Committee on Rules of Origin

UTILIZATION RATES UNDER PREFERENTIAL TRADE ARRANGEMENTS FOR LEAST DEVELOPED COUNTRIES UNDER THE LDC DUTY SCHEME

NOTE BY THE SECRETARIAT[1]

1 INTRODUCTION

1.1 A previous note by the Secretariat on the utilization of trade preferences by least-developed countries (LDCs) (G/RO/W/179) showed that trade preferences were not being systematically utilized for agricultural exports. In fact, low rates of preference utilization could be observed for several agricultural exports and several LDCs under all preferential schemes that were reviewed. This observation seems counterintuitive from the point of view of preferential rules of origin. Agricultural products are often very simple products (e.g. fresh fruits and vegetables), subject to simple rules of origin, so it could be expected that LDC producers would face no difficulties in complying with such rules to enjoy duty-free treatment. This note builds on previous analyses and examines in greater detail preference utilization rates for agricultural products.

2 METHODOLOGY FOR THE CALCULATION OF UTILIZATION RATES

2.1 "Preference utilization rates" can be defined as the proportion of trade, which is eligible for trade preferences and which, in practice, receives preferential treatment. This definition assumes that preferential treatment may only occur if there actually is a preference (that is, if the Most-Favoured Nation (MFN) tariff rate of a given product is higher than the preferential rate).[2]

2.2 Utilization offers a useful concept for the examination of the impact of rules of origin on trade preferences, as recognized in paragraph 4.3 of the 2015 (Nairobi) Ministerial Decision on preferential rules of origin for LDCs. In fact, the observation of high rates of preference utilization indicates necessarily that exporters are capable of meeting origin requirements to use trade preferences. On the contrary, low levels of preference utilization could indicate that origin requirements are operating as a barrier to preferential tariff treatment. For this reason, low utilization rates ("underutilization" or "non-utilization") offer useful pointers for further analysis.

2.3 This note builds on these concepts and compares the utilization rates for agricultural products[3] and agricultural sub-sectors to analyse whether variations in preference utilization rates could be related to different origin criteria. The preferences reviewed in this note are preferential trade arrangements for LDCs (LDC-PTAs, henceforth)[4] for which preferential tariff and preferential import statistics are available with the Secretariat as indicated in Table 1.

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[1] This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

[2] The Committee on Rules of Origin (CRO) adopted, at the end of 2016, modalities for the calculation of utilization rates as recommended in paragraph 3.2(a) of document G/RO/W/161. Under this methodology, preference utilization is the value of imports which "reportedly" received duty-free treatment as a proportion of the value of total imports which was "eligible" for such trade preferences. Section 2 of G/RO/W/168/Rev.1 also reviews this methodology.

[3] The definition of agricultural products used in this note is that of WTO Agreements.

[4] The scope of this note is limited to non-reciprocal trade preferences offered to least developed countries, including the US African Growth and Opportunity Act (AGOA), which is also considered.

Table 1: List of PTAs included in the analysis

Preference-granting Member	Year of import statistics	Preferential Trade Arrangement
1. Australia	2017	GSP-LDC
2. Canada	2017	GSP-LDC
3. Chile	2016	LDC-specific
4. China	2016	LDC-specific
5. European Union	2017	GSP-LDC
6. India	2015	LDC-specific
7. Japan	2017	GSP-LDC
8. Korea, Republic of	2016	LDC-specific
9. Norway	2016	GSP-LDC
10. Switzerland	2017	GSP-LDC
11. Chinese Taipei	2017	LDC-specific
12. Thailand	2016	LDC-specific
13. United States (GSP/LDC)	2017	GSP-LDC
14. United States (AGOA)	2017	AGOA

Source: Preferential Trade Arrangements database (http://ptadb.wto.org).

3 HOW ORIGIN CRITERIA FOR AGRICULTURAL PRODUCTS AFFECT THE UTILIZATION OF TRADE PREFERENCES

3.1 Not all agricultural products are subject to the same rules of origin, reflecting the diversity of production processes related to some agricultural products. While many agricultural products are necessarily the produce of a single country (e.g. sesame), others may be obtained from raw materials which could be imported and therefore involve at least two countries (e.g. crude oil extracted from imported sesame). In the first case (production in a single country), the product will *necessarily* fall under the category of "wholly obtained goods". In the second case (production involving at least two countries), different origin criteria could be used to determine whether a "substantial transformation" occurred in the last country of production. The Bali (2013) and the Nairobi (2015) Ministerial Decisions recognize that different methods may be used for that purpose. However, the choice of each origin method and the design of the rule would create stricter or softer constraints for a producer willing to comply with it to claim trade preferences. For instance:

a. Wholly obtained product rule: the oil must be obtained from originating inputs. As a result, if the LDC does not produce sesame seeds or does not produce sesame seeds in sufficient quantities or quality, there can be no qualifying product and no utilization of the preference;
b. Value calculation (percentage criterion): sesame seeds may be imported as long as the extraction of the oil in the LDC accounts for a minimum value of the final product ("regional value content", or RVC). If this minimum value cannot be reached (for instance because extracting the oil entails simple, low-cost processes), there can be no qualifying product and no utilization of the preference;
c. Change of tariff classification criterion: sesame seeds can be imported from any country to be processed into oil in the LDC because the extraction of the oil will automatically lead to a change in the classification of the final good: the classification will change from sesame seeds (HS 1207.40) to sesame oil (HS 1515.50). In this case, a change of tariff sub-heading (CTSH) occurs, but a rule requiring a change of tariff heading (CTH) or change of chapter (CC) would have an identical origin outcome;
d. Specific process criterion: the rule may require that the oil be extracted in a beneficiary country. In that case, sesame seeds can be imported from any source as long as the extraction takes place in a beneficiary LDC. The rule could, however, also require that the oil be extracted from originating seeds, in which case the seeds must be totally or partly produced in the LDC.
e. More complex rules: these criteria could be combined (one "and" the other; or one "or" the other). They could also include exceptions.

3.2 In this particular example, a wholly-obtained rule would be most constraining for producers while a change-of-tariff-classification rule (and perhaps a specific-process rule) would not create any sourcing constraints for the producer. The effect of a value-based rule would depend on the specific costs involved and on the minimum value (percentage) indicated in the rule. It can be inferred that the choice of an origin criterion will influence the conditions and costs of production and therefore influence the willingness or the ability of LDCs to produce goods qualifying for trade preferences.

Table 2: Origin criterion: crude sesame oil (HS 1515.50)

Preference-granting Member	Origin criterion
Australia	RVC 25%
Canada	RVC 20%
Chile	CTH or RVC 50%
China	CTH or RVC 40%
EU	CTSH, except that of the product
India	CTSH and RVC 30%
Japan	CTH
Kazakhstan	RVC 50%
Korea_Rep. of	RVC 40%
Kyrgyz_Rep. of	RVC 50%
New Zealand	RVC 50%
Norway	CTSH, except that of the product
Russian Fed.	RVC 50%
Switzerland	CTSH, except that of the product
Chinese Taipei	RVC 50%
Thailand	RVC 50%
USA (AGOA)	RVC 35%
USA (GSP)	RVC 35%

3.3 In this example, it could be expected that utilization rates would be, in general, higher when the criterion used is "change of tariff heading" and lower when the criterion used is "wholly obtained". It could also be expected that an LDC producing sesame seeds would show a consistent high use of preferences in all its export markets, irrespective of the stringency of the origin criterion.

4 OTHER FACTORS AFFECTING UTILIZATION RATES

4.1 The choice and design of origin criteria, nevertheless, is not the only factor which may influence utilization rates. An exporter's willingness or ability to claim preferential tariff treatment under trade preferences depends largely, but not only, on the origin criteria. As noted previously by the Secretariat[5], other factors must also be considered when reading utilization rates, including:

a. Difficulties in complying with other origin requirements, namely:

   i. Proof of origin: Difficulties could relate to obtaining a valid proof of origin as required by the preferential rules of origin. The difficulties could relate, for instance, to using a specific format, providing specific information, obtaining the necessary signatures, covering the costs associated with certification, etc. In case of self-certification, difficulties could be related to using prescribed forms; providing the required information (e.g. name of end buyer) or completing administrative pre-requisites (e.g. registration of exporters with the competent authorities);
   ii. Direct consignment: Difficulties in ensuring that the goods are transported directly from the LDC to the preference-granting Member or difficulties in obtaining a certificate of non-manipulation in case of transhipment;

b. Deliberate choice by the economic operators to refrain from claiming duty-free treatment under a LDC-PTA. This could be the case if:

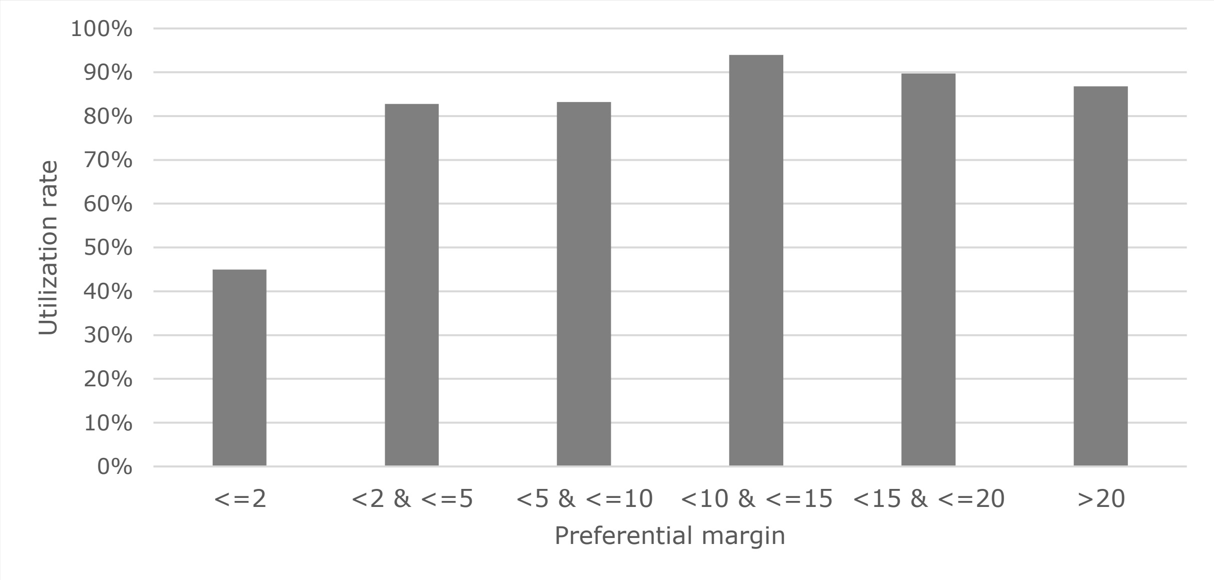
   i. other trade preferences are available and are seen as being more favourable or are better understood. For instance, Australia grants trade preferences to Cambodia both under the "Australian System of Tariff Preferences" (ASTP) and under the ASEAN-Australia-New Zealand free trade agreement (AANZFTA). Australia; China; the European Union; India; Japan; the Republic of Korea; New Zealand; Switzerland; Norway; and Thailand have concluded regional trade agreements with some or several LDCs. Similarly, some LDCs are eligible for preferences in the US under two schemes: AGOA and the GSP. As a result, operators can choose which preferential scheme to use, trade will be split between both reciprocal and non-reciprocal preferences.

[5] See, for instance, section 4 of document G/RO/W/168/Rev.1.

Consequently, the rate of utilization of the LDC-PTA could be low because trade flows are registered under another preference.[6];

ii. the preferential tariff margin is low, so it could seem pointless to comply with origin requirements to claim preferential tariff treatment. This argument is controversial because it is not clearly corroborated through statistical evidence. On an aggregate level, preference utilization tends to increase as preferential margins widen (Graph 1 below). Surprisingly, however, overall utilization rates drop slightly for products with the widest preferential tariff margins. One possible reason for this may be that rules of origin are stricter for products subject to the highest MFN rates (most sensitive products). In any case, at the product-specific level, utilization rates can be very high, even on products subject to very low MFN tariff rates.

Graph 1: Utilization rates and preferential tariff margins (all products, all beneficiary LDCs), 2017 or latest available year[7]



Source: WTO Integrated Database, 2019.

c. Insufficient knowledge or lack of knowledge about the existence of trade preferences can also affect the ability or willingness of operators to claim preferential tariff treatment. For example, if the rule of origin is drafted in complex language and is not well understood, operators may prefer to pay MFN duties and avoid the uncertainties of claiming preferential tariff treatment;

d. Statistical limitations: it could be difficult to draw general conclusions or identify patterns of utilization if trade values are too low or if trade is conducted by a very small number of companies. Often, however, imports from LDCs are small, scattered and can suffer great annual variations. For greater consistency, all the analyses in this note review exclusively annual imports above USD$1,000 at the tariff-line level (except for the Annex, which shows total trade).

5 UTILIZATION RATES *VS.* UNDERUTILIZATION RATES

5.1 Some of the limitations note above can be, at least in part, avoided by focusing on *under*utilization (non-utilization) as opposed to utilization. Utilization rates show how much trade eligible for preferences *under a specific scheme* actually received tariff preferences under *that specific* scheme. Table 3 below shows imports from Madagascar to China. The only preference available between the two countries is China's LDC-PTA. For that reason, the utilization rate (8%) necessarily reflects the utilization of the only preference available and is the exact mirror of the

[6] Graph 1 in document G/RO/W/179 illustrates how trade from LDCs to preference-granting Members can be split between LDC-PTAs and "other preferences".

[7] All products (agricultural and non-agricultural) considered in the LDC-PTAs of developed countries only. Excludes tariff lines for which annual trade was below USD $1,000.

underutilization rate (92%). In the case of the EU, however, 4% of imports from Madagascar received preferences under the EU-LDC PTA (Everything but Arms) while 94% of imports received preferences under the EU-Madagascar regional trade agreement (Economic Partnership Agreement). About 2% of imports did not receive any tariff preferences. An analysis of utilization rates for the EU-LDC PTA alone (4%) would lead to the wrong conclusion that trade preferences are not being used whereas, in reality, they are (a combined 98% of trade eligible for preferences is receiving tariff preferences under one or the other scheme).

5.2 *Under*utilization rates, instead, show how much trade is paying MFN duties despite being eligible for preferences under *any scheme*. Underutilization rates show a missed opportunity to save import duties because *some* preferences were available. *Underutilization* rates therefore offer a more comparable and comprehensive indicator to identify products in which origin requirements have a restrictive impact.

Table 3: Imports of vanilla from Madagascar (HS 0905.10)

	Total trade eligible for Preferences, in US$				Utilization rate		*Under* utilization
	Using the LDC-PTA	Using another preference	Paying MFN duties	Total	(LDC-PTA)	(Other)	
EU	12,926,048	330,617,472	6,336,593	349,880,128	4%	94%	2%
China	41,416	-	458,963	500,379	8%	0%	92%

Source: WTO Integrated Database, 2019.

6 THE ORIGIN CRITERIA USED FOR AGRICULTURAL PRODUCTS

6.1 Some preference-granting Members only use general rules of origin: Australia; China; India; Republic of Korea; Kazakhstan; Kyrgyz Republic; New Zealand; Russian Federation; Chinese Taipei; and Thailand. Other Members complement their general rules with product-specific rules (PSRs): Canada; European Union; Japan; Norway; Switzerland; and the USA.

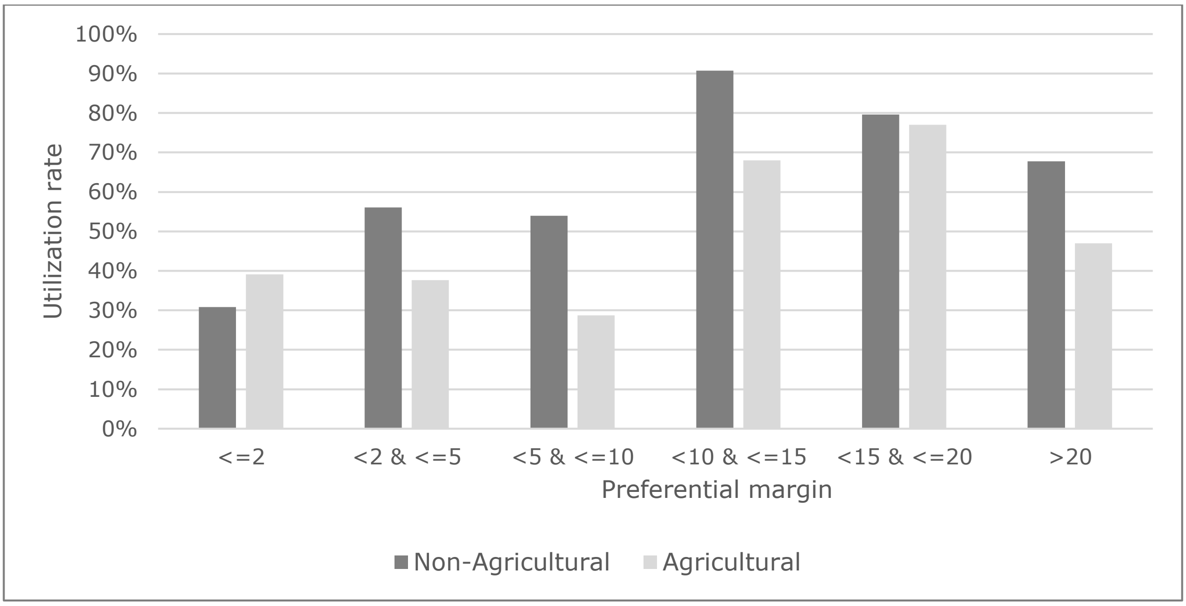
6.2 When reviewing specifically the origin criteria used for agricultural products, only live animals, live trees and other plants have the same criteria across all preferences ("wholly obtained goods"). Meat and edible meat offal must also be wholly obtained under all schemes (except for Japan when it is subject to a Change of Chapter rule). Of course, all products obtained in a beneficiary LDC exclusively from originating components would be considered wholly obtained under all schemes.

6.3 For all other agricultural products, which are not wholly obtained, preference-granting Members use different origin criteria. Australia and Canada apply a percentage criterion (RVC 25% and RVC 20% respectively). The European Union; Norway; and Switzerland apply most commonly the CTH criterion while Japan applies the CC and CTH criteria. Chile and China apply alternation rules, that is, they give operators the choice of using a CTH criterion or a minimum RVC of 50% (Chile) or 40% (China). In the case of India, two criteria must be satisfied: CTSH and a minimum RVC of 30%. Kazakhstan; Republic of Korea; Kyrgyz Republic; New Zealand; Russia; Chinese Taipei; and Thailand require an RVC of 50%. Finally, the USA applies an RVC of 35%.

7 ANALYZING THE UTILIZATION OF PREFERENCES FOR AGRICULTURAL PRODUCTS

7.1 One first interesting observation with relation to the utilization of trade preferences for agricultural goods by LDCs is that utilization rates for agricultural products are lower than that of non-agricultural goods. This is true at the aggregate level and is true for all LDC-PTAs reviewed (except for the Rep. of Korea and China and, to a lesser extent Norway, Switzerland and US-GSP). The same observation can be made when preference utilization rates for agricultural and non-agricultural products are compared on the basis of preferential tariff margins (Graph 2).

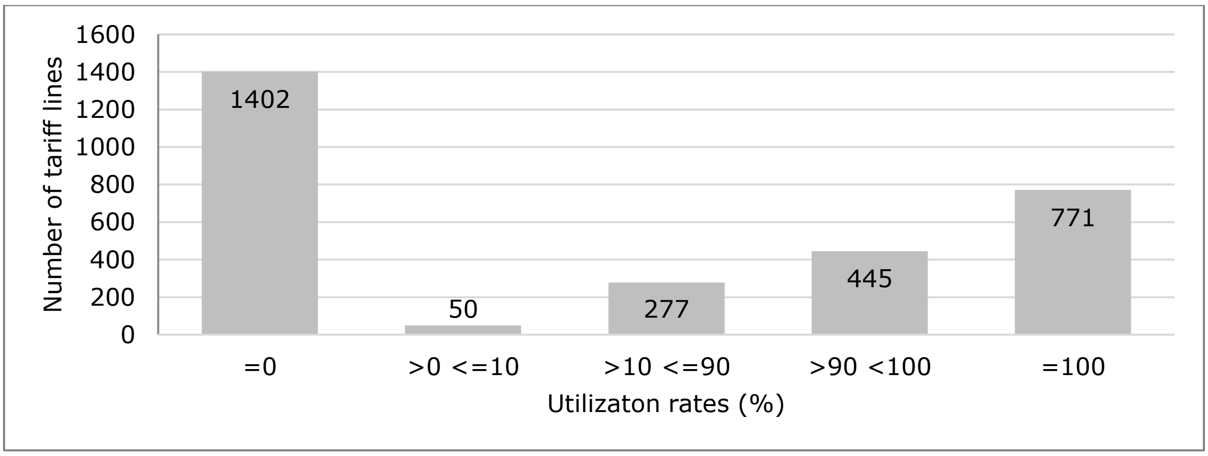
Graph 2: Preference utilization rates and preferential tariff margins - Agricultural vs. Non-Agricultural goods, in %, 2017 or latest available year[8]



Source: WTO Integrated Database, 2019.

7.2 A second interesting observation is that preferences are, most often, either used in all cases for a single product or not used at all. In other words, preferential utilization rates are, most of the time, either zero or 100%. The data held by the Secretariat correspond to imports at the tariff line level from LDCs in a single year. It is not possible to know how many transactions occurred in a year (the imports could correspond to one or to several transactions). It is, however, possible to affirm that a preference utilization rate of zero means that no transactions in that year used the preference. Conversely, a utilization rate of 100% means that all transactions received duty-free treatment. Graph 3 below shows tariff lines eligible for trade preferences where trade were recorded grouped by utilization-rate ranges.

Graph 3: Tariff lines eligible for trade preferences where imports were recorded grouped by utilization-rate ranges, 2017 or latest available year[9]



Source: WTO Integrated Database, 2019.

[8] Excludes tariff lines for which annual trade was below USD $1,000.
[9] Excludes tariff lines for which annual trade was below USD $1,000.

7.3 A third noteworthy point is that *under*utilization concerns all agricultural product categories, including products subject to wholly obtained rules. In fact, a sectoral breakdown confirms that underutilization occurs in all product groups[10] (Table 4). While it is true that overall high utilization rates may conceal variations in utilization for individual LDCs, for individual products and for individual LDC-PTAs, a sectoral analysis can help identify priority sectors for further analysis.

7.4 Although *under*utilization concerns all product groups, it is less relevant for some products, for instance:

– Only 15% of imports of cereals and preparation imports from LDCs do not utilize trade preferences (HS codes 0407-10, 1101-04, 1107-09, 2102.06 and 2209 and Chapters 10 and 19); and
– Only 14% of LDC of beverages and tobacco imported from LDCs do not utilize trade preferences (HS codes 2009, 2201-08 and Chapter 24).

Table 4: *Under*utilization of preferences in agricultural sub-sectors (in million US$)[11]

Product group	Total trade eligible for preferences	Trade eligible for preferences but entering MFN	*Under* Utilization rate
Fruits, vegetables, plants	2,333.8	1,920.1	82%
Other agricultural products	705.5	178.1	25%
Beverages and tobacco	888.6	124.2	14%
Oilseeds, fats and oils	779.4	66.2	8%
Cereals and preparations	387. 0	57.9	15%
Animal products	54.0	53.1	98%
Coffee, tea	52.9	25.1	48%
Sugars and confectionary	9.0	7.1	79%
Dairy products	3.2	0.4	12%
Cotton	0.1	0.0	17%

Source: WTO Integrated Database, 2019.

7.5 Interestingly, utilization of trade preferences is particularly problematic for the category "fruits, vegetables, plants". This is the single most important agricultural category by value of imports eligible for preferences. However, 82% of imports from LDCs in that product category did not receive tariff preferences. A closer look into the composition of this sub-group shows that it covers fruits, vegetables and nuts (Chapters 07, 08, 13 and 14, HS1211); flours (HS1105-06); fruit and vegetable preparations (HS 2001-08); bulbs, live plants and cut flowers (HS 0601-03). All products in this category are either primary goods or simple agro-processed goods which, in principle, fall under "wholly obtained product" rules. The origin criterion applied is therefore unlikely to explain that such products are not receiving preferential tariff treatment so other possibilities must be explored.

7.6 One possible alternative explanation could relate to difficulties to comply with sanitary (SPS) requirements. However, if an operator is unable to comply with an SPS measure, the goods would be rejected and no trade at all would be recorded in a tariff line. If, for instance, Burkina Faso exports mangoes to China (whether or not using trade preferences) but not to India, one could speculate whether India's SPS measures are more stringent and therefore impede trade. In this case, nonetheless, trade is recorded to both countries (so the goods were accepted), but not under preferences. In cases in which no trade at all is observed for a tariff line, it is unlikely that preferential origin requirements operate as a trade barrier. Trade could still occur under MFN conditions. Conversely, if imports are observed (whether under MFN or preferential conditions), SPS requirements have necessarily been complied with.

7.7 It could therefore be inferred that the only explanation why MFN trade, instead of preferential trade, is observed relates to origin requirements. This is particularly true if MFN duties are high and if there are no other competing preferences (e.g. an FTA) diverting trade away from LDC-PTAs. If,

[10] The sectors used in this note correspond to categories used in other databases, research and publications prepared by the WTO Secretariat. The specific product categories of each sector with the corresponding Harmonized System (HS) codes can be found here: http://stat.wto.org/idbdata/MTN_product_classification_e.pdf.
[11] Excludes tariff lines for which annual trade was below USD $1,000.

as seen above, the origin criterion cannot explain differences in utilization, the only possible explanation to underutilization relates to origin certification or direct transportation requirements.

8 PRODUCT-SPECIFIC ILLUSTRATIONS

8.1 This hypothesis can be tested through an examination of some product-specific cases. Senegal exports beans (HS0708.20) under preferences to three preference-granting markets: the EU, Norway and Switzerland. In all cases, such exports are subject to the wholly obtained origin criterion. One would therefore expect that the utilization rates under the three LDC-PTAs would be similar, if not identical. However, there is no preference utilization at all with Switzerland and Norway whereas preferences are almost entirely used in the EU (99%). This would seem to suggest that the origin criterion alone cannot explain variations in the utilization rate. Thus, the explanation is likely come from a lack of capacity to comply with certification or direct transportation requirements. Since Switzerland (a landlocked country) and Norway are smaller markets, there is a good chance that a wholesale importer in the EU distributes beans from Senegal to these markets, thereby requiring the goods to be transhipped.

Case 1: Imports of beans (HS 0708.20) from Senegal

LDC-PTA	Trade eligible for preferences (US$)	Trade paying MFN duties (US$)	*Under* utilization	MFN Duty (or *Ad Valorem* equivalent)
EU	26,315,062	166,843	1%	4.0%
Switzerland	821,694	821,694	100%	50.4%
Norway	98,934	98,934	100%	7.0%

Source: WTO Integrated Database, 2019.

8.2 The same hypothesis – that direct transportation requirements could hinder the utilization of trade preferences - would seem to be confirmed by another case: exports of cut plants from Tanzania (HS0602.10). Exports of this product are recorded from Tanzania to Chile, the EU, the Rep. of Korea, and to the US (under both the US-GSP and US-AGOA). The rule of origin for this product is invariably "wholly obtained". Yet, as can be seen, there are steep variations of the utilization rate, i.e. either a preference is granted in all cases (EU, US) or it is refused in all cases (Korea, Chile). Preferential tariff margins are similar in these markets and do not seem to influence utilization (MFN rate of 4% to 8%). This would seem to confirm that transportation and certification requirements have a higher impact on preference utilization than the origin criterion used.

Case 2: Imports of cut plants (HS 0602.10) from Tanzania

LDC-PTA	Trade eligible for preferences (US$)	Trade paying MFN duties (US$)	*Under* utilization	MFN Duty (or *Ad Valorem* equivalent)
EU	11,312,941	36,645	0%	2.0%
Norway	128,372	13,042	10%	40.8%
Korea_Rep. of	35,867	35,867	100%	8.0%
USA (AGOA)	28,711	-	0%	4.9%
USA (GSP)	28,711	-	0%	4.9%
Chile	3,009	3,009	100%	6.0%

Source: WTO Integrated Database, 2019.

8.3 Another interesting case of a product for which utilization rates vary despite an identical origin criterion is exports of spices (0910.99) from Nepal. Exports are recorded to India, Switzerland and the United States. The origin criterion under all schemes is "wholly obtained". MFN rates are similar and do not seem to affect utilization. In India, however, no preference utilization is recorded (despite the highest preferential tariff margin) and preferences are almost never granted in Switzerland (only 8% of utilization). While direct transportation could be affecting exports to Switzerland, this should not be the case for India since India and Nepal are geographical neighbours. Two remaining hypotheses would remain: either certification obligations under the Indian preferences are hindering the use of preferences or Nepal is using other trade preferences. According to the data held by the Secretariat, no imports are recorded under "other preferences" and imports are only recorded under "MFN". If confirmed, certification of origin would remain as the possible explanation for non-utilization.

Case 3: Imports of spices (HS 0910.99) from Nepal				
LDC-PTA	Trade eligible for preferences (US$)	Trade paying MFN duties (US$)	*Under* utilization	MFN Duty (or *Ad Valorem* equivalent)
India	2,170,362	2,170,362	100%	3.0%
Switzerland	8,417	7,717	92%	1.7%
USA (GSP)	20,578	-	0%	1.1%

Source: WTO Integrated Database, 2019.

8.4 Finally, the case of rice exports (HS1006.30) from Cambodia. Exports are recorded to the EU, to the US and to Switzerland. The rule in all cases is "wholly obtained but, as can be seen, utilization rates vary greatly. Preferential tariff margins could be having an impact on utilization. In that case, however, it would be difficult to explain the difference in utilization in the US (47%) and in Switzerland (no utilization at all). It seems more likely, as seen in previous examples, that difficulties related to certification or transportation requirements could explain these variations.

Case 4: Imports of rice (HS 1006.30) from Cambodia				
LDC-PTA	Trade eligible for preferences (US$)	Trade paying MFN duties (US$)	*Under* utilization	MFN Duty (or *Ad Valorem* equivalent)
EU	160,183,648	3,197,560	2%	n.a.
USA (GSP)	1,311,883	693,820	53%	6.4%
Switzerland	57,190	-	0%	3.4%

Source: WTO Integrated Database, 2019.

8.5. These cases show that direct transportation and certification requirements also have a direct impact on utilization. These examples show that there does not seem to be a strong correlation between preferential tariff margins and utilization rates. Finally, they confirm that it is useful to conduct disaggregated, product-specific, country-specific and LDC-PTA-specific analysis. Annex 1 to this note therefore shows, for each LDC, the share of trade which is not receiving duty-free treatment despite being eligible for trade preferences (Column 1, "under-utilization"). Trade values were added to the table to give more context to utilization rates (Column 2, value of imports eligible for LDC preferences but not receiving preferential treatment, in thousand US$).

ANNEX 1 – UNDERUTILIZATION OF TRADE PREFERENCES IN AGRICULTURAL PRODUCTS: MEMBER-BY-MEMBER BREAKDOWN

(1) Share of total imports eligible for LDC preferences but not receiving preferential treatment (%)
(2) Value of total imports eligible for LDC preferences but not receiving preferential treatment (in thousand US$)

	Australia		Canada		Chile		China		EU		India	
	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)
Afghanistan	50.1	43.6	48.2	42.1	-	-	100.0	1237.7	32.7	1,289.8	100.0	288,289.2
Angola	-	-	100.0	0.0	-	-	100.0	87.8	36.7	795.7	-	-
Bangladesh	3.2	56.0	1.8	61.6	-	-	3.7	385.8	1.5	962.3	100.0	49,669.6
Benin	-	-	100.0	0.0	-	-	34.8	447.2	3.2	103.4	10.4	64.9
Burkina Faso	-	-	100.0	8.1	-	-	x	x	2.3	374.8	-	-
Burundi	-	-	-	-	100.0	54.4	3.4	42.3	0.3	0.3	-	-
Cambodia	0.0	0.0	100.0	6.6	100.0	0.2	100.0	82,458.7	3.1	5,684.9	50.4	90.3
Central African Republic	-	-	100.0	0.0	100.0	68.5	100.0	131.0	0.1	0.3	-	-
Chad	-	-	100.0	0.2	-	-	100.0	128.0	100.0	0.0	100.0	1,420.3
Democratic Rep. of the Congo	-	-	100.0	0.6	-	-	100.0	295.6	31.4	1,306.4	100.0	9,177.4
Djibouti	-	-	-	-	-	-	100.0	17.5	88.2	982.8	100.0	105.4
Gambia, the	-	-	100.0	0.5	-	-	x	x	2.6	36.1	-	-
Guinea	-	-	100.0	0.5	100.0	2,205.2	100.0	7.5	13.4	206.5	100.0	1,546.7
Guinea-Bissau	-	-	100.0	0.0	-	-	-	-	100.0	4.2	-	-
Haiti	100.0	2.0	66.1	311.5	100.0	7,118.6	x	x	41.9	846.6	100.0	674.7
Lao People's Democratic Rep.	-	-	100.0	0.1	-	-	x	x	42.1	4,209.0	4.7	4.0
Lesotho	-	-	100.0	0.0	-	-	0.0	0.0	12.8	220.9	100.0	1,251.7
Liberia	100.0	8.1	-	-	-	-	100.0	0.6	100.0	12.7	-	-
Madagascar	100.0	7.4	91.7	139.9	100.0	32.6	22.7	1,101.8	2.7	11,351.6	16.3	20,086.7
Malawi	-	-	6.5	81.6	100.0	172.0	58.3	426.6	0.6	1,880.1	100.0	61,944.1
Mali	9.4	27.6	100.0	58.0	-	-	0.6	522.0	11.1	465.1	61.9	1,238.4
Mauritania	-	-	100.0	0.2	-	-	-	-	0.2	0.2	-	-
Mozambique	-	-	3.5	39.4	100.0	12,439.1	4.8	1,855.8	10.8	14,954.1	99.7	89,285.8
Myanmar	18.6	30.9	66.5	727.9	-	-	100.0	81,449.3	1.2	1,599.8	99.2	838,751.7
Nepal	0.3	1.1	19.6	77.1	100.0	0.9	64.4	55.3	6.5	116.1	100.0	112,182.4
Niger	100.0	77.7	100.0	7.0	100.0	2,484.7	1.4	1,746.3	1.5	36.6	-	-
Rwanda	-	-	0.4	0.1	100.0	20.8	80.0	236.4	1.1	58.2	100.0	12.9
Senegal	-	-	22.4	21.2	100.0	0.1	0.0	33.6	0.6	701.8	100.0	1,015.6
Sierra Leone	100.0	6.1	100.0	3.7	-	-	-	-	6.7	190.3	-	-
Solomon Islands	0.0	0.0	100.0	129.1	-	-	x	x	0.0	0.2	-	-
Tanzania	100.0	5.2	100.0	498.6	100.0	482.2	2.4	2,768.3	1.5	2,891.7	78.5	144,609.9
Togo	-	-	0.0	0.0	-	-	0.5	456.7	1.5	290.2	-	-
Uganda	-	-	59.9	8.0	100.0	144.6	2.5	366.0	1.0	879.6	76.5	12,433.0
Vanuatu	100.0	22.8	-	-	100.0	4.1	100.0	172.0	27.8	14.3	-	-
Yemen	-	-	100.0	0.0	-	-	100.0	21.6	84.7	129.6	100.0	115.1
Zambia	0.0	0.0	100.0	1.5	100.0	0.2	100.0	798.6	8.2	4,156.6	-	-
Total LDCs		**288.7**		**2,225.4**		**25,228.1**		**177,250.1**		**56,753.0**		**1,633,969.7**

	Japan		Rep. of Korea		Norway		Switzerland		Chinese Taipei		Thailand		USA (AGOA)		USA (LDC)	
	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)	(1)(%)	(2)
Afghanistan	-	-	100.0	0.1	-	-	100.0	124.9	-	-	100.0	23.7			79.6	1,357.4
Angola	-	-	100.0	0.1	-	-	-	-	-	-	100.0	0.1	-	-	-	-
Bangladesh	3.4	32.3	13.2	115.5	100.0	2.8	22.4	9.8	-	-	100.0	1,584.5			x	x
Benin	100.0	2.9	49.0	47.4	-	-	43.8	166.0	-	-	100.0	502.8	0.0	0.0	0.0	0.0
Burkina Faso	25.1	8.5	100.0	2.1	x	x	98.8	917.0	-	-	100.0	10.4	8.2	97.6	8.2	97.6
Burundi	94.8	80.8	16.3	50.5	x	x	-	-	-	-	-	-	x	x	-	-
Cambodia	67.2	606.9	0.1	8.0	49.4	16.9	0.1	6.1	100.0	0.2	100.0	266,372.9			53.1	756.7
Central African Rep.	-	-	-	-	x	x	100.0	4.2	-	-	-	-	x	x	100.0	11.8
Chad	-	-	-	-	x	x	-	-	-	-	100.0	2.5	-	-	-	-
Democratic Rep. of the Congo	100.0	6.5	100.0	7.0	100.0	0.8	5.8	11.8	-	-	100.0	7.9	-	-	-	-
Djibouti	-	-	11.1	60.0	x	x	51.6	2.8	-	-	-	-	13.3	23.0	13.3	23.0
Gambia, The	-	-	-	-	-	-	100.0	13.6	-	-	-	-	x	x	0.0	0.0
Guinea	100.0	106.4	100.0	0.1	-	-	86.8	101.4	-	-	100.0	0.5	0.0	0.0	0.0	0.0
Guinea-Bissau	-	-	-	-	x	x	-	-	-	-	-	-	-	-	-	-
Haiti	96.6	58.6	100.0	8.9	-	-	100.0	5323.4	-	-	-	-			0.8	105.3
Lao People's Democratic Rep.	2.1	64.9	54.6	1,424.5	100.0	119.7	76.2	63.0	-	-	100.0	108,862.1			x	x
Lesotho	-	-	-	-	-	-	x	x	-	-	-	-	0.0	0.0	0.0	0.0
Liberia	-	-	-	-	100.0	2.2	-	-	-	-	-	-	14.8	3.9	14.8	3.9
Madagascar	9.3	32.6	82.7	3,371.7	100.0	8.8	61.8	1,581.1	-	-	100.0	81.5	40.9	528.7	40.9	528.7
Malawi	1.6	74.6	13.8	3,584.9	-	-	100.0	7.1	-	-	100.0	42.6	1.5	245.1	1.5	245.1
Mali	-	-	-	-	-	-	71.9	69.6	-	-	100.0	1.8	44.3	69.4	44.3	69.4
Mauritania	-	-	100.0	0.0	x	x	100.0	1.7	-	-	100.0	1.5	-	-	-	-
Mozambique	-	-	84.7	705.7	-	-	1.0	182.9	-	-	100.0	292.5	0.0	0.0	0.0	0.0
Myanmar	0.8	89.5	0.9	25.5	100.0	0.5	0.1	1.1	100.0	0.1	100.0	122,928.7			20.8	1,496.7
Nepal	5.8	69.8	30.1	70.1	0.0	0.0	30.7	19.6	-	-	100.0	30.3			8.8	80.1
Niger	100.0	11.0	100.0	35.1	-	-	8.3	1.1	-	-	100.0	0.8	100.0	15.4	100.0	15.4
Rwanda	98.8	684.1	29.0	353.6	x	x	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Senegal	59.2	18.6	100.0	10.9	100.0	205.5	31.0	3,293.3	-	-	100.0	24.6	11.0	44.0	11.0	44.0
Sierra Leone	0.0	0.0	-	-	x	x	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Solomon Islands	100.0	7.6	100.0	0.6	x	x	1.5	235.4	-	-	100.0	10.4			100.0	6.4
Tanzania	26.7	411.3	2.1	802.0	16.3	114.0	1.1	181.7	100.0	0.6	100.0	159.8	79.8	559.4	79.8	559.4
Togo	-	-	100.0	0.5	-	-	19.5	53.8	-	-	100.0	0.7	50.9	211.0	50.9	211.0
Uganda	4.6	115.9	15.1	1,006.8	3.9	34.8	8.8	400.7	-	-	100.0	25.6	0.8	10.5	0.8	10.5
Vanuatu	29.5	253.9	-	-	x	x	-	-	-	-	-	-			-	-
Yemen	-	-	100.0	530.3	x	x	-	-	-	-	-	-			25.4	43.6
Zambia	100.0	21.6	100.0	77.8	11.0	50.4	100.0	17.3	-	-	100.0	5.4	9.2	41.0	9.6	41.0
Total LDCs		**2,758.3**		**12,299.7**		**556.5**		**12,790.4**		**0.9**		**500,973.5**		**1,849.0**		**5,707.1**

Source: WTO Integrated Database, 2019.

Note:
- Fields showing '-' indicate that no imports of products subject to the preferential tariff treatment from specific LDC beneficiaries have been recorded.
- Some LDCs may be excluded from some of the programmes. Country exclusions are marked with [x] in the table.