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High-level Intergovernmental Meeting on the Mid-term Global Review on the Implementation of the Programme of Action for the Least Developed Countries for the 1990s
New York, 25 September 1995

REPORT OF THE EXPERT GROUP MEETING ON TRADE DIVERSIFICATION IN THE LEAST DEVELOPED COUNTRIES

Preparatory process for the High-level Intergovernmental Meeting

GE.95-51721

CONTENTS

INTRODUCTION

1. The Expert Group Meeting on Trade Diversification in the Least Developed Countries (LDCs), held from 10 to 11 April 1995 in Geneva, was convened by UNCTAD as part of the preparatory process for the High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the LDCs, scheduled to be held in New York from 26 September to 6 October 1995. Participating in the meeting were experts from 10 LDCs (Bangladesh, Benin, Cambodia, Cape Verde, Ethiopia, Haiti, Malawi, Mozambique, Niger and Uganda) representatives of the European Union (EU), International Trade Centre UNCTAD/GATT, (ITC), United Nations Industrial Development Organization (UNIDO), World Trade Organization (WTO), resource persons and academics. Annex I to this Report contains the list of participants. Annex II gives a list of documents prepared for the meeting.

2. In his opening statement, Mr. Lawrence, the Deputy to the Secretary-General of UNCTAD, said that a major concern was the promotion of exports and their transformation into more competitive and higher value-added products. For the LDCs, however, this effort posed challenges over and above the narrow domain of commercial policy. Among the major obstacles to trade expansion and diversification in LDCs were inadequate infrastructure and institutions. Another factor to be taken into account was the orientation of certain development policies which could actually discourage investments in the tradeable sector.

3. Available evidence suggested that trade expansion through diversification could bring about changes in LDCs' economies and help accelerate the growth process, through, for example, the creation of forward and backward linkages and exploitation of economies of scale.

4. An important finding derived by the UNCTAD secretariat from the country case studies was that the choice of policy instruments designed to foster diversification; the sequencing of reforms had to address the specific institutional and structural characteristics of each LDC. The success of export diversification in most LDCs depended on overcoming political and economic policy constraints, as well as constraints stemming from a lack of natural endowments and other structural factors difficult to overcome in the short-term. The case studies had included suggestions regarding both products and/or sectors into which individual LDCs might be able to diversify.

5. The case studies drew attention to the role of government in promoting policies for trade diversification and in providing public goods. Policy recommendations had to be sensitive to, and supportive of, the role of the informal sector in trade, given its importance as a source of employment and livelihood for large segments of the population.

6. While the implementation of diversification activities was primarily a national responsibility, appropriate policies at the international level, including those regarding market access, were also crucial, especially in view of recent changes in the global trading environment. International support measures were likewise important, including those for improving the coverage and utilization of the Generalized System of Preferences (GSP), for relaxation and further harmonization of the rules of origin and covering the role of foreign direct investment (FDI).

I. SUMMARY OF DISCUSSIONS

7. The Expert group meeting examined the potential for trade diversification in LDCs, constraints to diversification and the required national and international support measures. The background document prepared by the UNCTAD secretariat was entitled "Trade Diversification in the Least Developed Countries: Selected Papers" (UNCTAD/LDC/GE.3/2). The documents submitted by participants and resource persons are listed in annex II. Participants from LDCs made presentations that provided useful information about their country experiences in carrying out trade diversification.

A. Diversification: scope, measurement and recent trends

8. A comprehensive indicator of trade diversification, measuring differences among countries, was deemed difficult to construct, one reason being that diversification was a multifaceted process while individual LDCs emphasized different aspects, depending on the size of their economies and populations, their geographical situation and even - and perhaps the most significant factor - their historical legacies. Gaps in coverage of trade and production data in many LDCs also complicated the measurement problem. For example, informal sector trade was significant in many LDCs; however, cross-border and informal trade flows were often excluded from official trade statistics.

9. The analysis of trade diversification in LDCs must be placed in the context of the low levels of (recorded) export revenue that LDCs obtain. In 1993, the total value of merchandise exports of LDCs as a whole stood at US$ 13 billion, corresponding to about 7.6 per cent of their combined GDP and accounting for 1.5 per cent of the total merchandise export earnings of all developing countries, a figure that amounted to less than 0.4 per cent of world merchandise exports.

10. Successful trade diversification can also manifest itself in a number of economic improvements which are difficult to quantify, because they relate to flexibility in production and trade which are key issues in a long-term development perspective.

11. On the basis of various diversification measures, e.g. product and geographical concentration, performance in LDCs has been disappointing, during the past 10 years, concentration on two or three unprocessed and semi-processed export products has remained pervasive. Among 40 LDCs, for which comparable export data exist, only five had reduced their commodity dependency, while 33 LDCs, mostly African, continued to derive over 70 per cent of their earnings from commodity exports.

12. The variance of commodity price indices aggregated across various products has tended to be somewhat lower than for individual export products of LDCs. For example, the price variability of all tropical beverages taken together was less than that of coffee, cocoa or tea alone. The continued dependence of quite a number of LDCs on one or very few of these commodities, especially those characterised by low income-elasticities of demand, has exposed them to high economic risks.

13. Product concentration, where one, two or three products constituted more than half of total export receipts, remained a major problem for most LDCs. However, a disaggregation to the three-digit level of the SITC classification, measured by the total number of export products from LDCs indicates that several LDCs had succeeded in diversifying their export base, albeit slowly. Conversely, there had been only slight changes in the geographical concentration of LDCs' exports markets. Developed countries were the main markets for most LDCs, accounting for over 70 per cent of their total exports in 1990, about half of which went to the EU.

B. Trade liberalization and economic reforms in LDCs

14. During the 1980s and early 1990s, the majority of LDCs had implemented structural adjustment programmes (SAPs) to reduce macroeconomic disequilibria, attain greater outward trade orientation and to improve the efficiency of resource allocation. SAPs often included the following policies: liberalization of import and export trade, exchange rate adjustments (devaluation), privatization of public enterprises and deregulation of the economic environment.

15. Trade liberalization, that is, a movement in the relative domestic prices of traded goods towards international price levels, was expected to enhance trade diversification through promoting the growth of internationally traded output, by altering the product composition of existing production towards higher value-added products, and by increasing the share, in total exports, of products characterized by lower price and earnings volatility.

16. The Expert group addressed the question of whether trade liberalization programmes implemented by several LDCs had had a positive impact on economic performance, particularly in terms of economic growth, trade expansion and diversification. Issues such

as different definitions of trade liberalization, its design and measurement, complicated the assessment.

17. On the design of trade liberalization programmes, several questions were raised, including whether trade liberalization should depend on, precede, or follow macroeconomic stabilization or if trade liberalization and macroeconomic stabilization should proceed simultaneously. Regarding the measurement of trade liberalization, the question was which indicators should be used: tariff changes, exchange rate misalignment, or changes in the trade/GDP ratio? How should an index of trade liberalization be constructed?

18. Two principal approaches could be taken to assessing the impact of trade liberalization on trade performance and trade diversification. The first compared performance (in terms of the selected indicators during the period before trade liberalization was introduced) with performance during and after the liberalization period. The second relied on indicators of liberalization which combined into a single index that was then compared with performance measures. Both approaches have limitations. The first attributes all the changes in performance to the introduction of trade liberalization programmes, but gives no indication of how much trade liberalization has taken place. The second is flawed because there is no agreed way of weighting the different indicators of trade diversification.

19. Nonetheless, some findings regarding the impact of the reform process on trade performance had been analyzed. Studies by the World Bank and UNCTAD, for example, had found no strong correlation between trade performance and the trade liberalization index. There was no convincing evidence that trade liberalization had had a significant positive impact on trade performance in LDCs. There was a need for detailed case studies paying greater attention to such factors as, supply-side constraints and institutional mechanisms that influence supply responses in LDCs.

20. Scant attention had been paid to the relationship between trade liberalization and trade diversification in existing literature. This could partly be attributed to the possibility that some International Financial Institutions (IFIs) did not regard export concentration as a key problem, in line with the view that the problem of export concentration could be dealt with using macroeconomic policies designed to reduce instability of export earnings; and that it might be preferable to promote a limited range of exports rather than emphasize export diversification.

21. The Expert group examined the features that might affect the acceptability of trade liberalization programmes. The design of such programmes in terms of sequencing, their social impact, including their effects on employment, reallocation of resources and restructuring of economic activities were among the elements

considered. Organizational and administrative capacity to implement reform measures were deemed important.

22. Implementation might likewise be influenced by the effect of reform measures on domestic markets and production capabilities. As stabilization programmes demanded fiscal discipline, by imposing constraints on public sector expenditure it was easier to cut capital expenditure, rather than recurrent expenditure. Investment levels had therefore suffered in many adjusting and liberalizing economies. In may LDCs the problem had been compounded by the complementarity between public and private sector investment, when public sector infrastructural investment became a precondition for increasing the private-sector investment response. The assumption that public-sector investment crowded out private-sector investment, - and that a cut in the former would "crowd in" the latter - was not sustained by actual experience in LDCs.

23. Diversification of domestic production was increasingly sought but in many African LDCs the problem was one of what had been described as "Africa’s missing middle", that is, between the large formal and informal sector there was a missing middle sector, namely few or no small and medium-scale enterprises. Without economies of scale, diversification and expansion of production were likewise impeded .

24. Regional cooperation had contributed to the success story of South and South-east Asian countries. The possibilities for expanding market opportunities on a regional basis elsewhere as well deserved careful attention and consideration, as regional markets might help LDCs to adapt to the rigours of international markets.

C. Implications of the Final Act of the Uruguay Round for LDCs

25. The adoption of the Final Act of the Uruguay Round marked a new phase in international economic and trade relations. The attention of the meeting was drawn to the following key features of the Round:

(a) New sectors such as agriculture, textiles and clothing, investment, intellectual property rights and services had been brought within the jurisdiction of WTO; others may follow in due course. These additions to the trade agenda implied, _inter alia_, that the jurisdiction of WTO may well extend to domestic policies of member countries in areas far beyond traditional trade policies.

(b) Establishment of common and uniform rules and standards, concessions, commitments and obligations for all countries regardless of the stage of their economic development. Concessions for developing countries were essentially me-related, that is, LDCs would have longer periods to comply with agreements than other countries.

(c) The principle of reciprocity in international trade relations would be adopted by all countries.

26. The Final Act was seen as a challenge to the ability and willingness of developing countries to compete in the international market under common rules and disciplines. The political commitment contained in the Marrakesh Ministerial decision on measures in favour of LDCs affirms that:

(a) As long as LDCs comply with the general rules, they will be required to undertake commitments and concessions only to the extent consistent with their individual development, financial and trade needs, or their administrative and institutional capabilities; and

(b) The rules set out in the various agreements, as well as the transitional provisions, should be applied in a flexible and supportive manner for the LDCs.

27. Specific commitments sought by the LDCs in different agreements had not been granted, except in the agreement on agriculture where they will get special treatment as long as they remain LDCs.

28. The LDCs, it was noted, needed information on pre-investment activities, investment funding, and on purchasing and supply management. Technical assistance provided by LDCs' development partners and international organizations should be of use to the private sector in particular. GSP schemes were of limited value for various reasons: they were uncertain and insecure; they depended on unilateral concessions that could be withdrawn at will; they were subject to complex conditions, and limited by exclusions and quotas. As operated in the past, the GSP benefited the more advanced developing countries in South-east Asia, but the system would not, by itself, provide a basis for sustaining exports of LDCs.

29. As regards the implications of the Uruguay Round agreements in individual sectors, observations were made as follows:

(i) Market access

30. Below average tariff cuts will take place in three product groups of export interest to developing countries and LDCs, namely: textiles and clothing; leather, rubber, footwear, and travel goods; and, fish and fish products. Conversely, above-average tariff cuts will take place in three export product groups: metals; mineral products, precious stones and metals; and wood, pulp, paper and furniture. The proportion of goods entering developed country markets at zero MFN tariff will increase from 20 to 43 per cent. For LDCs' exports of industrial

products to developed countries, tariff cuts will average 25 per cent.

(ii) Erosion of trade preferences

31. A major concern to LDCs, especially the African LDCs, was the erosion of the margin of preferences they had enjoyed under GSP or Lomé Conventions, and their consequent loss of competitiveness. The African LDCs were perturbed about their export trade being dominated by tropical and natural resource-based products, for which there deep MFN tariff cuts had been made, while their export base was too narrow to allow them gains from trade liberalization in other areas.

32. LDCs' exports, in 1992 prices, had received trade preferences worth $125 million in the EU, USA and Japan, the three markets that accounted for about two-thirds of their exports. If the Uruguay Round agreements were fully implemented, it was estimated that LDCs as a group would lose about $6.3 million worth of exports in Japan, but gain around $52 million worth of exports in the USA. Overall, this implied a gain of about $42.3 million (or about 0.44 per cent of their total exports). As a group, African LDCs stood to lose $7.7 million, while Asian LDCs might gain about $38.4 million.

(iii) Agriculture

33. While LDCs were also required to tariffy and to bind their tariffs, they were exempt from all reduction obligations applicable to other countries provided these did not exceed 10 per cent. For export subsidies, the normal exemptions available to developing countries was expected to take care of the LDCs as well.

34. The real implication for LDCs lay not in their obligations under the agricultural agreement but rather in the possibility of their food import bill rising sharply and affecting their capacity to devote resources to economic development. On the assumption that world food prices would rise in the medium to long term because of the agreement, the Ministerial decision had provided for measures to assist the LDCs to cope with such eventuality. For example, donor countries and IFIs should provide financial and technical assistance to LDCs in meeting their import bill and improve their agricultural productivity and infrastructure.

(iv) Textiles and Clothing

35. Among the LDCs, this sector was of importance to Bangladesh, the only LDC with some significant presence in textiles and clothing, but also to Haiti and Nepal as well while cotton yarn and cotton fabrics featured to a minor extent in the export

basket of several African LDCs. The phasing out the multi-fibre arrangement (MFA) was seen as a gain for Bangladesh, although in a quota-free world, it would face tough competition from such countries as China, India, Indonesia, Pakistan, Sri Lanka and Vietnam. The textiles and clothing agreement contains special provisions for small suppliers and new entrants, but there is no significant dispensation for LDCs.

36. LDCs must improve their efficiency and competitiveness in the textile and clothing industry, particularly in the following areas: technology; quality and design; marketing; diversification into higher value-added items; observance of environmental requirements of importing countries; and foreign investment, especially relocation by countries looking for lower-cost production bases.

(v) Trade-Related aspects of Intellectual Property Rights (TRIPs)

37. The TRIPs agreement does not grant any special treatment for LDCs. However, LDCs they have been given 11 years' transition time (compared to five years for developing countries) from the date of establishment of the WTO in order to comply with the provisions of the TRIPs agreement.

38. For importing countries, the cost of goods covered by intellectual property protection, for example, pharmaceuticals, agro-chemicals and technology, would increase. Domestic administrative capacities to secure equivalent non-patented or off-patent products and to obtain technologies from competitive sources must be strengthened, in order to cope with eventual cost increases.

(vi) Trade-Related Investment Measures (TRIMs)

39. Like TRIPs, there is no special treatment for LDCs in the TRIMs agreement; however LDCs have been allowed a longer transition period of seven years in order to eliminate any TRIMs they may have which are inconsistent with the provisions of the agreement.

(vii) Services

40. The General Agreement on Trade in Services (GATS) is a framework agreement: the schedules of initial commitments are still to be negotiated and settled. While 'MFN' and 'Transparency' requirements will apply to the entire universe of service activities, 'National treatment' and 'Market access' considerations will depend on the specific negotiated commitments incorporated in the schedule of a member country. Thus, the balance of benefits and concessions rests on the negotiation of the schedules between developed and developing countries.

(viii) Multilateral trade rules

41. An important achievement of the Uruguay Round is the strengthening of multilateral trading rules, particularly in the areas of dispute settlement, safeguards, anti-dumping, subsidies, balance-of-payments provisions, customs valuation, rules of origin, etc. A rule-based multilateral trading system, with a strong dispute-settlement mechanism, is to the advantage of developing countries.

D. National actions and international support measures in favour of LDCs

42. The nature of dispensations accorded to LDCs gives rise to a number of concerns. Adoption of common rules and disciplines and the extension of multilateral trading rules to new subjects, as well as reciprocity-based negotiations, imply reductions in MFN tariffs. This may spur other countries to strengthen their competitive edge in international markets by prioritizing investments in infrastructure, technology and human resources. National and international support measures should be in place so as to expedite the process of LDCs adjusting to the new international competitive environment.

43. The attainment of the objective of trade diversification requires a delicate interplay of macroeconomic management and micro-level enterprise support measures, as well as the elimination of legal, regulatory and structural impediments, in order to elicit responses from risk-averse economic agents. National policies alone are unlikely to enable LDCs to cope with increasingly competitive international commodity markets. LDCs will probably require substantial external support to offset any adverse consequences in the short-run and to ensure that they take full advantage of special measures accorded to them under the Uruguay Round with a view to increasing their market access. In this regard, action would be needed on three broad fronts: (a) to render operational the Marrakesh Ministerial decisions in favour of LDCs and net food-importing countries; (b) to set up compensatory (or "safety net") measures, so as to enable LDCs to overcome unfavourable consequences; and (c) to provide financial and technical assistance, debt-relief, market access and other trade- and investment-related support that would enhance the supply capacity of tradeable goods and services in LDCs. The trading partners of LDCs could design some programmes in their favour, for example, abolishing consumption taxes on the products of LDCs’ and offering specific incentives to their own investors to invest in LDCs.

44. At the sub-regional or regional level, neighbouring countries could also help to improve market access for LDCs. One inducement would be to allow a deviation from the MFN regime of GATT 1994 for products produced in the exporting country with the

investment, technology or resources of the country giving market access, through joint ventures, subsidiaries or licensing arrangements. This type of preferential access through the bilateral route to an LDC could be supported by a relaxation of the multilateral rules.

II. CONCLUSIONS AND POLICY RECOMMENDATIONS

A. Introduction

45. The Expert Group Meeting on Trade Diversification in the Least Developed Countries (LDCs), which was held as part of the preparatory process for the High-level Intergovernmental Meeting on the Mid-term Global Review of the Programme of Action for the LDCs for the 1990s, examined the experience, possibilities, difficulties and related policy issues and implications of trade diversification in LDCs. The case studies prepared by the UNCTAD secretariat and presentations by participants provided useful information to the meeting, and underlined the importance of learning from the experience of other countries.

46. The objective of trade diversification is not only to provide greater stability in export earnings but also increase trade competitiveness thereby enhancing the utilization of factors of production and natural endowments within the economy. Trade diversification could greatly contribute to overall economic growth particularly when undertaken in a manner appropriate to the needs of the country. The impressive record of sustained economic growth of some developing countries can be viewed as largely the result of their successful efforts at diversifying domestic economic activities and trade patterns.

47. Sustainable diversification poses complex challenges that go beyond the relatively narrow domain of commercial policy. Apart from the low level of their exports, the LDCs face several constraints which include market, policy, structural and endowment-related considerations. LDCs should rationalize their imports and diversify their sources of supply.

48. The UNCTAD case studies reveal that the export potential of LDCs is substantial. Several LDCs have a rich and diversified natural resource endowment, both agricultural and mineral. Many of them have the potential to compete in a range of non-traditional commodity exports, to increase local processing activities, and to develop manufactured and services exports.

49. However, the diversification and expansion of LDCs’ trade requires the restructuring of their economic base. To achieve this, it will be necessary to initiate a range of policy measures to enhance their competitiveness, supply capacity, and capability to take advantage of market opportunities. An appropriate set of incentives will be necessary for non-traditional export

industries to be viable. In addition, Government support will be required to overcome specific supply-side obstacles, particularly to enable private sector activities to expand and develop new market opportunities.

B. Trade Liberalization and Trade Diversification

50. The reform of national trade policies designed to improve economic incentives and to enhance the capability of economic agents to respond to these incentives, are seen as important conditions for improved performance in trade diversification in LDCs. In recent years, the majority of LDCs have undertaken wide-ranging programmes of trade liberalization designed to improve incentives for export production, by reducing tariff and non-tariff barriers on imports, by realigning exchange rates, and by reforming the regulatory framework. In many cases, the trade liberalization programmes have been part of macro-economic stabilization measures.

51. For the majority of LDCs, the impact of trade liberalization on their economic performance has been marginal. In general, economic performance has differed considerably between LDCs during the periods of trade liberalization. There have been instances of economic recovery in a small number of countries, but for most LDCs the results have been disappointing. The reasons for the limited impact of trade liberalization on economic recovery are complex and varied. It is apparent, however, that the design and sequencing of trade liberalization measures as well as their implementation have been among the major determinants of performance. The choice of policy instruments and the timing of the reform measures need to take into account the specific institutional and structural characteristics of individual economies.

C. National Policies influencing Trade Diversification

52. The implementation of diversification activities is primarily a national responsibility, with the national policy framework within which these activities take place being of crucial importance. The experience of successful diversifying countries indicate that there is no unique recipe to be followed by all countries. Successful diversification is the outcome of the interplay of several interrelated factors including domestic and external policy conditions.

53. In the majority of LDCs, progress in achieving trade diversification will require both an improvement in market incentives which will encourage small and medium enterprise growth and private sector development, and the removal of critical supply-side constraints. These have included weak and inadequate infrastructure, technological capacity, entrepreneurial skills, regulatory framework and institutional

mechanisms. National policies would need to give particular attention to the alleviation of these constraints.

D. International Support for trade diversification in LDCs

54. Effective and sustained support of the international community is crucial for the trade expansion and diversification of the least developed countries. Such support has to come through a variety of measures ranging from enhancing market access opportunities for LDCs, to development finance, investment and technical assistance.

55. Although the Final Act of the Uruguay Round provides exemptions and longer transition periods which will enable the LDCs to benefit over time from the Final Act, the erosion of trade preferences and impact of higher cost of food imports are two major areas of concern for the LDCs. It is important that the two Marrakesh Ministerial decisions in favour of LDCs and net food importers are implemented constructively to assist the LDCs in a tangible manner. LDCs must be allowed sufficient transition periods before being required to comply with the new rules and disciplines of the WTO. Other countries can assist the LDCs by refraining from applying anti-dumping, countervailing or safeguard measures against the exports from LDCs.

56. Technical assistance for establishing policy, legal and institutional frameworks for complying with the new multilateral trade rules of WTO, and in the areas of export product market development, trade support services, and international purchasing and supply management, would make an important contribution in their trade expansion and diversification efforts.

57. To enable LDCs to cope with the problem of erosion of trade preferences in the wake of the Uruguay Round agreements, it is important that the GSP schemes in favour of LDCs are improved by enlarging the product coverage, relaxing the conditions pertaining to rules of origin, reducing the procedural complexities, and avoiding frequent changes in the schemes. This will also be in line with the Marrakesh Ministerial decision in favour of LDCs. Besides improving the GSP schemes the industrialized countries should also mitigate the problem of "tariff escalation" faced by LDCs in the export of value-added products.

58. Apart from enhancing market access opportunities for LDCs at the multilateral level, there is great potential for assisting LDCs at the bilateral, sub-regional and regional levels. Market access improvements in favour of LDCs by neighbouring countries with large markets will be of great value to many LDCs. Neighbouring countries may consider granting preferential access to exports from LDCs where such exports have been generated

mainly with the investment, technology and inputs of the importing country. This may encourage the establishment of joint ventures, subsidiaries or business ventures through licensing arrangements in LDCs with neighbouring countries. There is scope for promoting South-South and regional economic cooperation in this manner.

59. It must be recognized that the problems faced by LDCs in enhancing their participation in world trade go far beyond the ambit of the multilateral trading system and the WTO. Donors and international financial institutions should assist LDCs in expanding their trading and investment opportunities in accordance with the Marrakesh Declaration. The achievement of trade diversification in LDCs will require concerted multilateral and national effort, designed in particular to alleviate supply-side constraints. In the absence of this, the trade position and economic weight of LDCs will remain marginal.

III. ORGANIZATIONAL MATTERS

A. Election of officers

60. At its opening meeting, on 10 April 1995 the Expert group Meeting elected the following officers: Chairman: Mr. J.B.L. Malange, General Manager, Malawi Export Promotion Council (Malawi); Vice-Chairman-cum-Rapporteur: Professor C. Kirkpatrick (University of Bradford, United Kingdom).

B. Adoption of the agenda

61. The agenda was adopted at the opening of the meeting as follows:

1. Opening of the meeting, adoption of agenda and organization of the work of the meeting;
2. Overview of issues in trade diversification: recent trends and assessment;
3. Findings from selected country studies;
4. Selected policy issues in trade diversification;
5. Conclusions, recommendations and report of the Meeting.

62. A group was set to prepare the conclusions and recommendations of the Meeting. At its closing meeting, on 11 April 1995, the Expert group Meeting adopted its conclusions for inclusion in the report on its session. (For the conclusions, see section II, para 65 above).

Annex I

LIST OF PARTICIPANTS

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Division of Product and Market Development

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Institutional Support & Private Sector Development Branch
Human Resource and Enterprise Development Division

WTO Mr. Zdenek Drabek
Counsellor
Economic Research and Analysis Division

Resource Persons

1. Mr. A.V Ganesan
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Former Senior Government Official
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2. Prof. Colin Kirkpatrick
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3. Mr. Willem Van der Geest
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UNCTAD secretariat

1. Mr. R. Lawrence
2. Mr. C.K. Patel
3. Mr. A. Abbas
4. Mr. C. Rakotondrainibe
5. Mr. S. Chan Tung

Annex II

LIST OF DOCUMENTS

1. Trade diversification in the least developed countries
Background note by the **UNCTAD secretariat** (UNCTAD/LDC/GE.3/2)

2. Trade Diversification in Least Developed Countries: Selected papers (UNCTAD/LDC/GE.3/Misc.1)

3. Export diversification in Malawi
by **J.B.L. Malange**, General Manager, Malawi Export Promotion Council, Blantyre

4. The implications of the Uruguay Round for the Least Developed Countries
by **A.V. Ganesan**, Consultant, Former Government official, India

5. Trade diversification in Bangladesh: An overview of the past trends
by **M. Ishaq Talukdar**, Planning Commission, Ministry of Planning, Government of Bangladesh

6. Trade liberalization and diversification in Uganda
by **Erisa O. Ochieng**, Ministry of Finance and Economic Planning, Kampala

7. Ethiopia's policies and performance with trade diversification
by **Kifle Tekleab**, Head, Policy and Planning Department Ministry of Trade, Addis Ababa

8. Background paper on
The export commodity sector in Africa
A Chronic Crisis Begging for Action
by **ECA**, (Interagency Workshop on Policies Conducive to the Diversification of African Economies)

9. Trade Promotion expenditure and export growth
A statistical note by **ITC**

10. Aspects de la diversification du commerce au Niger
by **Ali Sabo**, Adviser, President's Office, Niamey, Niger

11. Stratégie de diversification des échanges extérieurs du Benin
by **Wassi Adekpedjou**, Directeur du Commerce Extérieur, Cotonou