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## DEVELOPMENTS IN INTERNATIONAL TRADE WHICH HAVE A BEARING ON THE TRADE AND PAYMENTS POSITION OF DEVELOPING COUNTRIES

### Note by the Secretariat

1. The first summary assessment of the GATT secretariat concerning developments of the trade and payments position of the developing countries[1] for the year 1981 can be found in the GATT Press Release "International Trade in 1981 and Present Prospects" (GATT/1313, 23 March 1982).

2. Since the publication of the first estimates for 1981, more data have become available from a number of developing countries. Although they still do not permit a precise quantitative assessment of developments in 1981, they do confirm the following main features brought out in the March Press Release:

(i) As a group, the traditional oil-exporting developing countries[2] remained the most dynamic market in the world economy in 1981. Their aggregate surplus on current account declined and some of the lower-income oil-exporting developing countries recorded a deficit.

(ii) In 1981 the oil importing developing countries (i.e. developing countries other than the traditional oil-exporting developing countries) had their slowest growth of total production in the post-war period, combined GNP increasing less than the total population of this group of countries.

(iii) In spite of a pronounced slowing down in the volume growth of their imports, the oil-importing developing countries were faced with a further rise in their current account deficit. This resulted mainly from a further deceleration in the growth in their exports, a deterioration in their terms of trade for the fourth consecutive year, and rapidly growing interest payments.

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[1]Estimates for the trade and payments situation of developing countries for the whole of 1981 were made on the basis of partial and fragmentary data of a few developing countries and of trade returns of developed countries.

[2]For reasons associated with the use of United Nations statistics, the traditional oil-exporting developing countries referred to in this paper are the following: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela. For these statistical reasons, certain other developing countries that also export oil have had to be included in the "oil-importing developing countries".

3. Data for the first quarter of 1982, though only fragmentary, generally show a further deterioration in the trade and payments situation of the developing countries. In particular, the volume of exports either showed a slower rate of increase or, in some countries, a decline. This reflected not only the continued weakness of demand in the industrial countries, but also slackening (or declining) import demand in the developing countries. Export prices of primary commodities continued to decline and were in the first quarter of 1982 15 per cent lower than in the corresponding period of 1981 (see Table 1 and Appendix Table). Sharp price falls were recorded for sugar (by one-half), rice, groundnuts and natural rubber (by roughly one-third each), and cotton (by 30 per cent). A number of developing countries succeeded in halting, or reversing, the deterioration of their current account deficit, chiefly through a further cutback in the volume of imports.

TABLE 1. - PRICES OF PRIMARY COMMODITIES EXPORTED BY DEVELOPING COUNTRIES

(Percentage changes over corresponding period of previous year)

| | 1980 | 1981 | 1981 Q1 | Q2 | Q3 | Q4 | 1982[a] Q1 |
|---|---|---|---|---|---|---|---|
| Food | 15½ | -16 | -3 | -15 | -22½ | -23 | -17½ |
| Agricultural raw materials | 11½ | -12½ | -5½ | -9½ | -16½ | -22½ | -22½ |
| Non-ferrous metals | 10 | -17 | -28 | -15 | -15½ | -11 | -8 |
| Primary commodities[b] | 15½ | -12½ | -4½ | -12 | -18 | -19 | -14½ |
| Crude petroleum | 73½ | +10 | +17 | +11½ | +8 | 5½ | -- |

[a]Provisional.

[b]Excluding crude petroleum.

Source: UN, Monthly Bulletin of Statistics.

4. The present note attempts to place the recent developments in a long-term perspective, on the basis of more detailed investigations undertaken in various issues of GATT International Trade and in the Secretariat notes prepared for the Committee on Trade and Development (see, in particular, COM.TD/W/302, COM.TD/W/314/Rev.1 and COM.TD/W/346).

## I. THE EXTERNAL SECTOR

### A. Merchandise trade

5. In the past two decades the product composition of developing countries' exports underwent significant changes (see Table 2). In value terms, the most rapid expansion occurred in fuels exports, followed by manufactures, whereas non-fuel primary commodities lagged considerably behind.

TABLE 2. - PRODUCT COMPOSITION OF DEVELOPING COUNTRIES' EXPORTS

(Percentage shares in total exports)

| | All developing countries | | | Oil-importing developing countries | |
|---|---|---|---|---|---|
| | 1963 | 1973 | 1981[a] | 1973 | 1981[a] |
| Fuels | 30 | 39 | 60 | 9 | 22 |
| Non-fuel primary products | 58 | 38 | 19½ | 56 | 38½ |
| of which: | | | | | |
| Foodstuffs[b] | 34 | 21 | 12 | 32½ | 24 |
| Agricultural raw materials | 15 | 9 | 3½ | 11 | 7 |
| Ores, minerals and non-ferrous metals | 9½ | 8 | 4 | 12½ | 7½ |
| Manufactures | 11 | 22 | 20½ | 33½ | 39½ |
| of which: | | | | | |
| Textiles | 3½ | 4 | 2½ | 6 | 4½ |
| Other semi-manufactures[c] | 3½ | 6 | 3½ | 9 | 10 |
| Engineering products | 1½ | 5½ | 7½ | 8½ | 13½ |
| Clothing | 1 | 3½ | 3 | 5½ | 5½ |
| Other finished consumer goods | 1½ | 3 | 3½ | 4½ | 5½ |

[a]Partly estimated.

[b]Including processed foodstuffs.

[c]Including steel and chemicals.

Sources: GATT, Studies in International Trade No. 7 and International Trade 1980/81; national statistics.

6. Fuels have become the most important category of exports from developing countries, having accounted in 1981 for about 60 per cent of total exports from developing countries, double their share in 1963. The fast expansion in the value of fuel exports was due to the rise in volume until 1973 and to the upsurge in prices thereafter. In 1981, fuels represented some 95 per cent of the total exports of the traditional oil-exporting developing countries and more than one-fifth of aggregate exports from the oil-importing developing countries.

7. The share of manufactures in developing countries' total export earnings, which had doubled between 1963 and 1973, declined slightly, to about one-fifth, by 1981. In volume terms, manufactures were the most rapidly expanding category throughout the period under review, though since 1979 their growth rate has slowed down. Engineering products have been the most dynamic, and have become the most important category of manufactures exported by developing countries. Exports of clothing and other finished consumer goods also increased faster than the average for all manufactures. Textiles and other semi-finished products, however, expanded less rapidly than manufactured exports in general. As a result, their combined share in total exports of manufactures from developing countries declined to less than 30 per cent in 1981 (as against nearly two-thirds in 1963).

8. The share of non-fuel primary commodities, traditionally the most important category of exports from developing countries, fell continuously, from 58 per cent in 1963 to 38 per cent in 1973 and some 18 per cent in 1981. In the oil-importing developing countries, the share of non-fuel primary products in total exports declined to less than 40 per cent in 1981, as compared with 56 per cent in 1973 and about 85 per cent in 1963. The divergent growth rates in the value of exports between non-fuel primary commodities and manufactures reflected mainly the slower expansion of exports of primary commodities in volume terms in each of the two sub-periods; in some years, and especially in 1981, the less favourable development of exports of non-fuel primary products was due also to the movement of prices.

9. Each of the three major categories of non-fuel primary commodities saw their shares in developing countries' total exports decline throughout the period under review, to reach 12 per cent for foodstuffs, and around 4 per cent each for agricultural and mineral raw materials in 1981. In the oil-importing developing countries, these shares had fallen in 1981 to about 24, 7 and 7½ per cent, respectively. There were also significant shifts within each of these categories, as shown in more detail in COM.TD/W/314/Rev.1.

10. The shift away from non-fuel primary products, especially the sluggish growth in volume of these commodities, can be attributed to a combination of factors, among which the following deserve particular attention: (i) In spite of the slowing down since 1973, world demand for manufactures continued to outpace significantly that for foodstuffs and raw materials. (ii) Developing countries' exports of non-fuel primary commodities were traditionally concentrated on tropical beverages and agricultural raw materials, two product groups for which world demand has been rising even more slowly than for other foodstuffs and raw materials. (iii) Certain agricultural policies pursued in industrial countries adversely affected exports from developing countries for a number of products, such as meat and sugar. (iv) Production of certain basic food crops did not keep up with the growing domestic demand in developing countries, checking the growth of supplies available for export. (v) The increased processing of raw materials in the developing countries caused a reduction of materials available for export in crude form.

11. A more precise assessment of the role which the increased degree of processing in the developing countries played in shaping the structure of their exports would require a detailed product-by-product study. The available quantitative indications nevertheless permit two general points to be made. First, although for several commodities such as cocoa, a number of oilseeds and some ores, there was a shift in the composition of exports from raw to more processed products, most primary commodities exported by developing countries are still largely exported in unprocessed form. This in turn can be explained by various factors such as tariffs or other barriers to trade for the processed products, obstacles deriving from industrial, transport and marketing structures and lack of competitiveness due to domestic conditions, such as industrialization and exchange rate policies. Second, it appears that the fastest increase in exports of finished manufactures occurred mainly in developing countries dependent on imports of raw materials or semi-finished inputs, whereas the suppliers of raw materials were often less successful in achieving a more rapid expansion in their exports of semi-finished products based on domestic raw materials.

## Imports

12. The product pattern of imports in 1973 and 1981 is shown in Table 3. In the traditional oil-exporting developing countries, manufactures accounted for more than three-quarters of total imports, and primary products, among which foodstuffs are by far the most important, for 17-18 per cent in both years. In the other developing countries, manufactures remained also the main import category. Their share declined however from 60 per cent in 1973 to 56 per cent in 1981, though the share of engineering products was well maintained. The share of non-fuel primary commodities declined, from 24 to 17 per cent, largely the result of the fall in the share of foodstuffs, while the proportion accounted for by fuels more than doubled, reaching about 23 per cent in 1981.

TABLE 3. - PRODUCT COMPOSITION OF DEVELOPING COUNTRIES' IMPORTS

(percentage shares in total imports)

| | Traditional oil-exporters | | Oil-importing developing countries | |
|---|---|---|---|---|
| | 1973 | 1981[a] | 1973 | 1981[a] |
| Manufactures | 77 | 76 | 60½ | 56 |
| Semi-manufactures | 27½ | 23 | 24 | 20 |
| Engineering products | 45 | 47 | 32½ | 32 |
| Other finished consumer products[b] | 4½ | 6 | 4 | 4 |
| Fuels | 1 | 1 | 11½ | 23 |
| Non-fuel primary products | 17 | 18 | 24 | 17 |
| Foodstuffs[c] | 13½ | 15 | 16 | 11 |
| Other products | 3½ | 3 | 8 | 6 |
| Non-specified | 5 | 5 | 4 | 4 |

[a]Partly estimated.

[b]Including textiles, steel and chemicals.

[c]Including processed foods.

Sources: GATT, International Trade 1980/81; national statistics.

13. Data available by individual developing countries for 1981 show again quite clearly that movements in the volume of imports have in most cases been largely dependent upon the purchasing power of their exports; that is, upon the behaviour of export volume and the terms of trade. This point has been noted in earlier Secretariat studies.[1]

[1]See, for instance, GATT Studies in International Trade, No. 6, 1978, and GATT, International Trade 1978/79, pp. 122-127.

## Geographical distribution of trade

14. As shown in Table 4, the industrial countries remained the major markets and suppliers for developing countries, throughout the period covered: they accounted for two-thirds of exports and 62 per cent of imports in 1981 (as against 70 and 69 per cent, respectively, in 1963). In the traditional oil-exporting developing countries, the preponderance of industrial countries was more pronounced than in the other developing countries. For the latter group, the share of industrial countries had fallen to less than 60 per cent of exports and 55 per cent of imports in 1981, in each case 10 percentage points less than in 1973. At the same time there was a marked increase in the share accounted for by exchanges among oil-importing developing countries and by their trade with the traditional oil exporters.[1]

TABLE 4. - GEOGRAPHICAL DISTRIBUTION OF DEVELOPING COUNTRIES' TRADE

(Percentage shares in total exports and imports)

| | Exports | | | Imports | | |
|---|---|---|---|---|---|---|
| | 1963 | 1973 | 1981[a] | 1963 | 1973 | 1981[a] |
| All developing countries | | | | | | |
| Industrial | 70 | 72 | 67 | 69 | 68 | 62 |
| Developing | 21 | 21 | 28 | 21 | 23 | 30 |
| Traditional oil-exporting countries | | | | | | |
| Industrial | 73 | 76 | 74 | 85 | 79 | 77 |
| Intra-area | 1 | 1 | 2 | 1 | 1 | 3 |
| Other developing | 21 | 19 | 22 | 9 | 12 | 13 |
| Oil-importing developing countries | | | | | | |
| Industrial | 68 | 69 | 59 | 66 | 65 | 55 |
| Traditional oil-exporters | 2 | 3 | 7 | 7 | 10 | 17 |
| Intra-area | 19 | 18 | 25 | 16 | 15 | 18 |

[a]Partly estimated.

Sources: GATT, International Trade 1980/81, and national statistics.

## The importance of developing countries as outlets for industrial countries

15. Since 1973, the growth of imports into the developing countries exceeded considerably that of imports into other areas, especially in the years (1975, 1980 and 1981) when the domestic demand of the industrial countries stagnated or declined. As can be seen in Table 5, the increment in imports by the developing

[1]More details on the trade among developing countries can be found in COM.TD/W/346.

countries accounted between 1973 and 1979, for 25 per cent of the total increment in industrial countries' exports of all products. From 1979 to 1981, the contribution of developing countries to the expansion of world markets was even more important. The increment in their imports represented 53 per cent of the increment in industrial countries' exports of all products, and nearly two-thirds in the case of industrial countries' exports of manufactures.

TABLE 5. - CONTRIBUTION OF DEVELOPING COUNTRIES TO THE OVERALL INCREASE IN THE VALUE OF INDUSTRIAL COUNTRIES' EXPORTS

(percentage shares)

| | From 1963 to 1973 | From 1973 to 1979 | From 1979 to 1981[a] |
|---|---|---|---|
| All products to the world | 100 | 100 | 100 |
| All developing countries | 16 | 25 | 53 |
| Traditional oil-exporters | ... | 10 | 25 |
| Oil-importing countries | ... | 15 | 28 |
| All manufactures to the world | 100 | 100 | 100 |
| All developing countries | 17 | 27 | 65 |
| Traditional oil-exporters | ... | 11 | 30 |
| Oil-importing countries | ... | 16 | 35 |

[a]Partly estimated.

Sources: GATT, Studies in International Trade, No. 7; International Trade 1980/81; national statistics.

## B. Foreign payments

16. Merchandise trade remains the most important element in developing countries' earnings from and payments for current transactions, even though there is a movement (clearly observable since the mid-1970s) towards an increased role of trade in services (excluding investment income), particularly marked on the import side. Imports of goods account for 50-60 per cent of developing countries' total expenses on current account and merchandise exports contribute over two-thirds of their total current earnings.

17. The preponderance of merchandise trade is further evidenced in net terms, as shown in Table 6. For the whole period covered, both the traditional oil-exporting and the oil-importing developing countries' results on merchandise trade determined not only the sign but, to a certain extent, also the size of their respective current account balances.

TABLE 6. - BALANCE OF PAYMENTS OF DEVELOPING COUNTRIES, BY MAJOR COMPONENTS, 1973-1981[a]

(Billion dollars)

| | 1973 | Average 1974-78 | Average 1979-80 | 1981 |
|---|---|---|---|---|
| TRADITIONAL OIL-EXPORTING DEVELOPING COUNTRIES | | | | |
| Merchandise trade | 18 | 60 | 135 | 145 |
| Services, n.e.s. | -4 | -18 | -39 | .. |
| Direct investment income | -6 | -11 | -18 | .. |
| Interest on loans | 1 | 6 | 19 | .. |
| Private transfers | -1 | -2 | -6 | .. |
| Current account | 7 | 35 | 91 | 70 |
| Official transfers | -2 | -4 | -5 | .. |
| Direct and portfolio investment | 0 | -6 | -14 | .. |
| Other financial flows | 1 | -15 | -48 | .. |
| Overall balance | 6 | 10 | 24 | .. |
| OIL-IMPORTING DEVELOPING COUNTRIES | | | | |
| Merchandise trade | -7 | -21 | -44 | -52 |
| Services, n.e.s. | -1 | -2 | -5 | .. |
| Direct investment income | -2 | -4 | -7 | .. |
| Interest on loans | -3 | -7 | -17 | -25 |
| Private transfers | 2 | 4 | 9 | 10 |
| Current account | -11 | -30 | -64 | -83 |
| Official transfers | 5 | 7 | 11 | .. |
| Direct and portfolio investment | 4 | 6 | 9 | .. |
| Other financial flows | 10 | 24 | 52 | 65 |
| Overall balance | 8 | 7 | 8 | 5 |

[a]Estimates based on incomplete and uncertain information.

Sources: International Monetary Fund, Balance of Payments Yearbook; World Economic Outlook (April 1982).

18. Estimates in Table 6 show a few other features of the developing countries' balance of payments in the 1970s and early 1980s which may be useful to the members of the Committee in their examination.

19. As a group, the traditional oil-exporting developing countries have been disposing of their current account surplus as follows (in order of importance): to build up international reserves (main component under 'overall balance'), part of which are used for short-term investments on international financial markets; to accumulate foreign equity, particularly in the form of portfolio investment; and to lend long- and medium-term funds to foreign official and private sectors. One of the most striking effects of the above trends on these

countries' capital account has been the fast increase in their net interest income from abroad: in aggregate terms, net interest earnings cancelled net payments of dividends to foreign firms in 1979-1980 for the first time.

20. The aggregate balance-of-payments picture offered by the oil-importing developing countries in 1973-1981 is very different. In some respects, trends in the two groups of countries are closely linked: for example, the steady growth of net earnings from migrant workers' remittances in the oil-importing developing countries was made possible mainly because of the higher manpower demand in some oil-producing countries in the Gulf, and is reflected in the increasing outflow under the traditional oil-exporting developing countries' 'private transfers' item.

21. The oil-importing developing countries' aggregate current account deficit has tended to grow during the second half of the 1970s, to reach a record in 1981, as reported in Table 6. The increase in that deficit derived mainly from developments on the merchandise trade front, as already observed, but in the last three years the rise in net interest payments on these countries' short- and long-term foreign debt has also been an important factor in the growth of current account deficits.

22. The sharp increase in current account deficits, which enabled the oil-importing developing countries to maintain a steady growth of merchandise imports in the 1974-1978 period, was made possible by a corresponding rise in external, in particular long-term, borrowing. Though a substantial fraction of the foreign debt contracted by these countries as a group continued to be on concessional terms, a rapidly growing part was borrowed from private international banks at commercial, and more recently, floating interest rates.

## II. GROWTH AND TRADE

23. In the traditional oil-exporting developing countries the growth of domestic output (measured at constant prices) decelerated continuously since 1973, due to the fall in petroleum production. But the volume of domestic expenditure expanded considerably, as strong rises in the price of petroleum enabled these countries to increase significantly the volume of their imports in spite of falling export volumes (see Table 7) . Investment rose at a particularly fast rate, but consumption also recorded substantial gains. It should be noted that the rise in imports and domestic expenditure (both investment and consumption) was particularly rapid in the years with the strongest increases in oil prices (1974, 1979 and 1980). When, however, there was a decline or no change in the terms of trade (as, for instance, in 1975-78 and in the first half of 1982), the growth of imports and domestic expenditure slowed down or, in some countries, declined.

24. In the oil-importing developing countries, the growth of domestic output also decelerated after 1973, but until 1980 only slightly (from 5½ per cent on average per year in 1963-1973 to 5 per cent in 1973-78 and 4½ per cent in 1978-1980). The growth of expenditure also decelerated after 1973, but not more than that of production. The growth of imports continued to exceed real GDP expansion.

TABLE 7. - REAL GROWTH OF DEVELOPING COUNTRIES' DOMESTIC PRODUCTION AND EXPENDITURE, 1963 TO 1981[a]

| | 1963-1973 | 1973-1978 | 1978-1980[b] | 1981[b] |
|---|---|---|---|---|
| | (Annual average percentage change) | | | |
| TRADITIONAL OIL-EXPORTING DEVELOPING COUNTRIES | | | | |
| Gross domestic product | 8 | 5 | ½ | -2 |
| Domestic expenditure | 8½ | 14 | 2½ | 10 |
| Consumption | 7 | 11 | .. | .. |
| Investment[c] | 13 | 21 | .. | .. |
| (Domestic expenditure per head) | (5½) | (11) | (-) | (7) |
| OIL-IMPORTING DEVELOPING COUNTRIES | | | | |
| Gross domestic product | 5½ | 5 | 4½ | 2½ |
| Domestic expenditure | 5½ | 5 | 4½ | 2½ |
| Consumption | 5½ | 4 | .. | .. |
| Investment[c] | 7 | 7½ | .. | .. |
| (Domestic expenditure per head) | (3) | (2½) | (2) | (-) |

[a]Based on national account estimates at 1975 constant prices. Growth rates indicate mere orders of magnitude.

[b]Roughly estimated.

[c]Including variations in stocks.

Sources: OECD, Latest information on national accounts of developing countries, No. 14, October 1981; United Nations, Handbook of World Development Statistics, 1980 (March 1981) and Yearbook of National Account Statistics, 1979.

25. The main reasons why the deterioration of their terms of trade and the sharp slowdown of demand in developed countries apparently did not affect more significantly the oil-importing developing countries' overall economic performance were: (i) The shift in the pattern of their expenditure toward investment, the burden of the adjustment having fallen on consumption. (Per caput consumption in the oil-importing developing countries as a group between 1973 and 1980 did not increase by more than 1 per cent, as against 2½ per cent in the preceding decade.) (ii) The large increase in borrowings on financial markets. (iii) The expansion of trade among developing countries, offsetting at least to some extent the weakening import demand from industrial countries.

26. The aggregate data conceal wide divergences among the individual developing countries. In particular, the lower-income countries, whose production and export structure is heavily concentrated on primary products, were more severely affected by the deterioration in the terms of trade and by the recession in the developed countries for two principal reasons. First, as already explained above, the growth in the volume of exports of primary products lagged considerably behind that of finished manufactures. Second, for the lower-income countries, by far the main source of external finance is official development assistance, which increased much less than borrowing on international financial markets. In the lower-income countries, there was also a shift in expenditure towards investment; in these countries consumption per head showed hardly any increase (if not a decline) between 1973 and 1980.

Concluding remarks

27. It has been shown in greater detail above that in 1981, and according to the fragmentary data available also in the first half of 1982, output and expenditure growth slowed down significantly in most developing countries. This deterioration was more pronounced than that in the mid-1970s, and should be seen against the background of the growing difficulties encountered in shifting further resources from consumption to investment, and to the servicing of the much increased burden of indebtedness. Yet steady economic growth cannot be achieved unless there is a resumption of a vigorous expansion in fixed investment.

28. Past experience has clearly shown the importance of imports for the functioning of most economic sectors, a more efficient allocation of resources and an easing of inflationary pressures. Imports, especially those of engineering products, are particularly important for a satisfactory rate of capital formation. Therefore, one of the most disturbing features of the present trade and payments position of most developing countries is not so much the size of the current account deficit per se, but the fact that it has occurred in spite of a marked slowing down, or actual cutbacks in many countries, in the volume of their imports.

29. The financing of a growing inflow of goods, especially those needed for investment purposes, is largely dependent on the growth of developing countries' merchandise exports. The volume growth of exports of merchandise becomes particularly important in a situation in which most developing countries are faced by unfavourable trends in their terms of trade, only modest increases in official development assistance, high interest payments and relatively minor sources of invisible earnings.

30. The present outlook does not provide grounds for expecting any significant decline in the combined current account deficit of the oil-importing developing countries in the near future. Indeed, many of the factors that might be expected to lead to a further rise in the deficit of these countries continue to operate - including economic stagnation in the industrial countries, high interest rates and weak commodity prices. However, it seems likely that the size of the combined current account deficit of the oil-importing developing countries will be constrained by policies of adjustment adopted by some of those countries that are up against, or close to, their limits for financing payment imbalances. The extent to which these policies need not lead to a curtailment of imports will of course depend substantially on the success of these countries in expanding their exports. At a time when the prospects for substantial economic growth in the industrial countries are poor, this will in turn depend vitally on the avoidance of new measures to restrict imports from developing countries and the liberalization to the extent possible of existing trade barriers.

31. If the growth of their exports is checked by continued economic stagnation, inadequate adjustment and growing protectionism in their main traditional markets, a growing number of developing countries might be inclined to search for alternative strategies in their endeavour to ensure at least some increase in per capita incomes for their rapidly growing populations. Such strategies, to the extent to which they have to consider the necessity of checking the level of imports, could have harmful effects on both the allocation of domestic resources and the fight against inflation - and, inevitably, on economic growth in the long run.

APPENDIX TABLE - WORLD EXPORT PRICES OF SELECTED PRIMARY COMMODITIES

(Percentage change over corresponding period of previous year)

| | 1980 | 1981 | 1981 Q4 | 1982 Q1 |
|---|---|---|---|---|
| Wheat | 11½ | 1 | -10 | -10½ |
| Maize | 19½ | -7½ | -15½ | -12 |
| Rice | 29½ | 13½ | -9½ | -32½ |
| Coffee | -1 | -19½ | -8½ | -7 |
| Tea | 2 | -8 | -6 | -4 |
| Cocoa | -21 | -21 | -2½ | -1½ |
| Beef | - | -9 | -7½ | -10½ |
| Oilseed cake | 2½ | 2½ | -25½ | -12 |
| Fishmeal | 24½ | -4½ | -21 | -29 |
| Fish | 7 | 2 | 1 | 16 |
| Sugar | 190 | -39½ | -65½ | -49 |
| Soyabeans | -½ | -3½ | -21½ | -16 |
| Copra | -32½ | -17 | -11 | -21 |
| Groundnuts | -12 | 28 | -14½ | -33 |
| Soyabean oil | -12½ | -11 | -22½ | -19½ |
| Palm oil | -13½ | -½ | -12½ | 2½ |
| Groundnut oil | -5 | 25 | -21½ | -39½ |
| Coconut oil | -33 | -17½ | -5½ | -16½ |
| Palm-kernel oil | -31½ | -13 | -10½ | -15½ |
| Cotton | 17 | -7½ | -25½ | -28½ |
| Wool | 13½ | 5½ | 2½ | -3½ |
| Sisal | 14 | -14 | -13½ | -15½ |
| Jute | -2½ | - | -2 | 1 |
| Natural rubber | 11½ | -24½ | -37 | -36 |
| Tobacco | 5½ | 13 | 15½ | 17½ |
| Iron ore | 18½ | 8 | -8½ | -4 |
| Copper | 10 | -20½ | -16 | -13½ |
| Aluminium | 18½ | -8 | -16½ | -15½ |
| Lead | -21 | -20 | -14 | -14 |
| Zinc | 3 | 13½ | 11 | 5½ |
| Tin | 10½ | -14½ | 2 | 5 |
| Crude petroleum | 73½ | 10 | 5½ | -2½ |

Source: UN, Monthly Bulletin of Statistics.