy has to produce more than it consumes so that it can export the surplus. Furthermore, it has to export more than it imports in order to accumulate foreign exchange that can be allocated for debt repayment. On the other hand, an LDC needs capital to develop, which it can accumulate only if its savings are greater than its investment spending. It also needs to import a wide variety of consumption, intermediate and capital goods for its development, goods that it is not able to produce at all or not in enough quantities. So, a typical LDC is faced with a production, a saving and a trade gap, all at the same time. That is why it has entered into debts in the first place. The soundest policy for debt repayment is to increase export earnings and restrict import expenditures, for which many LDCs, as a policy, place high tariffs on imports from outside. Meanwhile, they are unable to expand their exports to the developed countries, when access to those markets are restricted by high tariffs rates applied by the DCs. Attempts in the past to alleviate LDC external debt problem and the lessons learned. *First*, LDCs have to generate trade surplus by boasting their exports and restricting imports to repay their external debt. Their exports heavily depend on agricultural and textile related products. But most of the Developed Countries (DCs) have been maintaining high tariffs on the imports of these products. DCs can assist these countries, in order to boast exports, by lowering the tariff rates on these products. At the same time, LDCs should be allowed to enforce high tariff regimes on their imports to keep their trade balance positive. This warrants better understating between DCs and LDCs to implement such policies. *Second*, the poor indebted economies have little access to private funds and therefore in times of extreme financial crisis, it becomes necessary for them to seek assistance from international institutions like IMF. However the conditionality imposed by IMF, linked to their financial assistance, have come under severe criticism. According to Bird, "the IMF reflects bargaining power rather than economic circumstances and that it is driven largely by the political self-interests of the Fund's major shareholders". For example, these agreements may include provisions to pass certain laws which results in the loss of sovereignty (Stiglitz, 2002). It has been suggested that the ways should be prescribed that pay attention to the needs of these countries. One of the options is to base IMF assistance on selectivity rather than conditionality. Funding should be given to countries who effectively implement their reforms rather than being forced to accept the unpopular reforms of the Fund. According to Stiglitz, there is economic evidence that selective aid can significantly promote economic growth and help reducing poverty in these countries. *Third*, there is a new form of debt restructuring based upon swap arrangements. It has been suggested that while debt restructuring does help LDCs in the short run, but in most of the cases it involves delaying the problem rather than solving it. The swap arrangements on the other hand have the advantage of repaying the debt in local currency. One of the common swap arrangements is referred as the debt-equity swap. "This involves an investor exchanging, with the debtor country's central bank, the country's debt purchased at a discount in the secondary market for local currency, to be used as equity investment", (Nafziger, 1993). This way it is easier to repay the debt and provides LDCs a measure of assistance. There are other forms of swap arrangements that can also be employed.

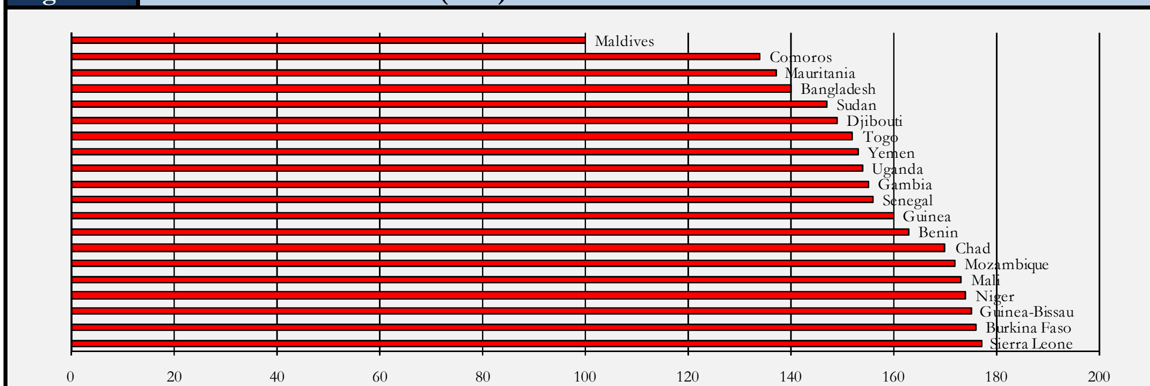
Sources: (1) Nafziger, E. Wayne. The Debt Crisis in Africa. Baltimore: The Johns Hopkins University Press,
1993.
(2) Stiglitz, Joseph E. Globalization and Its Discontents. New York: W.W. Norton & Co., 2002.
(3) World Bank. Global Development Finance: Financing the Poorest Countries Analysis and Summary Tables.
Washington, DC: The World Bank, 2002.

5 HUMAN DEVELOPMENT AND POVERTY ERADICATION

The social dimension of the development process has gained special importance in recent decades on the grounds that people should be actively involved in the process with greater access to better social services, mainly education and health. Human development through more investment in people leads to a more efficient and productive resource allocation and, thus, acts as a growth generating mechanism. In fact, human development contributes directly to the well-being of the people through raising their living standards and eradicating poverty in the society. Indeed, like many developing countries, the LDCs, including the OIC members, paid special attention to human development and eradicating poverty over the last decade. However, their experience in this regard shows that although a few of them have made a relatively remarkable progress in human development, including poverty alleviation, many others have met serious setbacks.

The recent overall picture of human development in the OIC-LDCs can be seen in Table A.27 in the Annex which displays the state of these countries in terms of their UNDP's Human Development Index (HDI)[9] in 2005. Out of the 20 OIC-LDCs for which the HDI was calculated in 2005, 10 are classified as medium human developed countries (MHDCs) while the remaining 10 as low human developed countries (LHDCs). These figures were 5 and 15, respectively, in 2004, implying an improvement in five countries, which thereby were elevated to the level of MHDCs. Yet, the figures on HDI ranks indicate that, with the addition of Senegal in 2005, 10 of the OIC-LDCs were ranked within the lowest 20 globally. Figure 11 shows the HDI ranks of OIC-LDCs in descending order. Maldives is the only country that managed to accelerate its development level and find a place among the top 100 countries in the index.

Figure 11 **HDI Rank of OIC-LDCs (2005)**



Source: Table A.27 in the Annex

The negative figures in the last column of Table A.27 in the Annex (adjusted HDI or real GDP per capita rank minus HDI rank) indicate that the real GDP per capita rank is better than the HDI rank in 17 OIC-LDCs. This highlights the need for more investment in human resources and the provision of more and better social services in these countries.

9 An attempt to quantify the social dimension 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.

To gain a better understanding of the OIC-LDCs' human development performance in terms of their HDI, Table A.27 presents also the figures on the main elements of this Index in these countries. Life expectancy at birth is one of the most important aggregate indicators on human development since it reflects the level of access to health services in the society. Indeed, although the average life expectancy at birth of the group of OIC-LDCs (55.5 years) was almost the same as that of all-LDCs (55.6 years) in 2005, it was lower than the average of the developing countries (66.1) and the world (68.1).

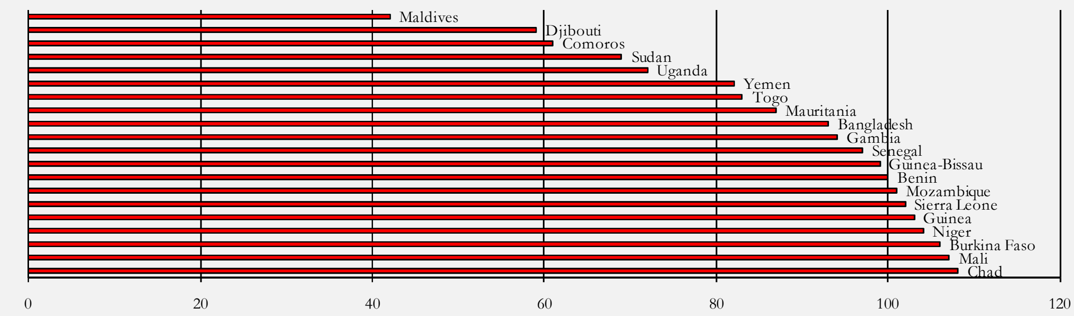
On the other hand, the access of people to knowledge through education and training plays a central role in human development which, in turn, contributes to higher standards of living by boosting economic growth. Overall progress on this front can be evaluated roughly through examining two major indicators on access to knowledge: adult literacy rate and gross enrolment ratio. As shown in Table A.27, the average adult literacy rate in OIC-LDCs (35.5) was much lower than the average of all-LDCs (58.6). Among the OIC-LDC, only Maldives (96.3), Uganda (66.8) and Sudan (60.9) recorded higher averages than the average of all-LDCs, while Burkina Faso, Niger, Mali, Chad and Guinea remained below 30 percent. Moreover, the average gross enrolment ratio of the group of OIC-LDCs (44.8 percent) was also lower than that of all-LDCs (49.4 percent). At the individual country level, it was higher than the average of all-LDCs in 8 of the OIC-LDCs and lower than 30 percent in Djibouti, Burkina Faso and Niger.

On the other hand, the problem of poverty in many OIC-LDCs seems to emanate in general from the fact that large segments of their populations still have insignificant access to the basic social and human needs and do not possess sufficient resources to improve their income. It is a complex multi-dimensional phenomenon associated with poor economies and human resources, inadequate social services and inadequate economic and social policies. In this context, the UNDP Human Poverty Index (HPI) is an attempt to quantify the human dimension of poverty. It is a composite index based on three essential aspects of human deprivation: longevity measured by the probability at birth of not surviving to age 40; knowledge measured by adult illiteracy rate; and a decent standard of living measured by the percentage of population not using improved water sources and the percentage of underweight children under age 5 (see Table A.28 in the Annex).

According to the HPI figures for 2005 as given in Table A.28, an average of 42.5 percent (147.14 million) of the total population of 20 OIC-LDCs suffered from human poverty. The HPI was higher than 50 percent in 7 OIC-LDCs, namely Chad, Mali, Burkina Faso, Niger, Guinea, Sierra Leone and Mozambique, which means that more than half of the population of these countries suffered from human poverty. Moreover, it is also observed that in terms of the HPI ranks calculated for 108 countries, 9 of the OIC-LDCs were ranked within the lowest 10. Figure 12 shows the HPI ranks of OIC-LDCs in descending order within this ranking.

When the progress of the OIC-LDCs in terms of the main indicators of human poverty is considered, the figures in Table A.28 show that many of those countries are still far from achieving satisfactory levels of poverty alleviation. The probability at birth of not surviving to age 40 in 2005 was still more than 30 percent in 6 of the OIC-LDCs. The adult illiteracy rate was still more than 50 percent in 10 of the OIC-LDCs. The percentage of the population without access to improved water sources was more than 30 percent in 13 of the OIC-LDCs and 50 percent and more in 5 of them. The percentage of underweight children under age 5 was still 30 percent and more in 9 of the OIC-LDCs (Table A.28 in the Annex).

Figure 12 **HPI Rank of OIC-LDCs (2005)**



Source: Table A.28 in the Annex

Since poverty is one of the world's greatest challenges and a major obstacle to economic and social development, the international community has considered its reduction and improving 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. Afterwards, the Millennium Development Goals (MDGs) were set at the Millennium Summit in 2000. The main targets were to halve the proportion of people suffering from hunger, achieve universal primary education, reduce infant and child mortality rates by two thirds, and halve the proportion of people without access to improved water sources by 2015.

However, the actual picture of the state of human development and poverty alleviation as discussed above reflects clearly the slow progress made so far by the majority of the OIC-LDCs in their efforts towards achieving the MDGs of human development.

Box 3.
Role of Microfinance in Poverty Alleviation in the Least Developed Countries

The UN resolution on the first United Nations Decade for the Eradication of Poverty (1997-2006) adopted in 1995 was a landmark in mobilizing international support for the global fight against poverty. In the Millennium Declaration of 2000, the UN Summit identified poverty as the greatest challenge of the new century. Subsequently, reducing poverty by half till 2015 was made the first of the Millennium Development Goals by the Heads of State.

While searching for poverty alleviation tools especially in the Least Developed Countries (LDC), the potential substantial contribution of microcredit in this vein came to be widely recognized in the light of the actual experience in some countries. Having originated in 1976 from Bangladesh, an LDC itself, it is estimated that over 67 million poor and low income people had access to microfinance worldwide in 2003, with as many as 70 countries – including non LDCs– having active microcredit/microfinance programs. The experience of especially the Least Developed Countries (LDCs) shows that microcredit and microfinance are effective tools of poverty eradication and empowerment of people, particularly women.

In Bangladesh, the Grameen Bank, the largest provider of microcredit in the world, as of February 2008 has a network of 2499 branch offices in more than 81,334 villages serving 7.45 million clients, 97 per cent of whom are women. It has so far given out loans worth US$ 6.8 billion. Microcredit has been incorporated into the national development strategy of Bangladesh as a most effective tool targeting the 2015 Millennium Development Goals (MDGs) on poverty eradication. Similarly, Benin leads the LDC Group with the largest number of microfinance institutions (MFIs) in the West Africa Monetary Union (UMOA) region with 17 MFIs engaging 143,365 borrowers with a gross loan portfolio of US$ 126.4 million.

In 2004, within the framework for implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the role of financial intermediation in poverty reduction in the LDCs was well recognized, as microfinance is seen to effectively increase productive capacities in local communities, bring poor people into regular economic life, promote local markets, and create jobs and employment opportunities in rural areas. Furthermore, the impact of microcredit and microfinance have been the greatest in extreme poverty, provided that they are used as inducers of or catalysts for economic activity, as a part of a broader poverty eradication strategy and in combination with social protection programs, wage employment schemes, education and training.

It should, however, be mentioned as well that obstacles to microfinance activities in LDCs, such as lack of policy and regulatory environment, insufficient access to information and weak human and institutional capacity for microfinance, would limit access to microcredits substantially. Nevertheless, the resulting penetration rates of around 1 per cent in most LDCs indicate to large potentials for future expansion of such programs in these countries in support of poverty reduction efforts and as an important policy instrument.

As mentioned above, one particularly far-reaching impact of microfinance that deserves particular emphasis is the empowerment, especially of women in the face of almost universal deprivation and poverty they face. Through microfinance, they not only become income earners, but get to have a larger say in household decisions, with positive changes also coming about in family and societal attitudes towards them. Finally, they get improved opportunities for networking and better access to information and markets. All of this would add to the self-confidence in women and raise their communal status.

Sources: (1)Khandker, S. R., *Fighting Poverty with Microcredit: Experience in Bangladesh*, World Bank, Oxford University Press, New York, 1998.
(2) www.grameen-info.org/bank.
(3) EDFI Newsletter, Issue 1, October 2005 at www.edfi.be
(4) United Nations Substantive Session of 2004, "Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, Addendum", June 2004.

6 CONCLUSION AND RECOMMENDATIONS

With more than 700 million people, the current 50 LDCs represent the poorest and weakest segment of the international community. They are particularly less equipped to develop their domestic economies which are extremely vulnerable to external shocks and natural disasters. The structural weakness of their economies and the lack of capacities relating to growth and development, often compounded by geophysical handicaps, impede the continuous efforts they make to improve effectively the standards of living of their populations. Therefore, the economic and social development of those countries represents a major challenge for themselves and their development partners as well as the whole international community.

Out of the current 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 354.75 million in 2006, or 48.5 percent of the total population of all LDCs, they accounted for 54.8 percent of the total output (GDP) of all LDCs' and 39.1 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 and natural disasters where 14 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, 17 of them are also classified as Heavily Indebted Poor Countries (HIPCs).

The economic performance of the LDCs as a group, including the OIC-members, in terms of real GDP growth rates, remained solid during the period since 2000. This is clear, for example, in the year 2001, the year of slowdown in world economic activity, when the average annual real GDP growth rate of both all-LDCs and OIC-LDCs (7.1 and 5.6 percent, respectively) exceeded those of the world and the developing countries. The encouraging growth performance of the LDCs, particularly since 2003, was underpinned by a significant increase in the external resource flows to them. This increase was driven particularly by increased private financial flows, including FDI, and Official Development Assistance (ODA) during the said period. Progress was also made in terms of increasing the value of their exports due to the increase in world commodity prices in the same period.

However, despite this overall encouraging picture of economic growth performance, there still exists a tendency for increasing divergence amongst the LDCs. In this context, it is observed that the bulk of output, exports and resource flows are still concentrated in a limited number of 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 human development and poverty eradication fronts.

Considering those vulnerabilities and constraints, the group of LDCs receives special attention in the development efforts of the UN since their development needs are greater than those of other developing countries (DCs). In this connection, it was recently recognised that commitment to provide more effective international support for the LDCs is required. To this end, the Third UN Conference on the LDCs adopted, in May 2001, the Programme of Action for the LDCs for the decade 2001-2010. The Programme articulates policies and measures to be undertaken by the LDCs, on the one hand, and their development partners, on the other, to promote the sustainable economic growth and development of the LDCs and their beneficial integration into the world economy.

The States and Governments participating in the Third UN Conference on LDCs committed themselves to working together to assist one another gain access to financial resources and continue paying special attention to the specific needs of the LDCs and small island developing states. Therefore, the developed countries, particularly the development partners of the LDCs, i.e. the creditors and donors, should do their best to fulfil their commitments to the agreed targets, policies and measures, and extend adequate support, especially financial and technical, for their implementation. In particular, they should make concrete efforts towards meeting the internationally-agreed levels of ODA and debt relief for the LDCs.

The implementation and follow-up of the Programme of Action for the LDCs for 2001-2010 are of primary importance. Indeed, effective mechanisms and arrangements for the implementation, follow-up, review and monitoring of those policies and measures are to be established at the national, regional and international levels. At the national level, the OIC-LDCs may undertake this task within their respective national development plans and with the involvement of the civil society, including the private sector. At the OIC-regional level, the OIC countries may continue and accelerate their cooperation efforts to extend technical, financial and other forms of aid to the least-developed members.

In this connection, the following broad policy recommendations can be made under each of the seven priority areas set out in the Programme of Action for the LDCs for 2001-2010 (UN General Assembly A/CONF.191/11, 8 June 2001):

(1) Fostering a People-Centered Policy Framework

At the OIC-LDCs National Level:

- Empowering people living in poverty and developing their capacities to enable them improve their access to and utilization of productive opportunities and basic social services.

- Adopting sound socio-economic policy reforms with a view to attaining sustainable levels of economic growth, particularly in the areas of fiscal and financial sectors and promoting micro-credit schemes for the poor.

- Developing efficient linkages between different economic activities, particularly between agriculture and micro and small enterprises, and promoting the efficiency of markets through an effective institutional, regulatory and supervisory integrated mechanism.

- Promoting an equitable distribution of the benefits of growth and development with a view to increasing the opportunities of participation of the poor in economic activity.

At the Intra-OIC Cooperation Level:

- Supporting joint sectoral policy programmes in a manner that helps achieving an appropriate balance between economic objectives and social development goals.

- Assisting the OIC-LDCs development efforts, through providing financial and other resources, in setting up effective social safety nets to mitigate the insecurity and vulnerability of those countries.

- Facilitating an external supportive OIC environment to increase the involvement and benefit of the OIC-LDCs 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.

(2) Good Governance at the National and International Levels

At OIC-LDCs National Level:

- Establishing an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law and foster the effective participation of and close cooperation among all relevant stakeholders at the national and local levels in the development process.

- 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.

At the Intra-OIC Cooperation Level:

- 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.

- Providing adequate and appropriate response, including financial and technical assistance, to the requests of the OIC-LDCs for human and institutional capacity building for governance functions.

(3) Building Human and Institutional Capacities

At the OIC-LDCs National Level:

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

- Improving access to high quality education through assigning high priority in development budgets to education, particularly basic education and vocational training.

- 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 private sector involvement to complement the public sector provision of social infrastructure and social services within an appropriate regulatory framework.

- Encouraging and supporting, through appropriate legislation, the efforts of the civil society, including traditional and community organisations, to invest in building social capital and social networks, particularly for the poor and vulnerable groups.

- Improving appropriate national policies and strategies consistent with the internationally agreed goals and objectives in the areas of education and training, health and nutrition and social integration.

At the Intra-OIC Cooperation Level:

- Providing technical and financial support for institutional and human capacity building programmes in the OIC-LDCs, particularly in the education and health sectors in those countries that face significant challenges such as natural disasters.

- 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 economic reform programmes and fiscal adjustment.

(4) Building Productive Capacities to Make Globalisation Work for the LDCs

At the OIC-LDCs National Level:

- Upgrading and strengthening critical areas of physical infrastructures such as transportation, energy, telecommunications, and information and communications technologies.

- Facilitating the acquisition and development of appropriate 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 small and medium-sized enterprises.

- Facilitating the availability of affordable energy 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 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.

- Encouraging and enhancing investment with a view to supporting the sustainable development of the manufacturing sector and fostering domestic and foreign private investment in processing and value adding sectors.

- Adopting coherent plans and programmes for the development of a sustainable tourism industry and encouraging private investment in the tourism sector.

At the Intra-OIC Cooperation Level:

➢ Providing technical and financial support to upgrade and develop critical areas of physical infrastructures in the OIC-LDCs in order to facilitate bilateral and regional OIC complementarities and enhance OIC trade, at the national, regional and international levels.

➢ 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.

➢ Encouraging public and private joint venture capital funds and partnerships to support programmes in the OIC-LDCs to improve the access of small and medium-sized enterprises to financial and business services.

➢ 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.

➢ Providing technical support for geological mapping and the compilation of basic data on mineral-rich areas in the OIC-LDCs with a view to stimulating public/private joint venture investment in mining projects.

➢ Providing financial, technical and/or other forms of assistance to support the OIC-LDCs efforts to strengthen their national capacities in the field of tourism.

(5) Enhancing the Role of Trade in Development

At the OIC-LDCs National Level:

- Integrating trade policies into the national development strategies with a view to eradicating poverty and improving capacity building in trade policy and related areas such as tariffs, customs, competition, investment and technology.

- Removing procedural and institutional 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, particularly primary commodity exports.

- Accelerating the accession process for the OIC-LDCs that are in the process of accession to the WTO and ensuring that the said process is more effective and less onerous and tailored to their specific economic conditions by, *inter alia,* streamlining the WTO procedural requirements.

- Taking appropriate account in regional integration arrangements of the particular constraints faced by the LDCs 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.

At the Intra-OIC Cooperation Level:

- Supporting and assisting through, *inter alia,* financial, technical and/or other forms of assistance, the OIC-LDCs efforts in capacity building in trade policy and related areas such as tariffs, customs, competition and investment, 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 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.

- Continuing to provide adequate and predictable assistance to the OIC-LDCs for their accession process to the WTO, including technical, financial or other forms of assistance, as well as strengthening technical assistance for the implementation of multilateral trade agreements, mainly those of the WTO.

- 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.

(6) Reducing Vulnerability and Protecting the Environment

At the OIC-LDCs National Level:

- Identifying the special vulnerabilities and possible adaptation measures that need to be fully integrated into the country's development strategies.

- Increasing efforts to reverse trends in the loss of national environmental resources and ensure integrated responses to the environmental and economic constraints, in the light of country-specific environmental conditions and profiles of poverty and vulnerability and through, *inter alia*, implementing the relevant legislation and environmental management plans.

- Pursuing and intensifying efforts to develop and strengthen national disaster mitigation measures and early warning and forecasting mechanisms.

At the Intra-OIC Cooperation Level:

- Providing assistance, through financial, technical and/or other forms of assistance, to the OIC-LDCs efforts in environmental protection in the context of sustainable development through, *inter alia,* facilitating and financing access to and transfer of environmentally sound technologies and the development of human resources and institutional capacities and environmental databases.

- Accomplishing the principles of the Rio Declaration on Environment and Development by, *inter alia* and where appropriate, granting special priority to the OIC-LDCs in international support as well as facilitating the strengthening of those countries' capacity to participate in international environmental negotiations.

- 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.

(7) Mobilising Financial Resources

At the OIC-LDCs National Level:

- 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.

At the Intra-OIC Cooperation Level:

- Supporting and assisting the efforts of the OIC-LDCs in the areas of financial sector development and reforms.

- 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 as set out in the UN Programme of Action.

- 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.

- Encouraging increased non-official flows, including investment flows, to the OIC-LDCs through supporting initiatives at the OIC level of joint public and private ventures of capital investment in those countries.

- Assisting the OIC-LDCs establish foreign investment advisory bodies in their own countries as a one-stop shop which would be responsible for providing information, services and administrative support to potential foreign investors.

REFERENCES

IMF, *World Economic Outlook, October 2007*, IMF, Washington, D.C. October 2007.

IMF, *WEO Database*, April 2007.

IMF, *International Financial Statistics December 2007 CD,* IMF, Washington, D.C., 2007.

IMF, *Direction of Trade Statistics Yearbook 2006*, IMF, Washington, D.C., 2006.

IMF, *Direction of Trade Statistics, December 2007 CD*, IMF, Washington, D.C., 2007.

SESRTCIC (Ankara Centre), *Annual Economic Report on the OIC Countries 2007,* November 2007.

UN, General Assembly: *Third United Nations Conference on the Least Developed Countries, Brussels, Belgium, 14-20 May 2001*. (A/CONF.191/11, 8 June 2001).

UN, Statistics Division, *Online Database*.

UNDP, *Human Development Report 2007*, United Nations, New York and Geneva, 2007.

UNCTAD, *The Least-developed Countries Report 2007*, United Nations, New York and Geneva, 2007.

UNCTAD, *The Least-developed Countries Report 2004*, United Nations, New York and Geneva, 2004.

UNCTAD, *Online Statistics Database Handbook of Statistics 2007*.

World Bank, *Global Development Finance 2007*, The World Bank, Washington, D.C., 2007.

ANNEX

Table A.1 Regional Distribution of the World LDCs

AFRICA		ASIA
Angola	**Benin** (3) (4)	**Afghanistan** (1) (3) (4)
Burundi (1) (3) (4)	**Burkina Faso** (1) (3) (4)	**Bangladesh**
Cape Verde (2)	C. Africa Rep. (1) (3) (4)	Bhutan (1) (4)
Comoros (2) (3)	**Chad** (1) (3) (4)	Cambodia
Djibouti	Congo, Dem. Rep. (3) (4)	Lao PDR (1) (3)
Eritrea (3) (4)	Equatorial Guinea	**Maldives** (2)
Ethiopia (1) (3) (4)	**Gambia** (3)	Myanmar (3)
Guinea (3) (4)	**Guinea-Bissau** (3) (4)	Nepal (1) (3)
Lesotho (1)	Liberia (3) (4)	**Yemen**
Madagascar (2) (3)	Malawi (1) (3) (4)	**PACIFIC**
Mali (1) (3) (4)	**Mauritania** (3) (4)	Kiribati (2) (4)
Mozambique (3) (4)	**Niger** (1) (3) (4)	Samoa (2)
Rwanda (1) (3) (4)	Sao Tome Principe (2) (3) (4)	Solomon Islands (2) (4)
Senegal (3)	**Sierra Leone** (3) (4)	Tuvalu (2)
Somalia (3) (4)	**Sudan** (3)	Vanuatu (2)
Tanzania (3) (4)	**Togo** (3) (4)	Timor-Leste (2)
Uganda (1) (3) (4)	Zambia (1) (3) (4)	**CARIBBEAN**
		Haiti (2) (3)

(1) Land-locked country. (2) Small island country. (3) Heavily Indebted Poor Countries (HIPCs). (4) Non-oil commodity exporters. (*) Countries in bold are OIC-LDCs.

Table A.2	Total Population (Millions)					
	2001	2002	2003	2004	2005	2006
Bangladesh	131.46	134.03	136.62	139.22	141.82	144.45
Benin	6.56	6.85	6.97	7.18	7.40	7.61
Burkina Faso	11.56	12.02	12.42	12.81	13.11	13.42
Chad	7.67	7.86	8.60	8.82	9.04	9.26
Comoros	0.56	0.58	0.59	0.60	0.61	0.63
Djibouti	0.68	0.69	0.71	0.72	0.73	0.75
Gambia	1.36	1.40	1.44	1.48	1.52	1.56
Guinea	8.21	8.46	8.77	8.99	9.28	9.56
Guinea-Bissau	1.41	1.45	1.49	1.54	1.59	1.63
Maldives	0.30	0.31	0.32	0.33	0.34	0.35
Mali	11.39	11.66	11.92	12.20	12.48	12.77
Mauritania	2.57	2.63	2.70	2.76	2.82	2.89
Mozambique	18.07	18.44	18.79	19.13	19.59	20.04
Niger	11.12	11.46	11.82	12.18	12.56	12.95
Senegal	10.60	10.86	11.12	11.39	11.66	11.94
Sierra Leone	4.92	5.05	5.18	5.31	5.45	5.59
Sudan	31.90	32.70	33.60	34.47	35.30	36.22
Togo	5.53	5.68	5.84	5.99	6.15	6.31
Uganda	25.11	25.97	26.87	27.82	28.82	29.85
Yemen	22.05	22.97	23.92	24.91	25.93	26.99
OIC-LDCs(*)	**313.00**	**321.04**	**329.67**	**337.83**	**346.18**	**354.75**
All LDCs (**)	646.81	663.91	680.66	697.16	714.28	731.42
OIC countries	1247.42	1272.93	1299.79	1326.02	1351.16	1377.47
Developing countries	5083.26	5177.12	5248.94	5320.26	5390.50	5461.95
World	6031.69	6131.83	6209.70	6286.80	6363.44	6440.88
OIC-LDCs as % of:						
All LDCs	48.4	48.4	48.4	48.5	48.5	48.5
OIC countries	25.1	25.2	25.4	25.5	25.6	25.8
World	5.2	5.2	5.3	5.4	5.4	5.5

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

Table A.3	**GDP at Current Prices** (Billion US dollars)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	47.194	49.56	54.476	59.12	61.28	65.216
Benin	2.502	2.817	3.565	4.053	4.406	4.76
Burkina Faso	2.815	3.301	4.279	5.114	5.624	6.055
Chad	1.711	1.995	2.728	4.421	5.896	6.547
Comoros	0.22	0.252	0.325	0.363	0.388	0.402
Djibouti	0.577	0.596	0.628	0.666	0.709	0.768
Gambia	0.418	0.37	0.353	0.401	0.461	0.507
Guinea	3.039	3.21	3.624	3.97	3.331	3.317
Guinea-Bissau	0.199	0.204	0.236	0.27	0.302	0.305
Maldives	0.625	0.641	0.692	0.806	0.795	0.988
Mali	3.018	3.343	4.429	4.944	5.412	6.191
Mauritania	1.122	1.15	1.285	1.495	1.857	2.663
Mozambique	3.697	4.094	4.789	5.913	6.636	7.296
Niger	1.947	2.177	2.736	2.948	3.403	3.55
Senegal	4.882	5.352	6.828	7.958	8.615	9.242
Sierra Leone	0.806	0.936	0.991	1.073	1.215	1.419
Sudan	13.38	14.976	17.78	21.691	27.895	37.564
Togo	1.334	1.479	1.677	1.94	2.112	2.21
Uganda	5.65	5.835	6.243	6.817	8.734	9.443
Yemen	9.533	9.985	11.869	13.565	15.193	18.7
OIC-LDCs (*)	**104.669**	**112.273**	**129.533**	**147.528**	**164.264**	**187.143**
All LDCs (**)	176.435	188.115	216.042	249.426	291.217	341.263
OIC countries	1432.025	1534.946	1795.157	2106.149	2493.872	2906.853
Developing countries	8480.443	8659.405	9540.778	10922.778	12623.183	14430.610
World	31542.424	32812.809	36853.274	41431.886	44688.300	48144.466
OIC-LDCs as % of:						
All LDCs	59.3	59.7	60.0	59.1	56.4	54.8
OIC countries	7.3	7.3	7.2	7.0	6.6	6.4

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

Table A.4	**Per Capita GDP** (Current US $)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Bangladesh	359	370	399	425	432	451
Benin	382	411	511	564	596	625
Burkina Faso	244	275	345	399	429	451
Chad	223	254	317	502	653	707
Comoros	391	438	553	605	633	642
Djibouti	849	860	890	931	973	1028
Gambia	308	265	246	271	304	325
Guinea	370	379	413	441	359	347
Guinea-Bissau	142	141	158	176	190	187
Maldives	2105	2095	2197	2482	2376	2864
Mali	265	287	371	405	434	485
Mauritania	437	437	477	542	658	921
Mozambique	205	222	255	309	339	364
Niger	175	190	232	242	271	274
Senegal	461	493	614	699	739	774
Sierra Leone	164	185	191	202	223	254
Sudan	419	458	529	629	790	1037
Togo	241	260	287	324	343	350
Uganda	225	225	232	245	303	316
Yemen	432	435	496	544	586	693
OIC-LDCs	**334**	**339**	**380**	**425**	**463**	**515**
All LDCs	273	280	314	354	404	462
OIC countries	1148	1188	1361	1565	1818	2079
Developing countries	1667	1671	1815	2051	2339	2639
World	5229	5351	5935	6590	7023	7475

Table A.5	Structure of Output (% of GDP, average 2000-2005)			
	Agriculture	**Industry:**	**of which Manufacture**	**Services**
Afghanistan	47	23	16	30
Bangladesh	22	27	16	52
Benin	37	15	9	48
Burkina Faso (2)	31	19	12	50
Chad (2)	34	28	9	39
Comoros	49	11	4	40
Djibouti	4	16	3	80
Gambia	33	13	5	54
Guinea (2)	24	35	4	41
Guinea-Bissau (2)	59	12	0	28
Maldives	9	16	8	75
Mali	37	24	8	39
Mauritania (2)	26	27	6	46
Mozambique	22	25	13	52
Niger (2)	43	13	7	44
Senegal	17	24	16	59
Sierra Leone (2)	45	11	3	44
Somalia	60	7	2	33
Sudan (1)	46	24	8	30
Togo	42	21	6	37
Uganda	33	21	9	46
Yemen (1)	13	44	6	43
OIC-LDCs	**28**	**26**	**12**	**46**
All LDCs (*)	30	28	10	42
OIC countries	13	40	16	47
Developing countries (*)	11	37	23	52

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

Table A.6	**Real GDP Growth Rates** (In percentage)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan		28.6	15.7	8	14	8
Bangladesh	4.8	4.8	5.8	6.1	6.3	6.7
Benin	6.2	4.5	3.9	3.1	2.9	4.1
Burkina Faso	6.6	4.7	8	4.6	7.1	6.4
Chad	11.7	8.5	14.7	33.6	8.6	1.3
Comoros	3.3	4.1	2.5	-0.2	4.2	1.2
Djibouti	2	2.6	3.2	3	3.2	4.5
Gambia	5.8	-3.2	6.9	7	5.1	6.5
Guinea	4	4.2	1.2	2.7	3.3	2.8
Guinea-Bissau	0.2	-7.1	-0.6	2.2	3.2	2.7
Maldives	3.5	6.5	8.5	9.5	-4.5	16.1
Mali	12.1	4.3	7.2	2.4	6.1	4.6
Mauritania	2.9	1.1	5.6	5.2	5.4	11.7
Mozambique	13.1	8.2	7.9	7.5	7.8	8.5
Niger	7.1	3	4.5	-0.7	6.8	3.4
Senegal	4.6	0.7	6.7	5.6	5.5	3.3
Sierra Leone	18.2	27.4	9.5	7.4	7.3	7.4
Sudan	6.2	5.4	7.1	5.1	8.6	12.2
Togo	-2.3	-0.2	5.2	2.3	1.2	1.8
Uganda	4.8	6.9	4.4	5.7	6.7	5.4
Yemen	4.6	3.9	3.1	2.6	3.7	3.8
OIC-LDCs	**5.6**	**5.8**	**6.4**	**6.0**	**6.5**	**6.7**
All LDCs	7.1	6.2	5.8	7.3	7.8	7.1
OIC countries	1.8	4.5	6.6	6.7	6.3	5.8
Developing countries	4.3	5.0	6.7	7.7	7.5	7.9
World	2.5	3.1	4.0	5.3	4.9	5.4

Table A.7	Average Annual Inflation Rates (% Change in annual average consumer price indices)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan			5.1	24.1	13.2	12.3
Bangladesh	1.9	3.7	5.4	6.1	7	6.3
Benin	4	2.4	1.5	0.9	5.4	3.8
Burkina Faso	4.7	2.3	2	-0.4	6.4	2.4
Chad	12.4	5.2	-1.8	-5.4	7.9	7.9
Comoros	5.6	3.6	3.7	4.5	3	3.4
Djibouti	1.8	0.6	2	3.1	3.1	3.6
Gambia	4.5	8.6	17	14.2	3.2	1.5
Guinea	5.4	3	12.9	17.5	31.4	33.9
Guinea-Bissau	3.3	3.3	-3.5	0.8	3.4	1.9
Maldives	0.7	0.9	-2.8	6.3	3.3	3.5
Mali	5.2	5	-1.3	-3.1	6.4	1.9
Mauritania	7.7	5.4	5.3	10.4	12.1	6.2
Mozambique	9.1	16.8	13.5	12.6	6.4	13.2
Niger	4	2.7	-1.8	0.4	7.8	0.1
Senegal	3	2.3	0	0.5	1.7	2.1
Sierra Leone	2.6	-3.7	7.5	14.2	12.1	9.5
Sudan	4.9	8.3	7.7	8.4	8.5	7.2
Togo	3.9	3.1	-0.9	0.4	6.8	2.7
Uganda	4.5	-2	5.7	5	8	6.6
Yemen	11.9	12.2	10.8	12.5	11.8	21.6
OIC-LDCs	**4.4**	**5.0**	**5.5**	**6.8**	**8.2**	**8.3**
All LDCs	26.6	16.2	14.8	9.8	9.8	9.5
OIC countries	12.2	11.0	7.2	5.8	7.0	7.8
Developing countries	6.7	5.8	5.8	5.6	5.4	5.3

Table A.8	**Merchandise Exports** (FOB, Million US $)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan	91	87	210	185	238	275
Bangladesh	5736	5443	6229	7586	8494	12762
Benin	591	242	271	290	300	390
Burkina Faso	174	173	248	376	373	419
Chad	75	63	91	111	1840	2280
Comoros	38	28	33	35	24	32
Djibouti	236	202	247	252	274	340
Gambia	27	31	18	38	28	37
Guinea	543	828	629	560	1328	1363
Guinea-Bissau	125	95	71	110	109	133
Maldives	77	91	113	123	99	167
Mali	156	162	215	328	246	387
Mauritania	548	543	594	803	943	1400
Mozambique	704	682	1044	1504	1745	2381
Niger	162	169	200	222	298	428
Senegal	784	949	1159	1276	1443	1364
Sierra Leone	56	106	141	184	196	209
Somalia	77	113	151	190	250	300
Sudan	1700	1942	2609	3774	4822	5700
Togo	220	249	416	408	364	568
Uganda	452	466	533	574	672	687
Yemen	3370	3271	3724	4076	5606	6459
OIC-LDCs	**15940**	**15935**	**18945**	**24003**	**29693**	**38080**
All LDCs	34827	36634	42356	54777	74031	97366
OIC countries	497285	506156	611598	803892	995752	1220966
Developing countries	2212840	2381770	2859490	3644310	4414480	5308350
World	6139530	6432970	7516000	9131810	10363300	11961100
OIC-LDCs as % of:						
All LDCs	45.8	43.5	44.7	43.8	40.1	39.1
OIC countries	3.2	3.1	3.1	3.0	3.0	3.1
Developing countries	0.7	0.7	0.7	0.7	0.7	0.7
Annual % change:						
OIC-LDCs	**1.2**	**0.03**	**18.9**	**26.7**	**23.7**	**28.2**
All LDCs	1.9	5.2	15.6	29.3	35.1	31.5
OIC countries	-7.7	1.8	20.8	31.4	23.9	22.6
Developing countries	-5.7	7.6	20.1	27.4	21.1	20.2
World	-3.9	4.8	16.8	21.5	13.5	15.4

Table A.9	**Merchandise Imports** (CIF, Million US $)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan	566	1034	1608	1973	3007	3825
Bangladesh	9012	7848	9835	11590	13851	17892
Benin	622	721	886	897	893	3427
Burkina Faso	508	650	863	1024	1095	1262
Chad	366	462	351	412	488	529
Comoros	83	96	124	111	114	143
Djibouti	720	669	864	896	1207	1555
Gambia	399	412	506	577	638	709
Guinea	499	877	694	1140	1872	2251
Guinea-Bissau	108	102	159	136	213	200
Maldives	393	391	471	645	745	931
Mali	1391	1381	1525	1887	2067	2357
Mauritania	711	882	1001	1123	1368	1475
Mozambique	1063	1270	1740	2035	2467	2914
Niger	325	396	495	588	838	1009
Senegal	1727	1958	2359	2854	3215	3423
Sierra Leone	420	496	602	523	609	560
Somalia	338	388	422	547	626	798
Sudan	1864	2168	2714	4086	6689	8558
Togo	355	397	563	557	590	2600
Uganda	1006	1074	1375	1494	1702	2131
Yemen	2466	2777	4404	3984	4800	6949
OIC-LDCs	**24941**	**26446**	**33560**	**39080**	**49093**	**65499**
All LDCs	48167	50303	62364	74722	92297	117955
OIC countries	383088	423432	503494	695750	828769	1010295
Developing countries	2140310	2278880	2705470	3487800	4087930	4888890
World	6379300	6627190	7749790	9487200	10750100	12383900
OIC-LDCs as % of:						
All LDCs	51.8	52.6	53.8	52.3	53.2	55.5
OIC countries	6.5	6.2	6.7	5.6	5.9	6.5
Developing countries	1.2	1.2	1.2	1.1	1.2	1.3
Annual % change:						
OIC-LDCs	**4.8**	**6.0**	**26.9**	**16.4**	**25.6**	**33.4**
All LDCs	3.8	4.4	24.0	19.8	23.5	27.8
OIC countries	-3.2	10.5	18.9	38.2	19.1	21.9
Developing countries	-2.6	6.5	18.7	28.9	17.2	19.6
World	-3.2	3.9	16.9	22.4	13.3	15.2

Table A.10	Current Account Balance (Million US $)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan		-150	138	105	41	-145
Bangladesh	-390	156	-215	-697	-158	618
Benin	-159	-238	-298	-292	-273	-304
Burkina Faso	-315	-328	-379	-541	-661	-625
Chad	-576	-2002	-1293	-210	63	121
Comoros	7	-4	-10	-10	-13	-22
Djibouti	-20	-9	21	-9	8	-68
Gambia	-11	-10	-18	-51	-93	-73
Guinea	-81	-137	-123	-214	-133	-119
Guinea-Bissau	-44	-22	-7	8	-11	-17
Maldives	-59	-36	-32	-129	-274	-361
Mali	-314	-104	-275	-415	-482	-455
Mauritania	-131	35	-175	-517	-877	-36
Mozambique	-719	-791	-721	-507	-730	-762
Niger	-93	-142	-153	-208	-253	-267
Senegal	-213	-298	-422	-488	-694	-1112
Sierra Leone	-131	-45	-75	-52	-93	-70
Sudan	-2116	-1488	-1369	-1352	-2919	-5431
Togo	-169	-132	-150	-184	-234	-268
Uganda	-217	-287	-362	-81	-183	-384
Yemen	507	514	-8	263	246	675
OIC-LDCs	**-5244**	**-5518**	**-5926**	**-5581**	**-7723**	**-9105**
All LDCs	-10011	-9044	-10581	-8930	-8732	-9212
OIC countries	62585	42123	81126	113855	215477	258722
Developing countries	39400	77300	147600	212600	428000	544200

Table A.11	**Reserves Excluding Gold** (Million US $)					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Afghanistan						
Bangladesh	1275	1683	2578	3172	2767	3806
Benin	578	616	718	640	657	912
Burkina Faso	261	313	752	669	438	555
Chad	122	219	187	222	226	625
Comoros	62	80	94	104	86	94
Djibouti	70	74	100	94	89	120
Gambia	106	107	59	84	98	121
Guinea	200	171		110	95	
Guinea-Bissau	69	103	33	73	80	82
Maldives	93	133	159	204	186	231
Mali	349	594	952	861	855	970
Mauritania	285	396	415			
Mozambique	713	803	938	1131	1054	1156
Niger	107	134	260	258	250	371
Senegal	447	637	1111	1386	1191	1334
Sierra Leone	51	85	67	125	171	184
Somalia						
Sudan	50	249	529	1338	1869	1660
Togo	126	205	205	360	195	375
Uganda	983	934	1080	1308	1344	1811
Yemen	3658	4411	4987	5665	6115	7512
OIC-LDCs	**9607**	**11947**	**15226**	**17804**	**17765**	**21917**
All LDCs	16355	19853	24292	30178	33165	43669
OIC countries	216676	252644	310008	387788	454451	595188
Developing countries	1277516	1524987	1932014	2457017	2901575	3657663

Table A.12	**Gross Capital Formation** (% of GDP)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Afghanistan	13	14	12	13	17	21
Bangladesh	16	23	23	24	24	25
Benin	14	20	18	20	21	18
Burkina Faso	19	26	25	25	25	23
Chad	7	39	57	45	27	27
Comoros	20	12	12	12	10	11
Djibouti	27	17	22	19	19	20
Gambia	18	24	21	19	27	26
Guinea	17	23	19	14	16	17
Guinea-Bissau	15	16	22	19	13	15
Maldives	31	28	26	27	42	61
Mali	22	24	16	26	22	21
Mauritania	19	24	22	27	46	44
Mozambique	20	26	30	27	23	20
Niger	13	15	16	17	15	19
Senegal	11	18	17	21	21	26
Sierra Leone	10	-33	-13	10	14	19
Somalia	24	20	20	20	20	20
Sudan	7	18	19	20	22	22
Togo	25	15	18	19	19	20
Uganda	15	20	21	22	23	24
Yemen	15	20	18	21	20	22
OIC-LDCs	**15**	**21**	**22**	**23**	**23**	**24**
All LDCs	16	20	20	21	22	21
Developing countries	26	25	25	26	28	28

Table A.13	Gross Domestic Savings (% of GDP)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	12	18	19	20	20	21
Benin	6	11	10	10	12	11
Burkina Faso	6	11	11	11	12	8
Chad	1	7	10	22	46	55
Comoros	-5	-3	0	0	-3	-7
Djibouti	-1	8	12	7	9	10
Gambia	3	19	13	10	10	8
Guinea	15	21	11	9	8	7
Guinea-Bissau	-12	5	0	9	-2	-3
Maldives	47	45	46	49	43	28
Mali	6	17	16	19	17	18
Mauritania	5	2	4	-3	-1	-15
Mozambique	-14	14	27	20	22	18
Niger	9	7	7	6	3	8
Senegal	6	9	7	9	8	10
Sierra Leone	8	-71	-49	-26	-14	-6
Somalia	19	19	19	19	19	19
Sudan	8	10	13	16	19	18
Togo	14	-1	4	3	2	1
Uganda	8	5	5	7	8	9
Yemen	11	20	18	19	21	21
OIC-LDCs	**9**	**12**	**13**	**14**	**16**	**16**
All LDCs	10	13	14	13	16	16
Developing countries	26	25	27	28	29	31

Table A.14	Total Financial Flows (Net Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	1644	1294	889	1193	1816	1805
Benin	274	275	189	259	450	260
Burkina Faso	217	335	365	444	610	596
Chad	257	599	1118	985	784	1038
Comoros	33.2	22.4	21.8	15.2	13.5	14.5
Djibouti	148.8	27.6	55.7	60.1	81.6	83.9
Gambia	62.2	63.6	107.5	68.9	115.5	116.7
Guinea	211	186	173	215	226	178
Guinea-Bissau	96.4	30.1	43.3	127.1	43.1	60.4
Maldives	23.9	30.7	48.5	41	53.9	85.3
Mali	348	395	575	602	694	781
Mauritania	138	305	441	465	288	342
Mozambique	948	976	2394	1106	1367	1207
Niger	358	216	244	396	563	478
Senegal	702	303	379	293	1029	675
Sierra Leone	79	276	288	264	389	354
Somalia	372	120	178	154	204	244
Sudan	572	1059	1037	1836	2420	3978
Togo	205	118	102	81	127	56
Uganda	479	854	815	1048	1314	1159
Yemen	333	274	283	98	360	40
OIC-LDCs	**7502**	**7759**	**9747**	**9751**	**12949**	**13552**
All LDCs	14408	16499	19060	29700	29995	29121
Developing countries	92987	209742	192037	248312	382252	505250
OIC-LDCs as % of:						
All LDCs	52.1	47.0	51.1	32.8	43.2	46.5
Developing countries	8.1	3.7	5.1	3.9	3.4	2.7

Table A.15	Official Development Assistance (ODA) (*) (Net Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Afghanistan	122	405	1300	1591	2188	2775
Bangladesh	2093	1025	909	1394	1413	1321
Benin	267	272	216	295	385	349
Burkina Faso	327	390	471	507	614	660
Chad	311	185	228	247	321	380
Comoros	45	27	32	24	25	25
Djibouti	194	58	78	79	64	79
Gambia	97	53	60	63	65	58
Guinea	292	281	249	240	280	182
Guinea-Bissau	126	59	59	145	77	79
Maldives	21	25	27	21	28	67
Mali	478	351	466	543	568	691
Mauritania	236	267	344	238	181	190
Mozambique	998	931	2201	1037	1246	1286
Niger	388	256	297	457	541	515
Senegal	812	413	445	447	1055	689
Sierra Leone	59	343	353	304	360	343
Somalia	491	148	191	174	200	236
Sudan	813	181	343	613	992	1829
Togo	258	43	51	50	59	87
Uganda	663	790	710	976	1198	1198
Yemen	400	458	583	234	253	336
OIC-LDCs	**9490**	**6961**	**9613**	**9676**	**12124**	**13376**
All LDCs	16358	13467	17595	23351	24159	25538
Developing countries	55323	46964	53896	65424	73840	101104
OIC-LDCs as % of:						
All LDCs	58.0	51.7	54.6	41.4	50.2	52.4
Developing countries	17.2	14.8	17.8	14.8	16.4	13.2
Per capita (current $)						
OIC-LDCs	**30**	**22**	**30**	**29**	**36**	**39**
All LDCs	31	21	27	34	35	36
Developing countries	13	9	11	13	14	19
(*) From all donors, including grants.						

Table A.16	**Net Foreign Direct Investment Flows** (Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	3	79	52	268	449	802
Benin	62	51	18	48	108	21
Burkina Faso	0	9	15	29	14	19
Chad	9	460	924	713	478	705
Comoros	0	1	0	1	-0.1	1
Djibouti	0	3	4	14	39	23
Gambia	14	36	43	22	57	52
Guinea	18	2	30	79	98	102
Guinea-Bissau	2	0	4	4	2	10
Maldives	6	12	12	14	15	10
Mali	6	122	244	132	101	159
Mauritania	7	92	118	214	5	115
Mozambique	9	255	348	337	245	108
Niger	41	23	2	15	26	12
Senegal	57	32	78	52	77	54
Sierra Leone	32	10	10	9	61	59
Somalia	6	0	0	-1	21	24
Sudan	-31	574	713	1349	1511	2305
Togo	18	64	53	34	57	3
Uganda	-6	151	185	202	222	257
Yemen	-131	155	114	-89	144	-266
OIC-LDCs	**122**	**2131**	**2967**	**3446**	**3729**	**4574**
All LDCs	549	6874	6349	10807	9511	7663
OIC countries	5950	12008	18909	25562	35508	50180
Developing countries	24580	174833	157065	159973	217840	280795
OIC-LDCs as % of:						
All LDCs	22.3	31.0	46.7	31.9	39.2	59.7
OIC countries	2.1	17.7	15.7	13.5	10.5	9.1
Developing countries	0.5	1.2	1.9	2.2	1.7	1.6

Table A.17	Total External Debt (Million US $)					
	1990	2001	2002	2003	2004	2005
Bangladesh	12439	15250	17046	18774	20129	18935
Benin (*)	1292	1661	1836	1828	1916	1855
Burkina Faso (*)	832	1495	1548	1736	2049	2045
Chad (*)	529	1136	1323	1590	1701	1633
Comoros (*)	189	248	276	293	309	289
Djibouti	205	263	335	396	428	424
Gambia (*)	369	488	577	634	674	672
Guinea (*)	2476	3254	3401	3457	3538	3247
Guinea-Bissau (*)	692	668	699	745	765	693
Maldives	78	235	272	284	353	368
Mali (*)	2468	2910	2827	3114	3320	2969
Mauritania (*)	2113	2263	2244	2333	2312	2281
Mozambique (*)	4650	4891	5049	4755	5047	5121
Niger (*)	1726	1587	1784	2067	1967	1972
Senegal (*)	3744	3644	4086	4367	3825	3793
Sierra Leone (*)	1197	1292	1440	1604	1728	1682
Somalia (*)	2370	2563	2689	2838	2849	2750
Sudan (*)	14762	16524	17314	18406	19353	18455
Togo (*)	1281	1395	1573	1702	1836	1708
Uganda (*)	2584	3733	3993	4575	4790	4463
Yemen	6352	5087	5225	5375	5488	5363
OIC-LDCs	**62348**	**70587**	**75537**	**80874**	**84377**	**80718**
All LDCs	124722	138674	146974	157039	162952	157409
OIC countries	413684	615663	652892	701105	747616	722278
Developing countries	1330061	2260516	2366651	2587927	2766754	2742378
OIC-LDCs as % of:						
All LDCs	50.0	50.9	51.4	51.5	51.8	51.3
OIC countries	15.1	11.5	11.6	11.5	11.3	11.2
Developing countries	4.7	3.1	3.2	3.1	3.0	2.9
(*) Heavily indebted poor country (HIPC).						

Table A.18	**Total Debt Service (TDS)** (Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	749	676	727	672	671	791
Benin	38	50	58	60	64	69
Burkina Faso	34	38	44	47	50	46
Chad	12	23	26	47	46	61
Comoros	1	3	5	3	3	4
Djibouti	15	11	12	16	18	18
Gambia	38	14	15	20	38	29
Guinea	169	105	125	131	172	162
Guinea-Bissau	8	23	11	15	45	33
Maldives	9	22	22	21	32	34
Mali	68	80	83	77	100	88
Mauritania	146	74	54	55	57	67
Mozambique	79	90	78	85	83	93
Niger	99	28	26	33	43	38
Senegal	324	213	220	244	336	193
Sierra Leone	21	96	22	25	27	25
Somalia	11	0	0	0	0	0
Sudan	50	233	141	272	312	388
Togo	86	32	13	17	21	17
Uganda	145	50	71	84	103	172
Yemen	169	259	171	176	223	211
OIC-LDCs	**2271**	**2120**	**1924**	**2101**	**2444**	**2539**
All LDCs	4280	5444	5334	5194	6031	6340
OIC countries	49872	74133	83923	92409	105190	121102
Developing countries	146904	365518	371254	416027	441331	513831

Table A.19	Long-Term Debt (LDOD) (Million US $)					
	1990	2001	2002	2003	2004	2005
Bangladesh	11658	14741	16404	18083	19186	17938
Benin	1218	1505	1689	1726	1827	1762
Burkina Faso	748	1315	1409	1598	1905	1920
Chad	469	1024	1191	1462	1582	1537
Comoros	176	223	245	265	275	259
Djibouti	155	236	305	367	394	389
Gambia	308	453	507	567	622	626
Guinea	2253	2844	2972	3154	3188	2931
Guinea-Bissau	630	627	662	713	738	671
Maldives	64	181	223	259	313	307
Mali	2337	2642	2518	2910	3136	2843
Mauritania	1806	1914	1916	2054	2060	2043
Mozambique	4231	4137	4414	4116	4407	4419
Niger	1487	1475	1650	1926	1823	1803
Senegal	3008	3193	3540	3971	3585	3609
Sierra Leone	940	1121	1260	1418	1510	1420
Somalia	1926	1795	1860	1936	1949	1882
Sudan	9651	11138	11435	11887	12237	11659
Togo	1081	1192	1323	1485	1609	1469
Uganda	2162	3306	3578	4190	4461	4250
Yemen	5160	4277	4497	4745	4799	4717
OIC-LDCs	**51469**	**59339**	**63599**	**68830**	**71606**	**68455**
All LDCs	106250	115879	126357	136127	139778	134067
OIC countries	347871	503691	529522	562906	591659	568617
Developing countries	1094694	1863304	1933507	2062178	2177971	2147179

Table A.20	**Short-Term Debt (STD)** (Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	156	361	572	617	712	688
Benin	55	79	74	29	24	39
Burkina Faso	84	63	13	14	29	21
Chad	30	23	26	23	23	16
Comoros	12	24	30	28	34	30
Djibouti	50	12	10	9	13	17
Gambia	16	27	37	33	27	25
Guinea	172	287	289	166	229	229
Guinea-Bissau	57	18	14	12	11	10
Maldives	14	54	49	26	41	55
Mali	62	97	144	35	39	17
Mauritania	238	244	215	174	162	169
Mozambique	345	558	434	430	442	545
Niger	154	32	28	10	9	41
Senegal	421	202	294	156	36	36
Sierra Leone	148	19	10	17	22	69
Somalia	285	627	677	735	726	709
Sudan	4155	4835	5306	5920	6524	6278
Togo	113	146	198	175	201	225
Uganda	140	151	159	149	137	81
Yemen	1192	436	341	229	313	353
OIC-LDCs	**7899**	**8295**	**8919**	**8987**	**9754**	**9652**
All LDCs	13073	16715	14945	15159	16782	17869
OIC countries	58883	80403	83898	95615	117403	125678
Developing countries	200715	321931	337335	418884	492739	546020

Table A.21	Use of IMF Credits (IMF CR) (Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	626	149	71	74	231	308
Benin	18	77	73	73	65	53
Burkina Faso	0	117	126	125	115	104
Chad	30	89	107	106	96	79
Comoros	0	1	1	0	0	0
Djibouti	0	16	21	20	21	19
Gambia	26	26	32	35	25	21
Guinea	51	123	139	136	122	87
Guinea-Bissau	5	23	23	21	16	12
Maldives	0	0	0	0	0	0
Mali	69	171	166	169	145	109
Mauritania	70	105	113	104	90	69
Mozambique	74	196	200	209	197	157
Niger	85	81	106	131	135	128
Senegal	314	248	253	240	204	148
Sierra Leone	108	152	169	169	196	192
Somalia	159	141	152	166	174	160
Sudan	956	551	573	599	593	518
Togo	87	57	52	42	27	14
Uganda	282	275	257	236	192	131
Yemen	0	374	386	401	376	292
OIC-LDCs	**2960**	**2971**	**3019**	**3056**	**3020**	**2600**
All LDCs	5378	5559	6031	6189	6394	5464
OIC countries	6909	31585	39473	42561	38555	27971
Developing countries	34652	75281	95809	106865	96044	49179

Table A.22	Public and Publicly Guaranteed Debt (Million US $)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	11658	14741	16404	18083	19186	17938
Benin	1218	1505	1689	1726	1827	1762
Burkina Faso	748	1315	1409	1598	1905	1920
Chad	469	1024	1191	1462	1582	1537
Comoros	176	223	245	265	275	259
Djibouti	155	236	305	367	394	389
Gambia	308	435	507	567	622	626
Guinea	2253	2844	2972	3154	3188	2931
Guinea-Bissau	630	627	662	713	738	671
Maldives	64	181	223	259	313	307
Mali	2337	2642	2518	2910	3136	2843
Mauritania	1806	1914	1916	2054	2060	2043
Mozambique	4211	2587	2902	3207	3596	3727
Niger	1226	1413	1596	1881	1784	1771
Senegal	2948	3143	3506	3921	3440	3467
Sierra Leone	940	1121	1260	1418	1510	1420
Somalia	1926	1795	1860	1936	1949	1882
Sudan	9155	10642	10939	11391	11741	11163
Togo	1081	1192	1323	1485	1609	1469
Uganda	2162	3306	3578	4190	4461	4250
Yemen	5160	4277	4497	4745	4799	4717
OIC-LDCs	**50632**	**57163**	**61503**	**67330**	**70115**	**67093**
All LDCs	105396	113532	123825	133940	137439	131205
OIC countries	329158	402877	427618	455609	464460	413557
Developing countries	1034699	1325664	1389415	1468901	1513473	1361634

Table A.23	Debt-GNI Ratio (EDT/GNI) (%)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	40.4	31.4	34.3	34.3	33.7	30
Benin	71.5	70.7	66	52	47.8	43.5
Burkina Faso	26.7	53.2	48.4	41.5	42.6	39.6
Chad	30.7	67.6	68.8	71.9	47.1	36.8
Comoros	75.6	112.3	110	90.7	85.7	75.1
Djibouti		44.9	55.3	58.7	58.6	54.7
Gambia	126.7	123.6	166	182.2	176.8	150.7
Guinea	92.8	110.3	107.3	96.1	88.8	100.2
Guinea-Bissau	296.6	365.1	362.9	331.5	295.9	239.6
Maldives	40.2	40.1	45	43.5	48	49.8
Mali	102.6	118.1	91.1	74.1	71	58.5
Mauritania	196.4	207.8	175.9	173.7	143.3	119.1
Mozambique	200.4	144.1	128.8	103.6	90.6	82.3
Niger	71.2	82.2	83.1	76.1	64.7	58.1
Senegal	68	81.2	83.9	69.5	51.2	46.9
Sierra Leone	206.4	165.6	158.9	166.6	166.3	144.9
Somalia	283.9					
Sudan	119.1	138.6	124.5	113.9	97.5	72.1
Togo	80.2	107.4	108.1	98.1	90.3	78.8
Uganda	61.1	67.4	70	74.8	71.8	52.2
Yemen	132.6	58.5	57.8	54.2	47.1	40
OIC-LDCs	**78.7**	**69.2**	**69.2**	**65.0**	**59.4**	**51.0**
All LDCs	91.8	85.2	85.0	80.7	72.3	60.2
OIC countries	54.4	58.4	57.2	52.6	48.3	40.9
Developing countries	36.2	39.2	39.2	37.8	34.3	28.7

Table A.24	Debt-Export Ratio (EDT/XGS) (%)					
	1990	2001	2002	2003	2004	2005
Bangladesh	427.9	169.3	173	166.2	155.9	128.1
Benin	277.9	264.5	264.1	231.7	218.4	
Burkina Faso	164.3	468.8				
Chad	192.9					
Comoros	392					
Djibouti						
Gambia	217.5			275.5	274.3	279.4
Guinea	294.3	381.1	414.6	398.9	410.3	
Guinea-Bissau	2554	862.7	879.1	789.5	684.9	
Maldives	42.4	49.7	54.2	48.2	50.7	75.1
Mali	449.3	296.8	234.2	237.3	240.7	
Mauritania	432.9					
Mozambique	1550.9	455.9	410.4	331.6	274.8	233.7
Niger	304.7	446.8	506.9	465.7	328.2	
Senegal	230	211.6	216.8	185	134.8	
Sierra Leone	568.8	1410	1162	784.9	707.5	620.9
Somalia						
Sudan	2574.9	671.3	562	483.5	369	307.8
Togo	177.2	275.4	251	200.8	194.7	
Uganda	1453.1	348.1	347.2	393.7	322	238.8
Yemen	209.9	101.6	100.2	95.6	85.3	65.3
OIC-LDCs	**456.3**	**286.6**	**281.6**	**260.4**	**229.9**	**237.0**
All LDCs	523.6	305.1	299.0	282.3	239.2	211.0
OIC countries	193.6	161.5	158.4	146.0	125.8	124.1
Developing countries	181.8	120.6	119.4	108.3	91.2	73.6

Table A.25	Debt-Service Ratio (TDS/XGS) (%)					
	1990	**2001**	**2002**	**2003**	**2004**	**2005**
Bangladesh	25.8	7.5	7.4	5.9	5.2	5.3
Benin	8.2	7.9	8.4	7.6	7.2	
Burkina Faso	6.8	11.8				
Chad	4.4					
Comoros	2.3					
Djibouti						
Gambia	22.2			8.9	15.2	12
Guinea	20	12.3	15.2	15.1	19.9	
Guinea-Bissau	31.1	30.1	13.9	16.1	40.2	
Maldives	4.8	4.6	4.4	3.6	4.7	6.9
Mali	12.3	8.2	6.8	5.8	7.2	
Mauritania	29.8					
Mozambique	26.2	8.4	6.3	5.9	4.5	4.2
Niger	17.4	7.9	7.4	7.5	7.1	
Senegal	19.9	12.3	11.7	10.4	11.8	
Sierra Leone	10.1	104.6	17.5	12.4	11.2	9.2
Somalia						
Sudan	8.7	9.5	4.6	7.2	6	6.5
Togo	11.9	6.4	2.1	2	2.2	
Uganda	81.4	4.7	6.1	7.2	6.9	9.2
Yemen	5.6	5.2	3.3	3.1	3.5	2.6
OIC-LDCs	**16.6**	**8.6**	**7.2**	**6.8**	**6.7**	**7.5**
All LDCs	18.0	12.0	10.9	9.3	8.9	8.5
OIC countries	23.3	19.4	20.4	19.2	17.7	20.8
Developing countries	20.1	19.5	18.7	17.4	14.6	13.8

Table A.26	Interest-Service Ratio (INT/XGS) (%)					
	1990	2001	2002	2003	2004	2005
Bangladesh	6.9	2	1.8	1.6	1.6	1.6
Benin	3.8	2.8	3.7	2.3	2.2	
Burkina Faso	3.1	4				
Chad	1.9					
Comoros	1.8					
Djibouti						
Gambia	7.2			3.9	3.7	4.4
Guinea	7	4.3	4.4	4	5.1	
Guinea-Bissau	22.5	12.8	4.7	4.7	9	
Maldives	1.5	1.3	1.1	0.9	1.2	2
Mali	4.4	1.9	2	1.5	2	
Mauritania	9.7					
Mozambique	12.6	1.7	2.2	1.8	1.7	1.4
Niger	6.3	2.1	2.4	2.5	2.2	
Senegal	7.9	3.8	3.9	3.3	2.6	
Sierra Leone	4.4	12.2	7.2	5.2	5.4	4.7
Somalia						
Sudan	5.9	1.7	1.3	1.5	1.5	1.1
Togo	6	2.1	0.4	0.3	0.4	
Uganda	20.2	1.6	2.2	2.4	2.5	1.9
Yemen	2.9	1.5	1.2	1	1.1	0.8
OIC-LDCs	**6.0**	**2.4**	**2.1**	**1.9**	**1.9**	**2.1**
All LDCs	6.7	2.4	2.8	2.5	2.1	2.1
OIC countries	9.1	6.3	5.0	4.7	4.0	5.2
Developing countries	8.7	5.9	4.8	4.3	3.4	3.1

Table A.27	**UNDP Human Development Index 2005**						
	Life expectancy at birth 2005 (years)	**Adult literacy rate 2005 (%)** (1)	**Gross enrolment ratio 2005 (%)** (2)	**GDP per capita 2005** (3)	**HDI value**	**HDI rank** (4)	**Adjusted HDI** (5)
MHDCs:							
Maldives	67.0	96.3	65.8	5261	0.741	100	-1
Comoros	64.1		46.4	1993	0.561	134	10
Mauritania	63.2	51.2	45.6	2234	0.550	137	-5
Bangladesh	63.1	47.5	56.0	2053	0.547	140	0
Sudan	57.4	60.9	37.3	2083	0.526	147	-10
Djibouti	53.9		25.3	2178	0.516	149	-15
Togo	57.8	53.2	55.0	1506	0.512	152	-1
Yemen	61.5	54.1	55.2	930	0.508	153	16
Uganda	49.7	66.8	63.0	1454	0.505	154	-2
Gambia	58.8		50.1	1921	0.502	155	-9
LHDCs:							
Senegal	62.3	39.3	39.6	1792	0.499	156	-9
Guinea	54.8	29.5	45.1	2316	0.456	160	-30
Benin	55.4	34.7	50.7	1141	0.437	163	-2
Chad	50.4	25.7	37.5	1427	0.388	170	-17
Mozambique	42.8	38.7	52.9	1242	0.384	172	-16
Mali	53.1	24.0	36.7	1033	0.380	173	-8
Niger	55.8	28.7	22.7	781	0.374	174	-1
Guinea-Bissau	45.8		36.7	827	0.374	175	-4
Burkina Faso	51.4	23.6	29.3	1213	0.370	176	-17
Sierra Leone	41.8	34.8	44.6	806	0.336	177	-5
OIC LDCs	**55.5**	**35.5**	**44.8**	**1709.6**	**0.473**		
All LDCs	55.6	58.6	49.4	1988.7	0.509		
DCs	66.1	76.6	64.1	5282	0.691		
World	68.1	78.6	67.8	9543	0.743		

(1) % of age 15 and above.
(2) Combined ratio for primary, secondary and tertiary schools.
(3) In PPP US dollars.
(4) Calculated for 177 countries.
(5) Real GDP per capita (PPP US $) rank minus HDI rank: a positive figure indicates that the HDI rank is better than the real GDP per capita rank, a negative the opposite.

Table A.28	UNDP Human Poverty Index 2005							
	Probab. at birth of not surviving to age 40 (%)	**Adult Illiteracy rate (%)** (1)	**Popul. without access to improved water sources (%)**	**Under-weight children under age 5 (%)**	**HPI rank** (2)	**HPI value (%)** (3)	**Popul. (miln) 2005**	**Suffering from human poverty (miln)**
MHDCs:								
Maldives	12.1	3.7	17	30	42	17.0	0.34	0.06
Comoros	15.3		14	25	61	31.3	0.61	0.19
Mauritania	14.6	48.8	47	32	87	39.2	2.82	1.11
Bangladesh	16.4	52.5	26	48	93	40.5	141.82	57.44
Sudan	26.1	39.1	30	41	69	34.4	35.30	12.14
Djibouti	28.6		27	27	59	28.5	0.73	0.21
Togo	24.1	46.8	48	25	83	38.1	6.15	2.34
Yemen	18.6	45.9	33	46	82	38.0	25.93	9.85
Uganda	38.5	33.2	40	23	72	34.7	28.82	10.00
Gambia	20.9		18	17	94	40.9	1.52	0.62
LHDCs:								
Senegal	17.1	60.7	24	17	97	42.9	11.66	5.00
Guinea	28.6	70.5	50	26	103	52.3	9.28	4.85
Benin	27.9	65.3	33	23	100	47.6	7.40	3.52
Chad	32.9	74.3	58	37	108	56.9	9.04	5.14
Mozambique	45.0	61.3	57	24	101	50.6	19.59	9.91
Mali	30.4	76.0	50	33	107	56.4	12.48	7.04
Niger	28.7	71.3	54	40	104	54.7	12.56	6.87
Guinea-Bissau	40.5		41	25	99	44.8	1.59	0.71
Burkina Faso	26.5	76.4	39	38	106	55.8	13.11	7.32
Sierra Leone	45.6	65.2	43	27	102	51.7	5.45	2.82
				Total OIC-LDCs			**346.18**	**147.14**
				% of OIC-LDCs				**42.5**

(1) % of age 15 and above.
(2) Calculated for 108 developing countries.
(3) % of total population.