

Monitoring of Graduating Countries – to include its findings in its annual report to the Economic and Social Council (ECOSOC).

¹ The main purpose of the monitoring is to assess any signs of deterioration in the development progress of the graduating country and bring it to the attention of the Council as early as possible.

Two countries are currently earmarked for graduation: Maldives and Samoa. Equatorial Guinea was also recommended for graduation by the Committee. The recommendation was endorsed by the Council in July 2009 but not yet taken note of by the General Assembly (GA). In expectation that the General Assembly is likely to take note of the recommendation, the CDP Secretariat included the country in its monitoring exercise.

To the extent permitted by available data, and taking into account the diversity of the countries concerned, the monitoring includes updated data used in the criteria for determining LDC status – GNI per capita, human asset index (HAI) and economic vulnerability index (EVI), which underlined the CDP recommendation of graduation.² However, as most components of the HAI and EVI indices capture long-term structural features of the economies concerned these indicators do not register significant variations in the short run. The monitoring exercise will, therefore, look into a few selected trends that can be related to GNI, HAI and EVI, where applicable, and are more of a short term nature and easily available.

It is worth recalling that recommendation to graduation itself has a number of checks and balances to make sure that this change of status is not the result of transitory shifts in the underlying indicators. First, a country must meet threshold of two (not only one) of the classification criteria to be graduated from the list. Secondly, the graduation thresholds are set above the inclusion threshold to minimize the possibility short-term reversals in status. Thus,, the GNI per capita threshold for graduation is 20 per cent higher than the inclusion threshold. For HAI and EVI, the graduation thresholds are 10 per cent higher than the respective inclusion thresholds. Moreover, indices used for the inclusion in and graduation from the LDC category are based on component variables that are considered to be stable, with reliable data quality and availability. Thirdly, besides estimates for GNI,

¹ Resolution adopted by ECOSOC on the Report of the Committee for Development Policy on its eleventh session (E/2009/35 of 31 July 2009)

² DESA/CDP, *Handbook on the Least Developed Country category: Inclusion, Graduation and Special Support Measures*, United Nations sales, publication No. E.07.II.A.9.

HAI and EVI, CDP members also rely on two critical assessments: a vulnerability analysis by UNCTAD and an ex-ante impact analysis of graduation by UN-DESA, both of which bring in additional country-specific information that may be relevant for the deciding on the country's graduation and that is not necessarily captured by the HAI and EVI. Lastly, a country should be found eligible for graduation in two successive rounds of the triennial evaluation of LDC status before a recommendation is made to the Economic and Social Council.

C. Equatorial Guinea

Equatorial Guinea was found eligible for graduation due to its relatively high level of GNI
pelevel of GNI

Table 5: Equatorial Guinea, selected indicators, 2000, 2005-2010

	2000	2005	2006	2007	2008	2009 (a)	2010 (b)
GNI per capita, Atlas method (current US\$)	1,250	5,210	6,870	9,710	14,980	n.a.	n.a.
GDP (Current US\$ billion)	1.2	7.2	8.5	10.7	17.9	n.a.	n.a.
GDP growth (annual %)	13.1	8.9	5.3	23.2	15.2	-1.8	2.0
Value added (% of GDP)							
Agriculture	8.3	5.0	4.4	4.2	4.1	n.a.	n.a.
Industry	87.1	90.0	90.6	90.7	90.8	n.a.	n.a.
Exports, fob (current US\$ million)	1,097	6,991	8,216	10,100	14,700	n.a.	n.a.
Imports, cif (current US\$ million)	451	2,109	2,621	3,100	3,500	n.a.	n.a.
Total Reserves minus Gold (US\$ million)	23	2,102	3,066	3,845	4,431	n.a.	n.a.

External debt (US\$ million)

n.a. n.a. n.a. 136 R 9416(-)-21]TJ /T1_1 9.694 Tf 0.9994 0 0 1 87.6 510.0798 Tm [(S)-8(o)-8

UNSD national account database, EIU.

(a) Estimates

(b) Projections

According to the World Bank WDI database, the GNI per capita is estimated to have reached \$14,980 in 2008 but appeared to have declined somewhat in 2009. Oil

production contracted in real terms in both 2008 (2.5 per cent) and 2009 (4.1 per cent) due to declining output in at the country's main oil field and no new fields coming into

**Equatorial Guinea: merchandise trade exports and average crude petroleum prices
January 2007 - November 2009 (\$ million and \$ per barrel)**



Source: IMF, Direction of Trade Statistics and International Financial Statistics data bases

Conclusion: These emerging trends are favourable for the country. In fact, after contracting by an estimated 1.8 per cent in 2009, GDP is expected to grow by 2 per cent