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LDC FACT SHEET

Republic of Yemen and Republic of the Sudan

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Least Developed Countries (LDCs): Concept and Introduction

According to the United Nations, an LDC is a country exhibiting the lowest indicators of socio-economic development combined with the lowest Human Development Index (HDI) ranking in the world. The LDC classification is based on three criteria:

- A low-income criterion, based on a three-year average estimate of the Gross National Income (GNI) per capita (under USD750 for inclusion, and above USD900 for graduation).
- A human resource weakness criterion, involving a composite Human Assets Index (HAI) based on the following indicators:
    - nutrition;
    - health;
    - education; and,
    - adult literacy.
- An economic vulnerability criterion, involving a composite Economic Vulnerability Index (EVI) based on indicators such as:
    - the instability of agricultural production;
    - the instability of exports of goods and services;
    - the economic importance of non-traditional activities (share of manufacturing and modern services in Gross Domestic Product/GDP);
    - merchandise export concentration;
    - the handicap of economic smallness (measured through the population in logarithm); and,
    - the percentage of population displaced by natural disasters.[1]

Once a country exceeds these criteria and progress toward development, it graduates out of this classification.

There are two LDCs in the ESCWA region; The Sudan[2] and Yemen both suffer from conditions of extreme poverty, extensive political corruption, bad governance, conflict and also lack social and political stability.

General overview

The Republic of the Sudan

The Republic of the Sudan has witnessed two civil wars (1956-1972 and 1983-2005) and an internal violent crisis (the Darfur crisis erupted in 2003).

Sudan has one of the largest displaced populations in the ESCWA region.[3] The United Nations High Commissioner for Refugees (UNHCR) estimates that there are between 600,000 and 700,000 Sudanese

[1] UN-OHRLLS, Landlocked developing countries and small island developing states, the criteria for the identification of the LDCs http://www.un.org/special-rep/ohrlls/ldc/ldcper cent20criteria.htm

[2] The Sudan in this factsheet refers, most times to the country prior to the cessation of South Sudan. As such, the data presented nominally includes South Sudan, unless otherwise stated.

refugees. The Internal Displacement Monitoring Centre estimated that there were more than between 4,5 and 5,2 million Internally Displaced People (IDP) in 2011[4].

The end of the civil war led to a period of autonomous governance in South Sudan and ultimately led to the official division of Sudan on the 9th of July 2011 and the creation of the independent state of South Sudan.

The almost continuous ethnic and rebel militia fighting since the mid-20th century has directly and indirectly spilt over and affected all neighbouring countries.

Pre-cessation, Sudan was the largest country in Africa and the 10th largest in the world in terms of geographical size. It is rich in varied natural resources including oil and gold and very large arable land that is currently significantly under-utilised. The Darfur conflict, the aftermath of two decades of civil war in the south, the lack of basic infrastructure in large areas and a majority of the population relying on subsistence agriculture all ensure that the largest part of the population will remain at or below the national poverty line for years to come despite rapid growth of average per capita income. Disease, malnutrition and disruption in essential services like clean water, health and education have also left negative contributions to the socio-economic fabric of Sudanese society. In April 2010, aid agencies warned of an impending food emergency in the southern region, where unexpected and alarming malnutrition rates were observed partially due to tribal wars and drought, demanding urgent extra funding[5].

Sudan only started crude oil exportation in 1999. High oil prices and significant inflows of Foreign Direct Investment (FDI) contributed to an economic boom. Its GDP expanded by 5.2 per cent in 2010 but remained below the 10 per cent growth experienced prior to the global financial crisis. In January 2007, the Sudanese Pound was set at an initial exchange rate of 2 S.D/USD as a result of Sudan's work with the International Monetary Fund (IMF) to implement macroeconomic reforms, a large foreign currency and a managed exchange rate float. But after the 2011 referendum that led to the separation of South Sudan, the Sudanese pound depreciated significantly, forcing the Central Bank of Sudan to extensively interfere in the foreign exchange market in order to defend its value by introducing a number of measures to restrain excessive demand for hard currency.[6]

Republic of Yemen

North Yemen and South Yemen unified as the Republic of Yemen in 1990, ending two decades of hostilities between the two states.

Yemen is largely exposed to conflict (7 rounds of fighting between government and rebels between 2004 and 2010; currently ongoing violent political crisis).

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[3] UN-ESCWA "Conflict driven displacement in Western Asia, Facts, figures and recommendations" (2009)

[4] Internal Displacement Monitoring Centre. Estimates for the total number of IDPs for all of Sudan (as of January 2011) http://www.internal-displacement.org/idmc/website/countries.nsf/%28httpEnvelopes%29/0026B2F86813855FC1257570006185A0?OpenDocument

[5] Save The Children. Sudan country profile. Resource center on child protection and child rights. http://resourcecentre.savethechildren.se/content/country/sudan-country-profile (accessed 16/10/2011)

[6] African Economic Outlook. Sudan. http://www.africaneconomicoutlook.org/en/countries/east-africa/sudan/ (accessed 16/10/2011)

Fighting between government and rebel forces has raged in northern Yemen for years, displacing around 200,000 people, including significant numbers of children[7].

Yemen is a low income country highly dependent on declining oil resources for revenue. 70 per cent of government revenue and 25 per cent of GDP are due to oil income. In 2009, Yemen began exporting liquefied natural gas (LNG) as part of economic reforms initiated in 2006 in an attempt to diversify the economy by designing non-oil sectors and stimulating foreign investment. In 2010, the international community established "The friends of Yemen group" aimed at supporting the country's effort toward economic and political reform. During the same year, a three year USD370 million program was approved by the IMF to serve the same purpose. Despite these efforts, long term challenges continue to be faced such as declining water resources, high population growth (which neutralize or even worsen any chance of increasing GDP per capita despite current growth in GDP), significant levels of poverty, lack of education, hazardous work and spread of conflict.

Economic and social indicators[8]

According to the HDI rankings both Sudan and Yemen are poor performers (Table 1). Nevertheless, in the case of Yemen, we witness some improvement during the 2005-2010 period. Unfortunately, the progress in Sudan is not measurable due to missing data in 2005.

Table 1: Human Development Index Rankings: 2005 and 2010

Country	2005 Human Development Index	2010 Human Development Index
Sudan	Not Ranked	154
Yemen	151	133

The indicators in Tables 2 and 3 provide the socio-economic outlook for the two countries between 2008 and 2010.

[7] Save The Children. Yemen country profile. Resource center on child protection and child rights. http://resourcecentre.savethechildren.se/content/country/yemen-country-profile (accessed 16/10/2011)

[8] UN-OHRLLS, Landlocked developing countries and small island developing states, Statistics and development indicators, LDC social and economic indicators. http://www.un.org/special-rep/ohrlls/ldc/statistics.htm (accessed 16/10/2011)

Table 2: Socio-Economic Indicators - Republic of the Sudan[9]

	2008	2009	2010
World View			
Population, total (millions)	41.42	42.48	43.55
Population growth (annual %)	2.5	2.5	2.5
Surface area (sq. km) (thousands)	2,505.8	2,505.8	..
Poverty headcount ratio at national poverty line (% of population)	..	..	..
GNI, Atlas method (current US$) (billions)	47.06	52.14	55.28
GNI per capita, Atlas method (current US$)	1,140	1,230	1,270
GNI, PPP (current international $) (billions)	80.70	84.66	87.91
GNI per capita, PPP (current international $)	1,950	1,990	2,020
People			
Income share held by lowest 20%	..	..	..
Life expectancy at birth, total (years)	60	61	..
Fertility rate, total (births per woman)	4.6	4.5	..
Adolescent fertility rate (births per 1,000 women ages 15-19)	60	58	..
Contraceptive prevalence (% of women ages 15-49)	..	..	..
Births attended by skilled health staff (% of total)	..	..	..
Mortality rate, under-5 (per 1,000)	106	104	103
Malnutrition prevalence, weight for age (% of children under 5)	..	..	..
Immunization, measles (% of children ages 12-23 months)	79	82	..
Primary completion rate, total (% of relevant age group)	50	57	..
Ratio of girls to boys in primary and secondary education (%)	89	89	..
Prevalence of HIV, total (% of population ages 15-49)	1.0	1.1	..
Environment			
Forest area (sq. km) (thousands)	..	..	699.5
Agricultural land (% of land area)	58.1	..	..
Annual freshwater withdrawals, total (% of internal resources)	..	..	..
Improved water source (% of population with access)	57	..	..
Improved sanitation facilities (% of population with access)	34	..	..

[9] World Bank. World Development Indicators. Country Profile: The Sudan http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SUDANEXTN/0,,menuPK:375448~pagePK:141132~piPK:141109~theSitePK:375422,00.html (accessed 16/10/2011)

Environment (cont.)			
Energy use (kg of oil equivalent per capita)	371	..	..
CO2 emissions (metric tons per capita)	..	..	..
Electric power consumption (kWh per capita)	96	..	..
Economy			
GDP (current US$) (billions)	58.03	54.63	62.05
GDP growth (annual %)	6.8	4.0	4.5
Inflation, GDP deflator (annual %)	21.0	-0.3	17.6
Agriculture, value added (% of GDP)	26	30	24
Industry, value added (% of GDP)	34	26	33
Services, etc., value added (% of GDP)	40	44	43
Exports of goods and services (% of GDP)	22	15	20
Imports of goods and services (% of GDP)	22	21	19
Gross capital formation (% of GDP)	26	25	23
Revenue, excluding grants (% of GDP)	..	..	..
Cash surplus/deficit (% of GDP)	..	..	..
States and markets			
Time required to start a business (days)	39	36	36
Market capitalization of listed companies (% of GDP)	..	..	..
Military expenditure (% of GDP)	..	..	..
Mobile cellular subscriptions (per 100 people)	29	36	..
Internet users (per 100 people)	10.1	9.9	..
Roads, paved (% of total roads)	..	..	..
High-technology exports (% of manufactured exports)	0	34	..
Global links			
Merchandise trade (% of GDP)	36.2	32.1	..
Net barter terms of trade index (2000 = 100)	224	164	199
External debt stocks, total (DOD, current US$) (millions)	19,463	20,139	..
Total debt service (% of exports of goods, services and income)	3.0	5.8	..
Net migration (thousands)	..	..	135
Workers' remittances and compensation of employees, received (current US$) (millions)	3,100	2,135	1,974
Foreign direct investment, net inflows (BoP, current US$) (millions)	2,601	2,662	2,894
Net official development assistance and official aid received (current US$) (millions)	2,384	2,289	..

Table 3: Socio-Economic Indicators - Republic of Yemen[10]

	2008	2009	2010
World view			
Population, total (millions)	22.63	23.33	24.05
Population growth (annual %)	3.0	3.1	3.1
Surface area (sq. km) (thousands)	528.0	528.0	..
Poverty headcount ratio at national poverty line (% of population)	..	..	..
GNI, Atlas method (current US$) (billions)	21.97	25.01	..
GNI per capita, Atlas method (current US$)	970	1,070	..
GNI, PPP (current international $) (billions)	50.95	54.73	..
GNI per capita, PPP (current international $)	2,250	2,350	..
People			
Income share held by lowest 20%	..	..	..
Life expectancy at birth, total (years)	64	65	..
Fertility rate, total (births per woman)	5.4	5.3	..
Adolescent fertility rate (births per 1,000 women ages 15-19)	76	74	..
Contraceptive prevalence (% of women ages 15-49)	..	..	..
Births attended by skilled health staff (% of total)	..	..	..
Mortality rate, under-5 (per 1,000)	81	79	77
Malnutrition prevalence, weight for age (% of children under 5)	..	..	..
Immunization, measles (% of children ages 12-23 months)	62	58	..
Primary completion rate, total (% of relevant age group)	61	..	..
Ratio of girls to boys in primary and secondary education (%)	..	..	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..
Environment			
Forest area (sq. km) (thousands)	..	..	5.5
Agricultural land (% of land area)	44.7	..	..
Annual freshwater withdrawals, total (% of internal resources)	..	..	..
Improved water source (% of population with access)	62	..	..
Improved sanitation facilities (% of population with access)	52	..	..
Energy use (kg of oil equivalent per capita)	330	..	..

[10] World Bank. World Development Indicators. Country Profile: The Republic of Yemen . http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=9147&REQUEST_TYPE=VIEWADVANCED (accessed 16/10/2011)

Environment			
CO2 emissions (metric tons per capita)	..	..	..
Electric power consumption (kWh per capita)	223	..	..
Economy			
GDP (current US$) (billions)	26.92	26.37	..
GDP growth (annual %)	3.6	3.8	..
Inflation, GDP deflator (annual %)	20.4	-4.1	..
Agriculture, value added (% of GDP)	..	..	..
Industry, value added (% of GDP)	..	..	..
Services, etc., value added (% of GDP)	..	..	..
Exports of goods and services (% of GDP)	..	..	..
Imports of goods and services (% of GDP)	..	..	..
Gross capital formation (% of GDP)	..	..	..
Revenue, excluding grants (% of GDP)	..	..	..
Cash surplus/deficit (% of GDP)	..	..	..
States and markets			
Time required to start a business (days)	13	12	12
Market capitalization of listed companies (% of GDP)	..	..	..
Military expenditure (% of GDP)	4.4	..	..
Mobile cellular subscriptions (per 100 people)	16	16	..
Internet users (per 100 people)	1.6	1.8	..
Roads, paved (% of total roads)	..	..	..
High-technology exports (% of manufactured exports)	0	0	..
Global links			
Merchandise trade (% of GDP)	67.0	53.5	..
Net barter terms of trade index (2000 = 100)	167	132	151
External debt stocks, total (DOD, current US$) (millions)	6,258	6,356	..
Total debt service (% of exports of goods, services and income)	2.7	..	..
Net migration (thousands)	..	..	-135
Workers' remittances and compensation of employees, received (current US$) (millions)	1,411	1,160	1,240
Foreign direct investment, net inflows (BoP, current US$) (millions)	1,555	129	-329
Net official development assistance and official aid received (current US$) (millions)	305	500	..

Table 4 summarizes the current track of MDG progress for these two countries vis-a-vis other countries in the ESCWA region. As can be seen, with the exception of Lebanon, the worst performing countries are those that are most severely affected by conflict, including the two aforementioned LDCs. Within-region variability is high.[11]

Table 4: Current MDG Status[12]

	MDG1	MDG2	MDG3	MDG4	MDG5	MDG6	MDG7
Bahrain							
Egypt							N/A
Iraq							
Jordan							
Kuwait							
Lebanon							
OPT							
Oman	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Qatar							
KSA							
Sudan - North							
Sudan - South							
Syria							
UAE							
Yemen							

	On-track. Refers to goals that are either achieved or are likely to be achieved by 2015
	Feasible. Refers to goals that are likely to be achieved by 2020
	Off-track. Refers to goals which are unlikely to be achieved by 2020, or goals where progress is either stagnation or even deterioration
N/A	Insufficient information

[11] Breisinger, C., Ecker, O., Al-Riffai, P. and Yu, B. "From Arab Summer to Equitable Growth and Poverty Reduction". International Food Policy Research Institute (2011). It should also be noted that within-country variation can also be significant, especially given clear rural-urban divides.

[12] UN-ESCWA, Trends and Impacts in Conflict Settings: Conflict and MDGs. Issue No.2 (2011)