EU Trade and Development Policy

10 ways the EU supports the world’s Least Developed Countries
The EU is the world’s biggest economy and its biggest exporter and importer.

By contrast, the world’s poorest states – the Least Developed Countries (LDCs) - account for:
- less than 2% of the global economy
- just 1% of global trade in goods
- less than 1% of global trade in services.

Trade has great potential to help them grow. But so far LDCs have struggled to export and reap the benefits of international trade.

That’s why we’re committed to helping them do so.
1. Our doors are open - no customs taxes, no quotas

The EU is the world’s most open market. For LDC exporters that means no taxes to pay at EU customs, and no limits on how much they can export.

And that applies to whatever product or service they offer, with just one exception - arms and ammunition.

2. We help LDCs export more

When it comes to Aid for Trade to LDCs, the EU provides more than any other country or region – almost €3 bn in 2013.

That money helps LDCs develop the things they need to compete and export around the world, like roads, bridges and ports.
3. We offer LDCs more than other developing countries

The EU’s trade policy treats LDCs differently than other developing countries, by giving LDCs better access – full free access.

That gives LDCs more space to export to the EU than bigger, emerging economies – giving them a better chance to grow.

4. We help LDCs export more in services (not just in goods)

The EU makes it easier for businesses in LDCs to sell services like engineering, management consulting, and computer services in the EU than for firms from other countries.

That in turn helps LDCs develop their services sector – a vital part of any modern economy.

5. We’re backing special rules to help LDCs innovate

If LDCs are to grow and produce more, they need access to new technology. So they want an opt-out from World Trade Organisation (WTO) rules on intellectual property, like patents and designs – which can block that access.

We’re backing LDCs’ demand. In fact we’ve even proposed a permanent opt-out for medicines, so patients in LDCs can afford the drugs they need.
6. We’re enabling LDCs to make trade a top priority

The EU supports LDC governments’ efforts to make trade a central part of their plans to develop their countries.

And in 2015, the EU pledged another €10m to a programme specially designed to help them do so.

7. We’re supporting LDC farmers

Often, richer countries subsidise their farmers to export, meaning that farmers in poorer states struggle to compete — and can even go out of business altogether.

In 2015 the EU and Brazil tabled a deal at the WTO that would scrap these unfair export subsidies to farmers.

8. We’re backing fair trade

EU trade deals include measures specially designed to promote fair and ethical trade in products which many LDCs produce, including cocoa, coffee and other foods.

The EU also funds projects like one run by the International Trade Centre, a joint WTO-UN body. It trains small-scale farmers in LDCs to produce their crops in a more sustainable way.
9. We’re helping make life easier for LDC exporters

The EU is a champion of the WTO’s Trade Facilitation Agreement. This will make it much easier and cheaper to clear goods through customs - giving a much-needed boost to exporters from the world’s poorest countries.

The EU has pledged €400m over the next five years to help make the deal a reality. LDCs will get top priority.

10. We stand up for LDCs on the world stage

The EU is a leading member of the world’s international organisations, like the WTO, the UN, and UNCTAD. In each one we make sure LDCs’ needs get top priority.

We also encourage more advanced developing countries to open up their markets to LDCs and provide finance to help them develop.
In 2015, we signed up to the UN’s 17 Sustainable Development Goals (SDGs). These include pledges to end poverty and deliver economic growth by 2030.

But the EU has gone further still in our own trade and development policy – including the Trade for All strategy we launched in 2015.

Here are the top 10 ways EU trade and development policy is helping LDCs harness trade for their own development.