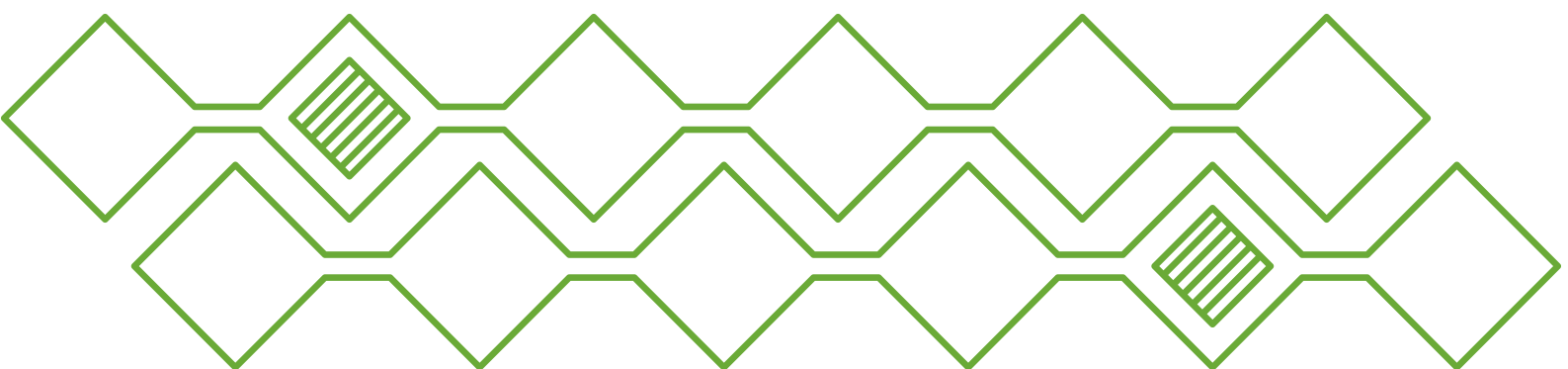




Landlocked Developing Countries Fact Sheet 2022



What are the LLDCs?



A lack of territorial access to the sea, remoteness and isolation from world markets, additional border crossings, cumbersome transit procedures, inefficient logistics systems, weak institutions and poor infrastructure cause the LLDCs to incur substantially higher transport and other trade transaction costs when compared to coastal countries. These high costs present a tremendous trade-reducing effect that has a direct negative impact on economic growth and puts LLDCs at a disadvantage in fully harnessing their potential to support their sustainable development efforts.



Basic facts

32 Countries

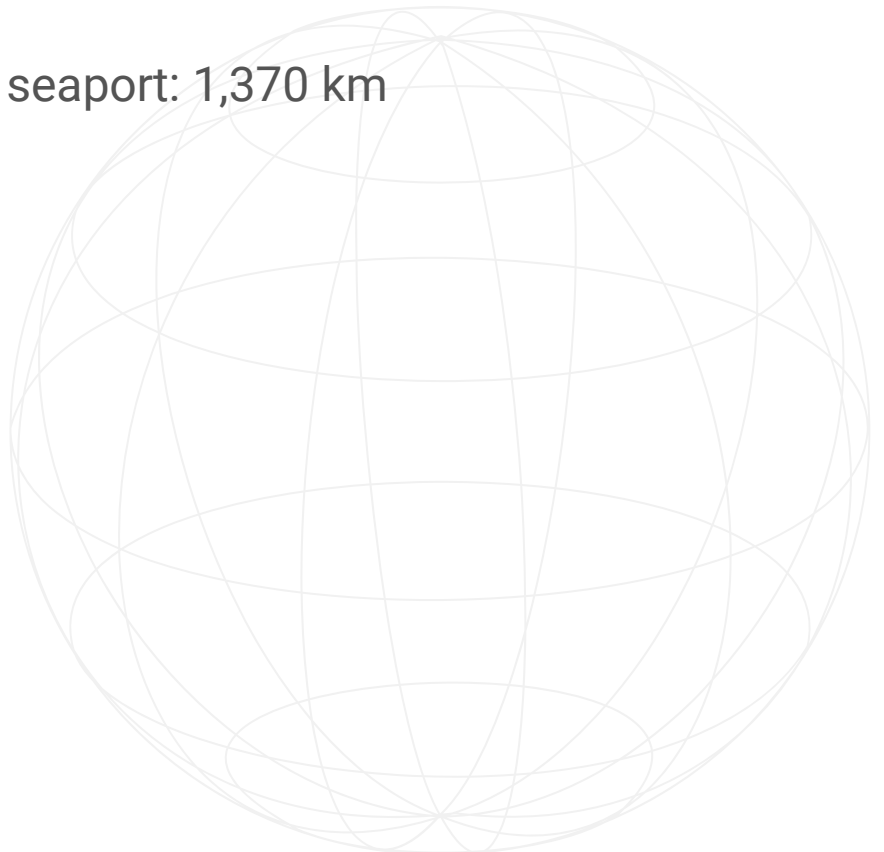
- 16 in Africa
- 10 in Asia
- 4 in Europe
- 2 in Latin America

Total Population in 2014: 462.6 million
in 2022: 563 million

Annual Average Population Growth Rate 2015-2021: 2.34%

Total Land Area: 1,592,765,600 hectares (15.9 million km²)

Average distance to a seaport: 1,370 km



Global economic outlook



- The world economy expanded by 5.5% in 2021. The World Economic Situation and Prospects mid-2022 report projects that the global economy will expand by 4% in 2022. The momentum of recovery is expected to continue to be slow as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged. Rising inflationary pressures in many economies are also posing additional risks to recovery.
- According to current forecasts, half of the world's economies will exceed pre-pandemic levels of output by at least 7% in 2023.
- The percentage of population in LLDCs below the international poverty line of \$1.90 per day declined from 27.3% in 2015 to 23.9% in 2019. However, it is estimated that the pandemic pushed between 119-125 million people in poverty globally.
- While global trade has recovered to the pre-pandemic level, there is clear regional divergence. Merchandise trade in Africa and the Middle East has remained subdued. The significant merchandise trade growth in 2021 stemmed from a strong recovery in consumer demand and rising commodity prices.
- According to the World Economic Situation and Prospects 2022 report, during the pandemic, misallocation of containers led to a significant rise in shipping costs, which increased sevenfold from an average of \$1,446 per container at the end of 2019 to above \$10,000 in September and November 2021.
- Global merchandise trade volume is estimated to grow 3.5% in 2022. However, volume will slow down to 1% in 2023, a sharp decline from the 3.4% previously estimated.
- Energy prices jumped 78% from August 2021 to August 2022, according to WTO's forecast. During the same period, food prices increased 11 %, grain prices were up 15% and fertilizer 60%.

Economic Growth

- Average annual real growth rate of Gross Domestic Product (GDP) for the LLDCs shows an increase from -1.3% in 2020 to 4.23% in 2021.
- Average GDP per person living in an LLDC in 2021 was \$1,635 (constant 2015 US\$). In 12 LLDCs the GDP per capita is still below \$1,000 in 2020.

Social Development

- The average Human Development Index (HDI) value for LLDCs was 0.604 in 2021. HDI adjusted for inequality (IHDI) was 0.478, indicating a 20.8% loss in human development due to inequality. For individual LLDCs, HDI ranges from 0.385 to 0.811.
- The pandemic has caused major disruptions in education. Starting November 2020, over 50% of schools in LLDCs were either partially or fully closed. Although distance-learning has been implemented in countries, some LLDCs had limited resources to provide education due to weak infrastructure.
- Of the 35 countries around the world experiencing major food crises, 15 are LLDCs.
- In national parliaments of LLDCs, the proportion of seats held by women increased from 27.8% in 2021 to 29.6% in 2022, exceeding the global average of 26.2%. Among the LLDCs, Rwanda demonstrates the highest proportion with 61.3% of its national parliament members consisting of women.
- The proportion of people covered by at least one protection benefit in 2020 was significantly lower in LLDCs, with 19.6% compared to the global average of 46.9%
- In some LLDCs, food access from markets was still severely constrained by widespread job losses in 2021, especially in the informal labour market, due to COVID-19 restrictions.

Infrastructure

- The proportion of population with access to electricity in LLDCs increased from 58% in 2019 to 59.5% in 2020. High disparity exists between urban and rural inhabitants as 87.5% of urban inhabitants have access to electricity while only 48.8% of rural inhabitants have this access.
- Mobile cellular subscriptions have fallen from an average of 79 subscriptions per 100 people in 2020 to 77 in 2021.
- The percentage of individuals in LLDCs using the internet increased from 27.4% in 2019 to 35% in 2021, but this remains significantly below the world average of 63%.
- In 2020, global passenger traffic by air plummeted by 66%, which is the sharpest decline in aviation history. This greatly affected LLDCs.
- Nearly 200,000 km of paved roads and more than 46,000 km of railways need to be constructed in LLDCs to achieve global average of road/rail density.

International Trade

- Total exports for LLDCs increased by 32.2% from 2020 to 2021. Total imports for LLDCs also increased from 2020 to 2021 by 19.7%.
- In terms of participation in global trade, LLDCs' share in global merchandise exports increased from 0.95% in 2020 to 0.98% in 2021 but is still below the 2019 level of 1%.
- Total merchandise exports from LLDCs increased by 30.3% from \$168 billion in 2020 to \$219 billion in 2021. Merchandise imports to LLDCs also increased between 2020 and 2021, from \$206 billion to \$250 billion.
- LLDCs' trade balance improved from US\$ -60 billion in 2020 to US\$ -49 billion in 2021, returning to below 2019 levels of US\$ -50 billion. LLDCs have been running trade deficits since 2012.

- To control the spread of COVID-19, LLDCs and transit countries introduced new border measures including vaccination requirements and social distancing. This adds to the already cumbersome transit and border procedures and the high trade costs.
- As of October 2022, LLDCs fully implemented 34.7% of the WTO Trade Facilitation Agreement measures.

Structural Economic Transformation

- Value addition of the following sectors (in GDP) for LLDCs in 2020 was:
 - 19.3% for the agriculture sector, marking an increase from 18.3% in 2020. The agriculture sector accounts for 43.8% of employment on average in LLDCs.
 - 12% for the manufacturing sector, a basic indicator of the level of industrialization, slightly decreasing but overall stable over years.
 - 45.1% for the services sector, declining from 47% in 2020.
 - 26.7% for the industry (including construction) sector, the all-time lowest percentage.
- On average primary commodities accounted for 82% of merchandise exports from LLDCs in 2020 and for more than 60% of merchandise exports from 24 of the 32 LLDCs.
- The value of domestic credit provided to the private sector in LLDCs increased from 28.6% of GDP in 2017 to 33.5% in 2020 despite the pandemic, but is low compared to the global average of over 145%.

Official Development Assistance (ODA) and debt

- ODA to LLDCs increased by 18%, from \$32 billion (current prices) in 2019 to \$37 billion (current prices) in 2020.
- LLDCs received aid-for-trade disbursements of \$7.7 billion in 2020. Nearly a third of it has been used for energy infrastructure (30.8%), 27.6% has been used for agriculture, and 20.1% has been used for transport and storage infrastructure.
- In 2020, LLDCs' gross disbursements to the agricultural sector were \$3.3 billion. They were \$2.7 billion for the healthcare sector, and \$2 billion for water and sanitation sector.
- 9 LLDCs are classified as in high risk of debt distress. 8 are in moderate risk and 2 are currently in debt distress.
- Total official international support on infrastructure in LLDCs increased from \$7,748 (millions of constant 2019 US\$) in 2018 to \$8,280 (millions of constant 2019 US\$) in 2019.
- In 2020, total official international support on infrastructure for LLDCs was 7.4 billion in (2020 constant prices).
- Fiscal implications of the pandemic are leading to an increased risk of debt distress for LLDCs. External debt in LLDCs was 65.2% of GNI in 2020 compared with the average of 29.1% for the category of low-and middle-income countries.
- External debt in LLDCs was equal to 25.9% of GNI in 2020.

Foreign Direct Investment (FDI) and remittances

- 5 LLDCs (Ethiopia, Kazakhstan, Mongolia, Turkmenistan, Uzbekistan) accounted for over 70% of total FDI flows to the group in 2021.
- FDI showed a 31.2% increase, going from \$14 billion in 2020 to \$18.5 billion in 2021. This is still below the 2019 level of \$22 billion.
- Migrant remittances rose by 16%, from \$35 billion in 2020 to \$41 billion in 2021. Remittances account for more than 10% of GDP in a quarter of LLDCs, including 5 LLDCs in which they comprise more than 20% of GDP.

Regional Integration

- On average, each country is party to 4 regional trade agreements, with the number of agreements per country ranging from 1 to 11.
- Trading under the African Continental Free Trade Area (AfCFTA) agreement officially began on 1 January 2021 with 13 LLDCs that ratified so far. These countries have consented to liberalizing up to 97% of tariff lines on intra-African trade. The World Bank estimates that this agreement could boost Africa's total exports by 29%, intra-continental trade by 81% and exports with the rest of the world by 19%, by 2035.

Environment

- In landlocked countries, weather variability and extreme events reduced nutrient supply ranging from between 1.6%-7.6% (2019 data).
- Increased frequency and severity of extreme events (e.g., droughts and heatwaves) lead to greater instability of supply through production losses and disruption to food transport.
- In LLDCs, land covered by forests has declined from 17.0% in 2015 to 16.6% in 2020, while the world average remains constant over the previous years. As of 7 November 2022, 24 LLDCs had endorsed the Glasgow Leaders' Declaration on Forests and Land Use, committing to halting and reversing forest loss and land degradation by 2030.
- The pandemic has increased LLDCs' vulnerability to disasters and reduced climate change adaptation capacity. At the end of 2021, 22 LLDCs reported to the Sendai Framework monitor that they had national disaster risk reduction strategies in place, an increase from 19 countries in 2020.

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Statistics presented are current as of November 2022



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