

VI. OTHER MATTERS

A. Identification of the least developed among the developing countries

159. At the request of the Economic and Social Council (decision 1990/206 of 9 February 1990), the Committee examined the case of Liberia for inclusion in the list of the least developed countries on the basis of the existing criteria.

160. Following the practice established in earlier reviews, the Secretariat provided the Committee with information necessary to update the per capita GDP criterion for changes in prices and the real growth of per capita GDP in world market economies. The adjusted lower and upper cut-off points of the per capita GDP criterion were found to be \$473 and \$567, respectively. The Secretariat also supplied the Committee with the most recent available data pertaining to Liberia and the criteria - namely, per capita GDP, the share of manufacturing in GDP and the rate of adult literacy.

161. The Committee reviewed this information as well as the material submitted by the Government of Liberia. The available information revealed the following features of the economy of Liberia: the country is endowed with considerable natural resources, including, inter alia, substantial deposits of iron ore, diamonds and gold, all of which are currently exploited; a large tropical forest with extensive commercial timber species, and climate and soil conditions favourable to agricultural activity. However, for two decades the average annual rate of growth of GDP per capita has been negative. In current prices per capita GDP in 1988 was well below the level achieved in the period 1981-1984. Adverse developments in the production and exports of iron ore and other products in recent years contributed in part to the deterioration. Those difficulties were considerably compounded by shortcomings of domestic policies which have contributed to a large outflow of capital, a decline in the rate of investment and the near collapse of the financial system.

162. The Committee concluded that Liberia met the existing criteria based on the current procedures for their application, and that that was due primarily to the sustained decline over many years of GDP per capita. In accordance with past practices of application of established criteria, therefore, Liberia could be included on the list.

B. Criteria for designating countries as least developed among the developing countries

163. The Committee wished to reiterate - as it had done several times in the recent past - that the existing criteria, which were tentatively formulated some two decades ago under the constraint of a paucity of data on development indicators for developing countries, were not adequate to bring out in a conclusive manner long-term structural weaknesses which underlay the concept of "least developed". The Committee was currently looking into alternative sets of additional indicators for the inclusion of countries in the list of "least developed" countries. It