Are land-locked developing countries vulnerable to trade-related shocks?

The vulnerability of LLDCs to external shocks

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GA resolutions 66/214, 67/222, 68/225…

“expresses concern that the economic growth and social well-being of land-locked developing countries remain highly vulnerable to external shocks…”

“invites the international community to assist LLDCs in strengthening their resilience…”
Three broad types of trade-related shocks

- **Export volume fluctuations**
  - Volume fluctuations can be caused by external or domestic factors

- **Export price fluctuations**
  - Price fluctuations will be caused by external factors

- **Import price fluctuations**
  - Price fluctuations will mean increased prices

**TRADE-RELATED SHOCKS CAN INFLUENCE THE BALANCE OF PAYMENTS POSITIVELY OR NEGATIVELY**

GA: « economic growth remains highly vulnerable... »
### Observation of Five Economic Sectors

<table>
<thead>
<tr>
<th>SECTORS</th>
<th>COUNTRIES</th>
<th>PRODUCTS (GOODS OR SERVICES)</th>
<th>COUNTER-EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural products</td>
<td>Burkina Faso, Burundi, Malawi, Mali, Swaziland</td>
<td>Cotton, tobacco, essential oils</td>
<td>Ethiopia, Malawi, Paraguay, Uganda, Zimbabwe</td>
</tr>
<tr>
<td>Hydrocarbons</td>
<td>Bolivia, Turkmenistan</td>
<td>Natural gas</td>
<td>Azerbaijan, Chad, Kazakhstan, Uzbekistan</td>
</tr>
<tr>
<td>Minerals</td>
<td>Kyrgyzstan, Mongolia, Rwanda, Tajikistan</td>
<td>Gold, copper, tantalite, aluminium</td>
<td>Laos, Mali, Niger, Zambia</td>
</tr>
<tr>
<td>Textiles</td>
<td>Lesotho, Nepal</td>
<td>Garments</td>
<td>Armenia, Azerbaijan, Bhutan, Ethiopia, Laos, Moldova, Nepal, Paraguay, Rwanda, Uganda</td>
</tr>
<tr>
<td>Tourism</td>
<td>Bolivia, Botswana, Mongolia, Zambia</td>
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</tbody>
</table>
BHUTAN

Per capita income criterion

Human assets criterion (Human Assets Index)

Economic vulnerability criterion (Economic Vulnerability Index)
LAO PDR

Per capita income criterion

Human assets criterion (Human Assets Index)

Economic vulnerability criterion (Economic Vulnerability Index)
LESOTHO

Per capita income criterion

Human assets criterion (Human Assets Index)

Economic vulnerability criterion (Economic Vulnerability Index)
Four lessons

1. There have been negative trade-related shocks in LLDCs, but they do not stand out as dominant factors of the main problems of LLDCs (structural).

2. Resilience-building remains an important development objective of LLDCs, and this implies structural progress through sound economic specialization.

3. Few LLDCs have been severely affected by serious and lasting shocks in terms of import prices, and major structural problems have explained their vulnerability.

4. Among the least developed LLDCs, the next generation of cases of graduation from LDC status will be that of land-locked developing countries.
Thank you for your attention

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