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TRADE OF DEVELOPING COUNTRIES IN PRIMARY COMMODITY TRADE

Note by the Secretariat

The present paper has been prepared by the secretariat in accordance with the established practice of supplying the Committee at each of its sessions with material on developments in commodity trade, to which the Committee has indicated that it attaches considerable importance in the context of its review of developments relevant to Part IV.

The attention of the Committee is invited, however, also to the UNCTAD Commodity Survey 1966, which is in preparation and should become available shortly and of which a summary has been issued as TD/B/C.1/23/Add.3.

Review of Trade of Developing Countries in Primary Products

I. MAIN FEATURES

1. Longer-term trends

This note examines the main changes and trends in developing countries' export proceeds and their commodity pattern since 1953. As the supply and demand situation for a number of important commodities exported by developing countries, especially as reflected in price movements, varied considerably between the second half of the 'fifties and the first half of the 'sixties, it appeared useful to treat these two periods separately. It may be recalled that up to the mid-fifties the market was still influenced by factors linked with the post-war shortages.

The growth in developing countries' total export earnings accelerated markedly since 1959. Whereas between 1953-54 and 1959-60 they had risen by less than one fifth, the increase between 1959-60 and 1965 reached almost 40 per cent, or \$10 billion (see Table 1).

TABLE 1

Value of Exports from Developing Countries and Their
Share in World Trade
(Billion dollars f.o.b. and percentages of world exports)

	1953-54	1959-60	1965 (provisional)
All commodities	21.59	26.56	36.56
of which: Primary products	19.78	24.14	32.18
(incl. non-ferrous metals)			
Manufactured goods	1.65	2.24	4.21
Share of developing countries in world exports	26.8	22.2	19.9

Sources: Various issues of GATT International Trade and UN Monthly Bulletin of Statistics.

Already during the first period, the growth of exports of manufactured goods was significantly higher than that of primary products.¹ In the early 'sixties this tendency became more pronounced: exports of manufactures almost doubled while

¹Including non-ferrous metals.

those of primary products rose by about one third only. In spite of this spectacular increase, however, manufactured goods still represent a relatively small part of developing countries exports, their value amounting in 1965 to slightly over \$4 billion as compared with \$32 billion for primary products.¹

In spite of the acceleration in the early 'sixties, exports of developing countries have continued to lag behind the expansion in world trade. Their share in world exports, which had declined from 27 per cent in 1953-54 to 22 per cent in 1959-60, fell further to less than 20 per cent in 1965. The decline was the combined result of two developments. First, world trade in primary commodities, which comprise almost 90 per cent of developing countries' exports expanded at a much slower rate than that in manufactures. Secondly, in the trade in primary commodities itself, developing countries tended to lose ground as compared with other suppliers. In the early 'fifties developing countries had accounted for about half of world exports of primary commodities; in 1965 their share fell to 40 per cent.

The slower growth of primary commodities as compared with manufactures in world trade

It is well-known that increases in demand for primary commodities tend to lag behind those for manufactures, especially in high income countries. Income elasticity of demand is generally much lower for foodstuffs and clothing than for other consumer goods. The input of raw materials per unit of value added in manufacturing as a whole tends to decline owing to technological improvements resulting in material saving and the relatively faster growth of industries, such as engineering and chemicals, whose products have a lower content of raw materials. Moreover, man-made raw materials replace natural products on an increasing scale. World output of primary products increased much slower than that of manufactures in both periods under examination (see Table 2).

¹ Although this paper limits itself to primary commodities it has, nevertheless, to be borne in mind that the growth in exports of primary commodities and of manufactures is to some extent inter-related. The bulk of manufactures exported from developing countries still consists to a large extent of processed raw materials, especially textiles. The much faster growth of exports of manufactures thus reflects, at least partly, a shift from the raw to the processed products.

TABLE 2

Development of World Production and Trade Between 1953-54 and 1965,
Primary Products and Manufactured Goods
(Percentage changes)

	1959-60 over 1953-54	1965 over 1959-60
<u>World exports</u>		
Value - primary products	28	37
Value - manufactured goods	76	69
Unit value - primary products	- 8	4
Unit value - manufactured goods	4	4
Volume - primary products	39	32
Volume - manufactured goods	69	63
<u>Volume of world production</u>		
Agriculture	20	12
Mining	35	34
Manufacturing	45	46

Note: The trade data for primary products underlying the above percentages refers to SITC sections 0 to 4 and groups 682 to 689, i.e. include food, beverages and tobacco, raw materials (natural and synthetic) fuels, and non-ferrous metals; those for manufactured goods include commodities classified in SITC sections 5 to 8 excluding groups 682 to 689. The export unit value index combines two index numbers series calculated by the United Nations Statistical Office: (i) unit value index for primary products and manufactured goods which however, includes non-ferrous metals in the latter commodity class and (ii) price index for non-ferrous metals. While the former index is based on export unit values, the latter one is calculated from price quotations which of course do not always truly reflect price variations representative for all the quantities traded internationally. It is therefore possible that the rise of 37 per cent shown by the index for non-ferrous metal prices between 1959-60 and 1965 overstates the actual increase in world export unit value of non-ferrous metals and consequently affects the value of the index for all primary products. The original United Nations unit value index shows the following development:

	<u>1959-60</u> <u>1953-55</u>	<u>1965</u> <u>1959-60</u>
Primary products (excl. non-ferrous metals)	- 8	+ 2
Manufactured goods (incl. non-ferrous metals)	+ 5	+ 6

Sources: Various issues of GATT International Trade and UN Monthly Bulletin of Statistics.

Furthermore primary commodities experienced not only a slower growth in volume but also less favourable prices than manufactures. Between 1953-54 and 1959-60 export unit value of primary products fell by 8 per cent while that of manufactured goods rose by about 4 per cent. Between 1959-60 and 1965, export unit values of both primary products and manufactures increased by about 4 per cent. For primary products this improvement largely reflected the sharp rise in prices of non-ferrous metal. If the latter were excluded, prices of primary products in relation to manufactured goods would have shown a further deterioration.

Developing countries' falling share in world exports of primary commodities

Since the war there has been a continuous lagging of developing countries' export proceeds from primary products behind those of developed countries. Between 1953-54 and 1965 exports of primary products by developed countries almost doubled in value whereas developing countries' shipments rose only by 62 per cent. The Eastern Trading Area also recorded a faster growth in exports of these products than developing countries, although the rate of growth became lower after 1959-60 owing to the decline in exports from Mainland China.

The evolution of trade in primary commodities taken as a whole conceals significant divergencies between different groups of commodities. During the whole period developing countries' exports of minerals and non-ferrous metals expanded rapidly. The value of fuels rose by 130 per cent and that of ores and metals by more than 90 per cent. The growth in fuel exports was at an even pace throughout the period, while for non-ferrous metals it was more pronounced in the early 'sixties. For these products, and more particularly for fuels, export proceeds of developing countries expanded more rapidly than those of developed countries (see Table 3). As will be shown in greater detail below, in the case of fuels and iron ore the rapid growth in exports from developing countries reflects an improved competitive position of developing countries; in the case of non-ferrous ores and metals it resulted mainly from the sharp upsurge in prices of copper and tin.

The declining share of developing countries in world exports of primary products is thus due to the sluggish growth of their exports of agricultural commodities. Although the value of these exports grew somewhat faster between 1959-60 and 1965 than in the late 'fifties, it still lagged far behind the expansion recorded by developed countries. Developing countries' proceeds from exports of agricultural products (including fishery and forestry products)¹ rose by less than one tenth between 1953-54 and 1959-60 and less than one quarter between 1959-60 and 1965, while those of developed countries increased by 32 and 45 per cent respectively.

¹As shown below, fishery and forestry products exported by developing countries increased much faster than the average.

The slower growth in value terms of developing countries' agricultural exports as compared with those from developed countries was caused not only in the 'sixties by the smaller increase in volume, continuing the trend discernable already during the 'fifties, but also to a less favourable development in prices.

TABLE 3

Development of Value, Price and Volume of Exports of Primary Commodities¹ from Developing and Developed Countries
(Percentage changes)

	Developing countries		Developed countries	
	1959-60 over 1953-54	1965 over 1959-60	1959-60 over 1953-54	1965 over 1959-60
<u>Value of exports</u>				
All primary products	+22	+33	+35	+43
of which:				
Agricultural products ²	+ 9	+23	+32	+45
Ores ³ and non-ferrous metals	+34	+44	+77	+38
Fuels	+52	+49	+10	+33
<u>Unit value of exports</u>				
All primary products	-12	+ 1	- 7	+ 8
of which:				
Agricultural products ²	- 9	- 1	-10	+ 6
<u>Volume of exports</u>				
All primary products	39	32	45	32
of which:				
Agricultural products ²	20	24	47	37

¹Including non-ferrous metals.

²SITC sections 0, 1, 2 and 4 excluding division 28.

³Including iron ore.

Sources: Various issues of GATT International Trade; UN Monthly Bulletin of Statistics.

Between 1953-54 and 1959-60, the price fall had been of a similar magnitude, of 9-10 per cent, for agricultural exports from both developing and developed countries. Between 1959-60 and 1965, however, prices of developing countries' agricultural exports declined by 1 per cent, while those of developed countries recovered by about 6 per cent. This would suggest, *inter alia*, a less favourable overall demand for agricultural products exported by developing countries relatively to those exported by developed countries.

The sluggish growth in the value of agricultural exports from developing countries and the less favourable movement in the prices of their exports compared with those of the developed countries appear to be the result of a number of factors related not only to the agricultural support policies and the obstacles to trade of developed countries, but also to the differences in the commodity composition between the agricultural exports of developing and developed countries. Further, in developing countries agricultural production tended to grow only slowly, especially if related to the growth in population: output per head, after an increase by 5 per cent between 1953-54 and 1959-60, actually declined between 1959-60 and 1965.

Import demand in developed countries was held back by the growth in domestic production, which was stimulated for a wide range of agricultural products by support prices and various protective measures. For some commodities, e.g. coarse grains, meat and oilseeds, internal demand out-stripped the increase in domestic production, whereas for others, e.g. wheat and sugar, the degree of self-sufficiency increased in most importing industrial countries. Developing countries were particularly affected in the case of sugar.

For oilseeds and vegetable oils, rice, wheat and coarse grain there was a steady growth in world demand during the first half of the 'sixties. The fact that world demand tended to expand faster than production is evidenced by the recovery of prices since 1959-60.¹ Export earnings of developing countries from these products increased substantially between 1959-60 and 1965, but the marked expansion of world markets benefited much more the developed than the developing countries. In developed countries, particularly in North America, production increases exceeded the rise in domestic consumption and net exports showed a rapid growth which was only partly due to the drawing on stocks. In developing countries, however, consumption grew faster than production, which hardly kept pace with the population growth and for some commodities even lagged behind it during the first half of the 'sixties. While imports into developing countries were increasing fast, their exports rose only moderately. Part of the increase in developing countries' imports was accounted for by non-commercial deliveries, these were not hampered by the import restrictions which developing countries often imposed for balance-of-payments reasons.

¹ During 1959-60, stocks of wheat and coarse grain accumulated in the exporting countries tended gradually to decline to normal levels.

A number of commodities which accounted for a large share in the exports of developing countries faced the slowest growth in world demand. Against the background of a highly inelastic demand for tropical beverages in developed countries, the pressure from the supply side continued during the first half of the 'sixties adversely to influence prices. In the case of coffee, the operation of the International Coffee Agreement had the effect of maintaining prices of a stable level in 1965. Exports of agricultural raw materials showed a decline in value between 1959-60 and 1965. This largely reflected, apart from the relatively low income elasticity of demand for textiles in developed countries, the rapid growth of supplies of man-made fibres. Therefore, for the natural products a slow growth in the volume of exports was generally accompanied by a fall in prices.

By contrast, the commodity groups with the highest income elasticity of demand, such as fresh fruit and meat, are those traded mainly among developed countries. For these products not only did the volume of trade grow substantially but prices generally showed an upward trend. The developing countries share in world markets was, however, relatively small, and they benefited only to a limited extent from the high prices. The importance of fresh fruit and meat in developed countries' exports also helps to explain the rise in the overall price level of their agricultural exports between 1959-60 and 1965.

In other words, apart from the adverse effects of the protective measures in certain developed countries, the shifts in demand have tended to favour temperate-zone products much more than tropical foodstuffs and agricultural raw materials. Moreover, in the expanding markets of the Eastern Trading Area and of developing countries themselves, most of which have to face acute foreign exchange problems, the need to import basic foodstuffs like grain, oilseeds and vegetable oils, and livestock products, has priority over imports of tropical beverages or agricultural raw materials.

2. Developments in 1966

Fragmentary information available for 1966 suggests that the discrepancy between rate of growth of world trade and that of exports of developing countries has somewhat narrowed. During the first half of 1966 developing countries' export earnings increased by slightly more than 9 per cent over the level obtaining in the corresponding period of the previous year, whereas world trade rose by 11 per cent. As prices, on the whole, showed little change the growth in value reflected a substantial rise in volume.

As regards the commodity composition of exports from developing countries, some indications can be obtained from an examination of their exports to industrial countries. As can be seen from Table 4 industrial countries' imports of manufactures from developing countries rose by 18 per cent in the first half of 1966 over the level in the corresponding period in 1965 which was again much

faster than those of primary products for which the rise was by 7 per cent. Agricultural commodities recorded an increase of about one tenth mainly on account of substantial increases in tropical beverages, meat and live animals, oilseeds and vegetable oils, fibres and timber. The value of industrial countries' imports of fresh fruit originating in developing countries showed hardly any increase, while those of grains and rubber declined. Ores and non-ferrous metals, taken together, rose by 9 per cent, and fuels by 3 per cent.

TABLE 4

Changes in Import Values of Ten Industrial Countries¹ from all Origins
and from Developing Countries between the First Half of 1965
and the First Half of 1966
(Percentage changes)

	World	Developing countries
<u>All commodities</u>	<u>13</u>	<u>8</u>
of which:		
<u>Primary commodities</u>	<u>10</u>	<u>7</u>
of which:		
<u>Agricultural commodities²</u>	<u>12</u>	<u>10</u>
of which:		
Live animals and meat	9	15
Grains including rice	10	-4
Fresh fruit	8	2
Sugar	-2	-
Coffee, cocoa and tea	15	15
Oilseeds, oils and fats	16	8
Rubber (including synthetic)	29	-3
Fibres	11	25
Timber	7	20
<u>Ores and non-ferrous metals</u>	<u>14</u>	<u>9</u>
<u>Fuels</u>	<u>5</u>	<u>3</u>
<u>Manufactures</u>	<u>16</u>	<u>18</u>

¹United States, Japan, EEC, United Kingdom, Sweden.

²SITC sections 0, 1, 2 and 4 less groups 281 and 283.

Source: OECD, Commodity Trade, series B, C.

The table in the appendix shows the divergent price movements for the different primary commodities exported by developing countries.

II. INDIVIDUAL PRODUCTS

I. Agricultural commodities

The overall growth in the value of developing countries' exports of agricultural, forestry and fishery products conceals sharply contrasting movements between these three sub-groups. Forestry and fishery products experienced growth rates by far exceeding the average of 9 per cent in value terms between 1953-54 and 1959-60 and of 23 per cent between 1959-60 and 1965. The fast expansion in forestry products was due to the strong demand in developed countries; there was a steady growth in the volume of exports of developing countries - interrupted only in certain years by a cyclical levelling off in import demand - at generally stable prices. The rapid growth in fishery products reflected not only the rather high income elasticity of demand for fish and crustaceans in developed countries, but also the growing requirements for fishmeal as a valuable feeding stuff¹, particularly in Western Europe and Japan.

For agricultural commodities (excluding forestry and fishery products) the value of developing countries' exports, which had shown practically no increase between 1953-54 and 1959-60, registered only a slow rise between 1959-60 and 1965. These commodities may be divided into six broader groups; (i) tropical beverages, supplied almost exclusively by developing countries; (ii) sugar; (iii) oilseeds and vegetable oils; (iv) rice and other grains; (v) fruit and meat; (vi) agricultural raw materials.

(i) Tropical beverages: Coffee, cocoa, tea are produced almost entirely in developing countries and have common characteristics also on the demand side. Consumption is heavily concentrated in developed areas, where the income elasticity of demand for these products is in general low. In the principal markets of these products, the level of consumption per head often approaches saturation point (notably coffee in the United States and tea in the United Kingdom). Consumption continued therefore to rise only slowly during the first half of the 'sixties, except in the case of cocoa for which, however, a faster rise in consumption was possible only through a severe fall in prices. In the Eastern Trading Area, consumption grew rapidly in recent years, but the level of per head consumption is still very low, especially for coffee; therefore, in absolute terms this area's contribution to the growth of world consumption was only limited. Only in the case of tea does consumption in developing countries play a relatively important rôle. Tea consumption, which rose by about 20 per cent between 1959-60 and 1965 in developing areas as a whole, and the increase was concentrated in the producing areas; in the importing developing countries there was hardly any increase in consumption.

¹For an examination of longer-term trends in world trade of feeding stuffs see GATT International Trade 1964, pages 30-33.

Against the background of the sluggishness of world demand, the faster growth in supplies has led to a pronounced downward movement in prices. During the second half of the 'fifties, the sharp rise in production induced by the high prices prevailing around 1953-54 had caused prices of coffee and cocoa to fall by 40 and 25 per cent respectively, more than offsetting the growth in the volume of exports. As a result, between 1953-54 and 1959-60 export earnings from coffee had declined by one fifth and those of cocoa by 12 per cent. During the same period exportable supplies of tea had expanded only slowly and prices remained stable; export earnings of tea registered a very slight increase (see Table 5).

During the first half of the 'sixties a relative improvement in export earnings occurred only in the case of coffee. After the record crop of 1959/60, production was lower in each of the subsequent seasons and even declined sharply in 1964/65. Although exportable supplies had remained ample, due to the accumulation of stocks in producing countries, prices recovered in 1964. In spite of the much bigger crop of 1965/66, the price gains made during the preceding year were on the whole well maintained in 1965, largely due to the reduction in export quotas under the International Coffee Agreement. Reflecting the recovery in prices, export earnings from coffee were in 1965 by about 8 per cent higher than in 1959-60. In 1966, especially after the second quarter, prices of some types of coffee, particularly those of arabicas, tended to weaken.

TABLE 5

Value of Exports of Selected Agricultural Commodities from Developing and Developed Countries 1953-54, 1959-60 and 1965¹

	Developing countries			Developed countries		
	Percentage change over previous period		Value 1965 (billion dollars)	Percentage change over previous period		Value 1965 (billion dollars)
	1959-60 over 1953-54	1965 over 1959-60		1959-60 over 1953-54	1965 over 1959-60	
Coffee	-21	8	2.12	-	-	-
Cocoa	-12	-15	0.46	-	-	-
Tea	6	4	0.62	-	-	-
<u>Sub-total tropical beverages</u>	<u>-15</u>	<u>3</u>	<u>3.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sugar	17	35	1.42	3	70	0.39
Oilseeds and vegetable oils	4	31	1.35	93	62	1.29
Rice	-14	38	0.59	-24	114	0.27
Wheat	-46	120	0.38	16	101	2.82
Coarse grains	-17	52	0.32	38	125	1.31
<u>Sub-total rice and other grains</u>	<u>-24</u>	<u>59</u>	<u>1.29</u>	<u>18</u>	<u>108</u>	<u>4.40</u>
Bananas	20	7	0.34	-	-	-
Citrus fruit	26	25	0.16	4	8	0.24
Beef and veal	156	70	0.38	114	91	0.63
<u>Sub-total above fruit and meat</u>	<u>58</u>	<u>32</u>	<u>0.88</u>	<u>50</u>	<u>58</u>	<u>0.87</u>
Cotton	-18	16	1.18	27	-32	0.62
Wool	-28	-7	0.24	-3	-	1.30
Jute	-	36	0.23	-	-	-
Hard fibres	33	-16	0.13	50	-	0.01
Rubber	79	-26	1.01	-	-	-
<u>Sub-total above agricultural raw materials</u>	<u>12</u>	<u>-6</u>	<u>2.79</u>	<u>8</u>	<u>-13</u>	<u>1.93</u>
<u>Total above agricultural commodities</u>	<u>-1</u>	<u>13</u>	<u>10.92</u>	<u>22</u>	<u>50</u>	<u>8.88</u>

¹Data for 1965 are provisional.

Sources: UN Commodity Survey 1962; FAO Commodity Review 1966 and State of Food and Agriculture 1966; UN Commodity Trade Statistics various issues; OECD Commodity Trade series B; OCDE Agricultural and Food Statistics 1952-1963.

In the case of cocoa, output continued to expand strongly during the first half of the 'sixties. A particularly heavy crop in 1964/65, one quarter larger than in the preceding season, caused prices to fall further sharply in 1965, when their level was 40 per cent lower than in 1959-60. This price fall more than outweighed the substantial increase in the volume of exports and export earnings thus fell between 1959-60 and 1965 by 15 per cent, i.e. even faster than during the second half of the 'fifties. During the first nine months of 1966 prices of cocoa tended to recover from their low level of the preceding year. Export earnings from tea showed hardly any increase during the first half of the 'sixties, the slight increase in volume being accompanied by somewhat lower prices. In 1966 prices of tea showed in general a slight downward trend.

For tropical beverages considered together, the excess of supplies over demand was less pronounced during the first half of the 'sixties than during the second half of the 'fifties and the operation of the International Coffee Agreement contributed to maintaining coffee prices relatively stable in 1965 (see Table 6). Nevertheless, the downward movement in export earnings from developing countries was merely halted, rather than reversed to any significant extent, between 1959-60 and 1965. The fact that export proceeds from this group of commodities failed to increase had an important impact on the overall growth of agricultural commodities exported by developing countries. Even at the lower prices of 1965, exports of tropical beverages amounted to an aggregate value of \$3.20 billion, remaining the most important commodity group, accounting for almost 30 per cent of all agricultural exports.

TABLE 6

Changes in Unit Values of Agricultural Commodities Exported by
Developing Countries Between 1953-54 and 1965¹

	Percentage change over previous period	
	1959-60 over 1953-54	1965 over 1959-60
Coffee	-41	7
Cocoa	-24	-41
Tea	3	-8
Sugar	-3	22
Oilseeds and vegetable oils	-10	11
Rice	-34	19
Wheat	-31	-
Coarse grains	-20	13
Bananas	-14	-6
Citrus fruit	7	10
Beef and veal	30	26
Cotton	-23	-2
Wool	-26	-14
Jute	14	7
Hard fibres	2	-10
Rubber	56	-35

¹Data for 1965 are provisional.

Sources: UN Commodity Survey 1962; FAO Commodity Review 1966 and State of Food and Agriculture 1966.

(ii) For sugar the bulk of world exports originates, as for tropical beverages, in developing countries, but they have to compete with production in developed countries and in the Eastern Trading Area.

Demand for sugar in developed countries has a relatively low income elasticity and consumption in these areas tends to expand only slowly. As, furthermore, production increased roughly parallel to consumption, net imports into developed areas rose only slowly between 1953-54 and 1959-60. There was a more rapid growth of imports into the Eastern Trading Area where consumption increased at a faster rate. This area absorbed a large share of Cuban exports beginning with 1960. Finally, in developing areas consumption showed a substantial growth of about 30 per cent, about as rapid as the expansion in production, between 1953-54 and 1959-60. Already during this period world supplies tended to outrun demand in certain years and prices showed a downward trend. The decline in prices was however only small so that, as the volume of exports was on the whole expanding, export earnings registered a gain of 17 per cent.

Since the early 'sixties the world sugar market has passed through two different and sharply contrasting phases. As a result of poor European sugar beet crops and a drastic reduction in Cuban output in 1961/62 and again in 1962/63, the situation of an excess of supplies over demand changed gradually to one of acute shortages and an upsurge in prices. In 1963 the world market price of sugar (as calculated by the International Sugar Council) averaged \$182 per ton, three times more than for the whole of 1962. However, the "world" market price applies only to part of world trade, more than half of which is governed by special bilateral arrangements at prices which in 1963 remained below the world market price. The average unit value of sugar exported from developing countries increased therefore less than the "world" market price.

The high prices prevailing in 1963 induced many countries to increase the area planted. This factor and more favourable weather conditions resulted in a rapid increase in sugar output. The fastest rise took place in the Eastern Trading Area and in developed countries where production increased by about 50 and 40 per cent respectively between the late 'fifties and 1964/65; the growth of production in developing areas was of about one quarter. In developed areas the production growth outstripped significantly the rise in consumption and net imports tended to decline.

Owing to the impressive rise in production, the level of stocks almost doubled between the beginning and the end of the 1964/65 season and "world" market prices, which had already fallen substantially in 1964, to \$126 per ton, continued to drift downward in 1965. For the year as a whole the price calculated by the International Sugar Council did not average more than \$44 per ton. This level is not only below that of 1962, but also the lowest since 1941, and far below average costs of production in the most efficient producing areas. During the first nine months of 1966 "world" market prices tended to weaken further.

However, due to the higher prices ruling in special arrangements which in 1964 remained slightly and in 1965 significantly above the level of world market prices, average export unit values of sugar exports from developing countries declined in 1965 much less than the "world" market prices and remained even substantially above those preceding the period of high prices of 1963. As a result, export earnings of developing countries rose by about one third between 1959-60 and 1965. However, this increase has to be largely attributed to the temporary price upsurge of 1963 which, with some time-lag, still affected export earnings in 1965. They do not fully reflect the present supply/demand situation and the very depressed level of the "world" market price prevailing after mid-1965.

(iii) Oilseeds and vegetable oils exported by developing countries are in competition on world markets with supplies by developed countries and the Eastern Trading Area. An important part of production is consumed in the developing countries themselves, an increasing number of which are also importers of vegetable oils.

Exports of oilseeds and vegetable oils from developing countries, consisting largely of tropical products such as groundnuts, coconut, palm kernel and their oils and palm oil are in competition not only with temperate zone oilseeds and vegetable oils, in particular soyabeans, rapeseed, sunflower seed and their oils and olive oil, but also with animal fats and marine oils. Since the mid-fifties demand for oilseeds in the main importing areas, Western Europe and Japan, has tended to grow rapidly reflecting mainly the fast increasing demand of oilcake and meal for their expanding livestock production. This favoured especially oilseeds with a high oilcake content, in particular soyabeans. Demand for vegetable oils was expanding more slowly in the high income countries of North Western Europe. Although there was a faster increase of demand in the European Mediterranean countries and Japan, the volume of imports of vegetable oils into developed areas as a whole tended to rise only slowly. Nevertheless, if oilseeds - for which the volume of imports expressed in cake equivalent increased much faster than if expressed in oil equivalent - and vegetable oils are considered together there was a steady and fairly rapid growth in the volume of imports into developed countries during the second half of the 'fifties as well as during the first half of the 'sixties.¹

At the same time there was a pronounced growth of demand for vegetable oils in the developing countries on behalf of the increase in population and the high income elasticity of demand. With consumption increasing rapidly, Eastern Europe and the Soviet Union were also an expanding market for oilseeds and

¹ For a closer examination of long-term trends on the oilseeds and vegetable oils market see GATT International Trade 1965, pages 39-60.

vegetable oils, although net imports into this area after having grown rapidly during the second half of the 'fifties, mainly on behalf of growing imports from Mainland China, tended to level off in the first half of the 'sixties.

Various groups of exporters shared very unevenly in the expansion of world markets. In North America, where production of fats and oils increased by more than one half between 1953-54 and 1965, i.e. at a more rapid pace than consumption, exports more than doubled during this period. This reflected mainly an almost four-fold increase in exports of soyabeans to Western Europe and Japan and a similar rise in exports of soyabean oil, consisting largely of non-commercial deliveries, to developing countries; exports of animal fats increased less rapidly, while those of cottonseed and cottonseed oil slightly declined.

By contrast, in developing countries production of oilseeds and vegetable oils rose more slowly, at roughly the same rate as population. Gross exports expanded nevertheless, but only slowly; for the whole period between 1953-54 and 1965 the growth was less than one fifth and took place mainly between 1959-60 and 1965. As gross imports were increasing rapidly, net exports tended to decline slightly both during the second half of the 'fifties and the first half of the 'sixties. The share of developing countries in world exports of fats and oils, after having declined from slightly more than one half in the mid-'fifties to about 45 per cent in 1959-60, fell further to 42 per cent in 1965.

Price movements followed two distinct phases. During the 'fifties and up to 1962 prices of oilseeds and vegetable oils declined sharply. This was due not only to the fact that supplies of oilseeds and vegetable oils, in particular those of soyabeans and soyabean oil, tended to grow faster than demand, but also to the ample supplies of animal fats and marine oils. After 1962, exportable supplies of tropical oilseeds and their oils continued to rise only sluggishly and the growth in production of soyabeans was temporarily checked in 1962/63 and again in 1964/65; moreover supplies of animal fats and marine oils tended to level off. As demand continued to grow, prices of oilseeds and vegetable oils recovered significantly, by nearly one fifth, between 1962 and 1965, when they reached a level only slightly below that of 1953-54. A weakening tendency is, however, discernable in the course of 1966.

Export earnings of developing countries from oilseeds and vegetable oils registered hardly any increase between 1953-54 and 1959-60. Between 1959-60 and 1965, however, they expanded by 30 per cent under the combined impact of the growth in the volume of exports and the rise in prices.

(iv) Rice and other grains: developing countries are the main suppliers of rice, although exports from developed countries have been gaining in importance in recent years. Developing countries are also the main market for this commodity. Not only has consumption of rice grown steadily in the traditionally rice-consuming countries of the Far East, but there has also been a rapid growth of consumption in Africa and Latin America. Japan is the principal market among the developed countries; net imports into this country, after having fallen sharply between the mid-'fifties and the early 'sixties had tended to recover substantially in recent years as a consequence of a continued upward trend in consumption and declining domestic production.

As in the case of oilseeds, rice exports from developed and developing countries have moved at widely divergent rates. Between 1953-55 and 1965, production in North America rose faster than consumption and exports consisting largely of non-commercial shipments to developing countries, almost trebled. In the developing areas, production rose only slightly faster than population during the second half of the 'fifties and at a lower pace than population, during the first half of the 'sixties; gross exports have increased slowly, notably between 1959-60 and 1965, while imports have expanded rapidly. As a result, net exports declined from 1 million tons in 1953-54 to 0.2 million tons in 1965.

Prices of rice, after having reached a relatively high level during the early 'fifties reflecting the shortage of supplies, declined sharply during the second half of the 'fifties; in 1959-60 they were by about one third lower than in 1953-54. During the first half of the 'sixties, however, prices tended to recover substantially due to the slow growth in exportable supplies in developing countries and the steady growth of demand in these countries and in Japan. During the first nine months of 1966 prices of rice strengthened further. Export earnings from rice of developing countries reflected the contrasting movement in prices in the two periods. Between 1953-54 and 1959-60 these export earnings fell by about 15 per cent, the fall in prices being only partly offset by the rise in volume, whereas between 1959-60 and 1965 they expanded by about 30 per cent.

In the case of wheat and coarse grain the largest share of world exports originates in developed countries. Like oilseeds and rice, however, they constitute important food items in developing countries, where an important part of production is consumed domestically; these countries also represent a sizeable share of the world import market, especially for wheat.

In Western Europe, demand for wheat for human consumption tended to rise only slowly with rising incomes. As the rise in production has outpaced the increase in consumption, net imports have declined since the mid-'fifties, for example from 13 million tons in the mid-'fifties to 12 million tons in the mid-'sixties. During the same period, by contrast, developed countries' imports of coarse grain has more than doubled reaching almost 30 million tons in 1965, the growth in requirements for their expanding livestock production outpacing the rise in domestic production.

Countries of the Eastern Trading Area, which during the 'fifties imported only small quantities of grain from third countries, became gradually an important market, especially for wheat, during the first half of the 'sixties. This area's imports of wheat averaged 15 million tons during the two seasons 1963/64 and 1964/65, mainly as a consequence of the gap between domestic crops and requirements in the Soviet Union and Mainland China.

In developing countries production of wheat and coarse grains has increased slowly, less rapidly than population during the second half of the 'fifties and at a slightly faster rate than population in the first half of the 'sixties. Consumption has been rising faster than production and gross imports have tended to grow very rapidly, partly on account of deliveries under Government programmes from the United States, reaching 25 million tons in 1964/65. Gross exports from developing countries, which had failed to increase during the second half of the 'fifties, expanded sharply during the first half of the 'sixties for both wheat and coarse grain, owing largely to the marked recovery in Argentina's production and exports. Nevertheless, developing countries as a whole sharply increased their net imports of wheat, from 2.5 million tons in 1953/54-1955/56 to 16.6 million tons in 1964/65; while their net exports of coarse grains rose only slightly and reached 4.5 million tons in 1964/65. Thus, if wheat and coarse grain are considered together, developing countries which in 1953/54-1955/56 still enjoyed a net export surplus of 1.5 million tons, became net importers by 12 million tons in 1964/65.

As a result of these developments, the share of developing countries in world exports declined from 20 to 10 per cent for wheat and from slightly more than 30 per cent to less than one quarter for coarse grain between 1953-54 and 1965.

During the second half of the 'fifties, as world production tended to grow faster than demand, prices declined for both wheat and coarse grains and important stocks accumulated in the exporting countries, particularly in North America. During the 'sixties, under the impact of the rapidly growing import requirements of wheat in developing countries and the Eastern Trading Area and of coarse grain in developed countries, stocks of grain tended gradually to decline while prices remained stable for wheat and recovered in the case of coarse grains.

Export earnings of developing countries from wheat and coarse grain had fallen sharply between 1953-54 and 1959-60 as a result of the decline in both price and volume for wheat and of the lower price of coarse grains. By contrast, between 1959-60 and 1965 export proceeds from wheat more than doubled and those from coarse grains rose by one half, reflecting in both cases to a large extent the sharp recovery in shipments from Argentina.

Thus, for all the commodities in this group the market situation has changed significantly between the second half of the 'fifties, when prices tended to decline substantially and stocks to accumulate, and the first half of the 'sixties when the downward movement in prices was reversed and stocks gradually declined to more normal levels. The steady growth of demand for coarse grains in developed countries required for their rapidly growing livestock output, and the emergence of the Soviet Union and Mainland China as large-scale wheat importers, explain to a large extent the expansion of world demand. Another important factor which has contributed in bringing about the changed market situation has been the slower growth of production, which has hardly kept pace with the rate of increase in population in the developing countries. Their growing import requirements is becoming increasingly important as a dynamic element in world demand; an important part of these imports consisting of non-commercial deliveries from the developed countries, especially from the United States.¹

As already mentioned, for this group of commodities there was a particularly striking divergency in the growth rates of exports as between developing and developed countries. The aggregate export earnings of developing countries, after having declined by almost one quarter between 1953-54 and 1959-60, rose by 60 per cent, or nearly \$500 million, between 1959-60 and 1965.

Exports of the same group of commodities from developed countries, which had increased by one fifth between 1953-54 and 1959-60, almost doubled in value between 1959-60 and 1965: in absolute terms their increase during this period reached \$2.300 million. It has also to be mentioned that developments in this commodity group, which has a heavier weight in exports from developed than in those from developing countries, explain to some extent the rise in the overall price level of developed countries between 1959-60 and 1965.

¹Exports of rice and other grain under Government programmes from the United States, of which the bulk goes to developing countries, more than doubled between 1953-54 and 1959/60, when they amounted to \$870 million. After having reached a peak of \$1.230 million in 1964 they declined to \$980 million in 1965.

(v) Fruit and meat are two commodity groups characterized by the fact that the import market is concentrated in developed countries; demand for them has a high income elasticity and has showed a rapid growth since the mid-fifties. Exports from developing countries, consisting essentially of bananas, citrus fruit and beef and veal, account for only a relatively small share of world trade in both fruit and meat. Apples, grapes and other temperate zone fruit, on one hand, and pig meat and mutton and lamb on the other, are the most important commodities traded almost exclusively among developed countries.

After a steady growth during the 'fifties, consumption of bananas increased only moderately during the first half of the 'sixties, not only due to the slow further increase in North America but also because the rate of growth in Western Europe, particularly rapid during the 'fifties, slowed down considerably. Export earnings from bananas, after having increased by one fifth between 1953-54 and 1959-60, in spite of a sharp fall in prices, rose only slightly between 1959-60 and 1965 when the price decline was less pronounced but the growth in volume slower.

In the case of citrus fruit the relative strength of demand is evidenced by the fact that there was not only a continued growth in the volume of exports but prices have also tended to move upwards. Moreover, developing countries' share in world exports, after having risen from 20 per cent in the mid-'fifties to 25 per cent at the beginning of the 'sixties, was well maintained in 1965. Developing countries' export earnings from citrus fruit, starting from a relatively low level, increased by three quarters between 1953-54 and 1959-60. Between 1959-60 and 1965 the rise in value was less pronounced, of about one quarter, due to the slowing down in the volume of exports.

In the case of beef and veal, the only type of meat for which developing countries are exporters of significant quantities, demand in developed countries has risen rapidly. As production, within cyclical fluctuations, increased less rapidly than consumption, developed countries' imports have experienced a rapid growth since the mid-'fifties. At the same time, as the growth in import demand has exceeded that of exportable supplies, prices on world markets have tended to rise. During the first three quarters of 1966 the price level was slightly below that of the corresponding period of 1965. Although showing important year-to-year variations reflecting the different phases in the production cycles in the exporting countries, the share of developing countries in world exports, of about one third in 1953-54, was well maintained during the 'sixties. Developing countries' export earnings, following a more than two-fold rise between 1953-54 and 1959-60¹, expanded by 70 per cent between 1959-60 and 1965 under the impact of both a growth in volume and a substantial rise in prices.

¹It has however to be recalled that exports of beef and veal from developing countries were at a relatively low level in 1953-54, having declined sharply as compared with the pre-war years.

Even if developing countries were able to increase substantially the value of their exports in this commodity group both during the second half of the 'fifties and the first half of the 'sixties and to maintain their share in world exports for citrus fruit and beef and veal, the contribution of fresh fruit and meat to the overall growth in agricultural exports was very uneven as between developing and developed countries. In absolute terms, the increase in the value of developing countries' exports of fresh fruit and meat between 1959-60 and 1965 was below \$300 million, whereas in the case of developed countries the rise exceeded \$1,000 million. The heavy weight of fresh fruit and meat in exports from developed countries were an important contributory factor to the rise in the overall price level of their agricultural exports during this period.

(vi) Agricultural raw materials. Among the fibres exported by developing countries cotton and wool compete with production in developed countries and in the Eastern Trading Area. In addition, textile fibres in general and rubber also compete with man-made products.

The most significant feature of developments in the developed countries and the Eastern Trading Area was the very rapid growth in consumption and production of man-made fibres. Between 1959-61 and 1965 production of man-made fibres rose by three quarters in both areas and consumption of man-made fibres expanded at similar growth rates. By contrast, consumption of natural fibres rose only slightly.

Consumption of raw cotton in developed countries did not increase by more than 5 per cent during the second half of the 'fifties and the first half of the 'sixties. In the Eastern Trading Area the growth in consumption had reached one quarter during the first period, but slowed down to 5 per cent between 1959-60 and 1965. In the developing countries, however, production of cotton textiles increased faster than in the developed countries and consequently consumption of raw cotton expanded by more than one quarter in each of the two periods under review.

Gross exports of raw cotton from developing countries had remained stable between 1953-54 and 1959-60. Between 1959-60 and 1965 production of raw cotton in developing countries expanded somewhat faster and their exports increased by about 30 per cent, i.e. faster than world exports. As a result the share of developing countries in world exports, which had declined during the 'fifties tended to recover during the first half of the 'sixties, although it fluctuated from year to year according to the variations in export supplies.

During the first half of the 'sixties the growth in world production continued to outrun demand. However, owing to the system of government-supported fixed export prices of the United States, this did not lead to a further decline in prices, which had fallen sharply during the 'fifties, but resulted

in an accumulation of stocks in exporting countries, particularly the United States. A new price policy was enacted in the United States in November 1965 and entered into force in August 1966. Prices of raw cotton tended to weaken slightly during the course of 1966.

Export earnings from raw cotton of developing countries, after have fallen substantially between 1953-54 and 1959-60, recovered during the first half of the 'sixties, but remained in 1965 at a level slightly below that of 1953-54. It might, however, be mentioned that both during the second half of the 'fifties and the first half of the 'sixties, developing countries' exports of cotton textiles increased substantially.

In the case of wool, consumption in developed areas remained stable during the 'sixties reflecting both the increased competition from man-made fibres and the levelling off in world production. Developing countries' export earnings declined during both periods as a result of a fall in prices. For jute and allied fibres an increasing part of production is processed in the producing countries and exports of jute manufactures showed a rising trend between 1953-54 and 1965. Export earnings from raw jute and allied fibres failed to increase between 1953-54 and 1959-60, some increase in prices being offset by the decline in volume. Between 1959-60 and 1965 these export earnings increased as a result of the recovery in the volume of exports and of slightly higher prices. By contrast, hard fibres, more vulnerable to the competition of synthetics, suffered a severe price drop between 1959-60 and 1965. While the volume of exports of developing countries remained unchanged, export receipts declined substantially. Moreover, there was no significant increase in the exports of the processed hard fibres during this period.

Consumption of rubber in the developed countries and the Eastern Trading Area rose markedly during the first half of the 'sixties. The growth of consumption of synthetic rubber, of about three quarters in the developed countries and of more than 150 per cent in the Eastern Trading Area, by far exceeded that of natural rubber which in each of these two groups of countries was only of about 10 per cent.

Prices of natural rubber had risen sharply in 1959 and 1960, reflecting not only the revival of demand but also an increase in speculative holdings. In the subsequent years prices of rubber tended to decline and in 1965 they were by about one third lower than in 1959-60. As a consequence, while the volume of exports of natural rubber were slowly increasing, export earnings of natural rubber declined by one quarter between 1959-60 and 1965.

If agricultural raw materials are considered together, export earnings of developing countries declined between 1959-60 and 1965, due largely to the combined effects of three factors: (i) the increased competition from man-made

products for which the consumption growth was much faster than for the natural product; (ii) the weakening of prices, particularly pronounced in the case of rubber, which were necessary to maintain the competitive position of the natural products, even if the growth in the volume of exports of the natural products was only slow; (iii) the shift from the raw to the processed products in the case of some fibres, in particular cotton and jute.

The decline in developing countries' export earnings had a considerable impact on the overall level of their agricultural export earnings given the heavy weight of this commodity group, in their total exports of agricultural products; it ranked second in 1965, with an export value of \$2.80 billion, accounting for more than one quarter of all agricultural commodities.

3. Fuels, ores and non-ferrous metals

Developing countries' exports of fuels, mainly petroleum and petroleum products, following a 50 per cent growth between 1953-54 and 1959-60, expanded at about the same rate between 1959-60 and 1965, when they slightly exceeded \$11 billion. As a consequence of their much faster growth than that recorded by agricultural products, the share of fuels in the value of exports of primary products (including non-ferrous metals) of developing countries rose from 25 per cent in 1953-54 to 31 per cent in 1959-60 and further to 35 per cent in 1965.

During the second half of the 'fifties prices remained stable but declined between 1959-60 and 1965 by 9 per cent. While the volume of trade in fuels among developing areas (including shipments of crude petroleum for refining and subsequent exports) expanded by one fifth between 1959-60 and 1965, exports to developed countries rose by 80 per cent, i.e. faster than during the second half of the 'fifties.

The growth in developed countries' imports of fuels from developing countries by far exceeded the increase in their total fuel consumption. The increased dependency on fuel imports from developing countries resulted mainly from the substitution of oil for domestically produced coal in Western Europe and Japan. Production of coal in Western Europe, after having declined by 6 per cent between 1953-54 and 1959-60, fell further by 9 per cent between 1959-60 and 1965. Japan's coal production, following a slight increase during the second half of the 'fifties, did not show any increase between 1959-60 and 1965.

Developing countries' export proceeds from iron ore, after having trebled between 1953-54 and 1959-60, rose further by 70 per cent between 1959-60 and 1965 when they exceeded \$700 million (see Table 7). As in the case of fuels, the growth in value terms was due to the expansion in the volume of exports, of which the bulk goes to developed countries, while prices tended to decline in recent years.

TABLE 7

The Value of Exports of Ores and Non-Ferrous Metals
from Developing Countries, 1953-54, 1959-60 and 1965^a

		Percentage changes over previous period		Billion dollars in 1965
		1959-60 over 1953-54	1965 over 1959-60	
<u>Iron</u>	ore	200	71	0.72
<u>Copper</u>	ore	20	50	0.09
	metal	40	37	1.25
<u>Tin</u>	ore	-22	24	0.18
	metal	7	134	0.34
<u>Lead</u>	ore	-	80	0.05
	metal	-35	18	0.07
<u>Zinc</u>	ore	9	-17	0.05
	metal	50	17	0.04
<u>Bauxite</u>		91	62	0.17
<u>Aluminium</u>		b	20	0.03
<u>Manganese</u>	ore	17	-	0.11
<u>All above</u>	ores	53	48	1.36
	metals	31	47	1.72
	ores and metals	40	48	3.08

^aData for 1965 are provisional.

^bExports of aluminium from developing countries were nil in 1953-54 and amounted to \$25 million in 1959-60.

Sources: UN Commodity Survey 1962 and national trade returns.

The rapid growth in the import requirements of developed countries reflected only partly the increase in steel production and in consumption of iron ore. A more important factor was the increased dependency on imports of iron ore, especially from less-developed countries. In the main steel producing countries of Western Europe and in the United States, domestic production of iron ore tended to lag behind requirements, as imported ores, with a higher metal content, improved considerably their competitive position

due to lower production costs in the developing countries¹ and partly also to a decline in transport costs. The very rapid growth of steel production in Japan since the mid-fifties was conducive to a corresponding fast expansion in imports of iron ore, as this country's domestic production of iron ore is very small.

Although consumption of non-ferrous metals in developing countries tended to increase rapidly in recent years, it is still at a low level and the bulk of exports from developing countries goes to developed areas. In these countries consumption of non-ferrous metals follows closely the movement of their economic activity, in particular of engineering and construction, the sectors which account for the bulk of metal utilization.²

Two main features of developments in this sector are worth mentioning: the sharp fluctuations in prices and the divergent rates in consumption of the various metals. According to an index calculated by the United Nations Statistical Office, prices of non-ferrous metals showed a sharp upsurge, of more than one fifth, in 1955-56 as compared with 1953-54, fell sharply in 1957 and again in 1958 and recovered in 1959-60 to a level close to that of 1953-54. In 1961-63 they were slightly lower than in 1960, but increased by more than one fifth in 1964. This reflected the fact that production of a number of non-ferrous metals, which had declined during 1961 and 1962, could not be raised quickly enough in response to the fast expansion of demand, particularly in Western Europe and Japan. In 1965 demand continued to expand, particularly in the United States as a result of an accelerated rate of private fixed investments, an exceptionally high level of automobile production, and growing defence expenditures. Supplies, although supplemented by increased releases from the United States strategic stockpile, did not meet the growth in demand and prices showed a further rise of 15 per cent between 1964 and 1965.³ The price rise during the first half of the 'sixties was particularly pronounced in the case of copper, tin, zinc and lead, whereas for aluminium there was hardly any increase.

¹ See GATT International Trade 1964, page 11.

² See GATT International Trade 1964, page 40.

³ The United Nations index is mainly based on price quotations and might therefore tend to overstate price fluctuations.

Developing countries' export proceeds from copper ore and metal, after having increased by almost 40 per cent between 1953-54 and 1959-60, due largely to an expansion in volume, experienced a further growth of about the same magnitude between 1959-60 and 1965, but during this period the increase was largely due to higher prices. For tin ore and metal, following a decline between 1953-54 and 1959-60, the value of exports rose by almost three fourths between 1959-60 and 1965, again mainly because of a price rise. In the case of lead ore and metal the value of exports increased by 35 per cent between 1959-60 and 1965, again mainly thanks to higher prices, while that of zinc ore and metal slightly declined during this period.

The growth in consumption of non-ferrous metals was very unequally shared between the individual metals, the most striking feature being the much faster rise in aluminium, on one hand, as compared with the heavy metals (copper, zinc, lead and tin) on the other. Between 1953-54 and 1963-64 consumption of aluminium in industrial countries more than doubled, while that of heavy metals rose by about 40 per cent. Given the increasing substitution possibilities, the improved competitive position of aluminium played an important rôle in this development. The growing requirements of aluminium were met from domestic production in the main consuming countries, as well as from imports from developed countries; shipments from developing countries, although increasing, did not exceed \$30 million in 1965. Developing countries' exports of bauxite, after having doubled between 1953-54 and 1959-60 rose further by about 60 per cent between 1959-60 and 1965, when they reached roughly \$170 million.

APPENDIX TABLE

Price of Selected Primary Commodities and Non-Ferrous Metals

	1963	1964	1965	1965				1966		
				I	II	III	IV	I	II	III
<u>Wheat</u> - Canada: No. 1 Northern, basis in store, Fort William - Port Arthur, export price (class II) Can\$/60 lb.	2.03	1.98	2.00	1.96	1.93	1.93	1.95	2.00	2.05	2.11
<u>Maize</u> - United Kingdom nearest forward shipment - United States No. 3, yellow - £/2240 lb.	22.0	22.3	23.4	24.1	23.9	23.0	22.4	23.6	23.0	24.2
<u>Rice</u> - Thailand: White, 5-7% broken, government standard, f.o.b. Bangkok - £/1000 kg.	51.5	48.8	49.1	47.4	46.1	51.2	51.7	54.1	58.5	61.8
<u>Sugar</u> - Cuba: Raw, f.a.s. world sugar price calculated for implementation of International Sugar Agreement - United States cents/lb.	8.32	5.72	2.03	2.33	2.15	1.78	1.85	2.21	1.87	..
<u>Soyabean</u> - United Kingdom: United States No. 2, bulk, nearest forward shipment, c.i.f. - £/2240 lb.	40.0	40.1	42.2	45.3	43.8	40.7	39.2	43.8	46.5	49.6
<u>Groundnuts</u> - European ports: Nigerian, shelled, nearest forward shipment, c.i.f. - £/2240 lb.	62.5	67.8	74.9	77.7	74.2	73.2	74.5	69.5	66.1	67.6
<u>Groundnut oil</u> - European ports: Nigerian 3-5%, bulk, nearest forward shipment, c.i.f. - £/2240 lb.	97.4	114.4	118.0	131.0	111.9	110.2	118.8	108.6	104.3	108.5
<u>Copra</u> - European ports: Philippines, bulk, nearest forward shipment, c.i.f. US\$/2240 lb.	187	198	230	228	260	215	216	211	187	181
<u>Coconut oil</u> - European ports: Ceylon, 1%, bulk, nearest forward shipment, c.i.f. - £/2240 lb.	97.1	107.6	125.8	125.9	153.1	123.0	119.4	125.5	118.7	109.9
<u>Palm oil</u> - European ports: Nigerian, 5%, bulk, nearest forward shipment, c.i.f. - £/2240 lb.	79.0	84.8	97.9	100.3	107.1	88.2	89.3	88.0	81.8	86.3
<u>Groundnut cake</u> - United Kingdom: Nigerian, 56% protein, nearest forward shipment, c.i.f. - £/2240 lb.	38.6	39.8	43.4	43.4	42.1	43.6	44.4	42.4	39.3	39.9
<u>Coffee</u> - United States: Spot, New York: Brazilian Santos No. 4 - United States cent/lb.	34.1	46.7	44.7	45.4	45.2	44.8	43.4	42.3	41.0	40.4
- Colombian Manizales - United States cents/lb.	39.6	48.8	48.5	48.6	47.5	48.3	49.4	49.5	48.6	46.8
- Uganda Native Standard - United States cents/lb.	-	-	31.1	27.5	25.5	35.2	36.3	35.2	34.3	32.6
<u>Cocoa beans</u> - European ports: Good fermented Ghana, nearest forward shipment, c.i.f. - \$/50 kg.	199	182	135	158	126	113	145	170	191	201
<u>Tea</u> - Ceylon: For exports, high grown, auction price, Colombo - Rupees/lb.	1.92	1.94	1.96	2.14	1.87	1.98	1.83	2.01	1.72	1.79
<u>Cotton</u> - United Kingdom - c.i.f. Liverpool: American Middling, Orleans/Texas M.1 inch - Pence/lb.	-	-	23.0	23.5	23.5	22.5	22.5	22.6	22.3	21.2
<u>Jute</u> - United Kingdom, Pakistan, export first, c. and f. Dundee - £/2240 lb.	130.2	134.8	133.7	125.2	127.0	145.6	146.5	138.4
<u>Sisal</u> - United Kingdom: Tanganyika/Kenya No. 3 L, c.i.f. London - £/2240 lb.	143.7	129.5	87.5	90.7	92.3	86.7	80.3	82.2	80.4	82.4
<u>Rubber</u> - Singapore f.o.b., in bales: No. 1 RSS - Straits cents/lb.	72.4	68.1	70.1	71.8	73.5	67.3	67.9	70.1	67.2	62.7
<u>Beef</u> - United Kingdom: Argentina, hindquarters, chilled, Smithfield Market, London - Pence/lb.	25.9	32.7	35.1	34.3	36.2	39.4	30.4	34.4	37.7	33.6
<u>Wool</u> - United Kingdom: Dominion, clean: 64's - Pence/lb.	107	105	92	90	89	92	98	101	106	104
: 50's - Pence/lb.	80	83	71	68	69	73	73	72	75	72
<u>Copper</u> - Canada, Electrolytic, Montreal or Toronto - US\$/100 lb.	29.21	30.96	34.92	32.50	31.55	35.67	36.94	41.83	41.79	..
- United Kingdom Wire bars on the London Metal Exchange - US\$/100 lb.	29.26	43.84	58.72	51.50	60.85	55.42	65.26	81.98	79.55	58.77
<u>Lead</u> - Canada, Carlot., delivered Montreal or Toronto - US\$/100 lb.	10.22	12.44	14.38	14.39	14.35	14.36	14.42	14.41	14.08	..
- United Kingdom 99% pure on London Metal Exchange - US\$/100 lb./	8.00	12.69	14.39	17.15	14.13	12.59	13.71	13.39	12.12	11.79
<u>Tin</u> - Malaysia, Singapore, ex work - US\$/100 lb.	111.6	151.8	172.2	154.0	181.1	181.9	171.9	170.5	161.9	151.8
<u>Zinc</u> - Canada, Electrolytic, grade A - US\$/100 lb.	11.87	13.11	14.01	14.02	13.98	13.99	14.04	14.04	14.02	..
- United Kingdom 98% monthly average daily cash price on London Metal Exchange	9.72	14.88	14.12	14.49	14.43	13.82	13.75	13.65	12.40	12.10

Sources: FAO, Monthly Bulletin of Agricultural Economics and Statistics;
IMF, International Financial Statistics.