

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Sparing the vulnerable

The cost of new tariff burdens



Introduction

The participation of vulnerable economies in the global economy remains stubbornly low, despite provisions for special and differential treatment in the multilateral rulebook.

The new tariff tensions could further threaten the little gains made by least developed countries, small island developing States and landlocked developing countries.

Vulnerable economies account for only a small fraction of US imports. They contribute less than 0.5% to the US trade deficit and would have a marginal contribution to its tariff revenue.

Yet, they could face some of the highest new US tariffs, resulting in a decline of vital exports and posing substantial risks to their development.



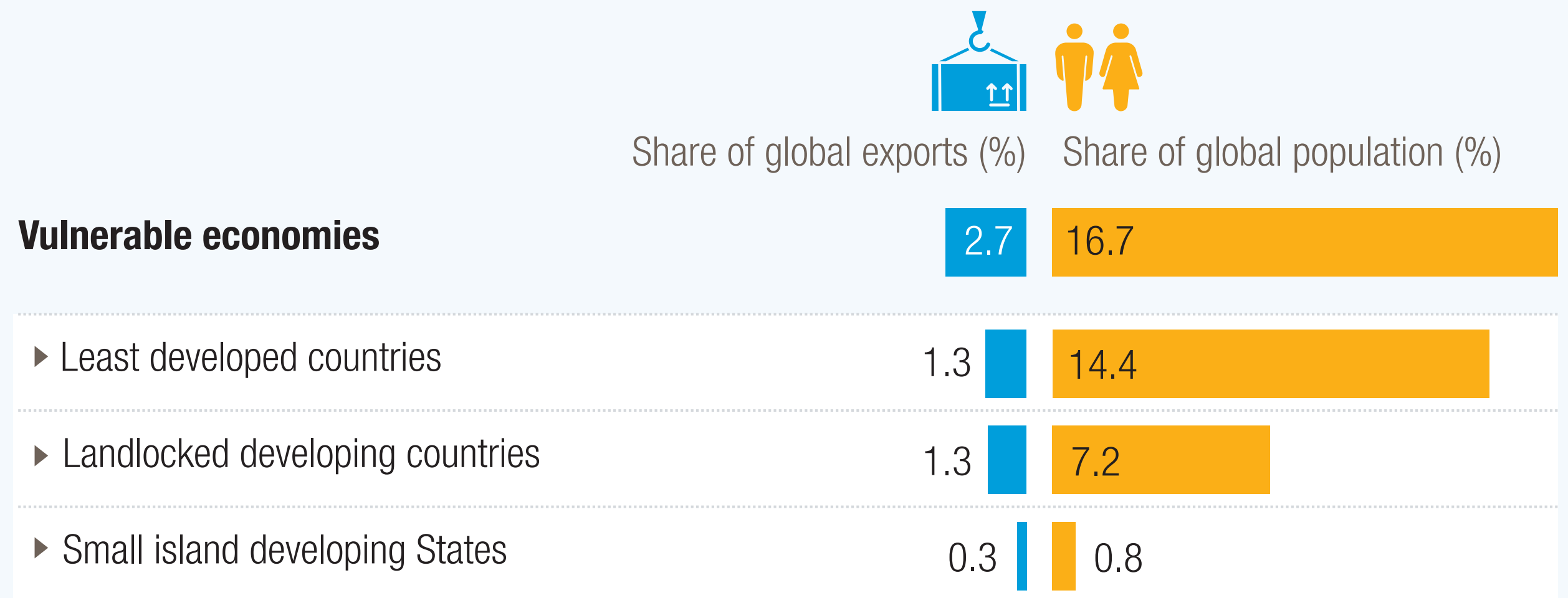
Vulnerable economies refer to:

- ▶ least developed countries,
- ▶ small island developing States,
- ▶ landlocked developing countries.



Vulnerable economies' share of global exports is very small.

Share of global exports and population in 2023 (%)



Source: UNCTAD Secretariat, based on UN Comtrade and World Bank for the year 2023.

Note: Small island developing States excluding Singapore.

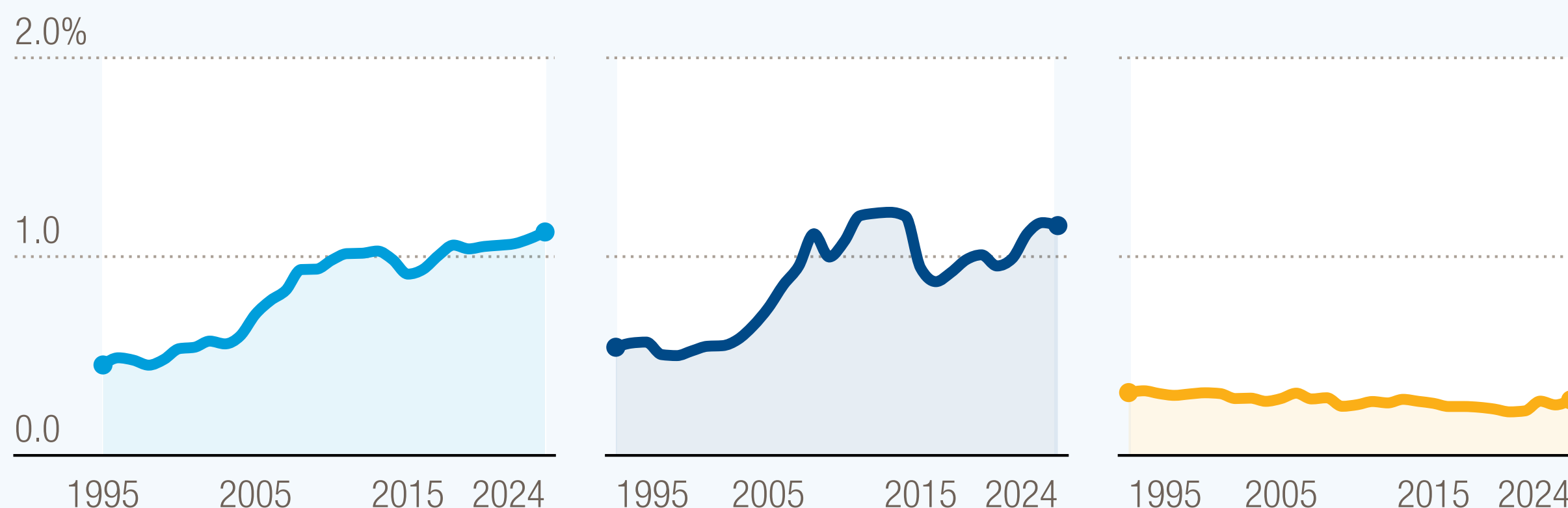
➤ And this has hardly changed over the past decade.

Vulnerable economies' share of global exports

► **Least developed countries**

► **Landlocked developing countries**

► **Small island developing States**



17 PARTNERSHIPS
FOR THE GOALS



SDG target 17.11

Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

Source: UNCTAD Secretariat, based on UNCTADStat.

Note: Small island developing States excluding Singapore.



The US is vital for their exports, yet they make up only a small part of US imports.

Relative importance of exports to the US in terms of vulnerable economies' exports and US imports.

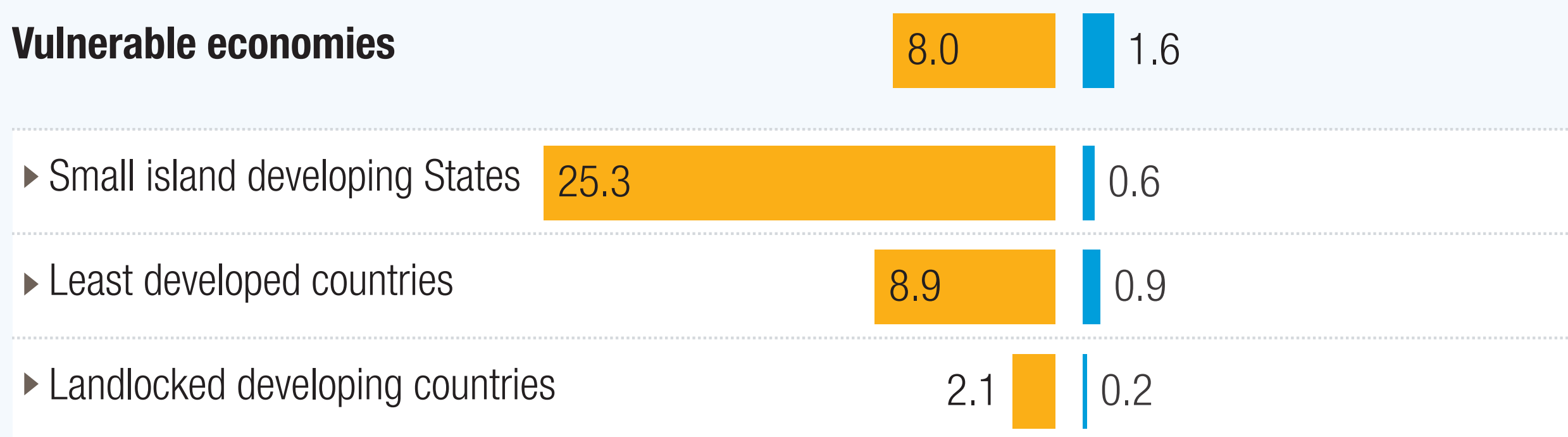


Trading partners' perspective
share of vulnerable countries'
total exports (%) to the US



United States' perspective
share of the United States'
total imports (%)

Vulnerable economies



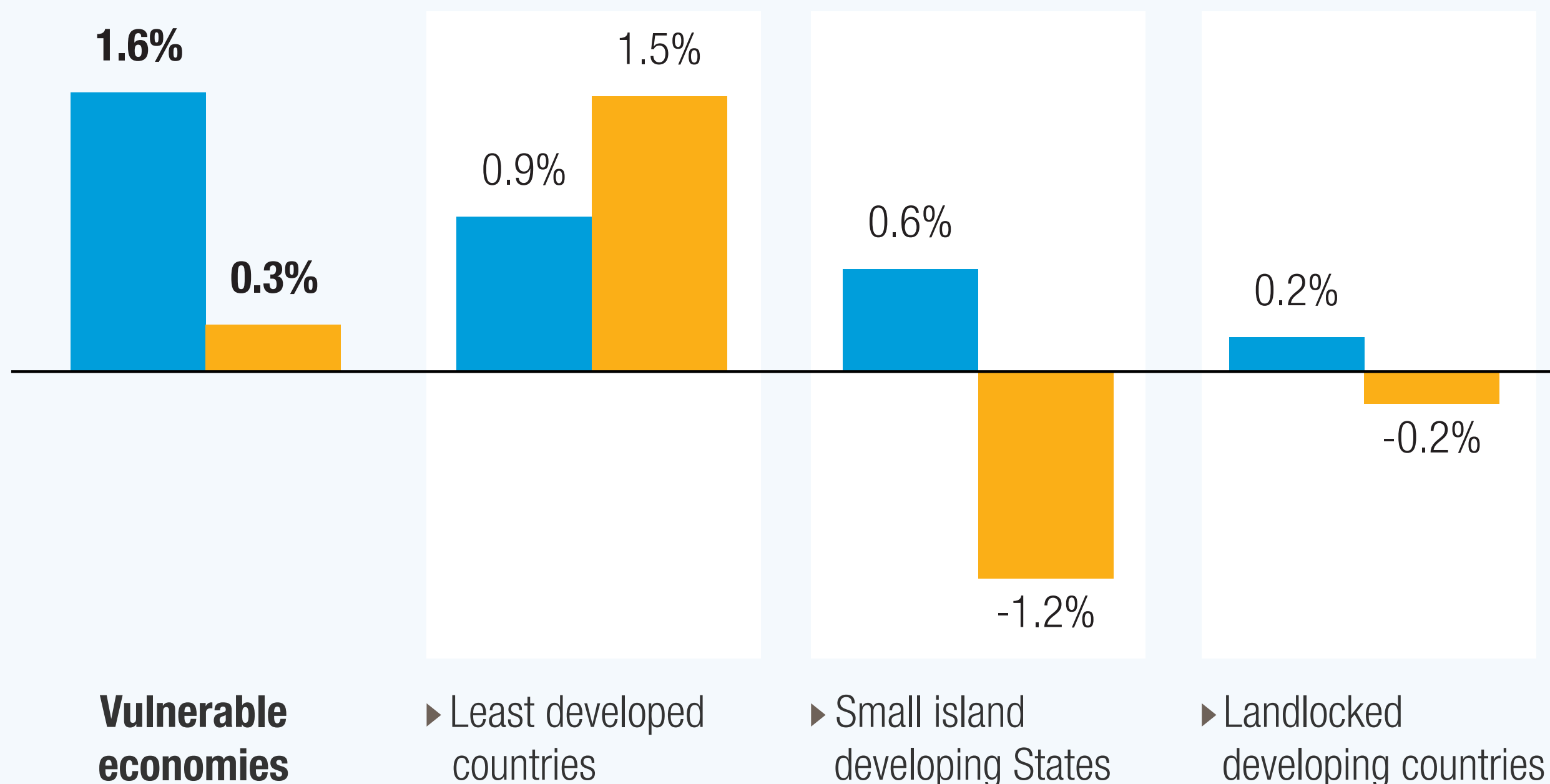
Source: UNCTAD Secretariat, based on UN Comtrade for the year 2023.

Note: Small island developing States excluding Singapore.

In fact, they contribute only 0.3% to the US trade deficit.

Vulnerable countries' share of US imports and contribution to the US goods trade deficit in 2023 (%)

 Share in total US imports  Contribution to the US trade deficit



Source: UNCTAD Secretariat, based on UN Comtrade.

Note: Small island developing States excluding Singapore.

New US tariffs are **an extra burden** for vulnerable economies



A scenario where the United States unilaterally raises its tariffs to the levels announced between January and May 2025, including new country-specific tariffs.

New US tariffs are built up in layers and are different for every country.

New tariffs on top of existing tariffs based on US Presidential actions between January and mid-May 2025.

Country-specific tariffs

+10%	for all countries except for Canada, Mexico and China
+50%	up to 50% for some - on hold for a period of 90 days (Executive Order 14257, Annex I)
+30%	145% for the first month for 🇨🇳 China then reduced to a 10% baseline tariff, in addition to a 20% fentanyl tariff and Section 301 tariffs until 13 August 2025
+25%	for non-USMCA originating goods from 🇨🇦 Canada and 🇲🇪 Mexico
0	Exempted products (Executive Order 14257, Annex II, and further additions via Presidential Memoranda (e.g. on smartphones)

Sectoral (exempted from new country-specific tariffs)












+25%	on iron or steel and derivatives of steel under Section 232 (national security)
+25%	on aluminium and derivatives of aluminium under Section 232 (national security)
+25%	on automobiles and parts under Section 232 (national security)
+10%	on non-USMCA originating potash from 🇨🇦 Canada and 🇲🇪 Mexico
+10%	on non-USMCA originating energy-related products from 🇨🇦 Canada

Source: UNCTAD Secretariat, based on US Presidential actions, including Executive Orders published by the White House and US Federal Register, and Guidance by US Customs and Border Protection.

Notes: Belarus, Cuba, North Korea and Russia are exempted from new country-specific tariffs under Annex I as other tariff schedules apply for countries without “Normal Trade Relations”. For China, sectoral tariffs apply on top of illicit drug-related tariffs of 20%. Many of the exempted products are subject to ongoing Section 232 investigations.

Vulnerable countries are confronted with some of the highest country-specific tariffs.

These country-specific tariffs are on hold for a 90-day period until July 2025.

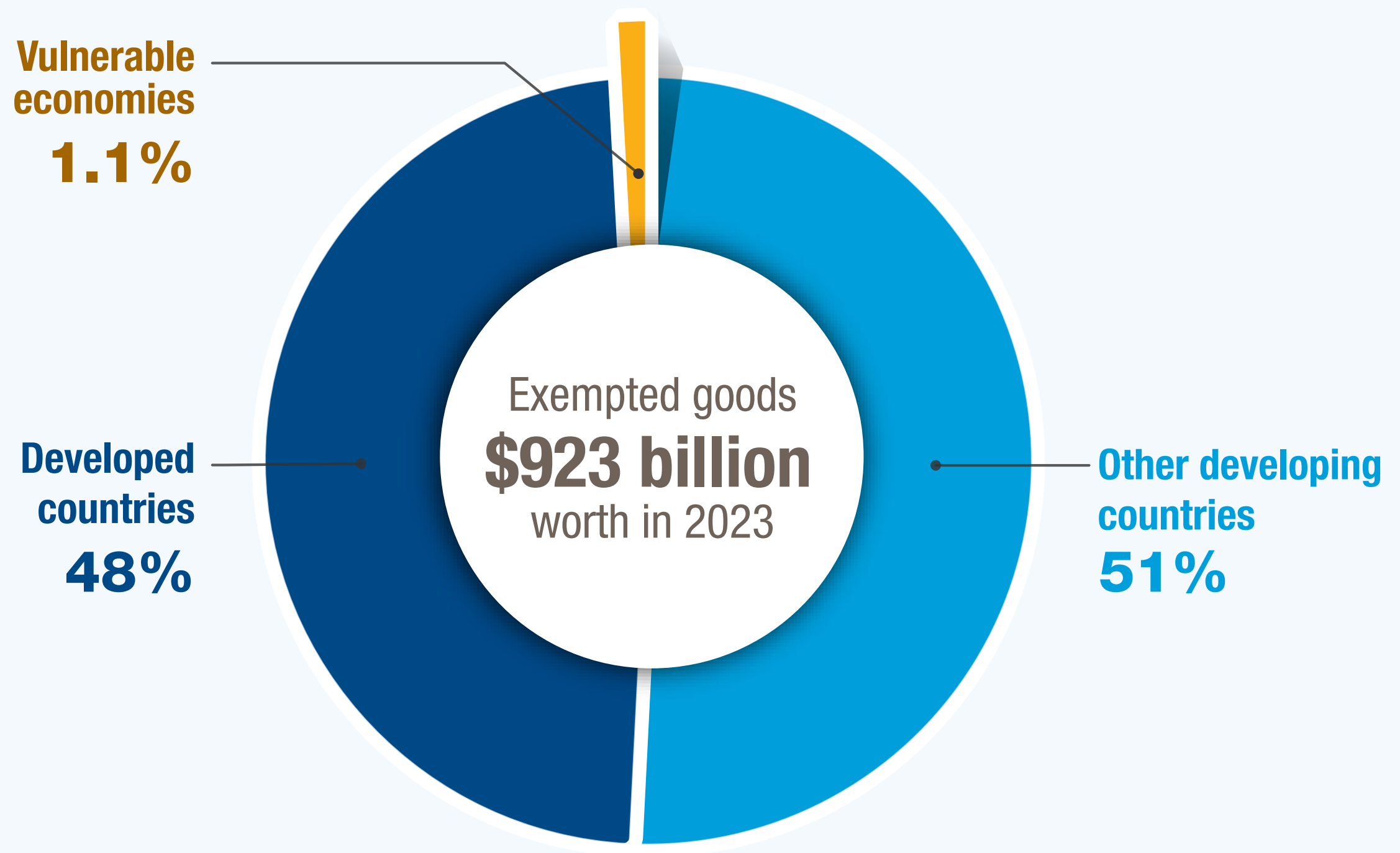
Exporter	Country-specific tariff	LDC	SIDS	LLDC	Region
 Lesotho	<div><div>50%</div></div>	<div></div>		<div></div>	Africa
 Cambodia	<div><div>49%</div></div>	<div></div>			Asia and Oceania
 Lao People's Dem. Rep.	<div><div>48%</div></div>	<div></div>		<div></div>	Asia and Oceania
 Madagascar	<div><div>47%</div></div>	<div></div>			Africa
 Myanmar	<div><div>44%</div></div>	<div></div>			Asia and Oceania
 Mauritius	<div><div>40%</div></div>		<div></div>		Africa
 Guyana	<div><div>38%</div></div>		<div></div>		Latin America and the Caribbean
 Bangladesh	<div><div>37%</div></div>	<div></div>			Asia and Oceania
 Botswana	<div><div>37%</div></div>			<div></div>	Africa
 Angola	<div><div>32%</div></div>	<div></div>			Africa
 Fiji	<div><div>32%</div></div>		<div></div>		Asia and Oceania

Source: UNCTAD Secretariat, based on Executive Order 14257, Annex I.

Note: Vulnerable economies include least developed countries (LDCs), small island developing States (SIDS) and landlocked developing countries (LLDCs).

A mere 1% of exempted imports come from vulnerable economies.

US imports of goods exempted from country-specific tariffs, and shares by exporter group in %

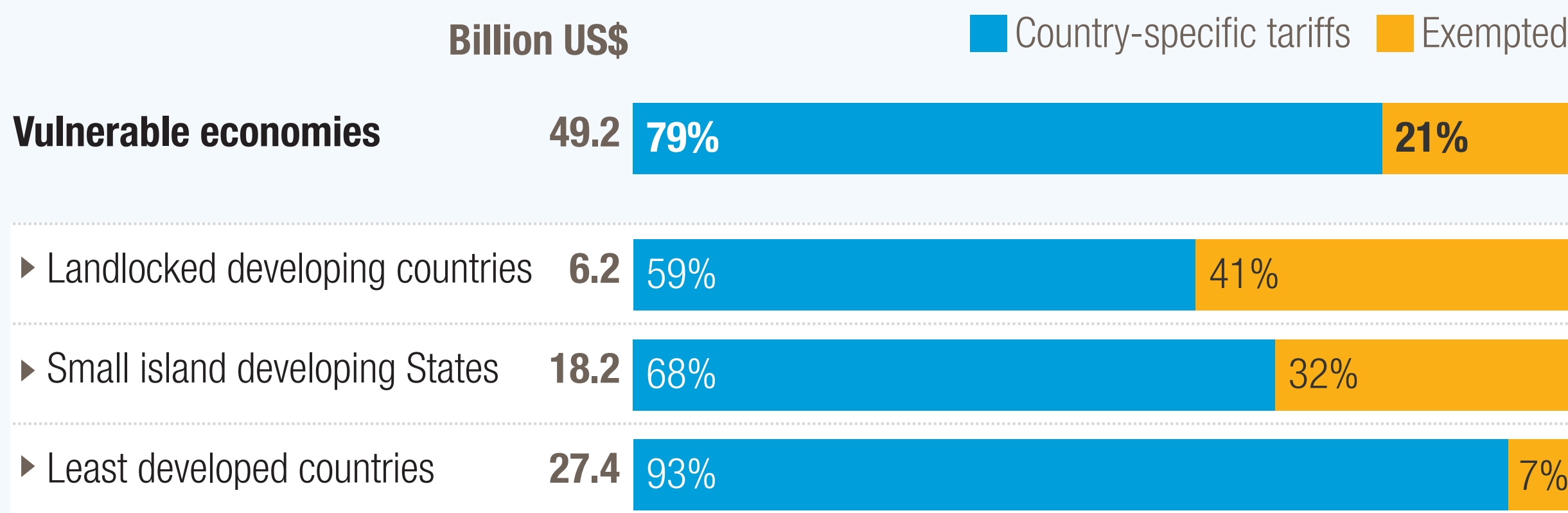


Source: UNCTAD Secretariat, based on UN Comtrade and US Presidential actions, including the Executive Orders published by the White House.

Notes: Exceptions include products listed in Executive Order 14257, Annex II and further additions via US Presidential Memoranda (e.g. on smartphones). Trade values and shares based on imports in 2023 computed at the HS 6-digit product level. Vulnerable economies include least developed countries, small island developing States excluding Singapore, and landlocked developing countries.

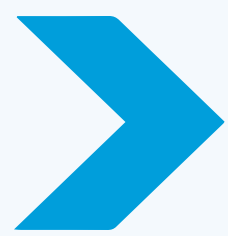
Only 7% of least developed countries' exports to the US are exempted.

US imports from vulnerable economies in 2023, in billion US\$, and share of imports subject to country-specific tariffs and exemptions



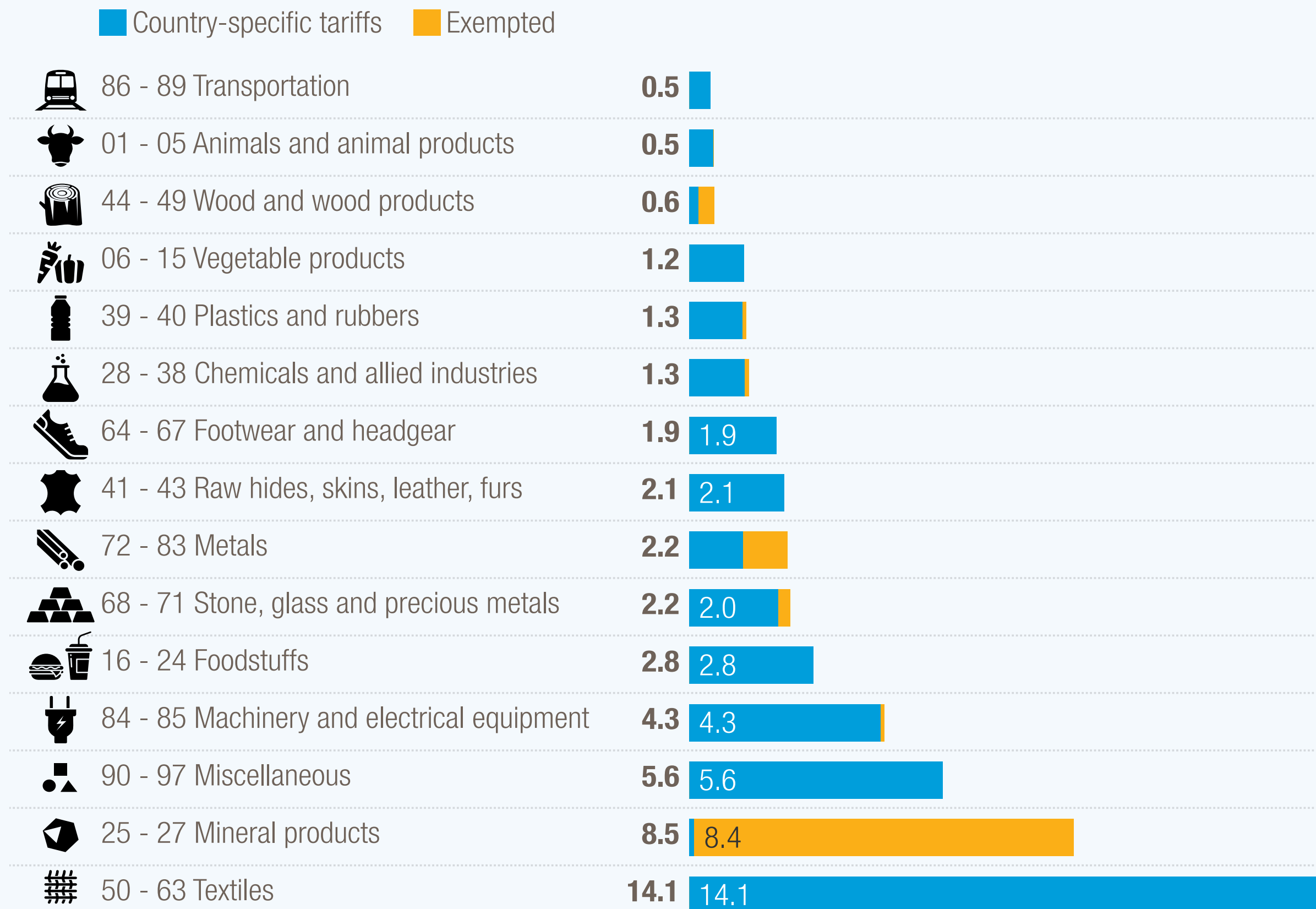
Source: UNCTAD Secretariat, based on UN Comtrade and US Presidential actions, including the Executive Orders published by the White House.

Notes: Exceptions include products listed in Executive Order 14257, Annex II and further additions via US Presidential Memoranda (e.g. on smartphones). Trade values and shares based on imports in 2023 computed at the HS 6-digit product level. Small island developing States excluding Singapore.



These exemptions focus on primary goods.

US imports from vulnerable economies in 2023, in billion US\$



Source: UNCTAD Secretariat, based on UN Comtrade and US Presidential actions, including the Executive Orders published by the White House.

Notes: Exceptions include products listed in Executive Order 14257, Annex II and further additions via US Presidential Memoranda (e.g. on smartphones). Trade values and shares based on imports in 2023 computed at the HS 6-digit product level. Vulnerable economies include least developed countries, small island developing States excluding Singapore, and landlocked developing countries.

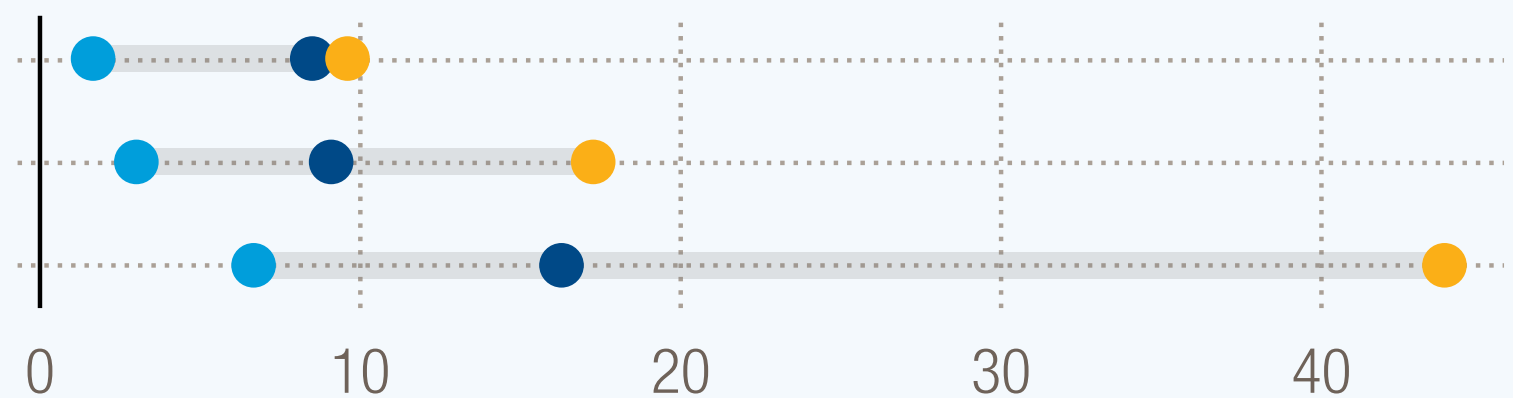
Least developed countries is the group that would face the highest tariff.

Trade-weighted applied tariffs on US imports

● Initial tariffs ● Tariffs during 90-day "pause" ● Country-specific tariffs

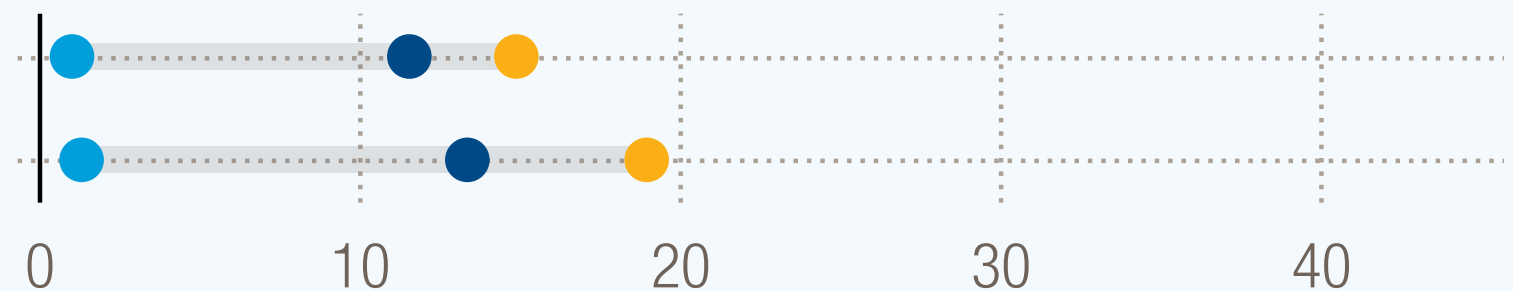
Vulnerable economies

- ▶ Small island developing States
- ▶ Landlocked developing countries
- ▶ Least developed countries



For comparison

- ▶ Developed countries
- ▶ Developing countries, excl. China

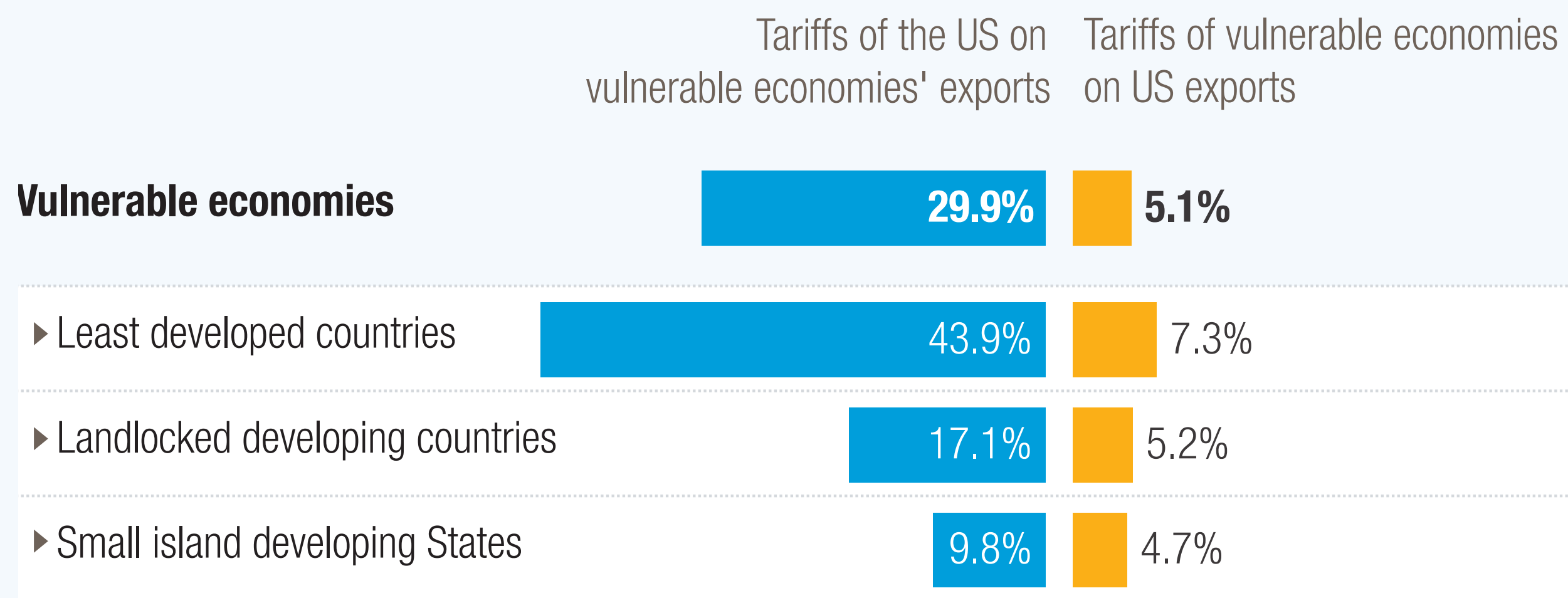


Source: UNCTAD Secretariat, based on UN Comtrade, UNCTAD TRAINS and the US Presidential actions, including Executive Orders published by the White House.

Notes: Trade weights for the year 2023. Small island developing States excluding Singapore.

New US tariffs would be much higher than the tariffs its exports face.

Trade-weighted applied tariffs



Source: UNCTAD Secretariat, based on UN Comtrade, UNCTAD TRAINS and the US Presidential actions, including Executive Orders published by the White House.

Notes: Trade weights for the year 2023. For direct comparison, 14 vulnerable economies were excluded for which tariff data was incomplete, representing 4% of US imports from the group. Small island developing States excluding Singapore.



Dozens of vulnerable economies might see vital exports dwindle.

Number of countries with a deteriorating preferential tariff margin for exports to the United States

Sector	Exporting economies		
	vulnerable	developing	developed
Foodstuffs			
Stone, glass and precious metals			
Machinery and electrical equipment			
Textiles			
Metals			
Mineral products			

Source: UNCTAD Secretariat, based on UN Comtrade, UNCTAD TRAINS and the US Presidential actions, including Executive Orders published by the White House.

Notes: Relative preferential tariff margins are computed as the difference between the tariffs an exporting country faces in the United States in comparison to all other competitors, weighted by imports from the US in 2023. Top product groups according to total US imports from vulnerable economies in 2023, sorted by the number of vulnerable economies losing competitiveness. Calculations considering US tariffs against China as of 14 May 2025.



Spare the vulnerable. Protect development.

Prepared by:
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