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Facts and figures

UNCTAD Least Developed Countries report 2013

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Demographic trends

- The population of the least developed countries (LDCs) doubled between 1980 and 2010 and should do so again by 2050
- As of 2011, the total LDC population was 858 million, approximately 12 per cent of the global population
- LDC population growth rates, at 2.3 per cent per annum in 2012, were roughly double those of other developing countries (ODCs – that is, those developing countries that are not LDCs). ODC populations are growing at an average of 1.2 per cent. LDC population growth is five times the average rate of developed countries (0.4 per cent).
- The LDCs face a stark demographic challenge as their population, about 60 per cent of which is currently under 25 years of age, is projected to double to 1.7 billion by 2050
- The LDC youth population (aged 15 to 24 years) is expected to soar from 168 million in 2010 to 300 million by 2050, an increase of 131.7 million
- By 2050, one in four youths worldwide will live in an LDC
- The LDC working-age population will increase an average of 15.7 million people per year between 2010 and 2050. In each of 11 LDCs this population will grow by at least 0.5 million per year

Employment trends

- During the period 2000–2012, LDC employment growth was 2.9 per cent per annum, a rate slightly above the population growth rate (2.3 per cent) but well below LDCs' average GDP growth rates for the period (7 per cent)
- In 45 out of 48 LDCs, there are rising numbers of new entrants to the labour market, and those numbers will not even have peaked by 2050
- For example, in Niger there were 224,000 new entrants in 2005, a number expected to increase five-fold (to 1.4 million) by 2050. In Ethiopia, there were 1.4 million new entrants in 2005, which should rise to 2.7 million by 2030 and to 3.2 million by 2050. In Bangladesh, there were 2.9 million new entrants in 2005; this figure will peak at 3.1 million by 2020 and decline thereafter
- The LDC labour force totaled 364 million people in 2010. Between 2000 and 2010, it increased by 86.9 million, and between 2010 and 2020 it is expected to grow by a further 109 million (equivalent to 30 per cent of the 2010 labour force) to reach 474 million
- A significant share of the 30 per cent increment in the total labour force between 2010 and 2020 will occur in Ethiopia (12 per cent), Bangladesh (11 per cent) and United Republic of Tanzania (9 per cent)
- The LDCs that will experience the most rapid growth in their labour forces are all African: Madagascar, Malawi, Niger, United Republic of Tanzania, and Zambia

- The agricultural sector in 2000 accounted for 71 per cent of total employment in both LDCs and ODCs; by 2018, it is expected to represent 63 per cent in LDCs but only 29 per cent in ODCs
- Industry accounted for 7 per cent of total LDC employment in 2000, and will reach 10 per cent by 2018. Services accounted for 22 per cent of LDC employment in 2000, and will increase to 27 per cent by 2018
- The rural non-farm economy accounts for about 30 per cent of full-time rural employment in Asia, 45 per cent in Latin America, 20 per cent in West Asia, and 40–45 per cent in Africa

Labour force participation rates

- LDCs have a high labour force participation rate — an average 75 per cent, as compared to 68 per cent in ODCs
- Between 1990 and 2012, an estimated 290 million women entered the LDC labour force.
- Among the economically active population (EAP) for 2010–2020, some 62 million of the 109 million increase will be outside agriculture, and 47 million will be in agriculture
- In African LDCs, 63 per cent of the increase in the total EAP is expected to be outside agriculture during 2010–2020 (as against 46 per cent during 2000–2010), and in Asian LDCs (excluding Bangladesh), 13 per cent (as compared to 45 per cent during 2000–2010)
- The EAP outside agriculture is projected to grow faster than the EAP engaged in agriculture during the decade 2010–2020

Unemployment

- The LDC unemployment rate during the period 2000–2012, was 5.5 per cent
- In most LDCs, youth unemployment is higher than the average LDC unemployment rate for both men and women, and in most cases is almost twice the rate
- The relative prevalence of youth unemployment is evident particularly in the island LDCs (15.5 per cent in 2012), Asian LDCs (10.5 per cent) and African LDCs (9.6 per cent)

Working poor and vulnerable employment

- The percentage of the LDC working poor living on less than $1.25 per day is declining as a share of total employment, from 61 per cent in 2000 to a projected 29 per cent by 2017. In ODCs, it is expected to shrink from 30 per cent in 2000 to 7 per cent by 2017
- Vulnerable employment (meaning own-account workers and contributing family workers) accounts for about 80 per cent of total employment in LDCs
- In 2012, 85 per cent of women and 73 per cent of men on average were vulnerably employed.
- The gender gap in vulnerable employment is not only wide but has increased marginally, averaging 11 percentage points during the period 2000–2012
- In the LDC group, Somalia (96 per cent), Guinea-Bissau (95 per cent), Central African Republic (94 per cent), and Malawi and Togo (both 90 per cent) have the highest shares of vulnerable employment in total employment; most is concentrated in the informal sector
- In 2012, in Bangladesh, there were 62 million in vulnerable employment; in Ethiopia, 36 million; in Myanmar, 24 million; and in United Republic of Tanzania, 19 million

Growth and employment

- During the period 2000–2010, the employment rate made a positive contribution to GDP per capita in only three of 11 LDCs surveyed: Cambodia, Sierra Leone, and United Republic of Tanzania.
- In most LDCs, employment elasticities to GDP have declined over the past decade; hence the average 2004–2008 elasticity tends to be lower than for 1996-2000; this is true for 21 of the 39 LDCs in the sample

Macroeconomic performance

- The annual economic growth rate of LDCs increased from 4.5 per cent in 2011 to 5.3 per cent in 2012, but has remained below the target rate of 7 per cent enshrined in the Istanbul Programme of Action for LDCs. There were 15 countries with growth rates exceeding 6 per cent, but also 10 countries with growth rates below 3 per cent
- Fixed investment in LDC peaked at 21.8 per cent of GDP in 2010–2011, the highest level in 40 years. However, this was still short of the 25 per cent considered necessary to sustain continuous economic growth
- During the boom years of the early 2000s, public investment in LDCs rose from 7.2 per cent of GDP in 1999–2001 to 8.8 per cent in 2009–2011
- LDCs continue to be very dependent on external resources. The LDC current account deficit widened from $10.5 billion in 2011 to $28.8 billion in 2012
- The LDC merchandise trade balance worsened from a $3.7 billion deficit in 2011 to an $18.5 billion deficit in 2012. LDC exports grew only 0.6 per cent in 2012, down from 25 per cent in 2010 and 2011. LDC export performance continues to depend strongly on oil
- Foreign Direct Investment (FDI) in LDCs hit a record high of almost $26 billion in 2012, up 20 per cent from 2011
- Worker remittances reached a new record of $30.5 billion 2012. However, bilateral official development assistance (ODA) declined by 12 per cent in real terms in 2012
- In 2012, LDCs' external debt rose by 6.7 per cent in nominal terms to $183 billion

Economic structure

- Most of the population of LDCs lives in rural areas. In 35 LDCs, more than 60 per cent of the population lives in rural areas. More than half the population lives in urban areas only in five LDCs: Djibouti, Sao Tome and Principe, Angola, Gambia, and Haiti
- The primary sector (agriculture, forestry, and fishing) continues to be very important for LDCs, given their generally slow pace of structural change. This sector accounts for more than one fourth of GDP in 29 LDCs, while in only five of these countries does the sector contribute less than 10 per cent of GDP: Equatorial Guinea, Djibouti, Timor-Leste, Lesotho, and Angola
- Despite the importance of agriculture for LDCs, farming productivity is relatively low. In 1990, LDCs produced 0.9 tons of cereals per hectare, just 61 per cent of the productivity level of ODCs. By 2011, the gap had widened. Although LDCs' productivity had risen somewhat to 1.2 tons of cereals per hectare, it corresponded to just 37 per cent of the productivity level of ODCs
- Mining has become increasingly important for LDCs. The share of mining (together with construction and public utilities) in GDP rose from 14.5 per cent in 1999–2001 to 22 per cent in 2009–2011
- The share of services in GDP expanded in the majority (28) of LDCs in the ten years up to 2009–2011

Education

- The gross enrolment ratio (the number of students enrolled in school, regardless of age, divided by the population of the age group that officially corresponds to the same school level) in primary education in LDCs soared from 68.8 per cent in 1995 to 104.2 per cent in 2011, when it come close to that of ODCs (109 per cent). In the case of tertiary (university-level) education, however, the gap between the two groups of countries widened. In 2011, the gross enrolment ratio at the tertiary level in LDCs was 8.4 per cent, well below that of the ODCs (23.5 per cent)