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WORLD TRADE GROWTH STRENGTHENED IN 1987, AND 1988 PROSPECTS ARE PROMISING - NEW GATT REPORT

World merchandise trade volume grew by 4 per cent last year and, barring a further major upheaval in financial markets or a serious recession in the United States, it should grow at least as rapidly in 1988.

The gain in 1987 was higher than that in 1986 (3 1/2 per cent) and the second strongest annual increase thus far in the 1980's. The value of merchandise exports rose by 15 1/2 per cent to a new record of $2,450 billion - reflecting the depreciation of the US dollar, increases in the dollar prices of petroleum and several other primary commodities as well as the significant boost in trade volume.

These are some of the early estimates* by the GATT Secretariat in its report, published today, on world trade in 1987 and prospects for 1988.

GATT's economists comment that develoments in world stock markets since October do not seem to have had any immediate adverse effect on world trade. Indeed, what information is available suggests that the increase in

* Figures for 1987 are preliminary estimates based on data available as of early February.

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MORE

merchandise trade in the fourth quarter of 1987 exceeded the average for the first three quarters.

Another significant trend in 1987, noted in the report, was the improved trade performance of fifteen heavily indebted countries. These countries saw a notable recovery in their merchandise exports of 10 per cent while their combined imports increased by 7 per cent. Although export expansion was recorded only in some of the fifteen, the overall trade picture was more favourable than that in 1986.

Among other points in the report - which examines the impact of recent movements in exchange rates on the trade performance of the industrial countries, and analyzes product and area trends - are the following:

- the expansion of the volume of world trade, in 1987, was led by a 5 per cent increase in trade in manufactures, up from 3 1/2 per cent in 1986;

- exports of agricultural products increased by an estimated 4 per cent in volume terms after a 1 per cent decline in 1986;

- in contrast the volume of trade in mining products declined marginally, largely as a result of reduced trade in petroleum;

- imports into the developed countries remained the strongest force in world trade expansion even though their growth slowed down;

- following a substantial decline in 1986, imports into the developing areas increased in line with world merchandise trade volume;

- the developing areas remained the most dynamic exporters in 1987, even though the growth of their export volume slowed down;

- the volume of both the exports <u>and</u> imports of Hong Kong, the Republic of Korea, Singapore and Taiwan as a group each increased by more than 20 per cent, while the export volume and import volume of the members of OPEC declined in 1987.

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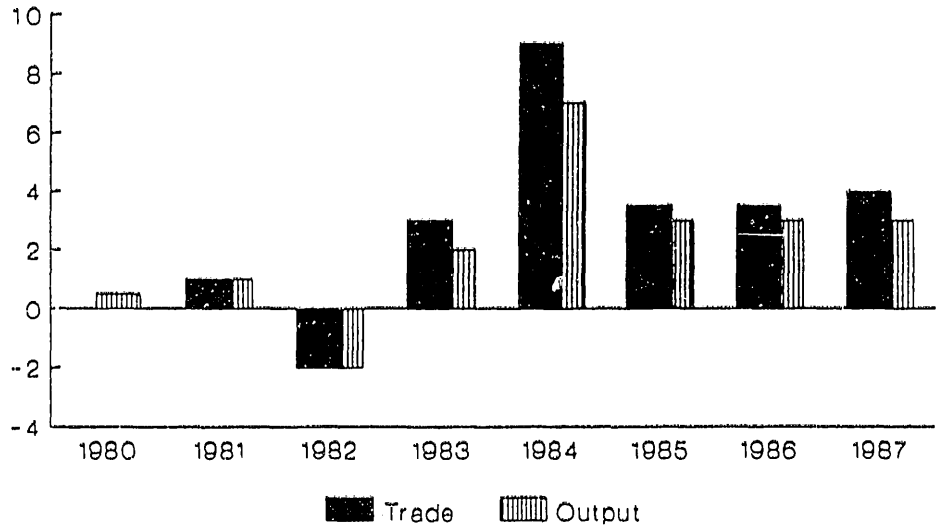
TRADE VOLUME

Developments in world stock markets since October do not appear to have had an immediate adverse impact on the performance of world trade. Indeed, fragmentary information suggests that the fourth quarter increase in the volume of world merchandise trade exceeded the average for the first three quarters.

For 1987 as a whole, the volume of world merchandise trade is estimated to have grown by 4 per cent. The moderate acceleration in trade growth from the preceding year made the 1987 performance the second strongest thus far in the 1980s (Chart 1).[1]

CHART 1 - VOLUME OF WORLD MERCHANDISE TRADE AND OUTPUT, 1980-87
(Percentage change over preceding year)



[1]The data in the charts and tables are preliminary GATT Secretariat estimates based on information from the following sources: UN Comtrade data base; IMF, International Financial Statistics; OECD, Monthly Statistics of Foreign Trade and Economic Outlook; FAO, Monthly Bulletin of Statistics; various international commodity statistics; and national publications.

The pick-up in world trade growth last year occurred despite the fact that the volume of world merchandise output grew at the same annual 3 per cent pace recorded in 1985 and 1986.

Trade by major product group

The 1987 expansion of world trade volume was driven by an acceleration in the growth of world trade in manufactures. Preliminary data indicate that additional support was provided by a notable resumption of growth in world trade in agricultural products. These two developments more than offset a marginal decline in trade in mining products in 1987. The fact that world trade expansion last year was led by manufactures marks a sharp change from 1986, when mining products - mainly petroleum - provided the strongest stimulus (Table 1).

TABLE 1. - GROWTH IN THE VOLUME OF WORLD MERCHANDISE EXPORTS AND PRODUCTION BY MAJOR PRODUCT GROUP, 1960-1987

(Average annual percentage change)

	1960-70	1970-80	1980-87	1986	1987
EXPORTS					
Agriculture	4	4½	1½	-1	4
Mining	7	1½	2	7½	-1
Manufacturing	10½	7	4½	3½	5
All merchandise	8½	5	3	3½	4
PRODUCTION					
Agriculture	2½	2	2	1	-3
Mining	5½	2½	1	6	-½
Manufacturing	7½	4½	3	3½	4½
All merchandise	6	4	2½	3	3

In the past two years the volume of trade in mining products has been heavily influenced by sharp swings in the price of petroleum (petroleum and petroleum products account for about 60 per cent of the

value of world trade in mining products, and other fuels, whose prices are closely linked to the price of petroleum, for another 18 per cent). A decline in the world market price of petroleum of 50 per cent or more in 1986 stimulated petroleum consumption and, more importantly, induced stock-building as well as a substitution of imported petroleum for domestically produced fuels in many countries. These trends were slowed or reversed by the sharp recovery of petroleum prices last year.[1]

In the United States, and in countries whose currencies closely follow the dollar, the higher cost of fuels was readily apparent. In a number of other countries, such as Japan and those in Western Europe, the impact of the rise in the dollar price of petroleum was mitigated - or, in some cases, more than offset - by an appreciation of the domestic currency against the dollar. Currency appreciation in these countries also softened the impact on demand of the recovery of world market dollar prices for metals and several agricultural products which occurred in 1987.[2]

The volume of world trade in agricultural products is estimated to have increased in 1987 at the same 4 per cent rate as total merchandise trade. This was the strongest gain on a volume basis since 1981. In contrast, world agricultural output declined for the first time since 1950, by an estimated 3 per cent. This occurred against a background of continuing high levels of stocks in many areas.

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[1] In the first nine months of 1987, prices of petroleum imported into members of the International Energy Agency were about 40 per cent above the average level during the last nine months of 1986.

[2] In a recent report, the World Bank notes that in the second half of 1987 "there has been a continuation of the run-up in commodity prices, particularly base metals prices. The upswing appears to be partly an exchange rate effect, due to the depreciation of the US dollar, and partly the result of strong demand growth in the second half of the year in Japan, the United States and some industrializing developing countries." ("Half-yearly Revision of Commodity Price Forecasts", December 1987). According to the latest IMF estimates, world market dollar prices of several primary commodities increased in 1987: timber (46 per cent), non-food agricultural products (34 per cent), fats and oils (9 per cent), metals and minerals excluding fuels (19 per cent). In contrast, dollar prices of cereals and beverages were down 5 and 30 per cent, respectively.

Last year's decline in world agricultural output is partly due to lower world market prices, lower support prices, and supply control measures implemented for such products as cereals (for example, in the United States and Japan) and dairy products (for example, in the United States, the European Community and other countries in Western Europe). It also reflects the effects of adverse weather conditions, ranging from droughts in India and parts of Africa to floods in Bangladesh. In some countries, poor harvests led to increased purchases of food on world markets or additional flows of concessional trade (food aid).

A variety of other factors contributed to the growth of trade volume. For example, there was a further sizable increase of imports of a wide range of agricultural products into Japan. China increased its food imports substantially, in part to make up for the impact of a shift in domestic production from cereals towards meat production. Also, there was a noticeable increase last year in the world demand for such diverse agricultural products as wool, rubber and coffee (accounting, collectively, for about 10 per cent of the value of total world exports of agricultural commodities). Last but not least, in a variety of areas - including such important ones as cereals, dairy products, sugar and meat - sizeable export subsidies continued to affect world agricultural trade.

World trade in manufactures, which accounts for more than two-thirds of world merchandise trade, expanded by an estimated 5 per cent in volume terms last year. This was a substantial acceleration from the 3½ per cent increase recorded in 1986. World production of manufactures turned in nearly as impressive a performance, with last year's 4½ per cent increase a full percentage point above the 1986 increase.

Despite a slowdown in the volume of manufactured imports into the developed countries - due in large part to a slowdown in United States imports - those imports continued to expand more rapidly than world imports of manufactures. With developed countries purchasing

70 per cent of world imports of manufactures, it is clear that they were the driving force behind trade in manufactures last year.

Another key factor behind the faster growth in the volume of trade in manufactures was the rapid economic growth in a number of Asian developing economies. These economies have become not only significant sellers but also significant buyers of manufactures on world markets. For example, Hong Kong, the Republic of Korea, Singapore and Taiwan, as a group, accounted for 8 per cent of world exports and 5½ per cent of world imports of manufactures in 1986. Meanwhile, on-going industrialization in other developing areas has set them on the path of expanding exports and imports of manufactures.[1]

World trade in manufactures was also affected by the impact of price increases for petroleum and certain other commodities on the import demand of both net exporters and net importers of primary commodities. In particular, many economies which are specialized in exporting fuels or any of several non-fuel primary products benefitted from price increases which often outweighed any decline in export volume by a wide margin. In consequence, their foreign exchange situation either began to turnaround last year, or at least did not deteriorate to the same extent as in 1986. This allowed them to avoid a repeat of the sharp 1986 cut-backs of imports of manufactures.

Finally, the large movements in exchange rates which have occurred over the past three years left their stamp on the level - and regional pattern - of world trade not only in manufactures but also in agricultural and mining products. More on this below.

Regional trade developments

Data on recent trends in the volume of merchandise trade in each of the three major areas are given in Table 2. Five points are particularly noteworthy:

[1] See GATT Press Release 1419, 25 September 1987, pp.14-15.

- The developed countries' import demand remained the strongest force in world trade expansion, even though its growth slowed down.

- The growth of the volume of exports from the developed countries accelerated significantly.

- There was a sharp turnaround in the import demand of the developing areas, from a substantial decline in 1986 to an increase in line with the average expansion of world merchandise trade volume last year.

- The developing areas remained the most dynamic exporters in 1987, even though the rate of growth of their export volume slowed down.

- In volume terms, the trade performance of the Eastern trading area was relatively weak in 1987.

More generally, trade expansion in 1987 was more balanced across the three major areas than in the preceding year.

TABLE 2. - GROWTH IN THE VOLUME OF WORLD MERCHANDISE TRADE BY MAJOR AREA, 1986 AND 1987

(Percentage change over preceding year)

	Imports		Exports	
	1986	1987	1986	1987
Developed countries	8½	5	2	4
Developing areas	-8	4	9	6
Eastern trading area*	-2½	-1	5½	2½
World	3½	4	3½	4

*The Eastern trading area is composed of the East European countries, the USSR, China and other centrally planned economies in Asia.

Highly aggregated data such as those in Table 2 often conceal large differences in trade performance at the level of individual countries or particular groups of economies, and last year was no exception. As may be seen from the figures in Table 3, for example, the volumes of both exports and imports of four developing Asian economies, as a group, increased by more than one-fifth in 1987. This represented a further acceleration of what was already a dynamic export and import performance in the preceding year. In contrast, the combined export volume of the members of OPEC declined in 1987, in conjunction with the sharp recovery in the price of petroleum. Their import volume also declined, but at a less steep rate than in 1986.

TABLE 3. - GROWTH IN THE VOLUME OF WORLD MERCHANDISE TRADE BY SELECTED COUNTRIES AND ECONOMIC GROUPINGS, 1986 AND 1987

(Percentage change over preceding year)

	Imports		Exports	
	1986	1987	1986	1987
United States[a]	11	2½	0	11½
Germany, Fed. Rep.	6½	5½	1½	3
Japan	12½	7	-1½	-1½
Other developed countries	7½	6	4	4
Four Asian developing economies[b]	14	22	17	22
OPEC	-20	-12	10½	-2

[a]Estimates based on data from U.S. Department of Commerce, Bureau of the Census.

[b]Hong Kong, Republic of Korea, Singapore and Taiwan. Data for Hong Kong and Singapore include a significant amount of re-exports or imports for re-export.

Notable differences are also observable among the developed countries, with last year's export performance ranging from volume increases of 10 per cent or more (Norway, the United States, Ireland, Turkey) to a moderate decline in export volume (Japan). On the import side the differences were even more pronounced. Import volume expanded particularly rapidly in Portugal and Spain, the new members of the European Community. Preliminary data suggest that it declined significantly in Norway, Denmark and Australia.

Differences in trade performance among the developed countries were widely expected because of the large movements in exchange rates over the past three years. For an exchange rate change to affect a country's overall imports and exports, it must of course be a change in the real effective exchange rate. That is, in the case of a depreciation, (i) the depreciation must be against the currencies of the country's main trading partners, and (ii) the depreciation must exceed the difference between the domestic inflation rate and the inflation rates in the trading partners. Allowing time for the effects of a change in the real effective exchange rate to work themselves out, a depreciation is assumed to stimulate the volume of a country's exports, while an appreciation is expected to have the opposite effect.

Indeed, the data in Chart 2 suggest that recent changes in real effective exchange rates have had these effects.[1] In general, the countries in Chart 2 which experienced a real effective exchange rate depreciation reported a much stronger export performance (in volume terms) than did countries whose real effective exchange rate appreciated.[2]

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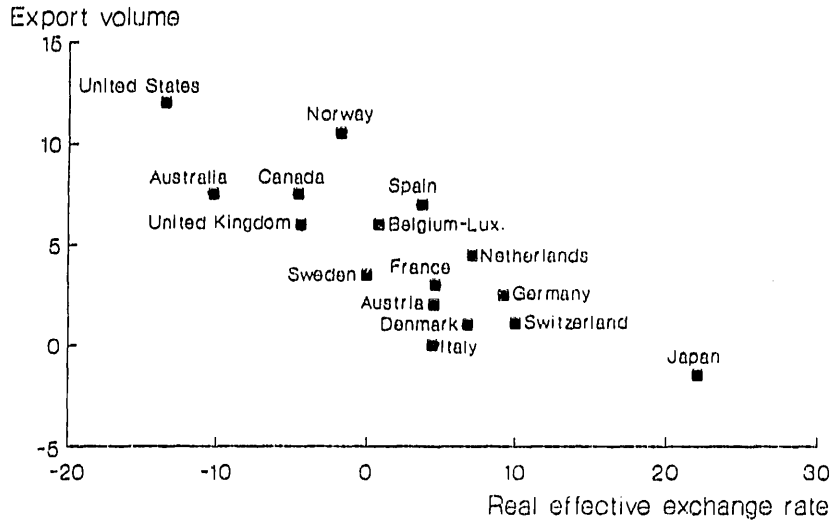
[1] For each country, the change in the real effective exchange rate reflects, on a trade-weighted basis, the movement of its currency against eighteen other industrial countries' and twenty-two developing areas' currencies, adjusted for differences in inflation between the home country and those same trading partners. Data are taken from Morgan Guaranty Trust Company, World Financial Markets. Chart 2 presents data for all industrial countries for which real effective exchange rates were available in this source.

[2] To put it somewhat more technically, if a regression line were fitted to the observations in Chart 2, it would have a negative slope; this indicates that, for the countries and time period covered in the chart, a depreciation in the real effective exchange rate was associated with an increase in export volume in the following year. Plotting the data on changes in export volume for 1987 over 1986 against the changes in the real effective exchange rates for the same period fails to reveal any systematic negative (or positive) relationship.

CHART 2 - CHANGES IN REAL EFFECTIVE EXCHANGE RATES AND IN MERCHANDISE EXPORT VOLUMES OF SELECTED INDUSTRIAL COUNTRIES
(Per cent)

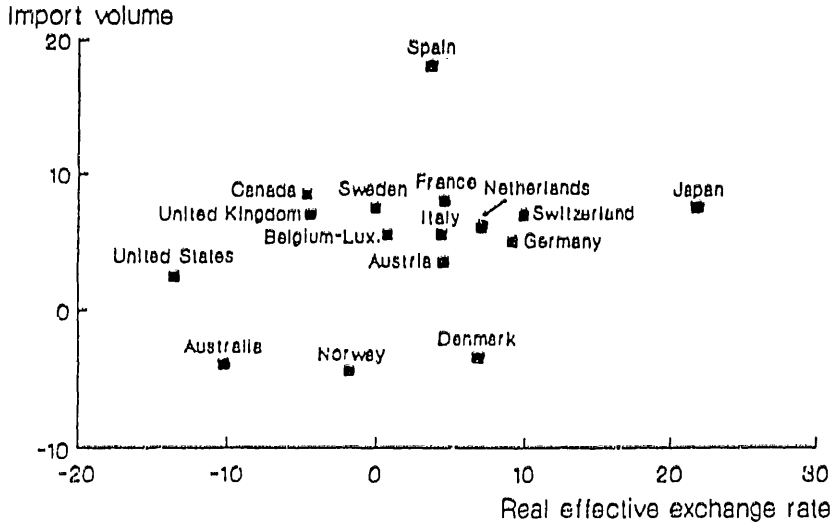


Note: Percentage changes in export volumes are 1987 over 1986; percentage changes in real effective exchange rate are 1986 over 1985. As far as changes in real effective exchange rates are concerned, a negative percentage change represents a depreciation and a positive percentage change represents an appreciation of the currency.

Conversely, a depreciation of the real effective exchange rate is assumed to dampen import volume because it increases the price competitiveness of domestic producers vis-à-vis foreign firms, not only abroad but also in the home market. However, as is evident from Chart 3, recent experience fails to reveal any readily apparent relationship between real effective exchange rates and import volumes. Rather, the import volume of countries with appreciating currencies such as the Federal Republic of Germany, Italy and the Netherlands increased

less, or at least not more, than in countries with depreciating currencies such as Canada and the United Kingdom.[1]

CHART 3 - CHANGES IN REAL EFFECTIVE EXCHANGE RATES AND IN MERCHANDISE IMPORT VOLUMES OF SELECTED INDUSTRIAL COUNTRIES
(Per cent)



Note: Percentage changes in import volumes are 1987 over 1986; percentage changes in real effective exchange rate are 1986 over 1985. As far as changes in real effective exchange rates are concerned, a negative percentage change represents a depreciation and a positive percentage change represents an appreciation of the currency.

[1] If a regression line were fitted to the observations in Chart 3, it would be more or less horizontal; this indicates that, for the countries and time period covered in the Chart, the effects of changes in real effective exchange rates on the volume of imports were dominated by other factors. The same picture emerges if the changes in import volumes are plotted against the changes in real effective exchange rates for 1987 over 1986.

There are a variety of reasons which could explain the absence of a straightforward relationship between real effective exchange rates and import volume. In particular, if a country whose real effective exchange rate has depreciated also experiences a strong expansion of domestic expenditure on consumption and investment, import demand is likely to remain strong despite the improvement in the competitiveness of domestic against foreign producers on the home market. An expansion of exports which depend heavily on imported inputs could have a similar effect. The opposite case would hold in a country whose real effective exchange rate appreciated at a time of weak domestic demand.

Other factors obviously could be at work. However, the evidence in Chart 3 - as well as the trade performance of the four Asian developing economies mentioned above - strongly suggests that in many countries demand conditions dominated the effects of changes in real exchange rates as far as import volume is concerned.[1]

These observations support the view that the exchange rate mechanism on its own is often not sufficient to bring about the changes in trade volumes needed to reduce a current account imbalance. Because this mechanism can be frustrated, particularly on the import side, by trends in domestic expenditure, orderly adjustment requires that exchange rate changes be supported by appropriate fiscal policies.[2]

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[1] As far as export performance is concerned, it is clear that, in addition to the real effective exchange rate, the level of world demand is a key determinant. This is not to deny, of course, that export volume can be affected by a variety of other factors, including the level of domestic economic activity.

[2] As has been stressed in previous GATT Secretariat's reports, a country's current account balance is determined by the relationship between national expenditure and national output (or, which amounts to the same thing, between investment and savings). The only way a particular action, such as an exchange rate change, can have a lasting impact on the current account balance is by altering the difference between national expenditure and national output (between investment and savings). Whether an exchange rate change by itself is likely to have such an effect is the subject of continuing debate among economists. For a more detailed explanation, see pp. 15-22 of GATT Press Release, 23 March 1987.

TRADE VALUE

The value of world merchandise exports increased by an estimated 15½ per cent in 1987 to a record $2450 billion (Table 4). This increase is primarily the result of three effects: (i) the previously mentioned 4 per cent increase in the volume of world merchandise exports; (ii) increases in the world market dollar prices of petroleum and several non-petroleum primary commodities; and (iii) a valuation effect caused by the continued appreciation of several major currencies against the dollar. The latter two effects continue to make it very difficult to judge, from value data alone, the impact of changes in trade flows on production and employment.

TABLE 4. - VALUE OF WORLD MERCHANDISE TRADE BY AREAS, 1986 AND 1987

(Billion dollars)

	Imports (f.o.b.)		Exports (f.o.b.)	
	1986	1987	1986	1987
Developed countries	1 478	1 744	1 476	1 709
Developing areas	420	474	414	489
Eastern trading area	221	232	229	252
World	2 119	2 450	2 119	2 450

Exports from the developing areas, as well as the exports and imports of the developed countries recorded above average gains in value last year. In the below average category are the imports of developing countries, and the trade of the Eastern trading area (Chart 4).

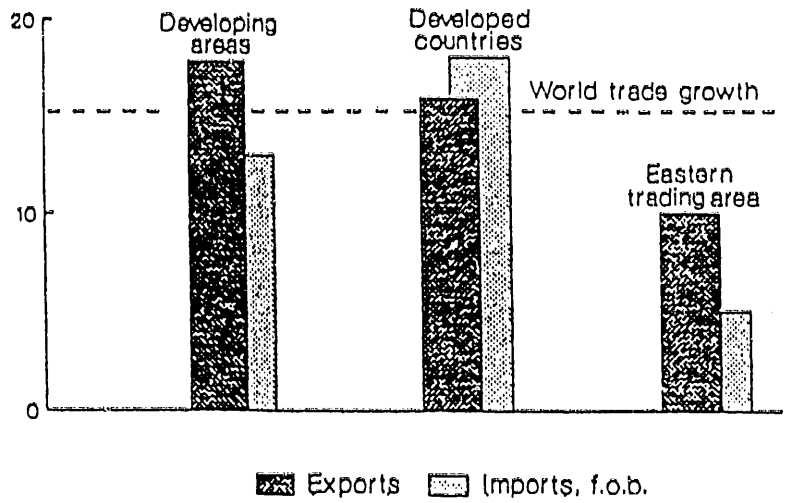
Developing areas

Following an absolute decline in 1986, exports from the developing areas were the fastest growing exports in dollar terms in 1987. Just as sharply lower oil prices and a decline in non-fuel

commodity prices had caused the decrease in the value of exports in 1986, the recovery of prices in 1987 accounts in part for the rise in export values last year.

CHART 4 - VALUE OF MERCHANDISE TRADE BY MAJOR AREA, 1987

(Percentage change over preceding year)



While exports from the members of OPEC showed the sharpest improvement between 1986 and 1987, the four major developing exporters in Asia continued to report particularly high rates of trade expansion (imports as well as exports) among the developing areas. Their combined exports (including substantial re-exports), which had surpassed OPEC's exports in 1986, came close to surpassing the aggregate exports of the other non-OPEC developing areas last year.

The developing areas' imports also recovered strongly in 1987. Although import growth remained below the expansion of total world trade, it came much closer to the world average than it did in 1986. The developing areas' combined trade balance (on a f.o.b.-f.o.b. basis) shifted from a small deficit in 1986 to a small surplus in 1987.

Fifteen heavily indebted countries

The value of the merchandise exports of fifteen heavily indebted developing countries, which had dropped to just below $100 billion in 1986, rose an es imated 10 per cent in 1987.[1] Their imports, roughly stable in the period 1984-1986, increased an estimated 7 per cent. Although their trade expanded less rapidly than world trade, the 1987 experience compares favourably with that in 1986, when merchandise imports and exports declined by 1 and 15 per cent, respectively.

The expansion of their combined exports in 1987 can be traced to three main factors: the sharp increase in world petroleum prices, which favoured the oil-exporters in the group, in particular Mexico; modestly higher metal prices, which helped to increase export earnings in countries such as Chile and Peru; and the outstanding performance of exports of manufactures from Brazil (mainly transport equipment) and Mexico. Since export growth was limited to a few countries while the value of imports increased for most of them, the majority of the heavily indebted countries recorded higher merchandises trade deficits or lower surpluses last year.

According to World Bank estimates, interest payments on public and publicly guaranteed long-term debt ranged between 5.5 per cent (Nigeria) and 34.7 (Argentina) of exports of goods and services in 1986. For the fifteen heavily indebted countries as a group, almost 19 cents out of each dollar earned from exports of goods and services were spent on interest payments in 1986, up from about 17 cents in 1985. For those highly indebted countries whose exports earnings did not expand

[1] The fifteen countries are: Argentina, Bolivia, Brazil, Chile, Colombia, Côte d'Ivoire, Ecuador, Mexico, Morocco, Nigeria, Peru, Philippines, Uruguay, Venezuela and Yugoslavia.

significantly, some further increase in this interest burden is expected to have occurred last year.[1]

Developed countries

The developed countries' merchandise exports and imports continued to grow faster than total world merchandise trade (Chart 4). In contrast to 1986, however, their imports increased more than their exports. This was largely due to the trade performance of Western Europe and Japan. In both cases the strength of import growth was the result not only of exchange rate and price developments but also of increased volumes.

Eastern trading area

The value of the Eastern trading area's trade increased at a rate well below the world average in 1987. This was particularly true of imports, reflecting the continued adjustment to lower export revenues from fuels and debt service requirements. Exports from China grew by about one-quarter in dollar terms in 1987, while imports remained nearly unchanged, with the result that its trade deficit narrowed sharply. There was a slowdown in the growth in the combined dollar value of exports from the USSR and Eastern Europe. This included a marked slowdown in the growth of the dollar value of their intra-area trade, resulting from both moderate economic growth in 1987 and a smaller appreciation of their currencies vis-à-vis the US dollar than had occurred in 1986.

Leading exporters and importers

The 15½ per cent gain in the dollar value of merchandise trade last year was widespread. All the leading economies in world trade shown in Table 5 reported increases in the value of their merchandise exports and imports in 1987. So did many other countries.

While trade expanded at different rates, the 1987 changes in world market shares and in the ranking of the leading exporters and importers

[1] See World Bank News, Vol.VII, No.3, January 1988, and World Debt Tables, 1987-88 Edition, Vol.II.

remained limited. In particular, most countries in Western Europe increased further their shares in the value of world exports and imports, as did the major developing exporters (and importers) of manufactures in Asia. Japan's share in world exports declined in 1987 while that of imports stagnated. Despite the partial recovery of oil and commodity prices in 1987, the shares of many countries exporting principally primary commodities continued to decline.

The large merchandise trade imbalances which characterized the world economy in 1986 were still evident last year. The United States merchandise trade deficit reached a new peak of $171 billion. Four major West European countries - the United Kingdom, Spain, France and Italy - reported an increase in their combined trade deficit from $34 billion in 1986 to $55 billion last year. A $14 billion increase brought the merchandise trade surplus of the Federal Republic of Germany to a new record high of $66 billion. The merchandise trade surplus of Japan, in contrast, declined moderately to $80 billion in 1987.

OUTLOOK

Current prospects for the world economy continue to be burdened by the third world debt problem, concern over exchange rate behaviour, seemingly chronic unemployment in many areas, protectionist pressures, and questions of when and how the large current account imbalances among the major trading nations will be reduced.

In attempting to anticipate developments in world merchandise trade in 1988, two additional considerations must be kept in mind. First, a high degree of uncertainty surrounds any "forecast" in a period when the orderly evolution of key factors in the world economy cannot be taken for granted. Second, account must be taken of the downward revisions of GNP growth estimates in a number of countries in the aftermath of the October stock market crisis.

Against this somber background must be set certain encouraging signs. First, damage to the confidence of consumers, as well as that of investors in plant and equipment, appears to have been less severe than

was forecast immediately after the stock market crisis. Second, some developments in the second half of last year point to an underlying strength in world trade.

Previous issues of this report have pointed to the asymmetric response to the sizeable changes in real exchange rates and energy prices which have occurred since 1985.[1] Those firms and countries which were adversely affected by the changes in these key relative prices appear to have responded more promptly than those who benefitted from more competitive exchange rates and lower energy prices. Developments in the second half of last year suggest that the trade-depressing effects of the large changes in exchange rates and petroleum prices since 1985 are giving way to the trade stimulating effects.

On a more general level, progress in the Uruguay Round has continued despite day-to-day trade frictions and persistent concerns over exchange rate fluctuations and trade imbalances. This itself is a fact making for confidence. If 1988 sees progress in reducing the large current account imbalances, there would be an added boost to investor confidence in the functioning of the world economy. Finally, mention should be made of the modest but encouraging developments in the situation of many of the heavily indebted developing countries, in particular their improved trade performance last year and the element of increased realism evident in recent deliberations on the debt problem.

Against this background, it appears likely that - barring either a further major upheaval in financial markets or a serious recession in the United States - world trade will grow at least as rapidly in 1988 as it did last year.

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[1] See GATT Press Releases 1409, 23 March 1987, p.5, and 1419, 25 September 1987, pp.3-6 and 25-27.

TABLE 5. - LEADING EXPORTERS AND IMPORTERS IN WORLD MERCHANDISE TRADE, 1987

(Billion dollars and per cent)

	Exports (f.o.b.)			Imports (c.i.f.)	
	Value	Share		Value	Share
World	2 450	100.0		2 550	100.0
Germany, Fed. Rep.	294	12.0	United States	424	16.6
United States	253	10.3	Germany, Fed. Rep.	228	8.9
Japan	229	9.3	France	159	6.2
France	149	6.1	United Kingdom	156	6.1
United Kingdom	133	5.4	Japan	149	5.8
Italy	115	4.7	Italy	123	4.8
USSR	108	4.4	USSR[a]	95	3.7
Canada	94	3.8	Netherlands	90	3.5
Netherlands	93	3.8	Canada[a]	89	3.5
Belgium-Luxembourg	83	3.4	Belgium-Luxembourg	85	3.3
Taiwan	54	2.2	Switzerland	50	2.0
Hong Kong[b]	49	2.0	Spain	49	1.9
Korea, Rep. of	47	1.9	Hong Kong[b]	49	1.9
Switzerland	46	1.9	China	44	1.7
Sweden	45	1.8	Sweden	42	1.7
China	40	1.6	Korea, Rep. of	41	1.6
Spain	34	1.4	Taiwan	35	1.4
Singapore[b]	29	1.2	Austria	32	1.3
Austria	27	1.1	Singapore[b]	32	1.3
Brazil	26	1.1	Australia	27	1.1
Total of above	1 948	79.5		1 999	78.4

[a] Imports f.o.b.

[b] Includes substantial re-exports or imports for re-export.

END