

# South–South Trade in Special Products

## Revised Report

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## Executive summary

This report helps to identify the extent to which the designation of products as Special Products (SPs) might affect other developing country exporters. It aims to establish the *prima facie* evidence on the overlap between products that are important to developing countries as exports and those that are important to other developing countries as potential SPs. It provides information on the main developing country exporters and importers, the main products that are traded, and the main trends.

It uses this information to identify the importance for South–South trade of the products which appear most likely to be designated as SPs. Any notable barriers to trade in these products are also flagged. No ‘magic formulas’ are discovered that would allow the legitimate interests of Southern exporters and importers to be reconciled through a simple rule or provision. But the analysis does succeed in narrowing considerably the main areas of potential contention so that they may be resolvable through a limited number of bilateral negotiations.

### Main developing country exports and exporters

Some 40 agricultural products<sup>1</sup> accounted for 0.5 percent or more of total developing country exports of goods covered by the WTO Agreement on Agriculture in 2005. These are the products on which the report is concentrated given, on the one hand, time and space constraints and, on the other, the extremely wide range of agricultural products traded by developing countries. It should be noted, though, that these 40 products accounted for less than 56 percent of total developing country exports of agricultural goods, and so there are many other products that have not been covered by this study. A very much larger study would be required in order to bring them within its purview. But all the main goods are here.

These major developing country exports fall into eight broad product groups: meat, fresh vegetables, fresh/processed fruits, beverages, cereals and preparations, vegetable oils, sugar, tobacco and cotton. But South–South trade is important for only some of them. In only 27 cases is there at least one major developing country exporter that sends at least one-third of its exports to other developing countries.<sup>2</sup> The incidence of high developing country import market share is heavily focused on a relatively small number of country/product combinations. This leads to some optimism that bilateral negotiations could solve a significant proportion of potential problems concerning SPs and South–South trade.

The products that appear to be of particular concern in the Doha SP context are maize, rice, soya beans/oil/oilcake, palm oil (two items), sugar (two items), confectionery, fish meal, tobacco/cigarettes and cotton. These are the products for which there is more than one major developing country exporter which, combined, accounted for more than 50 percent of total developing country exports in 2005.

Although much of the analysis has been done in relation to just one year (2005), time series analysis has been made for the period 2001–2005. The picture is a very complex one, with substantial annual variations in many cases. But there are no clear-cut cases in which the 2005 figure provides a misleading impression because it is uniquely high or low compared with all the other four years.

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<sup>1</sup> At the Harmonised System (HS) 6-digit level.

<sup>2</sup> Major exporters are defined as those supplying 5 percent or more of total reported world imports of the product in question from developing countries.

## **Developing country importers**

The characteristics of developing country importers are a key element of this analysis because the pattern of their trade may affect their attitude towards SPs. If an importer sources a high proportion of an agricultural good only from other developing countries, it could be possible to find a formulation which would satisfy all parties. In any case, the resolution of a coherent ‘Southern’ position on SPs would largely involve developing countries. If, by contrast, a large proportion of imports is sourced from developed countries this may be more difficult. Given that a high proportion of the problematic commodities are items on which developed countries distort international production and trade, there may be a strong perceived need by developing country importers to apply SPs.

The study has identified the main developing country importers of all the key products identified.<sup>3</sup> There is a high degree of concentration of the important developing country importers. In half of the cases studied, three or fewer developing countries absorbed a significant share of a country’s exports to other developing countries. Again, this gives hope that bilateral negotiations might provide a basis for a common understanding on the use of SPs in these cases.

There is, moreover, a considerable overlap in the main developing country importers of different products. Of the 43 countries identified as a major importer of one or more of the key developing country exports, 25 were involved in three or fewer country/product combinations. The developing countries that were found most frequently to be importing key products are: China, Indonesia, Malaysia, Hong Kong, Singapore, Thailand, Pakistan, South Korea, Philippines, Saudi Arabia, Iran, South Africa, Turkey, Chile and India.

There is however no clear picture of whether these main importers source their imports mainly from developed or developing countries. In some cases, developing countries are overwhelmingly the most important source of imports for all the major importers. And there are no cases where developing countries are minor sources for all the importers. But there are many instances where there is a wide dispersion between some importers (where developing countries form a very small share of the total) and others (where they are the major source). These may be the most difficult cases to deal with since some importers may wish to protect themselves against imports from developed countries whilst others have no such need.

## **Overlap with Special Products**

Because of the diversity of importer situations it is important to see which goods that are important in South–South trade are likely to be designated as SPs. Since no list of nominated SPs yet exists, any comparison must be speculative. The report uses a list of possible SPs that were identified by ICTSD research as products most likely to be designated as SPs. Of the ten product groups listed as potential SPs, only six have featured in the analysis because they are both important developing country exports and a significant proportion are destined for other developing countries.

Obviously, some minor exports may be very important and problematic for some countries. But given the picture of considerable diversity painted in this analysis of major products, it would seem sensible for Southern countries to seek first to reach an understanding on the majors. Should this be forthcoming, then attention could turn to the minor products not covered in this report.

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<sup>3</sup> Major importers are defined as developing countries that account for 5 percent or more of the total exports from the principal developing country exporters to developing country destinations.

The six potential SPs that are important in South–South trade fall into four groups. One (covering beef and some vegetable oils) is products for which almost all developing country imports are sourced in other developing countries. Any SPs applied in a way that controlled imports would necessarily affect only (or mainly) other developing countries. By the same token, some importers may decide that they do not need to apply SPs on these specific products as any potential concerns about dumping should be negated by the absence of developed country imports.

The second group is similar to the first, but the preponderance of developing countries as a source of imports is not so marked. The issues are therefore not as clear-cut as they are for the first group. The second group contains the other vegetable oils and rice.

The third group contains just one product – cuts of frozen chicken. For this the trade issues are highly country specific and appear not to raise major problems.

It is the fourth group that would appear to be the most problematic in terms of reaching consensus between developing country importers and exporters. It covers maize and sugar/sugar products. Both products are ones in which there are substantial distortions introduced into the world economy by developed country subsidies, and there is a wide dispersion between major importers in terms of the sourcing of their imports.

### **Other WTO remedies**

The need for use of SP measures is influenced by the absolute level of the applied rate and its relationship with the bound rate. Only about half of the cases covered by the analysis show an applied tariff of 10 percents or more suggesting that initial bilateral negotiations between Southern exporters and importers should concentrate on these.

Also in those cases where there is a large difference between bound and applied tariff rates, which is the case in over half of the cases covered, importers do not necessarily need to use SPs to protect their domestic production. Even after any Doha MFN tariff reductions, they may retain sufficient flexibility to raise their applied rates up to their bound rate to provide protection against import surges.

The category of products that might be most difficult to deal with is those where applied tariffs are very high *and* there is a wide margin between applied and bound tariffs. However, this category applies to only few country/product cases and it is recommended that the countries concerned engage in bilateral discussions over whether or not the importers see a need to apply SPs to the products in question.





## Introduction

Developing countries' trade in agricultural products keeps on growing dynamically. According to COMTRADE figures, developing countries' agricultural exports increased by 77 percent in the period 1990–2003, from US\$83 billion to US\$147 billion. Developing countries have also become important importing countries of agricultural products. Thus, developing countries' agricultural exports to other developing countries show higher growth rates than to developed countries. The share of South–South trade in developing countries' total agricultural exports increased from 32 to 46 percent in the period 1990–2003 according to the WTO.

However, agriculture is not only relevant for developing countries' exports but also for their food security and livelihood. Many developing countries emphasise the need to protect themselves from subsidised agricultural imports and to address the relevance of agriculture as a major source of income and employment.

To address the socio–economic relevance of agriculture in developing countries, at the 2005 WTO Hong Kong Ministerial meeting it was agreed to grant developing countries the 'flexibility to self-designate an appropriate number of tariff lines as Special Products guided by indicators based on the criteria of food security, livelihood security and rural development.' What an appropriate number is, and whether suitable indicators valid for all countries exist, remains however disputed among WTO members.

While the countries of G-33 seek greater flexibilities and sympathise with the proposal submitted by Ambassador Falconer from New Zealand to make 'at least 20 percent' of all tariff lines eligible for SP status, a group of large exporting developing countries, led by Malaysia, emphasises the need to find measurable indicators of the three criteria applied for SPs. Given the diversity of developing countries it might however be impractical to agree on common indicators. The self-designation process again which might be a feasible alternative to be negotiated in market access negotiations leaves many issues disputed, such as how many tariff lines and how much additional flexibility should be allowed.

In this respect it is important to note that SPs are not a countervailing duty for developing countries to respond to dumping of agricultural imports. There is largely consensus among WTO members that SPs will not be subject to tariff increases but may only exclude products from further tariff cuts. Concerns of developing country exporters that SPs will interrupt South–South trade are therefore largely unfounded. However, SPs might be problematic for some countries and some products, e.g. when there is a big difference between bound and applied tariff rates and importing countries increase the applied rates.

This paper seeks to bring empirical evidence into the issue of South–South trade. Recognising that the policy framework surrounding SPs is highly disputed and that there are divergent interests between developing country exporters and developing country importers, this study brings empirical evidence on the products that are mainly involved in South–South trade and the countries that are the most frequent exporters and importers. It uses this information to identify the importance for South–South trade of the products which appear most likely to be designated as SPs and shows possible options for how both developing country exporters' and developing country importers' concerns could be addressed.

## Methodology

In an ideal world this analysis would be based upon the commodity export data of every developing country, which would show all the main markets, including those in other developing countries. Such data would be provided for several years in order to deal with any marked annual variations and to flag underlying trends.

In reality, it is not feasible to do this and the methodology adopted has been selected as providing the best balance between precision, country coverage and timeliness. Data in the UN's COMTRADE database provide figures for developing country exports, but the number of countries that are covered varies from year to year. For 2005, the year chosen for the primary analysis undertaken for this study, only 63 developing countries have so far reported their exports. Some regions (notably sub-Saharan Africa) and small states are particularly poorly represented in this group. Use of these data, therefore, would overlook many relevant trade flows.<sup>4</sup> The alternative used in this report is to base the analysis on what are called 'mirror data'. These are used to infer the most important developing country exports by looking at countries' imports. For 2005, 117 countries have reported import values. This still leaves many gaps – especially with respect to sub-Saharan Africa – but the data provide a reasonably complete picture of which countries are exporting which products. Only goods that, for example, are traded only between two African countries, neither of which is a reporter to COMTRADE, would be overlooked completely; if either of those countries exported the product to a larger country that is a reporter, then the item will be picked up.

What the gaps in country coverage do mean, though, is that the list of developing country importers of products that are important developing country exports is understated. In addition to those markets that are covered by this report, there will be other (unquantifiable) imports from developing countries by those states that do not report to COMTRADE (or at least not in a timely fashion). In order to identify the relative importance of the various developing country agricultural exports, an aggregate for 'developing countries' has had to be created.<sup>5</sup>

## The main developing country exports and exporters

### Major exports

Developing countries export, of course, a very wide range of agricultural goods – but in order to keep the study within manageable proportions it is necessary to focus on the most important. Table 1 lists all the items (at the Harmonised System (HS) 6-digit level of disaggregation) covered by the WTO Agreement on Agriculture which accounted for 0.5 percent or more of total developing country exports in 2005. These 40 product groups accounted for just under 56 percent of total developing country exports of agricultural goods.

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<sup>4</sup> For example, an analysis of developing country exports of fresh flowers would omit Kenyan exports because this country has not yet reported its trade to COMTRADE. It follows that any list of 'important exports' derived only from this data source will contain items important to some but overlook entirely those that are exported by others.

<sup>5</sup> There is no general accepted definition of 'developing country'. In the WTO, countries select themselves as being 'developed' or 'developing'. Since this self-selection might be politically driven and can be changed at any time, the report defined the countries listed in the Human Development Report 2006 as developing countries minus Cyprus and plus Niue and Cook Islands. One implication is that the group of countries listed in the *Human Development Report 2006* does not include the states of the former Soviet Union or Albania which are considered to be economies in transition.

Table 1 is presented in declining order of the share of the item in total developing country agricultural exports, but to make the commodity composition of this group clearer the information is replicated in Table 2 – but in ascending order of HS code. This allows similar items to be brought together. Table 2 shows that **the main developing country exports fall into eight broad product groups: meat, fresh vegetables, fresh/processed fruits, beverages, cereals and preparations, vegetable oils, sugar and tobacco.**

This is a very broad range. Many of these products are imported to a significant extent by developing countries. Hence, there is *prima facie* evidence that the issue addressed by this study could be a highly relevant one, deserving significant attention in order to harmonise developing country interests.

**Table 1. Main developing country exports<sup>a</sup> in descending order of share**

HS6	Description	Share of exports, 2005
120100	soya beans, whether or not broken	4.9%
090111	coffee (excl. roasted and decaffeinated)	4.7%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	4.3%
080300	bananas, incl. plantains, fresh or dried	3.9%
151190	palm oil and its fractions, whether or not refined	2.8%
170111	raw cane sugar (excl. added flavouring or colouring)	2.6%
180100	cocoa beans, whole or broken, raw or roasted	2.3%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	1.8%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	1.7%
150710	crude soya-bean oil, whether or not degummed	1.6%
520100	cotton, neither carded nor combed	1.5%
080610	fresh grapes	1.5%
151110	crude palm oil	1.4%
020230	frozen, boneless meat of bovine animals	1.3%
020714	frozen cuts and edible offal of fowls of the species <i>gallus domesticus</i>	1.2%
100590	maize (excl. seed)	1.2%
210690	food preparations, n.e.s.	1.2%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	1.1%
220300	beer made from malt	1.0%
060310	fresh cut flowers and flower buds, for bouquets or for ornamental purposes	1.0%
160232	meat or offal of fowls of the species ' <i>gallus domesticus</i> ', prepared or preserved	0.9%
220421	wine of fresh grapes, incl. fortified wines, in containers of <= 2 l	0.9%
020130	fresh or chilled bovine meat, boneless	0.8%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	0.7%
070200	tomatoes, fresh or chilled	0.7%
180400	cocoa butter, fat and oil	0.7%
170199	cane or beet sugar and chemically pure sucrose, in solid form	0.7%
080810	fresh apples	0.7%
170490	sugar confectionery not containing cocoa, incl. white chocolate	0.7%
080430	fresh or dried pineapples	0.6%
100190	wheat and meslin (excl. durum wheat)	0.6%
080510	fresh or dried oranges	0.6%
020329	frozen meat of swine	0.6%
080132	fresh or dried cashew nuts, shelled	0.6%
200819	nuts and other seeds, incl. mixtures, prepared or preserved	0.6%
240220	Cigarettes, containing tobacco	0.6%
190590	bread, pastry, cakes, biscuits and other bakers' wares	0.6%
200919	orange juice, unfermented, whether or not containing added sugar or other sweetening matter	0.5%
050400	guts, bladders and stomachs of animals, fresh, chilled, frozen, salted, in brine, dried or smoked	0.5%
220710	undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	0.5%
<p>Note:</p> <p>(a) Items comprising 0.5% or more by value of total developing country exports of goods listed in the WTO Agreement on Agriculture.</p> <p>Source: derived from data obtained from UN COMTRADE database (downloaded December 2006).</p>		



**Table 2. Main developing country exports<sup>a</sup> in ascending order of HS code**

HS6	Description	Share of exports, 2005
020130	fresh or chilled bovine meat, boneless	0.8%
020230	frozen, boneless meat of bovine animals	1.3%
020329	frozen meat of swine	0.6%
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	1.2%
050400	guts, bladders and stomachs of animals, fresh, chilled, frozen, salted, in brine, dried or smoked	0.5%
060310	fresh cut flowers and flower buds, for bouquets or for ornamental purposes	1.0%
070200	tomatoes, fresh or chilled	0.7%
080132	fresh or dried cashew nuts, shelled	0.6%
080300	bananas, incl. plantains, fresh or dried	3.9%
080430	fresh or dried pineapples	0.6%
080510	fresh or dried oranges	0.6%
080610	fresh grapes	1.5%
080810	fresh apples	0.7%
090111	coffee (excl. roasted and decaffeinated)	4.7%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	0.7%
100190	wheat and meslin (excl. durum wheat)	0.6%
100590	maize (excl. seed)	1.2%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	1.8%
120100	soya beans, whether or not broken	4.9%
150710	crude soya-bean oil, whether or not degummed	1.6%
151110	crude palm oil	1.4%
151190	palm oil and its fractions, whether or not refined	2.8%
160232	meat or offal of fowls of the species 'gallus domesticus', prepared or preserved	0.9%
170111	raw cane sugar (excl. added flavouring or colouring)	2.6%
170199	cane or beet sugar and chemically pure sucrose, in solid form	0.7%
170490	sugar confectionery not containing cocoa, incl. white chocolate	0.7%
180100	cocoa beans, whole or broken, raw or roasted	2.3%
180400	cocoa butter, fat and oil	0.7%
190590	bread, pastry, cakes, biscuits and other bakers' wares	0.6%
200819	nuts and other seeds, incl. mixtures, prepared or preserved	0.6%
200919	orange juice, unfermented, whether or not containing added sugar or other sweetening matter	0.5%
210690	food preparations, n.e.s.	1.2%
220300	beer made from malt	1.0%
220421	wine of fresh grapes, incl. fortified wines, in containers of <= 2 l	0.9%
220710	undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	0.5%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	1.1%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	4.3%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	1.7%
240220	Cigarettes, containing tobacco	0.6%
520100	cotton, neither carded nor combed	1.5%
<i>Note:</i>		
(a) Items comprising 0.5% or more by value of total developing country exports of goods listed in the WTO Agreement on Agriculture.		
<i>Source:</i> derived from data obtained from UN COMTRADE database (downloaded December 2006).		

## Products for which South–South trade is important

The proportion of exports that are destined for other developing countries varies between exporter and product. A flavour of the goods and countries for which South–South trade is most important is given in Table 3. It analyses the products listed in Tables 1 and 2 to find those for which developing countries are important markets. It lists for each of these the major exporters that direct more than one-third of their exports to other developing countries.

A first point to note about Table 3 is that **developing countries are not important markets for some exports. Whereas there are 40 exports each accounting for at least 0.5 percent of developing countries' total exports, for only 27 of them is at least one-third sent to developing countries.**

**Table 3. Countries for which other developing countries are major markets <sup>a</sup>**

HS6	Description	Main developing country exporters <sup>b</sup>	Share by value:	
			of total exports	exports to developing countries
020130	fresh or chilled bovine meat, boneless	Paraguay	5%	100%
020230	frozen, boneless meat of bovine animals	India	11%	96%
020329	frozen meat of swine	China	11%	92%
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	Chile	5%	55%
080300	bananas, incl. plantains, fresh or dried	Philippines	11%	35%
080510	fresh or dried oranges	Egypt	21%	50%
080810	fresh apples	China	20%	56%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	Kenya Sri Lanka	29% 18%	57% 40%
100190	wheat and meslin (excl. durum wheat)	Haiti Argentina	5% 82%	100% 98%
100590	maize (excl. seed)	China Argentina	42% 46%	88% 78%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	Vietnam Pakistan India Thailand	22% 10% 17% 37%	93% 88% 86% 67%
120100	soya beans, whether or not broken	Argentina Paraguay Brazil	27% 6% 63%	97% 53% 50%
150710	crude soya-bean oil, whether or not degummed	Argentina Brazil	64% 28%	99% 91%
151110	crude palm oil	Indonesia Malaysia	53% 27%	70% 41%
151190	palm oil and its fractions, whether or not refined	Indonesia Malaysia	31% 63%	75% 67%
170111	raw cane sugar (excl. added flavouring or colouring)	Guatemala Thailand Brazil	6% 7% 42%	57% 47% 41%
170199	cane or beet sugar and chemically pure sucrose, in solid form	China Korea, Rep. Thailand United Arab Emirates Colombia Brazil	8% 8% 17% 18% 7% 13%	99% 96% 93% 90% 85% 62%
170490	sugar confectionery not containing cocoa, incl. white chocolate	Colombia Brazil Argentina Thailand China	9% 8% 5% 5% 24%	67% 50% 44% 38% 35%
180100	cocoa beans, whole or broken, raw or roasted	Indonesia	15%	64%
190590	bread, pastry, cakes, biscuits and other bakers' wares	Malaysia China	9% 24%	66% 38%
210690	food preparations, n.e.s.	Costa Rica Singapore Thailand China	5% 5% 13% 15%	99% 45% 40% 35%
220710	undenatured ethyl alcohol, of actual alcoholic strength of $\geq$ 80%	South Africa <sup>c</sup>	5%	41%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	Peru Chile	64% 24%	61% 53%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	India Argentina	5% 49%	75% 35%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	Zimbabwe China Brazil	8% 7% 42%	68% 64% 33%
240220	cigarettes, containing tobacco	United Arab Emirates Philippines Malaysia Indonesia China Turkey	13% 7% 12% 7% 18% 5%	99% 94% 91% 83% 78% 71%

HS6	Description	Main developing country exporters <sup>b</sup>	Share by value:	
			of total exports	exports to developing countries
520100	cotton, neither carded nor combed	<i>Benin</i> India <i>Burkina Faso</i> Zimbabwe Brazil Syria <sup>d</sup> Egypt <i>Mali</i>	6% 9% 8% 5% 14% 6% 9% 7%	92% 88% 88% 75% 72% 71% 71% 69%
<p>Notes:</p> <p>(a) Those directing more than one-third of their exports to other developing countries.</p> <p>(b) Countries marked in <i>italics</i> are classified as Least Developed Countries by the UN.</p> <p>(c) Self-selection as developed country to WTO.</p> <p>(d) Not a WTO member.</p> <p>Source: derived from data obtained from UN COMTRADE database (downloaded December 2006).</p>				

The 13 products that appear to be unproblematic (or, at least, less problematic) because they are destined primarily for developed country markets are: animal guts, flowers, tomatoes, cashews and prepared nuts, pineapples, grapes, coffee, prepared chicken, cocoa butter, orange juice, beer and wine.

A second feature of Table 3 is that the incidence of high developing country import market share is focused on specific country/product combinations. If the countries listed in Table 3 are compared with those in Appendix Table 1 (which lists all the main developing country exporters of the key products) it can be seen that **only a few developing countries direct a large proportion of their exports to other developing countries**. Take the case of beef (covered in the top two rows of Table 3). Four countries account for 5 percent or more of developing country exports of fresh beef, and a slightly different four for 5 percent or more of frozen beef exports, but only one of each set of four directs over one-third of its exports to other developing countries.

The incidence of high developing country import market share that is heavily focused on a relatively small number of country/product combinations leads to some optimism that bilateral negotiations could solve a significant proportion of potential problems concerning SPs and South–South trade. On the other hand the widely diversified trade of some exporters might imply that there is less incentive to oppose the SP mechanism in a particular marketplace.

**The products that appear to be of particular potential concern in the Doha SP context are maize, rice, soya beans/oil/oilcake, palm oil (two items), sugar (two items), confectionery, fish meal, tobacco/cigarettes and cotton** (plus wheat but, as explained below, this may be an anomaly). **These are the products for which more than one exporter is listed in Table 3 and those listed accounted for more than 50 percent of total developing country exports in 2005**. In addition, for beef (two items), pigmeat, chicken, oranges, apples and cocoa beans, only one exporter is listed in Table 3 but over half of its exports were sent to other developing countries, so that some ‘country-specific’ solutions may be required under Doha.

## Export trends

These tables provide a snapshot for 2005 of the products and exporters for which South–South trade is most important. Clearly the picture is a very complex one and it is infeasible within a very short study, therefore, to provide comprehensive time series on every important

flow. On the other hand, some impression must be given of the extent to which the 2005 figures provide an accurate picture of established, year-to-year flows.

Table 4 takes the country/product combinations listed in Table 3 and shows in each case the share of exports directed to other developing countries in every year 2001–2005. There are substantial annual variations in many cases but, except for Haiti's exports of wheat, there are no clear cases in which the 2005 figure provides a misleading impression because it is uniquely high or low compared with all of the other four years, or because there appears to be a clear upward or downward trend. Hence, **the identification of key products and countries for the year 2005 appears to provide a valid basis** for the next step in this overview of trade flows, save that wheat moves from the category of being an issue for two or more countries to that of being of concern to just one.

**Table 4. Export trends**

HS6	Description	Main developing country exporters <sup>a</sup>	Share of exports going to other developing countries				
			2005	2004	2003	2002	2001
020130	fresh or chilled bovine meat, boneless	Paraguay	100%	100%	99%	98%	96%
020230	frozen, boneless meat of bovine animals	India	96%	97%	98%	97%	98%
020329	frozen meat of swine	China	92%	77%	66%	58%	92%
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	Chile	55%	57%	35%	80%	65%
080300	bananas, incl. plantains, fresh or dried	Philippines	35%	32%	36%	32%	36%
080510	fresh or dried oranges	Egypt	50%	42%	59%	65%	77%
080810	fresh apples	China	56%	56%	69%	74%	74%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	Kenya Sri Lanka	57% 40%	53% 43%	53% 41%	21% 44%	20% 46%
100190	wheat and meslin (excl. durum wheat)	Haiti <sup>d</sup> Argentina	100% 98%	- 98%	- 100%	- 99%	- 99%
100590	maize (excl. seed)	China	88%	68%	89%	95%	90%
100590	maize (excl. seed)	Argentina	78%	75%	64%	71%	72%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	Vietnam Pakistan India Thailand	93% 88% 86% 67%	71% 83% 91% 71%	83% 88% 88% 71%	89% 90% 87% 70%	76% 95% 87% 70%
120100	soya beans, whether or not broken	Argentina Paraguay Brazil	97% 53% 50%	95% 54% 43%	91% 61% 41%	77% 81% 33%	86% 63% 27%
150710	crude soya-bean oil, whether or not degummed	Argentina Brazil	99% 91%	97% 95%	99% 100%	95% 99%	97% 99%
151110	crude palm oil	Indonesia Malaysia	70% 41%	74% 52%	80% 69%	70% 77%	65% 69%
151190	palm oil and its fractions, whether or not refined	Indonesia Malaysia	75% 67%	84% 72%	83% 73%	71% 63%	71% 61%
170111	raw cane sugar (excl. added flavouring or colouring)	Guatemala Thailand Brazil	57% 47% 41%	55% 55% 41%	34% 40% 22%	52% 48% 35%	52% 58% 25%
170199	cane or beet sugar and chemically pure sucrose, in solid form	China Korea, Rep. Thailand United Arab Emirates Colombia Brazil	99% 96% 93% 90% 85% 62%	90% 96% 90% 92% 87% 84%	92% 99% 92% 87% 98% 84%	96% 95% 90% 99% 97% 82%	95% 98% 100% 94% 99% 92%
170490	sugar confectionery not containing cocoa, incl. white chocolate	Colombia Brazil Argentina Thailand China	67% 50% 44% 38% 35%	68% 49% 42% 37% 36%	74% 44% 37% 34% 39%	77% 41% 33% 31% 43%	80% 55% 57% 25% 45%
180100	cocoa beans, whole or broken, raw or roasted	Indonesia	64%	65%	65%	54%	42%
190590	bread, pastry, cakes, biscuits and other bakers' wares	Malaysia China	66% 38%	65% 40%	70% 44%	78% 46%	76% 44%



HS6	Description	Main developing country exporters <sup>a</sup>	Share of exports going to other developing countries				
			2005	2004	2003	2002	2001
210690	food preparations, n.e.s.	Costa Rica	99%	98%	93%	95%	99%
		Singapore	45%	41%	55%	53%	47%
		Thailand	40%	27%	42%	39%	38%
		China	35%	40%	44%	49%	51%
220710	undenatured ethyl alcohol, of actual alcoholic strength of $\geq$ 80%	South Africa <sup>b</sup>	41%	45%	47%	65%	53%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	Peru	61%	57%	44%	52%	45%
		Chile	53%	42%	40%	41%	34%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	India	75%	87%	86%	90%	83%
		Argentina	35%	32%	32%	29%	27%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	Zimbabwe	68%	54%	44%	37%	30%
		China	64%	55%	49%	47%	66%
		Brazil	33%	24%	23%	17%	23%
240220	cigarettes, containing tobacco	United Arab Emirates	99%	99%	99%	99%	99%
		Philippines	94%	95%	95%	30%	43%
		Malaysia	91%	88%	82%	79%	89%
		Indonesia	83%	91%	93%	85%	79%
		China	78%	71%	77%	69%	74%
		Turkey	71%	60%	63%	10%	24%
520100	cotton, neither carded nor combed	<i>Benin</i>	92%	93%	88%	86%	89%
		India	88%	87%	85%	20%	11%
		<i>Burkina Faso</i>	88%	86%	82%	67%	56%
		Zimbabwe	75%	79%	65%	55%	37%
		Brazil	72%	68%	70%	57%	64%
		Syria <sup>c</sup>	71%	63%	64%	49%	47%
		Egypt	71%	58%	57%	51%	45%
		<i>Mali</i>	69%	75%	72%	55%	51%

*Notes:*  
(a) Countries marked in *italics* are classified as Least Developed Countries by the UN.  
(b) Self-selection as developed country to WTO.  
(c) Not a WTO member.  
(d) No country reported imports of this item from Haiti in any of the years 2001-4.  
Source: derived from data obtained from UN COMTRADE database (downloaded December 2006/January 2007).

## Developing country importers

The 'next step' is to look at which developing countries are importing the key agricultural goods from other developing countries. If an understanding is to be reached between developing countries on SPs for products that are important in South-South trade, account will also have to be taken of their needs and concerns.

If an importer sources a high proportion of an agricultural good only from developing countries it could be possible to find a formulation that would satisfy all parties. If, by contrast, a large proportion of imports are sourced from developed countries it may be more difficult. It is likely to be impractical to apply different policies to those imports that are obtained from other developing countries and the perceived need for an SP may be enhanced by the fact that the imports from the major, developed country, source are subsidised.

## The main importers

Table 5 identifies the main developing country importers so that a more detailed analysis can be undertaken below of the relative importance for them of developed and developing country import sources. It takes the country/product combinations covered in Tables 3 and 4 and identifies all developing country destinations accounting for 5 percent or more of the named exporter's total exports of the item to developing countries. The items identified as being particularly relevant in the discussion of Table 3 are shaded.

Table 5 shows that in half of the cases three or fewer developing countries account for 5 percent or more of a country's exports to other developing countries. This gives hope that bilateral negotiations might provide a common understanding on the use of SPs in these cases.

**Table 5. Principal developing country importers<sup>a</sup>**

HS6	Description	Main developing country exporters in 2005 <sup>b</sup>	Main developing country importers in 2005 <sup>b</sup>
020130	fresh or chilled bovine meat, boneless	Paraguay	Chile, Brazil
020230	frozen, boneless meat of bovine animals	India	Malaysia, Philippines, Saudi Arabia
020329	frozen meat of swine	China	Hong Kong, Singapore
020714	frozen cuts and edible offal of fowls of the species <i>gallus domesticus</i>	Chile	Mexico, Hong Kong
080300	bananas, incl. plantains, fresh or dried	Philippines	Korea Rep., China, Saudi Arabia
080510	fresh or dried oranges	Egypt	Saudi Arabia
080810	fresh apples	China	Indonesia, Thailand, Singapore, Philippines, Hong Kong, Malaysia, Saudi Arabia
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	Kenya Sri Lanka	Pakistan, <i>Sudan</i> <sup>d</sup> , <i>Yemen</i> <sup>d</sup> Iran, Saudi Arabia, Jordan, Chile, Hong Kong, Pakistan
100190	wheat and meslin (excl. durum wheat)	Argentina	Brazil, Indonesia, South Africa <sup>c</sup>
100590	maize (excl. seed)	China Argentina	Korea Rep., Malaysia Saudi Arabia, Peru, Chile, Morocco, Malaysia
100630	semi-milled or wholly milled rice, whether or not polished or glazed	Vietnam Pakistan  India Thailand	Philippines, Malaysia, Cameroon, Iran Iran <sup>d</sup> , Saudi Arabia, Oman, Mozambique, Qatar, Cameroon, Mauritius Saudi Arabia, South Africa <sup>c</sup> China, South Africa, Hong Kong, Malaysia, Singapore, <i>Benin</i> , Cameroon, Iran <sup>d</sup>
120100	soya beans, whether or not broken	Argentina Paraguay Brazil	China, Thailand Argentina, Brazil, Morocco, Turkey China, Thailand, Iran <sup>d</sup>
150710	crude soya-bean oil, whether or not degummed	Argentina Brazil	China, India, Peru, Korea Rep. Iran <sup>d</sup> , India, China, Morocco
151110	crude palm oil	Indonesia Malaysia	India, Malaysia, <i>Tanzania</i> India, Saudi Arabia, <i>Yemen</i> <sup>d</sup> , Pakistan, China
151190	palm oil and its fractions, whether or not refined	Indonesia Malaysia	China, Pakistan, India, Turkey China, Pakistan, Turkey
170111	raw cane sugar (excl. added flavouring or colouring)	Guatemala Thailand Brazil	Korea Rep., China, Venezuela, Malaysia Indonesia, China, Korea Rep., Malaysia Saudi Arabia, Morocco, Pakistan, India, Malaysia, Iran <sup>d</sup> , <i>Yemen</i> <sup>d</sup>
170199	cane or beet sugar and chemically pure sucrose, in solid form	China Korea, Rep. Thailand United Arab Emirates Colombia Brazil	Pakistan, Indonesia, Singapore, Hong Kong China, Hong Kong, Indonesia, Philippines Indonesia, Singapore Pakistan, Jordan, Saudi Arabia, Oman, Indonesia Peru, Chile, Ecuador, Trinidad/Tobago Pakistan, Colombia, <i>Yemen</i> <sup>d</sup> , Sri Lanka, <i>Gambia</i> , Jordan, Chile
170490	sugar confectionery not containing cocoa, incl. white chocolate	Colombia  Brazil Argentina  Thailand  China	Venezuela, Ecuador, South Africa <sup>c</sup> , Chile, Peru South Africa <sup>c</sup> , Argentina Chile, Guatemala, Honduras, Uruguay, Ecuador, Bolivia, Mexico, Venezuela Philippines, Indonesia, Malaysia, Hong Kong, China, Singapore Hong Kong, Indonesia, Korea Rep., Singapore, Mexico
180100	cocoa beans, whole or broken, raw or roasted	Indonesia	Malaysia, Brazil, Singapore, China
190590	bread, pastry, cakes, biscuits and other bakers' wares	Malaysia China	Singapore, Hong Kong, Saudi Arabia Hong Kong, Korea Rep.

HS6	Description	Main developing country exporters in 2005 <sup>b</sup>	Main developing country importers in 2005 <sup>b</sup>
210690	food preparations, n.e.s.	Costa Rica <sup>e</sup> Singapore  Thailand  China	Honduras, Guatemala, Panama, Nicaragua Malaysia, Hong Kong, Thailand, Korea Rep., Philippines, Indonesia Philippines, Malaysia, Turkey, Hong Kong, Indonesia Hong Kong, Singapore, Korea Rep., Malaysia, Thailand
220710	Undenatured ethyl alcohol, of actual alcoholic strength of $\geq$ 80%	South Africa <sup>c</sup>	Philippines, China, Singapore, <i>Tanzania</i>
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	Peru Chile	China China, Korea Rep., Indonesia
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	India  Argentina	Indonesia, Pakistan, Thailand, China, Korea Rep., Sri Lanka, Philippines Philippines, Indonesia, Malaysia, Thailand, South Africa, Korea Rep.
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	Zimbabwe China  Brazil	China, South Africa <sup>c</sup> , Turkey Indonesia, Philippines, Hong Kong, Singapore China, Philippines, Turkey, Indonesia
240220	cigarettes, containing tobacco	United Arab Emirates Philippines Malaysia Indonesia China Turkey	Iran <sup>d</sup> , Oman Thailand, Singapore Hong Kong, Singapore Singapore, Malaysia Hong Kong, Singapore, Malaysia Iran <sup>d</sup>
520100	cotton, neither carded nor combed	<i>Benin</i> India <i>Burkina Faso</i> Zimbabwe  Brazil  Syria <sup>d</sup>  Egypt <i>Mali</i>	China, Thailand, Indonesia China, Pakistan, Thailand China, Thailand Thailand, South Africa <sup>c</sup> , China, <i>Zambia</i> , Korea Rep., Indonesia Pakistan, China, Indonesia, Korea Rep., Thailand, Argentina Turkey, China, Indonesia, Thailand, Pakistan India, Pakistan, China, Turkey, Thailand China, Thailand, Pakistan, Indonesia
<p><i>Notes:</i></p> <p>(a) All developing countries receiving 5% or more of the exporter's total exports of the item to developing countries.</p> <p>(b) Countries marked in <i>italics</i> are classified as Least Developed Countries by the UN.</p> <p>(c) Self-selection as developed country to WTO.</p> <p>(d) Not a WTO member.</p> <p>(e) According to the data, a major source of Costa Rica's imports of this item was Costa Rica! This is assumed to be an error, and the country is therefore not included here or in subsequent tables as a major importer.</p> <p><i>Source:</i> derived from data obtained from UN COMTRADE database (downloaded December 2006/January 2007).</p>			

Of the 50 shaded rows in the table, 22 have three or fewer major importers. In the cases of fish meal and cigarettes there are no exporting states that have more than three major developing country markets. For all the others, at least one exporter has a larger number of major developing country import markets. Sugar, cotton, rice, plus soya and palm products have the greatest diversity of suppliers and importers and, hence, in principle the largest number of interests to be accommodated.

There is some considerable overlap in the main developing country importers of different products. To make this clear, Table 6 lists all of the developing country importers identified in Table 5 and indicates the number of products of which they were major importers. Of the 43 countries in the table, **13 countries accounted for 5 percent or more of exports in only one country/product combination, and a further 11 for just two or three combinations.** Again, this lends credence to the idea that bilateral negotiation could remove some dangers of a conflict of interest between developing countries over the use of SPs.

There are 15 countries that are major importers of seven or more country/product combinations. Several of these are middle-income countries, and others very large countries with quite sophisticated control systems well able to protect domestic interests. They are China, Indonesia, Malaysia, Hong Kong, Singapore, Thailand, Pakistan, South Korea, Philippines, Saudi Arabia, Iran, South Africa, Turkey, Chile and India.

**Given the characteristics of the 15 most frequent importing developing countries of seven or more country/product combinations, it may be possible to reach a consensus among the Southern members of the WTO not to impose SPs on imports from developing countries.**

### Importer characteristics

As noted above, much will depend upon whether developing countries are a major or minor source of these countries' imports. We have examined the country composition of their imports of the products in question for 2005. Full details of this analysis are presented in Appendix Table 2 and a summary is provided in Table 7. This shows for all countries that are major importers for two or more products the share of developing countries (in aggregate) in their imports of each of the reviewed goods.

**The picture is a mixed one. In some cases developing countries are overwhelmingly the most important source of imports for all the major importers.** For seven of the 27 goods none of the importers sourced less than 89 percent of its imports from other developing countries, and in some instances it was 100 percent. It may be possible to forge an intra-South consensus in these cases. At the other end of the scale would be cases where developing countries are only a minor source of any country's imports – but there are none of these. However, there are cases where developing countries form a very small share of one (or several) countries' imports and there are others for the same product where they are the main source. **These are probably the most difficult cases to deal with: some developing importers may wish to protect themselves against imports from developed countries whilst others have no such need.**

**Table 6. Most frequent developing country importers**

Importer <sup>a</sup>	# items <sup>b</sup>
China	28
Indonesia	21
Malaysia	18
Hong Kong	17
Singapore	16
Thailand	16
Pakistan	15
Korea Rep.	14
Philippines	12
Saudi Arabia	12
Iran <sup>d</sup>	9
South Africa <sup>c</sup>	8
Turkey	8
Chile	7
India	7
Brazil	4
Morocco	4
Peru	4
Yemen <sup>d</sup>	4
Argentina	3
Cameroon	3
Ecuador	3
Jordan	3
Mexico	3
Oman	3
Sri Lanka	3
Venezuela	3
Guatemala	2
Honduras	2
<i>Tanzania</i>	2
<i>Benin</i>	1
Bolivia	1
Colombia	1
<i>Gambia</i>	1
Mauritius	1
<i>Mozambique</i>	1
Nicaragua	1
Panama	1
Qatar	1
<i>Sudan</i> <sup>d</sup>	1
Trinidad/Tobago	1
Uruguay	1
<i>Zambia</i>	1

Notes:  
(a) Countries marked in *italics* are classified as Least Developed Countries by the UN.  
(b) i.e. the product/exporter combinations in Table 5.  
(c) Self-selection as developed country to WTO.  
(d) Not a WTO member.

### Overlap with Special Products

Because of this diversity of importer situations, it is important to see which of these goods are likely to be designated as SPs and, hence, for which it is important to ensure that South-South trade is not disrupted as a result. No list of nominated SPs yet exists, so any comparison between important developing country exports and the goods that other developing

**Table 7. Share of developing countries in major developing country importers' imports (percent)**

Product	Major developing country importers <sup>a</sup>																													
	China	Hong Kong	Malaysia	Saudi Arabia	Singapore	Indonesia	Korea Rep.	Philippines	Pakistan	Iran <sup>c</sup>	South Africa <sup>b</sup>	Thailand	Chile	India	Turkey	Brazil	Morocco	Peru	Yemen <sup>c</sup>	Argentina	Oman	Sri Lanka	Ecuador	Guatemala	Honduras	Jordan	Mexico	Tanzania	Venezuela	
	<b>Total</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Fresh beef	2												100			100														
Frozen beef	3			89	94			94																						
Frozen pigmeat	2		89			66																								
Frozen chicken	2		63																										35	
Bananas	3	100			100			100																						
Oranges	1				99																									
Apples	7		32	68	65	65	68		92			77																		
Tea	8		96		100				100	99			100							98							100			
Wheat	4						12									99						40								
Maize	6			99	87			74					100				50	84												
Rice	14	100	94	100	86	95			96		76	99									99									
Soya beans	7	59								66		71			45	100	60			99										
Soya bean oil	6	100						94		81			100				59	95												
Palm oil, crude	7	54		100	100					100				100					98											100
Palm oil & fractions	4	100								100				100	100															
Raw cane sugar	11	81		48	83		70	38		96	78			95			100			93										100
Sugar in solid form	17	83	77		92	45	75		91	84			100					100	95		83	19	100				81			
Sugar confectionery	18	53	51	90		54	89	39	91			86	89					96		87			95	90	90		34		93	
Cocoa beans	4	100		100		97										100														
Bakers' wares	4		55		57	75		57																						
Food preparations	12		54	30		44	37	11	61			20			5									81	85					
Ethyl alcohol	4	73				57			83																					96
Fish meal	3	90					50	74																						
Soya bean oilcake	9	93		98			91	99	64	100		100	97																	
Tobacco	7	95	70			98	73		83			83			70															
Cigarettes	6		51	66		61					58		86								59									
Cotton	10	32					36	16		48		100	45		54	13					100									

Notes:

(a) Countries marked in *italics* are classified as Least Developed Countries by the UN.

(b) Self-selection as developed country to WTO.

(c) Not a WTO member.

Source: derived from data obtained from UN COMTRADE database (downloaded December 2006/January 2007).

countries wish to designate as SPs must be speculative. However, based on the results of 11 country studies carried out by the International Centre for Trade and Sustainable Development (ICTSD) in Geneva, ten products were identified that are most likely to become designated as SPs.<sup>6</sup>

Table 8 takes these products and summarises the characteristics of South–South trade identified in the analysis above. Of the ten products for which SPs may be important, only six have featured in the analysis.

**Table 8. Overlap between potential SPs and major South–South traded goods**

Possible SP	Major developing country export <sup>a</sup>	Major South–South export <sup>b</sup>
Rice	Yes	Yes
Maize	Yes	Yes
Sugar	Yes	Yes
Chicken	Yes	Yes
Beef	Yes	Yes
Vegetable oils	Yes (palm/soya oils)	Yes
Milk and dairy	No <sup>c</sup>	–
Onions	No <sup>c</sup>	–
Potatoes	No <sup>c</sup>	–
Tomatoes	Yes	No <sup>d</sup>

*Notes:*  
 (a) i.e. included in Tables 1 and 2.  
 (b) i.e. included in Table 3.  
 (c) No item in this product group met the initial criterion used to define ‘major exports’ in this study, viz. items that accounted for at least 0.5% of the value of World imports of agricultural goods from developing countries in 2005.  
 (d) Only 4% of developing country exports in 2005 were destined for other developing countries.

**Rice, maize, sugar, chicken, beef, and some sorts of vegetable oils (palm and soya oils) are potential SPs that are both major developing country exports and important South–South traded products.**

Three products (milk and dairy, onions and potatoes) did not qualify as major developing country exports on the selection criterion used in this study.

Tomatoes again are a significant developing country export, but 96 percent were destined for developed country markets in 2005. Hence, it seems unlikely that SPs by developing countries will disrupt exports.

Table 9 takes the six product groups that are probable SPs and major developing country exports for which developing countries are also important markets. And it summarises information drawn from Table 7. There appear to be four groups of SPs.

**Table 9: Developing country importer characteristics for SPs**

HS6	Description	Major developing country importers	Share of developing countries in major developing country importers’ imports (%)		
			Min.	Max.	Mean
020130	Fresh beef	2	100	100	100
020230	Frozen beef	3	89	94	92
020714	Frozen chicken cuts	2	35	63	49
100590	Maize	6	50	100	82
100630	Rice	14	74	100	93
150710	Soya bean oil	6	59	100	88
151110	Palm oil, crude	7	54	100	93
151190	Palm oil & fractions	4	100	100	100
170111	Raw cane sugar	11	38	100	80
170199	Sugar in solid form	17	19	100	80
170490	Sugar confectionery	18	34	96	79

*Source:* derived from the figures in Table 7.

1. In three cases developing countries supply all or most of the imports of the major developing country importers. They are fresh beef, frozen beef and one category of palm oil.
2. In a further three cases (the other vegetable oils and rice), the mean share of imports by all the main importers sourced in developing countries is over 90 percent (88 percent for soya oil).

<sup>6</sup> As can be seen from Table 7, 15 other products (pigmeat, bananas, oranges, apples, tea, wheat, soya beans, cocoa beans, bread/cake, food preparations, ethyl alcohol, fish meal, soya oilcake, tobacco/cigarettes, and cotton) were identified as being major developing country exports and important South–South traded goods. However, these products were not identified as potential SPs since they might not correspond to the criteria of food security, livelihood security, and rural development.

3. The third category consists of just one item: cuts of frozen chicken. This is a good imported by just two developing countries for which special geographical factors appear to determine the pattern of trade.<sup>7</sup>
4. Finally, for maize and sugar/sugar products there is a wide dispersion between importers in the share sourced from developing countries. This may mean that there exist clear differences of interest between states which could complicate the task of reaching an intra-South agreement.

To sum up, **SPs applied for the first group of products (fresh beef, frozen beef and one category of palm oil) would necessarily affect only (or mainly) other developing countries.** By the same token, some countries may decide that they do not need to apply SPs on these specific products as any potential concerns about dumping should be mitigated by the absence of developed country imports. **For the second group (the other vegetable oils and rice), the situation is very similar though the preponderance of developing countries as major import sources is not as marked as for the first group.**

The third product – frozen chicken cuts – is a *cause célèbre* in terms of the effects of consumer patterns in the North on the price of exports to the South. However, due to the country specifics of this one item, it is not considered to be a problematic case.

**The products in the fourth group of products (maize and sugar/sugar products) are sourced in both developing and developed countries and are particularly subject to substantial distortions to world production and trade.** In both product groups major industrialised country markets are heavily protected and, in the case of sugar, this protection has resulted in the creation of surpluses, some of which are dumped on the world market at subsidised prices. These factors have undoubtedly contributed to the desire of some countries to apply SPs. **The products in the fourth product group are therefore considered to be the most problematic in terms of reaching consensus between developing country importers and exporters.**

## Other WTO remedies

The need for use of SP measures – at least in respect of imports – will be influenced by the other remedies that importers have available to safeguard important national production. If applied tariffs are already low on the goods that are important for South–South trade, it implies that governments do not consider that their domestic producers need protection *on these items*. And, if the gap between applied and bound rates is wide then, even if the latter are reduced under Doha, there may still be scope to protect against price shocks by raising the applied rate.

The absolute level of the applied rate and its relationship with the bound rate is therefore a critical piece of information in identifying potential less contentious cases (so that attention can be focused on the more problematic ones). Table 10 provides this information, giving an overview of the main exporters and importers of potential SPs and stating the bound and applied tariffs in major developing country import markets. In most rows of Table 10 the applied tariff cited is the MFN rate. In those cases, though, where TRAINS indicates that a

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<sup>7</sup> One is Hong Kong, with 63 percent of imports sourced in developing countries (mainly Brazil) and the other is Mexico with 65 percent sourced in developed countries (all from USA). Since Brazil is a major exporter (and hence, presumably, aware of the need to balance Southern export and import needs in the use of SPs) and USA is a developed country WTO member, SPs may not be problematic for Southern trade.

preferential tariff applies between the exporter and importer in question, it is this preferential rate that has been given.<sup>8</sup> Three particular interesting cases can be identified from table 10, plus a relatively small number of other items. Case A and B appear to be least contentious. Case C, which is very small, may be especially contentious.

### **Case A: low applied tariffs**

**In almost half of the cases covered by Table 10 the applied tariff for the bilateral trade in question is below 10 percent** (for which revenue generation may be the main goal). In almost one-third of cases it is 0 percent. This suggests that initial bilateral negotiations between Southern exporters and importers can concentrate on those items on which a significant tariff is applied. These would appear to be the items that importers are most concerned to control and for which, therefore, SPs might offer an attraction.

### **Case B: wide margin between bound and applied rates**

For the vast majority of products, importing countries apply a tariff that is below the tariff bound in the WTO and in some cases this gap is very wide. In the cases of Brazil's bovine meat imports from Paraguay, Mauritius's rice imports from Pakistan or Tanzania's palm oil imports from Indonesia, for example, the applied tariffs are currently set at zero percent while the bound rate is up to 120 percent. **In over half of the cases covered by Table 10 the bound tariff is at least twice as high as the applied tariff.**

In those cases where there is a large difference between bound and applied tariff rates, importers do not necessarily need to use SPs to protect their domestic production. Even after any Doha MFN tariff reductions, they may retain sufficient flexibility to raise their applied rates up to their bound rate to provide protection against import surges. It would certainly seem sensible for those Southern countries exporting to such countries to engage in bilateral discussions over whether or not the importers see a need to apply SPs to the products in question.

### **Case C: absolutely high rates of applied and bound rates**

**The third category of products, what might be the most difficult one to deal with, covers products where applied tariffs are very high and that show a wide margin between applied and bound tariffs.** The most prominent example is Malaysia's and Indonesia's palm oil exports to India which currently face an applied tariff of 100 percent that can be increased to a bound rate of 300 percent. Other country/product combinations that are potentially affected are Pakistan's, Thailand's and Vietnam's rice exports to Cameroon, and Brazil's sugar exports to India, Morocco, Pakistan, Venezuela and Colombia. However, only 11 country/product combinations of all 125 country/product combinations covered in Table 10 show tariffs of 20 percent or higher and a bound tariff rate that is at least one third higher than the applied tariff rate. This small number of cases adds evidence to the idea that the concerned countries might be able to negotiate product-specific solutions on a bilateral basis.

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<sup>8</sup> Given the incomplete recording of preferential tariff rates in TRAINS, it is possible that there are other cases in which a preferential applied rate is applicable to trade between the exporter and importer in question but the table gives only the MFN rate. Conversely, there may also be cases where an apparent preferential rate does not apply in practice, possibly because of rules of origin or because TRAINS is inaccurate.



**Table 10. Major traders of potential SPs and tariff regimes applied**

HS6	Description	Developing country exporter	Developing country importer <sup>a</sup>	Share of:			Value of exporter's exports to importer (\$000)	Share of total exports of item	Tariff		
				exporter in importer's imports from developing countries	developing countries in importer's imports from World	exporter in importer's imports from World			Bound (%)	Applied <sup>b</sup> (% unless stated otherwise)	Regime <sup>b</sup>
020130	fresh or chilled bovine meat, boneless	Paraguay	Brazil	52%	100%	52%	30,521	36%	55	0	Mercosur FTA Mercosur–Chile ECA <sup>e</sup>
			Chile	16%	100%	16%	51,772	61%	25	1.5	
020230	frozen, boneless meat of bovine animals	India	Malaysia	92%	89%	82%	139,495	52%	15	0	MFN
			Philippines	70%	94%	66%	72,903	27%	35	10	MFN
			Saudi Arabia	39%	94%	36%	18,996	7%	6	0	MFN
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	Chile	Hong Kong	4%	63%	3%	10,619	17%	0	0	MFN
			Mexico	100%	35%	35%	49,647	79%	37.5	0	Chile–Mexico FTA
100590	maize (excl. seed)	Argentina	Chile	100%	100%	100%	138,276	16%	25	0.6	Mercosur–Chile ECA <sup>e</sup>
			Malaysia	52%	99%	51%	68,658	8%	5	0	MFN
			Morocco	100%	50%	50%	115,087	14%	122	18	MFN
			Peru	99%	84%	84%	142,435	17%	30 or 68	12	MFN
			Saudi Arabia	98%	87%	85%	159,952	19%	5 or 7	0	MFN
		China	Korea Rep.	91%	74%	68%	819,787	97%	328 or 630	338 or 630	MFN
		Malaysia	38%	99%	38%	50,620	6%	5	0	MFN	
100630	semi-milled or wholly milled rice, whether or not polished or glazed	India	Saudi Arabia	84%	86%	72%	377,780	73%	5	0	MFN
			South Africa <sup>c</sup>	32%	99%	32%	70,060	13%	0	0	MFN
		Pakistan	Cameroon	14%	94%	13%	17,528	6%	80	20	MFN
			Iran <sup>d</sup>	32%	76%	24%	89,166	31%	n/a	4 or 100	MFN
			Mauritius	59%	99%	59%	17,266	6%	37	0	MFN
			Mozambique	24%	95%	22%	24,186	8%	100	7.5	MFN
			Oman	66%	99%	65%	43,075	15%	5	0	MFN
			Qatar	73%	97%	70%	21,381	7%	12	0	MFN
			Saudi Arabia	10%	86%	9%	46,455	16%	5	0	MFN
		Thailand	Benin	78%	74%	58%	57,717	7%	60	10	MFN
			Cameroon	44%	94%	41%	56,410	6%	80	20	MFN
			China	96%	100%	96%	179,652	20%	65	1-65	MFN
			Hong Kong	95%	94%	90%	133,878	15%	0	0	MFN
			Iran <sup>d</sup>	19%	76%	14%	52,126	6%	n/a	4 or 100	MFN
			Malaysia	51%	100%	51%	89,825	10%	40	40	MFN
			Singapore	68%	95%	65%	70,348	8%	10	0	MFN
		South Africa <sup>c</sup>	67%	99%	66%	144,921	16%	0	0	MFN	
Vietnam	Cameroon	33%	94%	31%	42,057	6%	80	20	MFN		
	Iran <sup>c</sup>	15%	76%	11%	41,798	6%	n/a	4 or 100	MFN		
	Malaysia	40%	100%	40%	69,930	10%	40	40	MFN		
	Philippines	96%	96%	92%	505,761	70%	--	50	MFN		

HS6	Description	Developing country exporter	Developing country importer <sup>a</sup>	Share of:			Value of exporter's exports to importer (\$000)	Share of total exports of item	Tariff		
				exporter in importer's imports from developing countries	developing countries in importer's imports from World	exporter in importer's imports from World			Bound (%)	Applied <sup>b</sup> (% unless stated otherwise)	Regime <sup>b</sup>
150710	crude soya-bean oil, whether or not degummed	Argentina	China	84%	100%	84%	732,503	38%	9	9 or 19.9	MFN
			India	72%	100%	72%	619,654	32%	45	45	MFN
			Korea Rep.	88%	94%	84%	114,346	6%	5.4	5.4	MFN
			Peru	99%	95%	94%	117,437	6%	30	0.8	Argentina-Peru FTA
		Brazil	China	16%	100%	16%	138,445	18%	9	9 or 19.9	MFN
			India	22%	100%	22%	191,783	25%	45	45	MFN
			Iran <sup>c</sup>	99%	81%	80%	318,207	42%	n/a	4	MFN
			Morocco	69%	59%	41%	61,900	8%	34 or 215	3	MFN
151110	crude palm oil	Indonesia	India	85%	100%	85%	699,808	69%	300	100	MFN
			Malaysia	99%	100%	99%	150,932	15%	10	0	MFN
			Tanzania	92%	100%	92%	56,503	6%	120	0	MFN
			China	85%	54%	46%	18,818	6%	9	9 or 19.9	MFN
		Malaysia	India	15%	100%	15%	122,944	41%	300	100	MFN
			Pakistan	59%	100%	59%	34,982	12%	100	Rs 9500/MT	MFN
			Saudi Arabia	98%	100%	98%	57,550	19%	15	5	MFN
			Yemen <sup>c</sup>	68%	98%	67%	35,185	12%	n/a	5	Customs duty <sup>f</sup>
151190	palm oil and its fractions, whether or not refined	Indonesia	China	31%	100%	31%	540,908	42%	8 or 9	9 or 19.9	MFN
			India	79%	100%	79%	166,234	13%	300	100	MFN
			Pakistan	43%	100%	43%	300,279	24%	100	Rs 9050 or 10800/MT	MFN
			Turkey	37%	100%	37%	76,318	6%	19.5 or 46.8	0, 12 or 31.2	MFN
		Malaysia	China	69%	100%	69%	1,196,460	53%	8 or 9	9 or 19.9	MFN
			Pakistan	55%	100%	55%	384,945	17%	100	Rs 9050 or 10800/MT	MFN
			Turkey	63%	100%	62%	127,654	6%	19.5 or 46.8	0, 12 or 31.2	MFN
170111	raw cane sugar (excl. added flavouring or colouring)	Brazil	India	86%	95%	82%	119,281	14%	150	100	MFN
			Iran <sup>c</sup>	79%	78%	62%	74,762	9%	n/a	4 or 70	MFN
			Malaysia	76%	48%	36%	107,428	12%	--	0	MFN
			Morocco	100%	100%	100%	146,592	17%	168	35	MFN
			Pakistan	94%	96%	90%	142,335	16%	150	10	MFN
			Saudi Arabia	96%	83%	80%	176,504	20%	11	0	MFN
			Yemen <sup>c</sup>	62%	93%	58%	64,318	7%	n/a	5	Customs duty <sup>f</sup>
		Guatemala	China	25%	81%	21%	66,771	38%	50	15 or 50	MFN
			Korea Rep.	54%	38%	20%	79,015	45%	18	3	MFN
			Malaysia	7%	48%	3%	9,454	5%	--	0	MFN
	Venezuela	47%	100%	47%	17,907	10%	105	20	MFN		

HS6	Description	Developing country exporter	Developing country importer <sup>a</sup>	Share of:			Value of exporter's exports to importer (\$000)	Share of total exports of item	Tariff		
				exporter in importer's imports from developing countries	developing countries in importer's imports from World	exporter in importer's imports from World			Bound (%)	Applied <sup>b</sup> (% unless stated otherwise)	Regime <sup>b</sup>
		Thailand	China Indonesia Korea Rep. Malaysia	15% 62% 17% 9%	81% 70% 38% 48%	12% 43% 6% 4%	39,334 102,277 25,215 12,020	22% 57% 14% 7%	50 95 18 --	15 or 50 Rp 550/kg 3 0	MFN MFN MFN MFN
170199	cane or beet sugar and chemically pure sucrose, in solid form	Brazil	Chile	10%	100%	10%	6,267	6%	98	6	MFN
			Colombia	79%	100%	79%	14,326	14%	117	20	MFN
			Gambia	98%	45%	45%	7,028	7%	110	n/a	No data available
			Jordan	11%	81%	9%	6,883	7%	5 or 20	5 or 30	MFN
			Pakistan	13%	84%	11%	30,861	30%	150	10	MFN
			Sri Lanka	34%	19%	7%	9,129	9%	50	28% or Rs 4.50/kg	MFN
			Yemen <sup>c</sup>	74%	95%	70%	10,595	10%	n/a	5	Customs duty <sup>f</sup>
		China	Hong Kong	16%	77%	12%	6,773	6%	0	0	MFN
			Indonesia	5%	75%	4%	11,069	10%	95	Rp 700/kg	MFN
			Pakistan	33%	84%	28%	79,573	75%	150	10	MFN
			Singapore	15%	45%	7%	6,862	6%	10	0	MFN
		Colombia	Chile	45%	100%	45%	28,014	34%	98	6	MFN
			Ecuador	99%	100%	99%	10,121	12%	45	13.2	Colombia–Ecuador FTA
			Peru	53%	100%	53%	33,787	41%	30 or 68	12 or 20	MFN
			Trinidad/Tobago	50%	96%	48%	6,104	7%	100	25 or 40	MFN
		Korea, Rep.	China	95%	83%	79%	47,113	48%	50	15 or 50	MFN
			Hong Kong	82%	77%	63%	34,777	35%	0	0	MFN
			Indonesia	4%	75%	3%	8,565	9%	95	Rp 700/kg	MFN
			Philippines	35%	91%	32%	5,025	5%	50 or 80	1, 50 or 65	MFN
		Thailand	Indonesia	78%	75%	59%	182,444	88%	95	Rp 700/kg	MFN
Singapore	25%		45%	11%	11,666	6%	10	0	MFN		
United Arab Emirates	Indonesia	6%	75%	4%	13,150	6%	95	Rp 700/kg	MFN		
	Jordan	38%	81%	31%	24,279	11%	5 or 20	0	UAE–Jordan FTA		
	Oman	96%	83%	79%	19,951	9%	5	0	MFN		
	Pakistan	50%	84%	42%	121,370	55%	150	10	MFN		
	Saudi Arabia	98%	92%	90%	22,217	10%	10, 15 or 20	0	MFN		
170490	sugar confectionery not containing cocoa, incl. white chocolate	Argentina	Bolivia	32%	93%	30%	1,782	6%	40	2	Mercosur–Bolivia FTA
			Chile	49%	89%	44%	7,730	26%	25	0	Mercosur–Chile ECA <sup>e</sup>
			Ecuador	11%	95%	10%	1,796	6%	20	20	MFN
			Guatemala	20%	90%	18%	3,031	10%	40	15	MFN
			Honduras	29%	90%	27%	2,658	9%	30	15	MFN
			Mexico	9%	34%	3%	1,613	5%	--	16	Argentina–Mexico FTA

HS6	Description	Developing country exporter	Developing country importer <sup>a</sup>	Share of:			Value of exporter's exports to importer (\$'000)	Share of total exports of item	Tariff		
				exporter in importer's imports from developing countries	developing countries in importer's imports from World	exporter in importer's imports from World			Bound (%)	Applied <sup>b</sup> (% unless stated otherwise)	Regime <sup>b</sup>
			Uruguay	50%	95%	48%	2,438	8%	35	0	Mercosur FTA
			Venezuela	3%	93%	3%	1,574	5%	25	20	MFN
		Brazil	Argentina	76%	87%	66%	5,364	11%	35	0	Mercosur FTA
			South Africa <sup>d</sup>	68%	86%	59%	26,665	53%	37	37	MFN
		China	Hong Kong	70%	51%	36%	48,548	44%	0	0	MFN
			Indonesia	66%	89%	59%	15,312	14%	40	5	MFN
			Korea Rep.	64%	39%	25%	10,374	9%	19.7	8	MFN
			Mexico	35%	34%	12%	6,550	6%	--	20	MFN
			Singapore	38%	54%	21%	8,435	8%	10	0	MFN
		Colombia	Chile	29%	89%	26%	4,548	6%	25	0	Colombia-Chile ECA <sup>e</sup>
			Ecuador	61%	95%	58%	10,353	13%	20	20	MFN
			Peru	57%	96%	55%	4,544	6%	30	20	MFN
			South Africa <sup>d</sup>	14%	86%	12%	5,471	7%	37	37	MFN
			Venezuela	85%	93%	79%	42,026	55%	25	20	MFN
		Thailand	China	21%	53%	11%	2,484	10%	10	10	MFN
			Hong Kong	4%	51%	2%	2,548	10%	0	0	MFN
			Indonesia	21%	89%	19%	4,948	19%	40	5	MFN
			Malaysia	22%	90%	20%	4,084	16%	30	15	MFN
			Philippines	38%	91%	34%	6,320	24%	45	5	ASEAN FTA
			Singapore	9%	54%	5%	1,989	8%	10	0	MFN

**Notes:**

(a) Countries marked in *italics* are classified as Least Developed Countries by the UN.

(b) The regime and tariff shown are those applying to (or assumed to apply to) imports of the relevant item from the exporter in question. Only preferential rates which are included in the importers' tariff schedules in UNCTAD's TRAINS database are shown; if other preferences exist, they have not been taken into consideration here.

(c) Not a WTO member.

(d) Self-selection as developed country to WTO.

(e) ECA: Economic Complementarity Agreement.

(f) The tariff regime in Yemen applies uniform customs duties according to the value of the goods.

Sources: derived from data obtained from UN COMTRADE database (downloaded December 2006); WTO CTS database; UNCTAD TRAINS database.

## Summary of findings

The analysis in this report has thrown up a number of *potential* lines for developing a Southern consensus with respect to SPs, but it has not identified any ‘magic bullets’ in the sense of discrete measures that would have fairly general applicability. The overwhelming impression given is one of diversity. Certain approaches *might* be suitable for specific product/country relationships but, at the same time, it is clear that there are differences of interest between some developing country importers and others, and similarly between some exporters and others.

Possibly the most helpful message from the report is that, despite this diversity, there are some marked areas of focus. **There are six products potentially identified as SPs that are subject to substantial South–South trade, which is heavily concentrated in a few large, middle-income developing countries.** Because of this limited number of products and countries there may be scope for bilateral negotiations to address the concerns of developing country exporters with respect to SPs. A consensus on SPs by major developing country traders might then pave the way to broader South–South consensus on SPs.

At the same time, however, negotiations on SPs are constrained by the diversity of developing countries’ interests which makes it impossible to conclude that only X number of countries need to be involved in discussions on Y number of products. In most cases there are sufficient countries with a ‘minor interest’ which cannot be excluded from discussions. Moreover, there is no clear regional pattern in trade for many of the items that have been flagged as potentially important. Most problematic are **products where both developing countries and developed countries are important import sources. Agreements on SPs may be difficult since some developing countries will seek protection from trade distorting subsidies often associated with developed countries’ agricultural exports.**

**Still, should the will exist to forge a consensus on SPs, it would be reasonable to focus negotiations on the 15 developing countries that are widespread importers from other developing countries and the small number of countries which direct specific potential SPs to Southern markets.** Since a significant number of the most widespread developing country importers are middle-income countries, it might be possible to reach agreement that they would not impose SPs on products of particular interest to other developing countries.

The tariff analysis adds evidence to the thesis that such a consensus might be possible. **Since in almost half of the cases the applied tariff for the bilateral trade in question is below 10 percent the protection of these products through SPs is unlikely.** Also in those manifold cases where there is a large difference between bound and applied tariff rates, importers do not necessarily need to use SPs to protect their domestic production but could simply raise their tariffs closer to the bound level. It is advised to minimise the risk over whether or not the importers see a need to apply SPs to the products in question by bilateral discussions. Bilateral negotiations are also advised for the rarely found but most problematic cases where applied tariffs are very high *and* there is a wide margin between applied and bound tariffs



## Appendix Tables

**Appendix Table 1. Main developing country exporters of most important developing country agricultural exports in 2005**

HS6	Description	Main developing country exporters	Share of developing country exports	Destination of exports	
				Other developing countries	Non developing countries
020130	fresh or chilled bovine meat, boneless	Brazil	37%	27%	73%
		Argentina	35%	29%	71%
		Uruguay	10%	11%	89%
		Paraguay	5%	100%	0%
		All others	12%	23%	77%
020230	frozen, boneless meat of bovine animals	Brazil	42%	18%	82%
		Uruguay	20%	3%	97%
		Argentina	15%	12%	88%
		India	11%	96%	4%
		All others	12%	24%	76%
020329	frozen meat of swine	Brazil	48%	28%	72%
		Chile	29%	25%	75%
		China	11%	92%	8%
		Mexico	10%	5%	95%
		All others	1%	29%	71%
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	Brazil	87%	27%	73%
		Chile	5%	55%	45%
		All others	8%	67%	33%
050400	guts, bladders and stomachs of animals, fresh, chilled, frozen, salted, in brine, dried or smoked	China	54%	6%	94%
		Brazil	10%	8%	92%
		Iran <sup>b</sup>	5%	0%	100%
		All others	30%	9%	91%
060310	fresh cut flowers and flower buds, for bouquets or for ornamental purposes	Colombia	39%	1%	99%
		Ecuador	19%	3%	97%
		Kenya	18%	0%	100%
		All others	24%	9%	91%
070200	tomatoes, fresh or chilled	Mexico	63%	0%	100%
		Morocco	19%	0%	100%
		Turkey	9%	2%	98%
		All others	8%	45%	55%
080132	fresh or dried cashew nuts, shelled	India	49%	4%	96%
		Vietnam	32%	6%	94%
		Brazil	15%	5%	95%
		All others	4%	25%	75%
080300	bananas, incl. plantains, fresh or dried	Ecuador	30%	7%	93%
		Colombia	17%	0%	100%
		Costa Rica	15%	1%	99%
		Philippines	11%	35%	65%
		Panama	5%	1%	99%
		Guatemala	5%	0%	100%
		All others	17%	15%	85%
080430	fresh or dried pineapples	Costa Rica	57%	0%	100%
		Philippines	10%	30%	70%
		Cote d'Ivoire	9%	0%	100%
		Ghana	6%	0%	100%
		All others	18%	7%	93%
080510	fresh or dried oranges	South Africa <sup>a</sup>	35%	18%	82%
		Egypt	21%	50%	50%
		Morocco	12%	0%	100%
		Turkey	7%	0%	100%
		Argentina	6%	2%	98%
		All others	19%	37%	63%
080610	fresh grapes	Chile	49%	12%	88%
		South Africa <sup>a</sup>	18%	5%	95%
		Mexico	13%	0%	100%
		Brazil	5%	1%	99%
		All others	16%	11%	89%
080810	fresh apples	Chile	37%	32%	68%
		China	20%	56%	44%

HS6	Description	Main developing country exporters	Share of developing country exports	Destination of exports	
				Other developing countries	Non developing countries
		South Africa <sup>a</sup>	16%	14%	86%
		Argentina	16%	15%	85%
		Brazil	7%	1%	99%
		All others	4%	74%	26%
090111	coffee (excl. roasted and decaffeinated)	Brazil	28%	4%	96%
		Colombia	17%	2%	98%
		Vietnam	9%	15%	85%
		Indonesia	6%	14%	86%
		Guatemala	6%	1%	99%
		All others	33%	6%	94%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	Kenya	29%	57%	43%
		Sri Lanka	18%	40%	60%
		India	16%	25%	75%
		China	8%	13%	87%
		Indonesia	7%	27%	73%
		All others	21%	46%	54%
100190	wheat and meslin (excl. durum wheat)	Argentina	82%	98%	2%
		Haiti	5%	100%	0%
		All others	14%	97%	3%
100590	maize (excl. seed)	Argentina	46%	78%	22%
		China	42%	88%	12%
		All others	12%	80%	20%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	Thailand	37%	67%	33%
		Vietnam	22%	93%	7%
		India	17%	86%	14%
		Pakistan	10%	88%	12%
		All others	14%	76%	24%
120100	soya beans, whether or not broken	Brazil	63%	50%	50%
		Argentina	27%	97%	3%
		Paraguay	6%	53%	47%
		All others	4%	45%	55%
150710	crude soya-bean oil, whether or not degummed	Argentina	64%	99%	1%
		Brazil	28%	91%	9%
		All others	8%	94%	6%
151110	crude palm oil	Indonesia	53%	70%	30%
		Malaysia	27%	41%	59%
		Papua New Guinea	5%	0%	100%
		All others	15%	64%	36%
151190	palm oil and its fractions, whether or not refined	Malaysia	63%	67%	33%
		Indonesia	31%	75%	25%
		All others	6%	81%	19%
160232	meat or offal of fowls of the species 'gallus domesticus', prepared or preserved	Thailand	48%	4%	96%
		China	37%	6%	94%
		Brazil	13%	3%	97%
		All others	2%	38%	62%
170111	raw cane sugar (excl. added flavouring or colouring)	Brazil	42%	41%	59%
		Thailand	7%	47%	53%
		Mauritius	7%	0%	100%
		Guatemala	6%	57%	43%
		All others	38%	23%	77%
170199	cane or beet sugar and chemically pure sucrose, in solid form	United Arab Emirates	18%	90%	10%
		Thailand	17%	93%	7%
		Brazil	13%	62%	38%
		China	8%	99%	1%
		Korea, Rep.	8%	96%	4%
		Colombia	7%	85%	15%
		Mexico	5%	0%	100%
		All others	24%	76%	24%
170490	sugar confectionery not containing cocoa, incl. white chocolate	China	24%	35%	65%
		Mexico	24%	5%	95%
		Colombia	9%	67%	33%
		Brazil	8%	50%	50%
		Thailand	5%	38%	62%
		Argentina	5%	44%	56%
		All others	25%	56%	44%



HS6	Description	Main developing country exporters	Share of developing country exports	Destination of exports	
				Other developing countries	Non developing countries
180100	cocoa beans, whole or broken, raw or roasted	Cote d'Ivoire	40%	8%	92%
		Ghana	20%	19%	81%
		Indonesia	15%	64%	36%
		Nigeria	9%	4%	96%
		Cameroon	5%	13%	87%
		All others	12%	21%	79%
180400	cocoa butter, fat and oil	Malaysia	24%	9%	91%
		Cote d'Ivoire	20%	1%	99%
		Indonesia	14%	2%	98%
		Brazil	12%	24%	76%
		Singapore	6%	12%	88%
		All others	24%	3%	97%
190590	bread, pastry, cakes, biscuits and other bakers' wares	China	24%	38%	62%
		Mexico	14%	2%	98%
		Malaysia	9%	66%	34%
		Thailand	7%	11%	89%
		All others	45%	47%	53%
200819	nuts and other seeds, incl. mixtures, prepared or preserved	Turkey	71%	2%	98%
		China	12%	24%	76%
		All others	17%	19%	81%
200919	orange juice, unfermented, whether or not containing added sugar or other sweetening matter	Brazil	94%	1%	99%
		All others	6%	56%	44%
210690	food preparations, n.e.s.	China	15%	35%	65%
		Thailand	13%	40%	60%
		Mexico	9%	32%	68%
		Korea, Rep.	7%	26%	74%
		Singapore	5%	45%	55%
		Costa Rica	5%	99%	1%
		All others	45%	66%	34%
220300	beer made from malt	Mexico	82%	2%	98%
		All others	18%	45%	55%
220421	wine of fresh grapes, incl. fortified wines, in containers of <= 2 l	Chile	51%	13%	87%
		South Africa <sup>a</sup>	30%	2%	98%
		Argentina	16%	17%	83%
		All others	3%	18%	82%
220710	undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	Brazil	48%	26%	74%
		Jamaica	7%	0%	100%
		Costa Rica	7%	0%	100%
		China	6%	29%	71%
		El Salvador	5%	1%	99%
		South Africa <sup>a</sup>	5%	41%	59%
		All others	21%	24%	76%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	Peru	64%	61%	39%
		Chile	24%	53%	47%
		All others	12%	49%	51%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	Argentina	49%	35%	65%
		Brazil	38%	23%	77%
		India	5%	75%	25%
		All others	8%	77%	23%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	Brazil	42%	33%	67%
		Malawi	11%	12%	88%
		Zimbabwe	8%	68%	32%
		China	7%	64%	36%
		Argentina	6%	13%	87%
		India	5%	15%	85%
		All others	22%	24%	76%
240220	cigarettes, containing tobacco	China	18%	78%	22%
		United Arab Emirates	13%	99%	1%
		Malaysia	12%	91%	9%
		Korea, Rep.	10%	32%	68%
		Philippines	7%	94%	6%
		Indonesia	7%	83%	17%
		Turkey	5%	71%	29%
		All others	28%	71%	29%

HS6	Description	Main developing country exporters	Share of developing country exports	Destination of exports	
				Other developing countries	Non developing countries
520100	cotton, neither carded nor combed	Brazil	14%	72%	28%
		India	9%	88%	12%
		Egypt	9%	71%	29%
		<i>Burkina Faso</i>	8%	88%	12%
		<i>Mali</i>	7%	69%	31%
		Syria <sup>b</sup>	6%	71%	29%
		<i>Benin</i>	6%	92%	8%
		Zimbabwe	5%	75%	25%
		All others	37%	78%	22%
<p><i>Note:</i>  Countries marked in <i>italics</i> are classified as Least Developed Countries by the UN  (a) Self-selection as developed country to WTO.  (b) Not a WTO member.  Source: derived from data obtained from UN COMTRADE database (downloaded December 2006).</p>					

**Appendix Table 2. Major developing country exporters' share of major developing country importers' markets, 2005**

HS6	Description	Developing country exporter <sup>a</sup>	Developing country importer <sup>b</sup>	Share of:		
				Exporter in importer's imports from developing countries	Developing countries in importer's imports from World	exporter in importer's imports from World
020130	fresh or chilled bovine meat, boneless	Paraguay Paraguay	Brazil Chile	52% 16%	100% 100%	52% 16%
020230	frozen, boneless meat of bovine animals	India India India	Malaysia Philippines Saudi Arabia	92% 70% 39%	89% 94% 94%	82% 66% 36%
020329	frozen meat of swine	China China	Hong Kong Singapore	61% 32%	89% 66%	55% 21%
020714	frozen cuts and edible offal of fowls of the species gallus domesticus	Chile Chile	Hong Kong Mexico	4% 100%	63% 35%	3% 35%
080300	bananas, incl. plantains, fresh or dried	Philippines Philippines Philippines	China Korea Rep. Saudi Arabia	90% 100% 47%	100% 100% 100%	90% 100% 47%
080510	fresh or dried oranges	Egypt	Saudi Arabia	75%	99%	75%
080810	fresh apples	China China China China China China China	Hong Kong Indonesia Malaysia Philippines Saudi Arabia Singapore Thailand	51% 95% 62% 99% 16% 72% 94%	32% 68% 68% 92% 65% 65% 77%	16% 64% 42% 91% 11% 47% 72%
090240	black fermented tea and partly fermented tea in immediate packings of > 3 kg	Kenya Kenya Kenya Sri Lanka Sri Lanka Sri Lanka Sri Lanka Sri Lanka Sri Lanka	Pakistan Sudan <i>Yemen</i> <sup>c</sup> Chile Hong Kong Iran <sup>c</sup> Jordan Pakistan Saudi Arabia	72% 97% 90% 64% 55% 39% 76% 3% 30%	100% 100% 98% 100% 96% 99% 100% 100% 100%	72% 96% 89% 64% 52% 39% 76% 3% 30%
100190	wheat and meslin (excl. durum wheat)	Argentina Argentina Argentina <i>Haiti</i>	Brazil Indonesia South Africa <sup>b</sup> Sri Lanka	93% 77% 100% 97%	99% 12% 38% 40%	93% 9% 38% 38%
100590	maize (excl. seed)	Argentina Argentina Argentina Argentina Argentina China China	Chile Malaysia Morocco Peru Saudi Arabia Korea Rep. Malaysia	100% 52% 100% 99% 98% 91% 38%	100% 99% 50% 84% 87% 74% 99%	100% 51% 50% 84% 85% 68% 38%
100630	semi-milled or wholly milled rice, whether or not polished or glazed	India India Pakistan Pakistan Pakistan Pakistan Pakistan Pakistan Pakistan Thailand Thailand Thailand Thailand Thailand Thailand Thailand Thailand Thailand Thailand Vietnam Vietnam	Saudi Arabia South Africa <sup>b</sup> Cameroon Iran <sup>c</sup> Mauritius <i>Mozambique</i> Oman Qatar Saudi Arabia <i>Benin</i> Cameroon China Hong Kong Iran <sup>c</sup> Malaysia Singapore South Africa <sup>b</sup> Cameroon Iran <sup>c</sup>	84% 32% 14% 32% 59% 24% 66% 73% 10% 78% 44% 96% 95% 19% 51% 68% 67% 33% 15%	86% 99% 94% 76% 99% 95% 99% 97% 86% 74% 94% 100% 94% 76% 100% 95% 99% 94% 76%	72% 32% 13% 24% 59% 22% 65% 70% 9% 58% 41% 96% 90% 14% 51% 65% 66% 31% 11%

HS6	Description	Developing country exporter <sup>a</sup>	Developing country importer <sup>b</sup>	Share of:		
				Exporter in importer's imports from developing countries	Developing countries in importer's imports from World	exporter in importer's imports from World
		Vietnam	Malaysia	40%	100%	40%
		Vietnam	Philippines	96%	96%	92%
120100	soya beans, whether or not broken	Argentina	China	47%	59%	28%
		Argentina	Thailand	43%	71%	31%
		Brazil	China	52%	59%	31%
		Brazil	Iran <sup>c</sup>	99%	66%	65%
		Brazil	Thailand	54%	71%	39%
		Paraguay	Argentina	97%	99%	96%
		Paraguay	Brazil	100%	100%	100%
		Paraguay	Morocco	35%	60%	21%
		Paraguay	Turkey	14%	45%	7%
150710	crude soya-bean oil, whether or not degummed	Argentina	China	84%	100%	84%
		Argentina	India	72%	100%	72%
		Argentina	Korea Rep.	88%	94%	84%
		Argentina	Peru	99%	95%	94%
		Brazil	China	16%	100%	16%
		Brazil	India	22%	100%	22%
		Brazil	Iran <sup>c</sup>	99%	81%	80%
		Brazil	Morocco	69%	59%	41%
151110	crude palm oil	Indonesia	India	85%	100%	85%
		Indonesia	Malaysia	99%	100%	99%
		Indonesia	Tanzania	92%	100%	92%
		Malaysia	China	85%	54%	46%
		Malaysia	India	15%	100%	15%
		Malaysia	Pakistan	59%	100%	59%
		Malaysia	Saudi Arabia	98%	100%	98%
		Malaysia	<i>Yemen</i> <sup>c</sup>	68%	98%	67%
151190	palm oil and its fractions, whether or not refined	Indonesia	China	31%	100%	31%
		Indonesia	India	79%	100%	79%
		Indonesia	Pakistan	43%	100%	43%
		Indonesia	Turkey	37%	100%	37%
		Malaysia	China	69%	100%	69%
		Malaysia	Pakistan	55%	100%	55%
		Malaysia	Turkey	63%	100%	62%
170111	raw cane sugar (excl. added flavouring or colouring)	Brazil	India	86%	95%	82%
		Brazil	Iran <sup>c</sup>	79%	78%	62%
		Brazil	Malaysia	76%	48%	36%
		Brazil	Morocco	100%	100%	100%
		Brazil	Pakistan	94%	96%	90%
		Brazil	Saudi Arabia	96%	83%	80%
		Brazil	<i>Yemen</i> <sup>c</sup>	62%	93%	58%
		Guatemala	China	25%	81%	21%
		Guatemala	Korea Rep.	54%	38%	20%
		Guatemala	Malaysia	7%	48%	3%
		Guatemala	Venezuela	47%	100%	47%
		Thailand	China	15%	81%	12%
		Thailand	Indonesia	62%	70%	43%
		Thailand	Korea Rep.	17%	38%	6%
		Thailand	Malaysia	9%	48%	4%
170199	cane or beet sugar and chemically pure sucrose, in solid form	Brazil	Chile	10%	100%	10%
		Brazil	Colombia	79%	100%	79%
		Brazil	<i>Gambia</i>	98%	45%	45%
		Brazil	Jordan	11%	81%	9%
		Brazil	Pakistan	13%	84%	11%
		Brazil	Sri Lanka	34%	19%	7%
		Brazil	<i>Yemen</i> <sup>c</sup>	74%	95%	70%
		China	Hong Kong	16%	77%	12%
		China	Indonesia	5%	75%	4%
		China	Pakistan	33%	84%	28%
		China	Singapore	15%	45%	7%
		Colombia	Chile	45%	100%	45%
		Colombia	Ecuador	99%	100%	99%
		Colombia	Peru	53%	100%	53%

HS6	Description	Developing country exporter <sup>a</sup>	Developing country importer <sup>b</sup>	Share of:		
				Exporter in importer's imports from developing countries	Developing countries in importer's imports from World	exporter in importer's imports from World
		Colombia	Trinidad/Tobago	50%	96%	48%
		Korea, Rep.	China	95%	83%	79%
		Korea, Rep.	Hong Kong	82%	77%	63%
		Korea, Rep.	Indonesia	4%	75%	3%
		Korea, Rep.	Philippines	35%	91%	32%
		Thailand	Indonesia	78%	75%	59%
		Thailand	Singapore	25%	45%	11%
		United Arab Emirates	Indonesia	6%	75%	4%
		United Arab Emirates	Jordan	38%	81%	31%
		United Arab Emirates	Oman	96%	83%	79%
		United Arab Emirates	Pakistan	50%	84%	42%
		United Arab Emirates	Saudi Arabia	98%	92%	90%
170490	sugar confectionery not containing cocoa, incl. white chocolate	Argentina	Bolivia	32%	93%	30%
		Argentina	Chile	49%	89%	44%
		Argentina	Ecuador	11%	95%	10%
		Argentina	Guatemala	20%	90%	18%
		Argentina	Honduras	29%	90%	27%
		Argentina	Mexico	9%	34%	3%
		Argentina	Uruguay	50%	95%	48%
		Argentina	Venezuela	3%	93%	3%
		Brazil	Argentina	76%	87%	66%
		Brazil	South Africa <sup>b</sup>	68%	86%	59%
		China	Hong Kong	70%	51%	36%
		China	Indonesia	66%	89%	59%
		China	Korea Rep.	64%	39%	25%
		China	Mexico	35%	34%	12%
		China	Singapore	38%	54%	21%
		Colombia	Chile	29%	89%	26%
		Colombia	Ecuador	61%	95%	58%
		Colombia	Peru	57%	96%	55%
		Colombia	South Africa <sup>b</sup>	14%	86%	12%
		Colombia	Venezuela	85%	93%	79%
		Thailand	China	21%	53%	11%
		Thailand	Hong Kong	4%	51%	2%
		Thailand	Indonesia	21%	89%	19%
		Thailand	Malaysia	22%	90%	20%
		Thailand	Philippines	38%	91%	34%
		Thailand	Singapore	9%	54%	5%
180100	cocoa beans, whole or broken, raw or roasted	Indonesia	Brazil	79%	100%	79%
		Indonesia	China	36%	100%	36%
		Indonesia	Malaysia	66%	100%	66%
		Indonesia	Singapore	59%	97%	58%
190590	bread, pastry, cakes, biscuits and other bakers' wares	China	Hong Kong	79%	55%	43%
		China	Korea Rep.	61%	57%	35%
		Malaysia	Hong Kong	8%	55%	4%
		Malaysia	Saudi Arabia	10%	57%	6%
		Malaysia	Singapore	79%	75%	59%
210690	food preparations, n.e.s.	China	Hong Kong	66%	54%	36%
		China	Korea Rep.	44%	11%	5%
		China	Malaysia	16%	30%	5%
		China	Singapore	17%	44%	8%
		China	Thailand	27%	20%	5%
		Costa Rica	Guatemala	61%	81%	50%
		Costa Rica	Honduras	82%	85%	70%
		Costa Rica	Nicaragua	79%	87%	69%
		Costa Rica	Panama	63%	51%	32%
		Singapore	Hong Kong	10%	54%	6%
		Singapore	Indonesia	9%	37%	3%
		Singapore	Korea Rep.	20%	11%	2%
		Singapore	Malaysia	34%	30%	10%
		Singapore	Philippines	4%	61%	3%
		Singapore	Thailand	26%	20%	5%
		Thailand	Hong Kong	8%	54%	5%

HS6	Description	Developing country exporter <sup>a</sup>	Developing country importer <sup>b</sup>	Share of:		
				Exporter in importer's imports from developing countries	Developing countries in importer's imports from World	exporter in importer's imports from World
		Thailand	Indonesia	14%	37%	5%
		Thailand	Malaysia	35%	30%	10%
		Thailand	Philippines	52%	61%	32%
		Thailand	Turkey	92%	5%	5%
220710	undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	South Africa <sup>b</sup>	China	72%	73%	52%
		South Africa <sup>b</sup>	Philippines	49%	83%	40%
		South Africa <sup>b</sup>	Singapore	24%	57%	13%
		South Africa <sup>b</sup>	Tanzania	76%	96%	73%
230120	flours, meals and pellets of fish or crustaceans, molluscs etc., unfit for human consumption	Chile	China	20%	90%	18%
		Chile	Indonesia	59%	50%	30%
		Chile	Korea Rep.	88%	74%	65%
		Peru	China	73%	90%	66%
230400	oilcake and other solid residues resulting from the extraction of soya-bean oil	Argentina	Indonesia	47%	91%	42%
		Argentina	Korea Rep.	28%	99%	28%
		Argentina	Malaysia	91%	98%	89%
		Argentina	Philippines	92%	64%	59%
		Argentina	South Africa <sup>b</sup>	100%	100%	100%
		Argentina	Thailand	37%	97%	36%
		India	China	92%	93%	86%
		India	Indonesia	25%	91%	23%
		India	Korea Rep.	10%	99%	10%
		India	Pakistan	100%	100%	100%
		India	Philippines	8%	64%	5%
		India	Sri Lanka	97%	100%	97%
		India	Thailand	10%	97%	9%
240120	tobacco, partly or wholly stemmed/stripped, otherwise unmanufactured	Brazil	China	58%	95%	55%
		Brazil	Indonesia	32%	73%	23%
		Brazil	Philippines	47%	83%	39%
		Brazil	Turkey	51%	70%	36%
		China	Hong Kong	79%	70%	55%
		China	Indonesia	44%	73%	32%
		China	Philippines	20%	83%	17%
		China	Singapore	38%	98%	37%
		Zimbabwe	China	41%	95%	39%
		Zimbabwe	South Africa <sup>b</sup>	29%	83%	24%
		Zimbabwe	Turkey	8%	70%	6%
240220	cigarettes, containing tobacco	China	Hong Kong	38%	51%	19%
		China	Malaysia	41%	66%	27%
		China	Singapore	30%	61%	18%
		Indonesia	Malaysia	19%	66%	13%
		Indonesia	Singapore	29%	61%	17%
		Malaysia	Hong Kong	49%	51%	25%
		Malaysia	Singapore	12%	61%	7%
		Philippines	Singapore	3%	61%	2%
		Philippines	Thailand	81%	86%	70%
		Turkey	Iran <sup>c</sup>	24%	58%	14%
		UAE	Iran <sup>c</sup>	66%	58%	38%
		UAE	Oman	92%	59%	54%
520100	cotton, neither carded nor combed	Benin	China	13%	32%	4%
		Benin	Indonesia	4%	36%	1%
		Benin	Thailand	4%	45%	2%
		Brazil	Argentina	96%	100%	96%
		Brazil	China	7%	32%	2%
		Brazil	Indonesia	24%	36%	9%
		Brazil	Korea Rep.	49%	16%	8%
		Brazil	Pakistan	32%	48%	15%
		Brazil	Thailand	8%	45%	4%
		Burkina Faso	China	16%	32%	5%
		Burkina Faso	Thailand	9%	45%	4%
		Egypt	China	2%	32%	1%
		Egypt	India	66%	54%	35%
		Egypt	Pakistan	22%	48%	11%
		Egypt	Thailand	5%	45%	2%

HS6	Description	Developing country exporter <sup>a</sup>	Developing country importer <sup>b</sup>	Share of:		
				Exporter in importer's imports from developing countries	Developing countries in importer's imports from World	exporter in importer's imports from World
		Egypt	Turkey	14%	13%	2%
		India	China	15%	32%	5%
		India	Pakistan	10%	48%	5%
		India	Thailand	7%	45%	3%
		<i>Mali</i>	China	8%	32%	2%
		<i>Mali</i>	Indonesia	3%	36%	1%
		<i>Mali</i>	Pakistan	3%	48%	1%
		<i>Mali</i>	Thailand	10%	45%	4%
		Syria <sup>c</sup>	China	2%	32%	1%
		Syria <sup>c</sup>	Indonesia	6%	36%	2%
		Syria <sup>c</sup>	Pakistan	3%	48%	2%
		Syria <sup>c</sup>	Thailand	3%	45%	1%
		Syria <sup>c</sup>	Turkey	57%	13%	8%
		Zimbabwe	China	2%	32%	0%
		Zimbabwe	Indonesia	3%	36%	1%
		Zimbabwe	Korea Rep.	11%	16%	2%
		Zimbabwe	South Africa <sup>b</sup>	40%	100%	40%
		Zimbabwe	Thailand	15%	45%	7%
		Zimbabwe	<i>Zambia</i>	93%	100%	93%

*Note:*  
(a) Countries marked in *italics* are classified as Least Developed Countries by the UN.  
(b) Self-selection as developed country to WTO.  
(c) Not a WTO member.  
Source: derived from data obtained from UN COMTRADE database (downloaded January 2006).