



# Food Value Chains in Landlocked Developing Countries: Measuring Trade Costs and Barriers



**Integrating Landlocked**  
Commodity Dependent Developing Countries  
into **Regional and Global Value Chains**



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## Abstract

This study analyses the comparative trade costs faced by landlocked developing countries (LLDCs) using both non-parametric and parametric techniques. The trade cost is analysed for one commodity in each of the four LLDCs covered: Lao People's Democratic Republic (maize); Ethiopia (coffee); Mongolia (meat); and Uzbekistan (processed fruits). The study also explores the sectoral trade costs for the agriculture sector of LLDCs. The analysis finds that (i) the international markets for each of these individual products is different in terms of size and openness; and (ii) landlocked countries typically have higher trade costs than other countries, but the impact of such costs on trade competitiveness varies depending on the product exported and the geographic pattern of trade of each country. These results imply that integration into regional trade areas and active use of trade policy by the authorities of LLDCs could be a fundamental tool to reduce the negative effect of geography in these countries.

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## Acronyms and abbreviations

ASEAN ..... Association of Southeast Asian Nations

FTA..... Free trade agreement

HS..... Harmonized System

ISIC..... International Standard Industrial Classification of All Economic Activities

ISO ..... International Organization for Standardization

ITPD ..... International Trade and Production Database

ITPD-E..... International Trade and Production Database for Estimation

LLDC ..... Landlocked developing country

MFN..... Most Favoured Nation

PPML..... Pseudo-maximum likelihood Poisson estimator

PTA..... Preferential trade agreement

SGTM ..... Structural gravity trade model

UNCTAD..... United Nations Conference on Trade and Development

WITS..... World Integrated Trade Solution

WTO ..... World Trade Organization

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