

COMMONWEALTH  
TRADE  
1970

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# Introduction

Commonwealth trade has its origins in the historical relationship between Britain and other members of the Commonwealth when Britain was the world's largest trading nation, providing markets for raw materials and goods from her colonies and the source for finished products needed by those colonies. The complementary patterns of production, investment and trade that grew under this relationship evolved in different ways as member countries developed and diversified their economies. International payment arrangements, generally with sterling as their common reserve currency, and a pattern of trade influenced largely by Commonwealth preferences, further extended and developed the relationship.

Trade has also been influenced by individual and business associations and technical links as well as investment arrangements which have led to a number of joint ventures in industry and agriculture, with growing opportunities for joint investment and participation in projects of mutual benefit to member countries. Commonwealth countries include some of the largest producers of a number of primary commodities in which there is a considerable volume of trade both within and outside the Commonwealth. It is in this context that Commonwealth trade, and the various features associated with the economic relationship among them, acquire importance in world trade and in international economic relations.

The Commonwealth today is not a self-contained bloc; it does not present a common front in seeking to influence the development of international trading policies. Nevertheless, in view of the prominent position of some of the members in commodities of world-wide importance, and in view of its membership composed of a very representative cross-section of both rich and poor countries, it has demonstrated its capacity not merely to exercise a degree of influence in international forums on trade but also to provide a forum within itself, in which diverse and frequently conflicting trading interests of countries can be discussed intimately and without an atmosphere of confrontation. This has given special value to the Commonwealth association in helping to meet new challenges in the field of economic relationships and policy.

It is in this spirit that Commonwealth Ministers meet before international meetings to consider broad questions of policy and strategy. Commonwealth Finance Ministers meet every year in September just before the World Bank/Fund meetings to discuss economic and financial matters of common interest. Important international meetings like those of UNCTAD have been availed of for informal consultations among Commonwealth representatives. The meetings of the Special Preferences Committee of UNCTAD in 1970 provided the occasion for a series of consultations among Commonwealth representatives on the impact of the proposed scheme of generalized preferences on Commonwealth preferences and Commonwealth trade generally. UNCTAD III, to be held in Santiago next year, is again expected to offer a useful opportunity for high-level consultations among Commonwealth governments.

Liaison is maintained through the Commonwealth Secretariat with other international organisations also, e.g. F.A.O., GATT and O.E.C.D. The Secretariat has also been participating in briefings of Commonwealth Governments on the course of the current negotiations for British entry into the European Economic Community. In all these informal contacts it has been recognised that Commonwealth trade must be seen in the larger context of global trade, of which it is a vital part, and that there is continuing scope for the

expansion of Commonwealth trade and a need, toward that end, to strengthen well established links among Commonwealth members.

The total trade of Commonwealth countries with each other and with the rest of the world, while increasing markedly over the years in absolute terms in response to buoyant world economic conditions, has tended to decline as a proportion of world trade. Thus while Commonwealth exports rose from £21,100 million in 1969 to £23,900 million in 1970, the share of the Commonwealth in world exports is estimated to have fallen to 20·6 per cent in 1970, from 20·8 per cent in the preceding year and 21·5 per cent in 1966. Partly associated with this trend the share of intra-Commonwealth trade in total Commonwealth trade has also tended to fall, but over the past three years has shown no significant variation from about 23 per cent.

While these trends can be explained in terms of the much faster rate of growth in the trade of industrialized countries, there is no reason to be reconciled to a lower rate of trade growth for Commonwealth countries. Factors which operate over decades, such as Commonwealth preferences and the special relationships between Britain and other members of the Commonwealth, are no doubt yielding place to new ones: some of these latter, such as the prospect of Britain's entry into the E.E.C., are bound to add to the problem facing Commonwealth trade and economic relationships. There are, however, other and more hopeful developments which can in certain respects assist the growth of Commonwealth trade. New forms and means of multilateral co-operation within the Commonwealth are being forged, and it has been rightly argued that the changing character of the economic relationship renders it necessary that more efforts in the direction of such co-operation should be made to tap, to the fullest possible extent, the potential for increased trade within and outside the Commonwealth. It is in this context that the early and detailed consideration of the proposals that were laid before Commonwealth Heads of Government in Singapore in January 1971, for co-operation in regard to export market development, acquires relevance and importance.

This publication, "Commonwealth Trade 1970", which is one of a number of trade and commodity publications brought out by the Commonwealth Secretariat, reviews the main features of the external trade of the Commonwealth and of individual Commonwealth countries. Special sections incorporate the prominent features of trade between Commonwealth countries, on the one hand, and important trading partners outside—like the U.S.A., the E.E.C., Japan, Eastern Europe and the Peoples Republic of China on the other. It attempts to present a picture of Commonwealth trade in the context of world trade with the object of providing a ready reference for use by Commonwealth governments and organizations. To the statistical picture are added brief reviews of the general situation in regard to international trade policy and commodity trends and arrangements, as well as developments in the field of regional economic co-operation which are of significance in Commonwealth trade.

# General Review

## THE COMMONWEALTH IN WORLD TRADE

### *Summary*

Nineteen seventy was a remarkably favourable year for world trade as a whole and a good one for Commonwealth trade as well. Commonwealth exports rose by £2,800 million f.o.b. to record a rate of growth only a little less than the exceptional 14 per cent advance of world exports. Even after allowing for the rise in prices on account of inflation, world trade in real terms advanced by about 9 per cent—well up to the average of recent years.

For the first time in twelve years Britain's visible trade balance (f.o.b.–f.o.b.) moved into surplus, and the growth of exports, at 12 per cent, was still well above pre-devaluation levels. Though Canada was naturally affected by its close ties with the United States and the situation there, and though her exports to that market were less buoyant, her shipments of basic materials to Western Europe and Japan, and of wheat to Eastern Europe and China, registered a robust expansion. Boom conditions were maintained in Hong Kong despite the American recession, but conditions in the North American automobile industry and the de-escalation in Vietnam produced a slump in rubber prices, and a drop in exports of petroleum products from Singapore. With the exception of Zambia, which suffered both from falling copper prices and from a mine disaster, and Sierra Leone, whose diamond trade encountered more difficult conditions, minerals provided a major growth point for the exports of many Commonwealth countries in 1970. Notable examples were Australia (metallic ores and metals, and coal), Canada (non-ferrous metals), Guyana and Jamaica (bauxite and alumina), Nigeria (petroleum oil) and Swaziland (iron ore).

In a group of countries showing such economic diversity as those of the Commonwealth, and so much of whose production and exports are subject to the vagaries of weather and fluctuating commodity prices, it is not easy to make simple statements of general validity. It may be mentioned, however, that drought was an important feature of the economic life of several Commonwealth countries in 1970. There were crop failures on this account in Lesotho and Botswana, resulting in greater imports of foodgrains, and a record export of meat from Botswana as slaughterings rose and pasture dried out. Bad weather reduced output of maize in Zambia and Malawi, although tea and tobacco did well in the latter. Drought affected production and exports of Cyprus. This happened in Australasia too. In 1969 and 1970 many areas were severely affected, particularly in the northern parts of Australia and the North Island of New Zealand. The wheat growers suffered most from the drought, which incidentally led to shipments of wheat and other grain from Australia to New Zealand. Wool growers in both countries were hit by low prices as well as drought. Consumption of virgin wool by the textile industries of Japan, the United States, the United Kingdom and the E.E.C fell by an average of 8 per cent in 1970. Beef, on the other hand, was one of the agricultural highlights, with a strong increase in export demand, largely from the United States. Prices remained firm in the U.S. market, but since implementation of U.S. quotas in 1967 and the meat diversion programmes of Australia and New Zealand, larger amounts have been shipped to Britain, Japan and Canada. Though beef exports from New Zealand have been going up, reflecting a trend towards more



beef farming in response to better world prices and demand, the carcass weight of mutton and lamb shipped from New Zealand in 1970 showed a big reduction. And while there was a complete transformation of the world dairy situation and outlook, with lower supplies from Denmark and the E.E.C. resulting in higher sales and a reduction of stocks in New Zealand, the effects of the drought meant that full advantage could not be taken of the new opportunities.

World markets for most foods, and vegetable oils and oilseeds, were stronger during 1970, and this was reflected in the trade of many countries in East and West Africa. It also went some way toward offsetting the weakness of rubber prices for Malaysia. Though cocoa was a major exception, suffering substantial price falls during the year, exports from Ghana did well on account of the increased volume shipped.

The world free market for sugar was exceptionally strong in 1970, but the sugar industries of Commonwealth Caribbean countries face many difficulties and production shortfalls in some of them prevented full advantage being taken of the situation. A concern has been expressed that, should these difficulties not be overcome, there would be a possibility of International Sugar Agreement quotas being affected. In the face of these difficulties the Canadian Government decided to continue the sugar duty rebate system for Commonwealth Caribbean countries until the end of 1971. This was in addition to the \$5 million Agricultural Development Fund for the Caribbean which the Canadian Government decided to launch at the start of 1971.

Ceylon made progress during the year under review toward recovery in its foreign trade position, the value of exports of tea, rubber and coconut products advancing while retrenchment at home cut the level of imports—with the notable exception of food. Both India and Pakistan faced the problem of containing a large reserve demand from the home population. The export duty on tea was abolished by India and the excise duty raised commensurately. In Pakistan, the effect on exports of rising internal prices had formerly been cushioned by increased subsidies under the Export Bonus Scheme: in 1970 bonus vouchers were extended to raw cotton and raw jute, and new import curbs were announced at the end of the year.

Many Commonwealth countries continued to make progress with development policies designed to reduce any excessive degree of reliance on particular sources of supply, or individual export markets, by opening up new avenues for trade. Diversification of trade flows has in several cases been linked with changes in agricultural and industrial production, and indeed one of the most significant long-term changes in the pattern of India's trade has been the rise in importance of exports of engineering goods—about half of which are absorbed by Asian countries, with Eastern Europe taking a growing share.

The effect of all the diverse influence playing upon the trade of Commonwealth countries in 1970 is summarised in Table 15 of this report. As would be expected in view of the economic recession in North America, there was a decline, from 30 per cent to 29 per cent, in the proportion of total Commonwealth trade going to and from the United States. The increase in the U.S. share over several years up to 1968 had been mainly at the "expense" (as a matter of simple arithmetic) of the intra-Commonwealth share, which since then has shown a marked degree of stability. No statistical significance attaches to the apparent increase in the intra-Commonwealth share of imports in 1970, which is an increase from 23·4 per cent to 23·7 per cent in a provisional estimate. Commonwealth imports from the E.E.C. and Japan in 1970 showed unusual strength.

### *Trends in international trade and payments*

Preliminary data published by the International Monetary Fund,\* which have been drawn upon in the compilation of Table 1 below, show the value of world exports having increased by 14·1 per cent from 1969 to 1970, and a rise of 12·7 per cent in imports. These data are subject to progressive revision in the light of fuller information becoming available, especially from the developing countries. The relatively up-to-date and detailed statistics published by the Organization for Economic Co-operation and Development, covering about 80 per cent of world trade, showed that in 1970 the trade of member countries expanded by 15·8 per cent on the side of exports and 15·2 per cent on the side of imports. Owing to differences of coverage and valuation the O.E.C.D. data are not directly comparable with the statistics published by the I.M.F., but they do serve to illustrate the somewhat rapid growth of the trade of the industrialized world, compared with world trade as a whole. Intra-O.E.C.D. trade grew even faster: the imports of O.E.C.D. members from one another in 1970 rose by 16·4 per cent, whereas their imports from non-O.E.C.D. countries expanded by only 11·8 per cent. The last-mentioned percentage is an average compounded of 12·6 per cent for developing countries generally, 11·3 per cent for the Sino-Soviet area, and as little as 7·2 per cent from developed sterling area countries.

The table on "World trade by major areas" shows exports from Commonwealth countries as having increased from £21·1 thousand million, f.o.b., in 1969 to £23·9 thousand million in 1970, a rise of 13·3 per cent. Commonwealth imports, c.i.f., went up by only £2·1 thousand million, 9·3 per cent—a result

TABLE I  
WORLD TRADE BY MAJOR AREAS *a*

	1966	1967	1968	1969	1970
	£ thousand million (f.o.b.)				
World exports <i>b</i> .. ..	64·8	68·0	88·7	101·5	115·8
of which Commonwealth ..	14·0	14·3	18·4	21·1	23·9
	percentages of world exports				
Commonwealth .. ..	21·5	21·1	20·8	20·8	20·6
United States .. ..	16·8	16·6	16·3	15·6	15·5
Latin America .. ..	6·1	5·8	5·4	5·1	..
European Economic Community	29·0	29·5	30·2	31·1	32·0
EFTA (Continental) .. ..	7·6	7·8	7·6	7·7	7·8
Japan .. ..	5·4	5·5	6·1	6·6	6·9
Rest of world <i>b</i> .. ..	13·6	13·7	13·6	13·1	17·2 <sub>c</sub>
	£ thousand million (c.i.f.)				
World imports <i>b</i> .. ..	68·6	72·3	93·7	106·5	120·0
of which Commonwealth ..	15·8	16·6	20·8	22·6	24·7
	percentages of world imports				
Commonwealth .. ..	23·0	23·0	22·2	21·2	20·6
United States .. ..	14·4	14·2	15·8	15·0	14·8
Latin America .. ..	5·1	5·0	4·9	4·7	..
European Economic Community	27·9	27·2	27·6	29·6	31·0
EFTA (Continental) .. ..	9·0	8·9	8·5	8·6	9·3
Japan .. ..	5·0	5·8	5·8	5·9	6·0
Rest of world <i>b</i> .. ..	15·6	15·9	15·2	15·0	18·3 <sub>c</sub>

*a* The pound sterling was devalued by 14·3 per cent in November 1967.

*b* Excluding the trade of Eastern European countries, China, North Korea, North Vietnam and Cuba.

*c* Including Latin America.

\* International Financial Statistics, March 1971.

much influenced by the abnormal Canadian imports which showed little movement between 1969 and 1970, and by the British figures which advanced by 8.9 per cent, well under the world average. Overall, the Commonwealth share of world trade, at 20.6 per cent, (about 21.0 per cent in 1969), thus marked a continuation of the gradual downward trend which is itself a reflection of the rapid economic growth of Western Europe and Japan. The E.E.C., EFTA (Continental) and Japan all show larger shares of both world exports and world imports, the increments being particularly noteworthy on the side of exports for E.E.C. and Japan, and imports for EFTA. Imports into Austria went up by 25.6 per cent, into Denmark by 15.3 per cent, into Norway by 25.6 per cent, into Portugal by 26.4 per cent, into Sweden by 18.7 per cent, and into Switzerland by 22.6 per cent—all well above the growth rate of world imports estimated at 12.7 per cent. The U.S. share of world imports has been falling since 1968, while its share of exports, falling over a longer period, has reflected demand pressures inside the United States, the pace of inflation and the decreasing price competitiveness of its exports compared with Western Europe and Japan. The shares of Latin America and the remaining developing countries follow as a matter of arithmetic.

A characteristic of world trade in 1970 was the remarkably high rate of inflation, affecting especially the prices of industrial goods. When allowance is made for the inflation of unit values, the real growth of O.E.C.D. trade as a whole seems to work out at about 10½ per cent, and of world trade as a whole at about 9 per cent. This and the preceding year were the first since the Korean war boom in which foreign trade prices had moved ahead at a very substantial rate. Before 1969, elements in the competitive situation, especially the strength of the Japanese trade threat and the price leadership exercised by the United States (which until recent years had managed to contain internal inflationary pressures), meant that the expansion of foreign trade in terms of volume was not much out of line with increases in corresponding values. In 1970, however, a powerful influence was the effect of currency revaluations which had been brought about by many countries in the years immediately preceding. A point widely emphasised in this connection was the bias in the parity changes, and the lack of symmetry in their effects. German exporters, after revaluation of the Deutschmark, reportedly maintained their quotations in Dm, whereas British and French exporters, quoting in dollars, only partially adjusted their rates downwards, preferring to allow devaluation to restore profit margins to some extent. The result was that (in terms of dollars) prices tended to rise overall. And it has been noted that, for this and other reasons, foreign trade became a vehicle for the transmission of widespread domestic inflation coincidental with activation of the I.M.F.'s scheme for supplementing international liquidity by the issue of Special Drawing Rights.

An apparent slight drop-off in the rate of growth in the value of imports into industrialized countries, more especially those in north America, seems to have been associated with a weakness in the prices of industrial raw materials—a trend which is illustrated in the section of this report dealing with commodities. Although the N.I.E.S.R.\* price index for primary exports other than petroleum fell by over 5 per cent between the second and fourth quarters of 1970—a decline exaggerated by the long expected slump in copper prices—for the year as a whole the index was 2½ per cent higher than its level in 1969. Year-on-year, the food component rose by about 9 per cent, non-food agricultural products fell by about the same amount, and there was no appreciable change in minerals and metals (other than petroleum). The higher published prices for Middle East crude oil in 1970, advancing freight rates and the price settlement between

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\* National Institute of Economic and Social Research, London.

O.P.E.C. and the producing consortia early in 1971 will add a new dimension to the inflation of foreign trade in this and subsequent years.

A consequence of these price movements was a change in the terms of trade, after several years of comparative stability, in favour of those countries whose exports consist mainly of finished manufactures and against those exporting mainly primary products. A factor that complicated to some extent the assessment of price and volume changes was the sharp rise in freight rates (not only for tankers but also for dry cargo vessels) from the closing months of 1969 onwards. The overall incidence of freight rate increases on c.i.f. unit values of imports cannot be calculated but it appears likely that a significant proportion of the price rises of industrial countries' imports from developing countries can be attributed to this factor.

On the basis of industrial production statistics published by the O.E.C.D., it would appear that the growth of output gradually slowed down in 1970. Output in most industrial countries was almost on a plateau since the beginning of that year, the United Kingdom being one of the few where output seemed to have accelerated considerably in the second half of 1970. Production in north America was stagnant and suffered a marked setback in the fourth quarter of the year owing to a strike in the automobile industry. The growth of output weakened in Canada in the second half of the year, with foreign demand providing less impetus. Notwithstanding wide disparities between the Provinces, unemployment rose to very high levels in Canada, reaching 6.6 per cent in September, and an upward tendency in unemployment rates was observed in almost all other countries.

The depressed growth rate of industrial production in most O.E.C.D. countries and an actual slight decline in the United States in 1970 was paralleled by a relatively modest growth of G.N.P. amounting to 2 to 3 per cent for the group as a whole, in real terms. The discrepancy between these figures and the much larger increase in the volume of world trade, estimated at about 9 per cent, was widely commented on. Part of the explanation no doubt lies in the greater "dependence" on foreign trade, including intra-trade, of Western Europe, than is the case with the United States—where stagnation of output was most marked. Random influences of various kinds may also have played a part: these included the depression of 1969 data by the protracted United States dock strike and the lift given to the 1970 total by a revival of world food exports. Another factor which made a contribution was the increase in the foreign exchange reserves of countries which often find themselves in a vulnerable balance of payments position. This increase resulted partly from the activation of Special Drawing Rights in January 1970.

The growth of trade was much more evenly distributed on an area basis in 1970, and the same was true on the whole for the major countries—exceptions being Canada, whose imports registered a small fall (or a purely nominal increase in terms of United State dollars or sterling), and Japan, whose imports rose by more than a quarter. A sharp fall in Canadian imports from the United States in the fourth quarter of the year could be attributed partly to the General Motors strike. O.E.C.D.'s consolidated trade balance with the rest of the world strengthened considerably in 1970, especially with China and Eastern Europe and with the developed countries of the overseas sterling area.

In general, partly as a result of changes in exchange rates between currencies in recent years, and differential movements in international demand pressures, trade balances moved in the direction of a better balance on current account in 1970. The visible trade surplus of the United States and Canada increased considerably, the deficit of France was dramatically reduced, and that of the

United Kingdom moved to a small surplus (f.o.b.—f.o.b.). The corresponding deterioration in the visible trade account of several other European countries and Japan was not large enough to upset their balances on current account, but the Italian and German surpluses declined significantly—the former as the effects of labour disputes limited the delivery possibilities of the exporting industries and demand was switched increasingly to imports. The current account surplus of the German Federal Republic declined in spite of a further increase of its heavy foreign trade surplus.

The balance of current and long term capital transactions of the United States showed some improvement in 1970, but the year was marked by sharp changes of relative monetary conditions and a reversal of the very large flows of short term capital exports in 1969. The total capital account of the United States may have experienced a negative swing of \$14 billion or more and that of West Germany a positive one of \$8 billion between 1969 and 1970. Thus the first year of S.D.R. creation also saw an unprecedented increase in the dollar component of official international liquidity.

The enormous outflow of capital from the United States during 1970, something like \$10 billion, dominated the pattern of reserve changes in that year, and contributed to the floating of the Canadian dollar at the end of May. At the same time S.D.R.'s had already begun to make a significant impact on international liquidity. The expectation at the beginning of 1971 was that the three year period of 1970–1972 would see the introduction of an aggregate \$9.4 billion of S.D.R.'s. The first allotment of S.D.R.'s at the beginning of 1970 totalled \$3.41 billion to 104 countries. The second allotment, made in January 1971 to 109 countries, amounted to \$2.95 billion. The new distribution, which reflected the new I.M.F. quotas introduced in 1970, altered the size of certain members' allotments. As a result of the changes in I.M.F. quotas in 1970 India lost its position on the Executive Board of the I.M.F. to Japan.

### *International trade policy*

The trend towards liberalization of international trade continued during the year 1970, agreement on the scheme of generalized preferences under the auspices of UNCTAD coinciding with the unfolding of a co-ordinated strategy for the Second U.N. Development Decade. These, however, and most of the fruits of the Kennedy Round, were put at risk by moves in the U.S. Congress which, had they succeeded, would have led to the imposition of quotas on man-made and woollen textiles as well as on footwear. Counter measures by major trading nations could by escalation have undone the whole of the Geneva Protocol of 1967, and affected adversely the offers under the UNCTAD Scheme of Generalized Preferences.

A three year extension of the Arrangement Regarding International Trade in Cotton Textiles (L.T.A.), from 1 October 1970 to 30 September 1973, came into force. Under this Arrangement a country suffering from disruptive imports may request the exporting country to restrain its shipments to a certain level. If agreement is not reached, import restrictions to this level may be imposed. The permitted level must be regularly increased, and existing quotas must also be enlarged. Under Article 4 of the L.T.A., the E.E.C. in 1970 carried on bilateral negotiations with several developing countries and Japan. These provided for higher ceilings on E.E.C. imports of cotton textiles from Pakistan and India as well as Japan.

Of all the requests submitted by the U.S. Administration to Congress toward the end of 1969, one of the most important was the elimination of A.S.P.—the "American Selling Price" method of valuation of certain chemicals for duty. This had more than symbolic importance for Europe: the A.S.P. package had

been agreed under a supplementary Protocol at discussions outside the main Kennedy Round talks. Britain and the E.E.C. had already consented to three annual extensions of the time limit for ratification of the Protocol covering the Agreement. As the failure of Congress to enact connected legislation in 1970 made a casualty also of specific implementing legislation required by the A.S.P. deal, the closing date for the Chemicals Agreement again had to be postponed for one year by Britain and the E.E.C.

As regards the rest of the Kennedy Round Agreement, scheduled cuts in tariffs were made on 1 January 1970 and 1971, leaving only the final instalment at the beginning of 1972 to complete what was indeed the most ambitious (fully multilateral) tariff-cutting exercise undertaken in post-war years. By the end of 1970, however, five countries had already completed or practically completed their scheduled tariff reductions: Argentina put its Kennedy Round reductions into force in 1967, followed by Iceland in 1968, Canada and the Irish Republic in 1969, and Switzerland in 1970. While the circumstances which prompted their decisions varied, one aim was generally to reduce the price of imports and thus to help in countering inflationary pressures. Most of the participants in the Kennedy Round also put into force ahead of schedule many tariff reductions which were of particular interest to developing countries. When scheduled cuts have been completed on 1 January 1972, the average level of tariffs on manufactured goods will vary from 4 to 5 per cent for Denmark, Sweden and Switzerland, to 8.4 per cent for the E.E.C., 9 per cent for the United States, 9.4 per cent for Canada, 10.2 per cent for the United Kingdom and 10.9 per cent for Japan.

In 1970 the member countries of GATT were again engaged in preparations for future negotiations, this time with a particular emphasis on non-tariff barriers to trade. A large part of the 800 barriers identified are of importance to less developed countries. In addition, more than thirty developing countries, including some non-members of GATT, are engaged in negotiations for an exchange of tariff concessions aimed at encouraging their mutual trade.

Discussions on the Generalized Scheme of Preferences sponsored in UNCTAD (G.S.P.) reached their concluding stage during 1970, somewhat later than expected but leading to definitive understandings. At its second plenary session held in New Delhi in early 1968, the United Nations Conference of Trade and Development had unanimously adopted Resolution 21 (II) on preferential or free entry of exports of manufactures and semi-manufactures of developing countries to developed countries. In this the Conference recognised "the unanimous agreement in favour of the early establishment of a mutually acceptable system of generalized non-reciprocal and non-discriminatory preferences which would be beneficial to developing countries". It agreed that the objectives of the system of preferences should be to increase the export earnings of those countries, to promote their industrialization and to accelerate their rate of economic growth.

The Special Committee established by the Conference for holding consultations and for drawing up details of the scheme met on four occasions between November 1968 and October 1970, during which intensive consultations between the prospective preference-giving countries and developing beneficiary countries were carried out on the basis of substantive documentation submitted by the members of O.E.C.D. and New Zealand. As a result of these consultations, arrangements for a mutually acceptable system of generalized non-reciprocal and non-discriminatory preferential treatment in favour of developing countries in the markets of developed countries were drawn up and transmitted to the U.N. General Assembly in October 1970, to become part of the international strategy for development in the Second U.N. Development Decade. In agreeing to these arrangements, the prospective preference-giving countries indicated their

determination to seek as rapidly as possible the necessary legislative or other sanction with the aim of implementing the preferential arrangements as early as possible in 1971. Efforts for further improvements to these preferential arrangements would be pursued in a dynamic context in the light of the objectives of Conference Resolution 21 (II). The scheme would be limited to a period of ten years to begin with and would be subject to periodic reviews.

The final agreement reached in UNCTAD embodied not a uniform scheme that had been hoped for earlier, but a number of separate schemes adapted to the political and economic realities of the major preference-offering countries. The United Kingdom's proposals included the grant of duty-free entry for "industrial" products in Chapters 25-99 of the Tariff (including raw materials, with some possible exceptions still to be decided upon) other than most textiles and apparel and goods subject to revenue duties. Duty-free entry was offered on a number of textiles including carpets and floor coverings of all materials. Duty-free entry or tariff reductions were also proposed for a range of processed agricultural products covering 140 tariff positions. The inclusion in the British scheme of a number of goods is conditional upon the consent of countries in the Commonwealth Preference Area which have trade agreement rights to preference in the United Kingdom market. The Commonwealth preference arrangements will continue in parallel with the G.S.P., but in the event of successful negotiation for entry into the E.E.C., the United Kingdom scheme would need to be assimilated with that of the Community.

The E.E.C. has proposed duty-free entry to all "manufactures and semi-manufactures" in Chapters 25-99 of the Common External Tariff. Industrial raw materials are excluded as being outside the original concept of the G.S.P. There will be no safeguard arrangements linked to injury to domestic industries, but the amounts of imports from developing countries that will benefit from duty-free entry will be subject to limitation within quota ceilings. This will be calculated under a standard formula applicable to all products under which each ceiling will have two elements. The first, the basic amount, will be the total value of imports of the product from the beneficiary countries in the base year 1968. To this will be added a supplementary amount calculated by taking 5 per cent of total imports into the Community from all sources other than the beneficiary countries. A ceiling under this formula will in principle be available to all the manufactures and semi-manufactures in Chapters 25-99, but the Community has stated that it intends to enforce the ceilings only on a limited range of goods which are considered to be "sensitive". Another provision in the formula is that preferential imports of each product from any one developing country will not as a general rule be allowed to exceed 50 per cent of the total ceiling of that product. In the case of a limited number of sensitive items the quota for any one country will be 20 per cent to 30 per cent of the ceiling. For a range of processed agricultural products, tariff reductions mostly averaging about a fifth, but with some larger ones, were offered. Preferential entry of these products would not be limited by means of a tariff quota, but an escape clause related to injury will apply. The countries and territories associated with the E.E.C. will continue to enjoy their existing preferential arrangements. At a Council meeting on 31 March 1971 the Foreign Ministers of the Six voted to begin implementation of the scheme on 1 July and to extend its benefits in the first instance to the Group of 77 (then numbering 91) and the dependent territories of the industrialized countries (such as Hong Kong).

The United States has proposed to grant duty-free entry for all manufactures and semi-manufactures other than most textiles (broadly speaking those of cotton, wool and manmade fibres), apparel, footwear, benzenoid chemicals (assessed for duty under the A.S.P. system) and petroleum products. Duty-free

entry is also offered on about 100 tariff positions for industrial primary products and for about 180 tariff positions covering processed agricultural products. All the offers are subject to a safeguard to domestic industry based on standard escape clause procedure under existing United States legislation. Developing countries which grant preferences to developed countries (reverse preferences) will be excluded from the United States scheme. However, if these developing countries provide adequate assurances that their preferences will be phased out within two or three years they will be able to benefit from the United States scheme from the outset.

The scheme proposed by Japan, which reportedly was to be introduced by 1 July 1971, covers all goods (including raw materials) in Chapters 25-99 of the Brussels Tariff Nomenclature other than a short list of exclusions (including hydrocarbon oils subject to fiscal duties, leather clothing, silk fabrics and footwear of rubber or plastics). On goods in a list of 57 tariff headings the preferential rate will be 50 per cent of the full rate of duty, and on all other goods in these Chapters of the tariff the preferential rate will be nil. Preferential entry will, however, be subject to ceilings calculated by a formula which is generally similar to that of the E.E.C. scheme. Duty reductions, mainly at 50 per cent, or duty-free entry is offered without limitation on a range of processed agricultural products. These will be subject to an escape clause arrangement under which the preference could be withdrawn for a specific product from a specific beneficiary country.

Canada proposed as a first step to reduce the duty by a third or down to the British Preferential rate in the Canadian Tariff, which ever is less, on all industrial manufactures and semi-manufactures with the exception of goods whose import into Canada is subject to quantitative restraints. The latter include woven cotton, worsted and manmade fibre fabrics and certain other textiles. Duty-free entry or duty reductions are also proposed for a range of agricultural products.

New Zealand proposes to reduce the duty on imports from developing countries, in a list of agricultural and industrial products, down to the British Preferential level of the New Zealand Tariff, or in some cases to nil or a special preferential rate.

The Nordic countries (Sweden, Norway, Denmark and Finland) put forward joint proposals involving preferences based on free entry from developing countries for all industrial products including raw materials. They have, however, submitted a list of products which in one or more of the Nordic countries are at present considered to be sensitive to market disruption and which may consequently have to be excluded or given special treatment in one or more of these countries.

Austria, Switzerland and the Irish Republic, in their separate schemes, generally propose duty reductions by 30 per cent or a third on imports from developing countries of all manufactures and semi-manufactures in Chapters 25-99 of the Brussels Tariff Nomenclature with some exceptions. The Soviet Union, Poland, Czechoslovakia, Hungary and Bulgaria have stated their intention to take steps to facilitate imports from developing countries, including in the case of Czechoslovakia, Hungary and Bulgaria the granting of tariff preferences.

In the report of the Special Committee on Preferences, adopted by the Trade and Development Board at its fourth special session in October 1970, it was noted that "developing countries which will be sharing their existing tariff advantages in some developed countries as the result of the introduction of the generalized system of preferences will expect the new access in other developed



countries to provide export opportunities to at least compensate them". This question of "compensation" had engaged the close attention of, and has been exhaustively discussed at informal meetings of Commonwealth countries attending the fourth session of the Special Committee in March/April 1970, and again in September/October 1970. Though it had been stated that "compensation" to developing Commonwealth countries for having to share their preferences in the British, Canadian and New Zealand markets would be provided by improved and preferential access to the markets of other developed countries, a number of Commonwealth countries expressed misgivings about the "equivalence" of benefits. These misgivings were not calculated to be minimised by the possibility, even if this later proved to be without foundation, of a number of countries, including the E.E.C. and Britain, implementing their schemes well in advance of the United States which, toward the middle of 1971, had not submitted the necessary legislation to Congress. Even had such legislation been introduced its passage could well be fraught with difficulty, and certainly delay. Further misgivings, in the context of the G.S.P., arose out of the possibility of British accession to the E.E.C. and its consequential adoption of the system of tariff quotas and ceilings embodied in the E.E.C. scheme.

The agreement in Geneva of the Special Committee on Preferences, at its resumed fourth session in October 1970, came at an auspicious moment when, after two years of work in a preparatory committee and in the General Assembly, the U.N. Economic Committee was about to adopt the much revised strategy for the Second Development Decade. Like any document approved by all 127 U.N. Member States, the strategy is a compromise. The basic goal is that the Gross National Product of developing countries should grow by at least 6 per cent each year, presuming an annual increase of population of about 2.5 per cent and of per capita income of 3.5 per cent. The 6 per cent growth rate also anticipates an annual 4 per cent growth of agricultural output and 8 per cent in manufacturing, while imports should increase by slightly less than 7 per cent and exports by slightly more than that proportion. Apart from the important objectives and recommendations in the field of aid, and several other important areas lying outside the scope of this report, the strategy calls for the conclusion by 1972 of outstanding commodity agreements. Developed countries agreed not to raise new tariff barriers to the primary products of developing countries and promised to reduce present barriers. Similar measures were recommended for manufactures and semi-manufactures from developing countries. On the United Nations 25th Anniversary its entire Membership pledged itself "to create a more just and rational world economic and social order".

At a GATT Council session in December 1970 Australia, which had introduced its own scheme of preferences for developing countries five years earlier and had consequently not joined in the G.S.P. exercise, provided information on the operation of its scheme. According to this, since the implementation of the scheme in 1966, the value of available quotas had been increased from the initial total of \$A 13.3 million p.a. to \$A 47 million. In addition, the range of handicraft products admissible at the preferential duty-free rate had increased considerably.

### *Commodity trends and arrangements*

The boom in raw materials markets which began in 1968, and extended through 1969 into the first quarter of the following year, came to an end during the remainder of 1970. The continuing high level of interest rates, unfavourable indications in the U.S. economy—the world's biggest single market for raw materials—and the collapse on Wall Street, all tended to strengthen the view that world commodity prices must fall. In the event there was a slump in world market prices for non-ferrous metals and some agricultural raw materials

including rubber and wool; but at the same time there was a strong upward movement in the food and feedingstuffs group—especially cereals, fats and oils, and sugar.

Copper led the decline in industrial raw material prices under the impact of a steady rise of stocks in London Metal Exchange warehouses to the highest level since before the second world war. The L.M.E. price of cash wirebars dropped steadily from a peak of about £750 per metric ton in April 1970 to below £500 six months later, and down to £415 in January 1971. Strikes threatened supplies from Chile and Peru, and the cave-in and flooding at the Mufulira mines reduced output in Zambia substantially; the failure of the copper market to react sharply to these events was a fair measure of the general surplus position. A special factor acting on demand in the second half of 1970 had been the General Motors shutdown, which also increased pressure on lead and zinc prices.

Even aluminium processors, who had enjoyed a steadily expanding market for many years, ran into surplus conditions in 1970, when U.K. processors sought anti-dumping action against imports of semi-manufactured aluminium products. Towards the end of 1970 free market aluminium was available in the U.K. at less than £200 a ton compared with the producers' price of £257 a ton.

Tin prices in 1970 reached a peak of over £1,620 per metric ton cash metal in January, and again in April, following exhaustion of the International Tin Agreement buffer stock, but within a month the cash price had fallen to less than £1,450—one particularly bad day on Wall Street resulting in a drop of £87 in the L.M.E. price. After the May 1970 low point L.M.E. tin prices (cash metal) rose by £80 a ton, mainly because the U.S. Government announced it would not sell tin from its strategic stockpile. At its meeting in October 1970 the International Tin Council raised the price range within which the Tin Agreement aimed to keep prices. Apart from the adjustment for sterling devaluation, there had been no change since 1966. A fall in tin prices on the London Metal Exchange in December 1970 took the market below the level of £1,460 a ton at which the buffer stock manager of I.T.A. is entitled to start support buying.

A fourth International Tin Agreement (to succeed the third Agreement which expired at the end of June 1971) was negotiated at the U.N. Tin Conference meeting under the auspices of UNCTAD in April/May 1970. The objectives of the new Agreement remain basically the same as those of its predecessor, but greater flexibility was introduced into buffer stock operations, price ranges for which could be revised by the Council at any time. In February 1971 it was announced that the Soviet Union was to join the Agreement for the first time. The United States remains outside the Agreement but attends Council meetings as an observer.

The International Monetary Fund has indicated that it regards the terms of the Fourth International Tin Agreement as consistent with requirements that are appropriate to commodity agreements for which assistance may be given. In particular, schemes suitable for Fund assistance are expected to take account of the effects of price stabilization, and should aim at price stabilization around a medium term trend, so that buffer stock transactions could be expected roughly to balance out in the medium term.

As regards the non-metallic raw materials, 1970 was a year of almost unrelieved gloom. For rubber, the spot London price of No 1 R.S.S. fell from a peak of over 2·8d/lb (1·7p/lb) in August 1969, down to 2d/lb (0·83p/lb) in April 1970. Then, with continued depression in automobile production in a number of countries and the impending General Motors shutdown in North America, the price slide continued to below 1·8d/lb (0·75p/lb) by October, when

it was far from clear whether the market would bottom out. With prices at their lowest level for over two years, the Malaysian Government declared that it would support the market if it considered prices too low. Meanwhile, the market remained depressed by the existence of heavy stocks in the East and poor off-take by most consumers. Against this background moves were afoot for a price stabilization scheme among rubber producers. At a meeting of the Association of Natural Rubber Producing countries in October 1970, a decision was taken in principle to implement a joint rubber marketing system, and to establish a secretariat in Kuala Lumpur as a first concrete step in this direction.

In the fibres sector, Australian wool producers went through a particularly difficult period in 1970. The selling season which opened in August of that year saw auction prices sink below the level touched earlier in the year. Producers in other countries did not do very much better. The basic trouble again appeared to be poor demand, with synthetics apparently making further inroads into the market for apparel-type and carpet making fibres. Under legislation passed by the Australian Government in November 1970, a Wool Commission was constituted to assist the country's troubled wool industry, which produces about 20 per cent of total export earnings and accounts for 45 per cent of the world's total raw wool exports. The establishment of the Commission, with its wide powers of support buying, has greatly modified the Australian "free auction system", world renowned and often referred to as a model of wool marketing. In recent years this system came under increasing attack by Australian wool growers, whose disenchantment stemmed not only from the decline in wool prices, which hit their lowest level in 22 years during the 1969/70 season, but also from rising costs.

Demand conditions for cotton were strengthened by the requirements of Communist countries; a lower than expected U.S. crop, and shortfalls in other producing countries, lifted import prices in 1970.

Jute prices showed no very marked change in 1970, though the crop news was not encouraging; in India supplies of raw jute for mill consumption were so short throughout the summer and autumn that the Jute Mills Association urged the Government to permit imports of Kenaf from Thailand. In July Pakistan introduced a 10 per cent bonus on its raw jute exports, which enabled an immediate lowering of Export Price Check levels, with PWD grade falling (from £120 at the end of the previous season) to £113 per long ton f.o.b. Pakistan ports. This was within the price range recommended by F.A.O.'s Study Group, which decided to make no change in its recommended price range for the 1970/71 season.

As regards sisal, in February 1970 the Kenyan authorities, faced with the problem of mounting stocks and the danger of wholesale closure of plantations, ceased to enforce agreed minimum prices. Their action was rapidly followed by other producing countries and world prices fell very sharply, East African rejects dropping from the previous minimum of £72 per metric ton, c.i.f. London, to £60. After a partial rally, prices drifted to a new post-war low of £58 by the time of the October session of F.A.O.'s Study Group on hard fibres. At this meeting, attempts to revive the informal quota scheme broke down owing to the non-attendance of Tanzania, the world's largest sisal producer, but during the remainder of the year, prices recovered somewhat and gave rise to a widely held feeling in the trade that sisal might at last be emerging from its prolonged period of depression. Underpinning the firmer tone of the market was a very substantial fall in production in Commonwealth East Africa; and cutback of output in Brazil, the world's second largest producer, was also reported.

In 1970 a much more cheerful side to the picture was shown by the markets for foodstuffs and beverages, namely coffee, tea and sugar, among tropical products,

and fats and oils, wheat and maize among the rest. The exception was cocoa. As a result of unprecedented speculative activity by syndicates in the summer of 1970, the cocoa market experienced one of the sharpest movements in its history. After soaring almost £100 a ton in July and August, prices fell back by more than £50 in a matter of days in September. Over the year as a whole, cocoa futures (second position) on the London market fell from a peak of over £420 a ton in November 1969 to £290 a year later, and below £250 at the end of January 1971.

In compliance with the recommendation made by the UNCTAD preparatory meeting on cocoa in June 1969, the Secretary General of UNCTAD held bilateral consultations in 1970 to review the prospects for an international cocoa agreement, which would to some extent stabilize the market by eliminating extreme fluctuations. A meeting of the Cocoa Consultative Group was convened in June 1970, but progress was limited owing to continuing disagreement between producing and consuming countries over the price range. There was also bargaining over the question of processed cocoa products, but in spite of failure to reach agreement—one of the priority commodity objectives agreed upon at the second plenary session of UNCTAD in 1968—the long term prospects for the industry seem to be sound. F.A.O. reported that by 1975 world demand should increase by half a million tons over the 1970 level, to 1·8 million tons, which would require an additional 3·4 million acres of new planting.

Although the International Coffee Agreement has doubtless contributed to the relative stability of international markets for coffee, the generally strong tone of these markets in 1970 must be attributed in no small measure to very low production in Brazil as a result of adverse weather conditions. In September 1970 the Brazilian crop forecast was only half the size of the preceding year. The Commonwealth Secretariat forecasts indicated that the 1970/71 world coffee crop might be the lowest for ten years, and the fifth consecutive season during which new supplies would be below expected demand. Prices, which had generally declined from 1965, started rising steeply in the second half of 1969, and though the increase moderated to some extent in 1970, by the time of the August meeting of the International Coffee Council price quotations were at their highest level for nearly twenty years. There was naturally some pressure at the August meeting of the I.C.A. for larger export quotas: in the event, quotas were left unchanged, but the initial global export quota for the 1970/71 season was set at 54 million bags compared with only 46 million bags the year before. By March 1971, the global quota had been reduced to 51 million bags.

The tea market enjoyed surprisingly buoyant conditions in 1970 compared with the previous year when prices fell to the lowest levels for sixteen years. London auction values were running around 10d/lb (4·17p/lb) above year-ago values until September, when the North Indian crop started to arrive in quantity. Reasons for the firmer tone of the market included the autumn 1969 strike affecting a number of important Indian tea gardens; the Calcutta warehouse strike early in 1970 (which held back tea subsequently absorbed locally); and more recently, lower production in Ceylon. The net result was that there was no longer a heavy weight of stocks overhanging the London auctions. Indeed, stocks were at their lowest for several years. The informal agreement of 1969 (whereby tea exporters were pledged to limit their shipments to a fixed quota) had not been given practical effect in 1970 owing to shortage of supplies. However, to some extent at least the firm tone of the market appears to have been due to the very existence of the agreement, which acted to restore confidence.

Formal agreement to limit world tea exports, to secure better prices, was reached in New Delhi in December 1970, when the Consultative Committee of

F.A.O. decided to maintain the existing (informal) quota level of 1,311 million lb during 1971. This level had been agreed in 1969 by seventeen tea exporting countries at a meeting in Mauritius. The New Delhi agreement, however, had the backing of importing countries accounting for 80 per cent of world imports of tea as well as exporting countries accounting for 95 per cent of global exports. It was expected that the international agreement on tea prices and production would come into effect towards the end of 1971 when the F.A.O. Consultative Committee met again. Till then, short term arrangements which had been informally agreed upon would continue to operate. Efforts being made to bring about a fully-fledged tea pact are influenced by the fact that world production plans add up to a 30 per cent rise in exportable output by 1975, and to a 70 per cent rise by 1980.

The situation of East African teas in the London market does not always follow in line with supplies from India and Ceylon. Over the past ten years the weight of East African tea imported into London has risen by 450 per cent. Blenders like the quality of most East African teas—London market prices for which averaged 52d/lb (21·67p/lb) in 1970 compared with 50d/lb (20·83p/lb) in 1969 and 42d/lb (17·50p/lb) in the year before that. East African production has trebled in the last decade to reach 150 million lb in 1970, and it is clear that any international tea pact to keep expanding production in line with consumption must take account of the position of East African countries.

So far as free market sugar supplies were concerned, the year 1970 was the most prosperous since the highly abnormal period of world sugar shortages in 1963/64. The London daily price started the year at about £30 a ton, rose above £40 in April and, with the International Sugar Council keeping close watch over the market, prices moved to around £50 a ton in December/January 1970/71—in spite of export quotas having been lifted from 90 per cent of the “basic” level under the I.S.A., at which they had rested for the previous two years, to 95 and then 100 per cent. In February 1971 export quotas moved to 110 per cent of “basic”, but there had not at that time been any releases from stocks compulsorily kept in producing countries under the terms of the I.S.A.

One of the reasons for the large fluctuations in free market sugar prices is that most of the world's sugar industries are protected, so that price fluctuations in the residual market (and before signing of the new International Sugar Agreement) had little effect in adjusting output to demand. Of the sugar that is exported, more than half is paid for under preferential trade arrangements like those under the Commonwealth Sugar Agreement, the U.S. Sugar Act, and the contracts between the Soviet Union and Cuba. Under the first-mentioned, Britain has a contract to buy approximately 2 million tons a year from Commonwealth exporters at negotiated prices which, in 1970, were not very far out of line with free market prices. Because of the relatively high level of free market prices the variable element in C.S.A. prices to developing Commonwealth countries for 1971 supplies was cut out.

A dominant feature of the commodity markets in 1970 was the remarkable turnround in cereal prices, after large surpluses in most of the major supplying countries had put extreme pressure on the Wheat Trade Convention of the International Grains Arrangement and had caused most exporters to breach the latter's minimum price levels. The sudden increase in wheat prices in late 1970 can be attributed to several factors including disease damage to the U.S. maize crop—the biggest single source of animal feed grain—and smaller wheat harvests in all the major exporting countries due to either poor seasonal conditions or the effect of production controls. While world wheat prices practically everywhere rose above £30 a ton, there was some indication that surplus wheat stocks would be substantially reduced during 1971. Combined exports of the

main grains in 1970 were estimated at nearly a fifth higher than in 1969, in terms of volume.

In January 1971, negotiation of a new Wheat Agreement to replace the 1967 International Grains Arrangement commenced with the opening of the U.N. Wheat Conference by the Secretary General of UNCTAD, on the advice of Wheat Council officials. These officials believed that the time was then right for successful negotiation to replace the 1967 agreement which "had not been noticeably successful". In the event, however, there was only a new limited wheat trade convention for the next three years, operative from 1 July 1971. It does not include any price structure or rights and obligations linked to it, nor does it contain obligations on the part of importing countries to buy fixed quantities or percentages from exporters. Thus for the first time in many years there will be a free world market in wheat.

The grain situation in 1970 also affected the oils and fats sector. Oilseed cake was naturally in good demand for animal feed and the exceptionally buoyant demand for oils led to increasing scarcity as the year progressed. With the dropoff in the rapid growth of the Peruvian catch, fish oil supplies were less abundant than in 1968, and there were no signs in 1970 of a serious influx of vegetable oil supplies from Eastern European countries, exports from which had undermined the market in the past. Moreover, the dairy fats situation in Europe, which had appeared so alarming a year or two earlier, seemed to be coming under control with butter stocks heavily reduced.

Prices for most oils and fats were markedly higher in 1970 than the depressed levels to which most vegetable oils had sunk in the wake of the above-trend exports to world markets in 1967 and 1968, and which had prevailed until May 1969. Revived interest and higher prices later developed when it became apparent that availability for export was less than expected, and would not satisfy normal growth in demand. Prices reacted sharply, reflecting a relatively inelastic demand, and continued strong until late summer 1970. This provided the necessary stimulus to dislodge a large volume of soya beans from Commodity Credit Corporation stocks which found their way into consumption in the major developed countries, where growing prosperity had resulted in considerable expansion of meat and poultry output and consumption.

Other important factors in the market were the disappearance of the fish oil surplus seen at the end of 1968 when Peru, South Africa and Norway had all expressed considerable concern about the dangers of over-fishing. The 1969/70 groundnut crops in Nigeria and Senegal were smaller and there was also a significant drop in Philippine supplies of copra and coconut oil. The year was thus one of relative shortage. In September 1968, the general level of fats and oils prices had been near its lowest point for the whole post-war period, but average prices two years later were 50 per cent above that level. Some individual oils had shown particularly sharp increases. Thus fish oil was £38/ton c.i.f. London in September 1968; two years later it was over £150/ton. Over this period sunflower oil practically doubled in price as a result of the drying up of supplies from Eastern Europe.

A remarkable decrease in the huge West European and North American stocks of butter and skimmed milk powder took place in 1970. Thus a situation which had developed during the second half of the 1960's was reversed. Stocks of skimmed milk powder, which had risen from 325,000 tons to 560,000 tons in two years to the end of 1969, and butter stocks of Western Europe, North America and Australasia which had increased to 576,000 tons in the same period, fell 28 and 14 per cent respectively by June 1969. The sharpest decreases occurred in Western Europe where, by early September 1970, E.E.C. butter

stocks of about 340,000 tons were 100,000 tons below the previous year's level, and skimmed milk powder stocks held by intervention offices amounted to less than 130,000 tons, compared with 390,000 tons at the beginning of September 1969; by the end of December 1970, E.E.C. butter stocks had declined to something nearer 100,000 tons.

Nineteen-seventy was the second poor year for milk production in Western Europe and this, combined with a general rundown elsewhere, brought about an improvement in the whole tone of the international dairy market. World market prices for skimmed milk powder, of particular interest to New Zealand, rose during the year to considerably in excess of the export price set by the GATT Skim Milk Powder Arrangement which came into force in May 1970; and Britain's suppliers of butter and cheese at the end of 1970 were looking forward to a period of consolidation, after the first significant price rises in dairy products on this market for nearly five years.

A special session of the study group on oilseeds, oils and fats was convened jointly by F.A.O. and UNCTAD in London in January/February 1970, but the exceptional complexities inherent in the subject baffled the negotiators and it is now recognised that market intervention of the traditional type is more or less ruled out because of the lack of homogeneity in production and marketing, and the number of largely substitutable products involved, many of them by-products. The approach now being adopted is to identify specific problems calling for short-term action, and to co-ordinate all measures which may be taken, nationally or internationally.

Addressing the July 1970 Congress of the International Association of Seed Crushers in London, the Director of F.A.O.'s Commodity and Trade Division said that the great hopes for international action to stabilize world commodity prices, based on the Havana Charter of 1947, had not been fully realised. There had been important achievements, but these were modest in relation to the hopes entertained and the problems that remained. For products sold by the poorer countries of the world, he said, the problem of stabilizing export prices had now become entwined with wider problems of international development and aid. Creation of the U.N. Conference on Trade and Development to promote action in commodity and other fields, and the increasing involvement of the World Bank and the International Monetary Fund, symbolised this evolution. But it remained to be seen what impact they would have on the price stabilization problem.

## COMMONWEALTH TRADING PARTNERS

### *Intra-Commonwealth trade*

The three main components of intra-Commonwealth trade are the exports of Commonwealth countries to Britain, the imports of British goods by these same countries, and the cross trade of Commonwealth countries other than Britain with one another. Table 2 illustrates the growing importance of the last mentioned component. As regards the first two of these segments, which still account for some two thirds of the total of intra-Commonwealth trade, the decline in the share of Britain in world production and trade leads to the general supposition, which is borne out in fact, of a smaller proportion of exports from other Commonwealth countries finding a market in the United Kingdom, and of Britain being able to supply only a smaller proportion of their total import requirements. Relevant data for individual countries, for recent years only, are shown in Appendix Tables II to IX.

Among the many special features associated with the longer term trends has been the planned diversification of trade flows following independence of a number of countries, leading in some cases to growth of trade under bilateral payments arrangements with Eastern European countries and China, and a decline in the intermediary role of London as a centre for the sale by auction of Commonwealth produce. Moreover, trade aspects of development policies in some of the newer Commonwealth countries, the rapid industrialization of the older ones, the continuing multilateralization of trade under GATT and the attraction of regional trade possibilities, (especially the United States, Western Europe and Japan) have not only contributed toward a decline in the effect of Commonwealth preferences but also have combined with a steady erosion that

TABLE 2  
INTRA-COMMONWEALTH TRADE *a*

	£ million				
	1966	1967	1968	1969	1970 <sup>b</sup>
<b>Exports and re-exports from the Commonwealth:</b>					
United Kingdom to other Commonwealth countries .. .. .	1,297	1,219	1,394	1,542	1,638
Other Commonwealth countries to United Kingdom .. .. .	1,439	1,365	1,626	1,650	1,869
Other Commonwealth countries to each other .. .. .	1,171	1,241	1,434	1,652	1,842
(1) Total intra-Commonwealth .. .. .	3,907	3,825	4,454	4,844	5,349
(2) Total to all countries . . . . .	13,810	14,203	18,215	20,696	23,120
(1) as a percentage of (2) .. .. .	28	27	24	23	23
<b>Imports into the Commonwealth:</b>					
United Kingdom from other Commonwealth countries .. .. .	1,590	1,574	1,790	1,872	2,094
Other Commonwealth countries from United Kingdom .. .. .	1,349	1,263	1,500	1,625	1,773
Other Commonwealth countries from each other .. .. .	1,144	1,219	1,404	1,545	1,793
(1) Total intra-Commonwealth .. .. .	4,083	4,056	4,694	5,042	5,660
(2) Total from all countries .. .. .	15,179	16,348	20,154	21,822	23,857
(1) as a percentage of (2) .. .. .	27	25	23	23	24

*a* Sum of individual country valuations.

*b* Provisional.



these preferences have themselves been undergoing latterly. These influences have been strongly reinforced by the associated effects on trade of the diminution in the international role of the London capital market and the growth of massive flows of official aid—most notably from the United States—much of which has been tied as to source or receivable in kind.

These considerations are still, collectively, a potent and pervasive influence. The very close ties now linking the United States and Canada are discussed in the following section of this report. This is followed by a section outlining relevant aspects of the development of the European Economic Community, including the negotiations for its enlargement and the extension of its influence by various forms of association in the Mediterranean and Africa. The General Review of this report also includes sections on the other main regions of interest including Eastern Europe, and China, which have come to be major grain markets for Australia and Canada, supplanting the position once held by Britain—where economic trends and the development of agricultural policy since the second world war have not in general favoured growing imports of temperate zone foodstuffs. A further evolution of British agricultural policy took place in 1970–71 with the announcement and introduction of import levies with a view to transferring from the national Exchequer to the consumer a large and unpredictably fluctuating element of cost in the prices of certain foods. The average increase in all minimum import prices for cereals was set at £3·50 per ton for 1971–72 and a further £2·50 for the following season.

Notwithstanding some of these long term influences, intra-Commonwealth trade as a proportion of total Commonwealth trade held steady in the years 1968–1970 at about 23 per cent. These were “post-devaluation” years in Britain and several other Commonwealth countries. They were the years in which the calamitous droughts in India and Pakistan were left behind, and the first signs of the “green revolution” appeared—lessening the need for extraordinarily large imports of food aid from the United States. As will be more clearly seen from Table 15 (page 35), the stabilization of intra-Commonwealth trade as a proportion of total Commonwealth trade is related to a reversal of the growth, up to 1968, in the American share.

Reference was made above to the growing importance, within the intra-Commonwealth total, of the trade of Commonwealth countries other than Britain with each other. A special feature of this trade in 1970 was provided by the unusual shipments of wheat and other grains from Australia to New Zealand because of the drought, and the large Canadian wheat exports to India and Pakistan—contributing to the almost doubling of total exports from Canada to these countries. There were also large increases in exports of automobiles from Australia to New Zealand, of basic industrial materials from Canada to India, and of crude petroleum oil from Nigeria to Trinidad and Tobago. Generally speaking, however, the mutual trade of Commonwealth countries excluding Britain is too diverse to be characterised briefly. Like the rest of intra-Commonwealth trade its growth is subject to both favourable and unfavourable influences, the latter including competitive industrialization where this has led to the breakdown of previously subsisting preferential arrangements. In addition, trade policy orientation in a number of Commonwealth countries in Asia leans less exclusively toward the Commonwealth, and more toward the development of trade within a quasi-political context, e.g. under the R.C.D. arrangements of Pakistan, Iran and Turkey, and the scheme of developing country preferences worked out by India in co-operation with Yugoslavia and the U.A.R. In the notes which follow, mention will be made of some of the more formal arrangements affecting the intra-Commonwealth trade of countries other than Britain.

Since the New Zealand/Canada Trade Agreement was concluded in 1932 there has been, except in three years, a heavy imbalance of trade in Canada's favour. Discussions were held in Ottawa in 1969 and early 1970 to review the terms of the 1932 Agreement, which both countries felt had become to some extent outmoded. There were, however, basic differences of approach which resulted in little change in the present state of tariffs and access rights emerging. Although the talks were not as successful as had been hoped, they did serve to point out issues which could be examined more fruitfully in the future. A Protocol to amend the 1932 Agreement, signed in May 1970, reflected the accord reached on administrative and consultative machinery. A joint consultative committee was set up to provide a forum for periodic discussions on general bilateral and multilateral matters, especially those of commercial and economic interest to the two countries.

Prospects for an expansion of trade between New Zealand and Canada are, of course, naturally overshadowed by the influence of the strong regional impetus of trade policies at either end. United States/Canadian trade developments are dealt with in the following section. In the case of trade between New Zealand and Australia, however, the regional ties between these countries work to promote intra-Commonwealth trade. With the increasing influence of the New Zealand/Australia Free Trade Agreement (NAFTA), trade between these two countries has continued to grow in importance. At the ministerial meeting of NAFTA in Canberra in March 1970, agreement was reached on new measures to extend the scope of the Agreement. Proposals designed to foster rationalisation of the two countries' motor vehicle industries, and to encourage an expansion of turnover in Australia's components and accessories trade, were studied later in the year. The continuing progress of the forest industry in both countries and the likely expansion of trade in this field again pointed up the importance of forest products in the Free Trade Agreement. The NAFTA Joint Consultative Council on Forest Industries, set up to promote the most efficient use of the combined resources of Australia and New Zealand, carried out further studies on matters of mutual interest which, it was hoped, would result in an increase not only in two-way trade in forest products, but also in trade to other countries.

Canadian relations with the Commonwealth Caribbean were formalized in the 1926 bilateral trade agreement with the then British West Indies, providing essentially for the exchange of tariff preferences. The trade protocol negotiated at the 1966 Commonwealth Caribbean-Canada Conference updated and revised the earlier agreement, adding specific provisions of interest to both sides, consultative provisions and an undertaking to examine the agreement with a view to its possible re-negotiation after the Kennedy Round.

Canadian exports to the Commonwealth Caribbean, of which over a third go to Jamaica alone, consist mainly of a very broad range of manufactured and semi-manufactured products, but food-stuffs (especially fish, flour and meats) account for more than a fifth of the total value. Canadian imports from the Commonwealth Caribbean consist almost entirely of bauxite and alumina from Jamaica and Guyana, petroleum from Trinidad and Tobago, and sugar, molasses and rum from the same three countries.

In 1967, the Canadian Government initiated a system of special rebates to Commonwealth Caribbean sugar producers of the (preferential) duty, 29 cents per cwt. on their own sales—this rebate to be paid in respect of all shipments up to a volume equal to average imports in the five years to 1966. In effect, this meant that on a special volume of sales to Canada, a maximum of 275,000 metric tons, the West Indian sugar producers would receive world free market price plus the amount of the Canadian m.f.n. tariff—\$1.29 per cwt.

With the introduction of the International Sugar Agreement in 1969, it had been the opinion of the Canadian Government that sugar rebate payments might be drawn to a close. However, in the light of representations from the region about the difficulties the sugar industry was facing and the need for a longer adjustment period, the Government decided, in 1970, to continue payments for that year. Towards the end of the year the Canadian Government decided to extend the period of the sugar rebate to the end of 1971. During the course of that year Government decisions would need to be taken on the Tariff Board report on sugar.

Special rebate payments for sugar are separate from and additional to the \$5 million Agricultural Development Fund which had originally been intended to supersede the rebate, but which the Canadian Government decided to launch immediately at the start of 1971. It was agreed that the Fund would be substantially "untied", on liberal terms and replenishable.

As regards intra-Commonwealth trade within the Caribbean region itself, this has in recent years been stimulated as a result of arrangements of the Caribbean Free Trade Association (CARIFTA). CARIFTA came into being in May 1968, with the signing of the agreement in Antigua at the end of the previous month. The signing was subsequently acceded to and ratified by the Governments of Jamaica, Guyana, Barbados, Antigua, Dominica, Trinidad and Tobago, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Montserrat and Grenada, their stated objectives being: "To promote the expansion and diversification of trade within the area; to ensure that trade between Member territories takes place in conditions of fair competition; and to encourage the harmonious development of Caribbean trade and liberalization by the removal of barriers to it".

Since the Agreement was signed the trade of the region has expanded considerably, although the mere removal of customs duties within CARIFTA is having only a marginal effect on the intra-trade of the region. This is due to the similarity of each island's exports, to the extent to which these exports are already effectively dependent on markets in the major industrialized countries of Europe and North America, and to the problems inherent in developing productive capacity and diversifying output. On 10 March 1971 the CARIFTA Council of Ministers agreed to accept Belize (formerly British Honduras) to full membership. The communique issued stated that "Under the terms of the council's decision Belize will be designated a less developed country within the association". Belize's membership was to take effect from 1 May 1971, the third anniversary of CARIFTA, thus raising the membership to twelve.

The other formal group linking the trade of some developing Commonwealth countries is in Africa. The East African Community replaced the East African Common Market, under which the economies of Kenya, Uganda and Tanzania were gradually being integrated. Regional intra-trade consists mainly of such items as soap, pyrethrum, clothing and blankets, beer and spirits, foot-wear, margarine, paints and brushes, etc., paper products, iron and steel manufactures, cement and petroleum products—as well as wheat and dairy produce, and fruit and vegetables, from those parts of Kenya endowed with a suitable climate for their production. This intra-trade (other than transit trade), like that within the Commonwealth Caribbean and the trade between Malaysia and Singapore, comes up against the problem of maintaining a balance of industrial development within the region, and the success or otherwise attending the attempts to overcome this problem determines the relative growth or decline of this type of intra-Commonwealth trade.

Trade between the three Partner States of the East African Community rose by 17 per cent in 1970. The most marked rate of growth was shown by

Tanzanian exports to Kenya and Uganda, which went up by 24 per cent and this, it was reported to a meeting of the Community's Legislative Assembly in May 1971, was a sign that the countries were progressing towards a common market.

### *United States*

The importance for the Commonwealth of developments in United States foreign economic policy should need no underlining. In the past decade a very close economic symbiosis has developed between the United States and Canada and indeed the bulk of Commonwealth trade with the United States is accounted for by Canada alone; but several other Commonwealth countries each list the United States as the major or second most important individual country for their export products. The United States is the most important such market for Britain, Hong Kong, India, Jamaica and Trinidad and Tobago. The United States ranks about equal first with Britain as an export market for Pakistan and Uganda, while for Australia and New Zealand it ranks second (after Japan in the case of Australia and after Britain in the case of New Zealand). In none of these countries, however, do developments in the United States so profoundly affect domestic policy considerations as in Canada.

Canada has long been accustomed to a special relationship with the United States. It is this special relationship that won for Canada exemption from the Interest Equalisation Tax in 1963, from the voluntary credit restraint programme in 1965, and from the mandatory control programme in 1968. It also made the Auto Pact possible. The feeling seems to have grown that the structure of the Canadian economy has undergone important changes in the past five years or so, and while none suggests the special relationship is about to end, there is a feeling that it will be a different kind of "special relationship" in the future. At the thirteenth annual meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs, held in Ottawa in November 1970, items on the agenda included Canadian exchange rate policy, the auto trade pact of 1965, Canadian oil exports to the United States, the defence production sharing arrangements, and Canada's exemption from the United States interest equalisation tax.

Among the reasons for Canada's improved trade position with the United States have been the much better than expected Canadian performance under the Auto Pact and growing crude oil and natural gas sales across the border. Since 1965, when the Auto Pact was signed, Canada has moved from a trade deficit in automotive goods amounting to \$768 million, to a surplus of about \$250 million in 1970. This tendency was exaggerated in the 1970 model year by the fortuitous fact that the automobile companies had concentrated in their Canadian plants on the production of models that happened to be most successful in the market place.

Specific agricultural problems discussed at the thirteenth annual meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs included beef imports by the United States and Canada. Under its own protectionist arrangements of 1967, U.S. quotas had been imposed on imports of beef from foreign supplying countries (including Australia and New Zealand). After discussions with all major suppliers the United States Government had increased the "voluntary" restraint level on meat imports for 1970 by 26.5 million lb to 1,061.5 million lb. From the point of view of Commonwealth supplying countries this restraint level was a disappointingly low figure in view of the current strong demand for beef in the United States, and it was thought that the likelihood of an increasing shortage of manufacturing grades of beef in that country during 1970 could have intensified internal pressures for a relaxation of quota

restrictions. There had been, however, some evidence of a diversion of supplies for the United States from Australia and New Zealand through Canada. This small loophole was closed during 1970.

Economic consultations between New Zealand and the United States were held in April 1970, when the United States participants reconfirmed that unrestricted access for lamb would continue. The longer-term outlook for lamb exports to the United States consequently remains encouraging. Access for dairy products, however, remains severely restricted and the beef trade of both New Zealand and Australia cannot grow rapidly because of the quota limitations.

In contrast to previous periods of economic sluggishness, U.S. import demand remained fairly strong throughout 1970 despite the downturn in the economy. This is reflected in the continued growth of exports from the Commonwealth to the United States shown in Table 3. For their fifth consecutive year, purchases of consumer goods contributed most to the expansion of U.S. imports from all sources, and would have been larger but for the marked deceleration in arrivals of automotive products from U.S. subsidiaries in Canada. Weak demand for cars in the United States, and the General Motors strike towards the end of the year, held the advance in these imports to 3 per cent—a huge reduction from the 34 per cent increase of 1969. The value of new automobiles imported from Canada actually fell slightly in 1970, as shown in Appendix Table XII. The same table, however, shows a jump in the value of U.S. imports of Canadian steel mill products, and certain non-ferrous metals: apart from the price rises which these reflect, the increases resulted largely from the fact that U.S. imports of these products in 1969 were depressed as a result of a long, industry-wide Canadian strike.

Exports from Hong Kong to the U.S.A. continued their rapid growth in 1970 (Table 3), but this was not due to cotton textiles (Appendix Table XII), the quantities of which are restricted under bilateral arrangements in the framework of the GATT L.T.A.

TABLE 3  
EXPORTS FROM THE COMMONWEALTH TO THE UNITED STATES

	£ million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	142	139	202	235	249
Canada .. .. .	2,066	2,428	3,565	4,106	4,415
Ceylon .. .. .	10	10	10	10	10
Ghana .. .. .	14	16	24	19	16
Hong Kong .. .. .	134	165	249	319	374
India .. .. .	108	91	122	138	111
Jamaica .. .. .	31	33	36	40	57
Malaysia .. .. .	56	61	87	103	91
New Zealand .. .. .	62	56	79	80	86
Nigeria .. .. .	22	19	20	47	56
Pakistan .. .. .	25	27	41	32	35
Singapore .. .. .	17	26	42	66	67
Trinidad & Tobago .. .. .	57	68	91	101	102
Uganda .. .. .	17	14	19	19	21
United Kingdom .. .. .	652	639	910	906	943
Other Commonwealth .. .. .	41	50	64	67	69
Total .. .. .	3,454	3,842	5,561	6,288	6,702

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE 4

## IMPORTS INTO THE COMMONWEALTH FROM THE UNITED STATES

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	280	306	414	404	461
Canada .. .. .	2,359	2,650	3,488	3,977	3,965
Ceylon .. .. .	6	8	12	15	9
Ghana .. .. .	21	18	24	27	34
Hong Kong .. .. .	68	88	119	138	159
India .. .. .	356	385	357	255	253
Jamaica .. .. .	43	49	62	77	81
Malawi .. .. .	1	1	2	1	1
Malaysia .. .. .	24	25	31	31	44
New Zealand .. .. .	40	35	42	48	65
Nigeria .. .. .	42	28	26	34	62
Pakistan .. .. .	94	129	128	105	164
Singapore .. .. .	24	28	46	65	106
Trinidad & Tobago .. .. .	23	24	26	29	36
United Kingdom .. .. .	723	812	1,064	1,131	1,174
Zambia .. .. .	14	16	19	17	19
Other Commonwealth .. .. .	97	112	135	174	207
Total .. .. .	4,215	4,714	5,995	6,528	6,840

<sup>a</sup> Actuals, or annual rates based on latest data.

As regards imports into Commonwealth countries from the United States (Table 4), the most remarkable feature in 1970 was the fall in the Canadian figures. The high level of unemployment associated with depressed demand conditions in Canada has been referred to earlier in this report, when it was noted that total Canadian imports from all sources showed no appreciable movement between 1969 and 1970—in marked contrast to the general experience in the rest of the world. A special influence was provided by the curtailment of wheat production in Canada under “Operation LIFT” (Lower inventories for tomorrow) which resulted in lower investment in farm equipment and a sharp drop in imports of agricultural machinery and implements from the United States.

#### *European Economic Community*

As indicated in “Commonwealth Trade 1969”, the “Hague Summit” of Heads of State or Government of the Six, held in December 1969, was in some respects the most significant event of the year having a bearing on the trade of Commonwealth countries. After completion of outline arrangements for financing the Common Agricultural Policy and the Community institutions, and after filling in the details of the agricultural package deal, the way was clear for the start of negotiations for the adhesion of Britain, the Irish Republic, Denmark and Norway to the E.E.C. Accordingly, on 1 July 1970, formal negotiations were opened with the four applicant countries under Article 237 of the Rome Treaty providing for the Common Market’s enlargement.

The stated aim of Britain and the Six was that all major issues of the negotiations should be “on the table” by the end of 1970, and this was achieved on the British side when, towards the end of the year, the formal British proposals on Community finance were submitted. Britain had already put in proposals for

what she considered to be the other key areas of the talks—Commonwealth sugar, the special position of New Zealand, and the length of the transitional periods for industry and agriculture.

An attempt to summarise the state of negotiations would only be of temporary interest. It may be mentioned, however, that agreement had been reached by the end of 1970 on a five year transitional period for both agriculture and industry. The length of the transitional period for accession to the financial regulations of the E.E.C., the “key” for the rate of British contributions to the Community funds, and the possibility of some form of safeguard formula, had been broached but not negotiated.

It had been reported in December 1970 that Association Agreements would be offered to nine independent Commonwealth countries in Africa, in the event of negotiations for British entry to the European Communities succeeding. The countries to which the offer would be made were Kenya, Uganda and Tanzania (the Arusha Convention expiring in 1975), The Gambia, Ghana, Malawi, Nigeria, Sierra Leone, and Zambia. Each of the nine countries would be able to choose between one of three kinds of agreement: they could opt for associate status under the Yaounde Convention, negotiations for the renewal of which are due to start in 1973; or they could have an Arusha-style agreement; the third option would be a simple trade agreement. These countries, it was reported, would be allowed to continue present trading links with Britain until new global arrangements between the Community and the Yaounde Convention countries (A.A.S.M.) come into force in 1975. In January 1971 the offer was extended to Botswana, Lesotho and Swaziland, subject to an appropriate consideration of the effects of their Customs Union with South Africa.

As regards developing Commonwealth countries in the Indian Ocean, the Pacific and the Caribbean, for which Britain had proposed that the same options be available, the Community said that it could only state its position in the light of discussions taking place with respect to the Commonwealth Sugar Agreement. Arising out of those talks in May 1971 it was announced that the same options would be available to those countries in the event of British accession to the E.E.C.

In 1970 the British Government had tabled a memorandum on the subject of Commonwealth Sugar exports which envisaged that Australia would be phased out of membership of the Commonwealth Sugar Agreement after the end of 1974. The Australian Government pointed out that the implications of this would involve not only the Commonwealth Sugar Agreement but also the International Sugar Agreement, which includes the C.S.A. as a special arrangement. The European Community is not yet a member of the International Sugar Agreement.

Although, at the turn of the year, it did not seem likely that a clear view of the outcome of the British application would emerge before the middle of 1971 at the earliest, a definite stage had nevertheless been reached on the Maltese application for association. Negotiations between Malta and the E.E.C. had been proceeding for more than a year previously, and an agreement establishing an Association was signed at Valletta in December 1970. Under this accord, which was expected to enter into force on 1 April 1971, Malta would become part of the European Community’s Customs Union in two five-year stages.

On the operative date of the Agreement the E.E.C. was to cut by 70 per cent the customs duties on imports of Maltese industrial exports, except for petroleum products (which do not yet play an important part in the Maltese economy, and do not come under the arrangements for the first stage). The Community was to abolish all quantitative restrictions on imports of Maltese industrial products

apart from petroleum products, and on four products of the Maltese textile industry, where the tariff reductions would be granted only within quotas. On the other hand the tariff system applicable to the products supplied by the Community and imported into Malta were not to be less favourable than those applied to products from the most favoured third party. Until the end of the fourth year of the agreement, however, Commonwealth goods to which Malta already grants tariff preference will be excepted.

In August 1970 the Government of Cyprus made an approach to the E.E.C., asking for the opening of talks with a view to the negotiation of an association with the Community under Article 238 of the Rome Treaty, and the negotiation of a rapid interim agreement to solve the most urgent problems while waiting for association. The Council of Ministers called upon the European Commission to examine the situation and report, but this task was not completed by the end of the year.

During 1970 agreements of one sort and another were concluded between the E.E.C. and several other Commonwealth countries. After three years of intermittent negotiations the E.E.C. and Pakistan concluded an agreement on jute goods along the lines of the pact that the Community had negotiated with India at the end of 1969. Then, in return for an Indian undertaking to limit exports of carpet backing, the Six had agreed to reduce their jute tariffs at once, rather than over a period of years as provided for in the Kennedy Round protocol. The quota, which applied only to jute cloth over 150 cm. wide, was fixed at 5,500 tons for 1969, rising by annual increments of 250 tons to reach 6,250 tons in 1972, when the agreement expires. The E.E.C. agreed that the quota could be exceeded if the needs of the Community's carpet industry require it. Under the agreement with Pakistan, the duty-free quota for carpet backing was set at 760 tons p.a., with annual increments of 15 per cent. The three-year agreement also provided for an annual quota of 2,000 tons of special quality yarns. The sizes of the tariff quotas for India and Pakistan were supposed to be in line with current export performance, more or less, so that for practical purposes they would pave the way for the elimination of the E.E.C.'s high tariffs on jute goods. In their provisional offer under the UNCTAD scheme of generalized preferences the Six had made no exception of jute goods, but duty-free treatment was to apply only within the framework of bilateral agreements with the Community's main suppliers.

In September 1970 India asked for an overall trade agreement with the Community, under which she might hope to reduce her large trade deficit with the Six. In asking the Commission in general terms for discussions on how her marketing position in the Community could be improved, India is reported to have distinguished between the problems she would face if Britain joined the Community (which would involve the Indo-United Kingdom trade agreement and Commonwealth preference) and the basic trading problems which already exist. India would have liked to reach a trade agreement with the Six before tackling the implications of the E.E.C.'s enlargement. The E.E.C., on the other hand, appeared to take the view that overall settlements with Asian Commonwealth countries could be reached if and when the terms of British accession to the Common Market were known, to be implemented during the transitional period *pari passu*.

The beginning of 1971 assumed particular importance for the Community and for its relations with other countries. It was the date for entry into force of the treaty for new budgetary powers of the European Parliament and of the decision instituting the Communities' own resources; for entry into force of the "Community" nature of export and import licences for farm products; for the entry into force of a new common external tariff embodying a further stage of Kennedy



Round reductions; for renewal until 31 January 1975 of the E.E.C. Association with the overseas countries and territories; for entry into force of the Arusha Convention of 1969, valid until 31 January 1975; and for the entry into force of the second Yaounde Convention which renews, to the same date, the association between the E.E.C. and the A.A.S.M. During the course of 1970 a trade agreement between the Governments of Kenya, Tanzania and Uganda, on one hand, and the European Commission on the other hand, made immediately operative the trade clauses of the Arusha Convention.

On 1 January 1971, after a period of considerable delay owing to slow ratification, the second Yaounde Convention came fully into force. One of its features, and an aspect that came under strong criticism at the Eur-African parliamentary conference at Libreville in October 1970, was the reduction of the privileged status of the eighteen in the European Common Market for their exports of a number of important tropical products—mainly coffee, cocoa and palm oil. The principle of duty reduction or suspension had been agreed upon at the negotiations for the renewal of the Convention, as a compensation to the developing countries which did not belong to the Association, and in view of the E.E.C.'s worldwide responsibilities. For the above-mentioned commodities, and as from 1 January 1971, there was a partial suspension of the common external tariff. The Community gave no undertaking for consolidation of the reduced m.f.n. rates and could, if necessary, reverse its decisions. In addition, for coffee, the partial suspension is linked with the existence and satisfactory functioning of the International Coffee Agreement, which has enabled the A.A. S.M. during past years to market their coffee in conditions which the European Commission considers to be satisfactory.

The partial tariff disarmament brought about by Yaounde II is a welcome move to rectify some of the most glaring shortcomings of the Kennedy Round with respect to tropical products. It also reduces to some extent the double spread between the Commonwealth and the E.E.C. preferences for the commodities concerned, which the UNCTAD scheme of generalized preferences for manufactures and semi-manufactures does not affect. In the absence of further tariff reductions, either under Part 4 of GATT or in the context of the negotiations for enlargement of the E.E.C., British adhesion to the latter would mean, for many Commonwealth countries not given the option of Association, exchanging free-entry into Britain for the C.E.T., and the Commonwealth preference on coffee and vegetable oils for reverse preferences on coffee, cocoa and vegetable oils.

The buoyant economic conditions obtaining in the European Economic Community in 1970 have already been referred to in this report. Table 5 shows the extent to which Commonwealth countries were able to take advantage of these conditions to increase their exports. Britain increased its shipments to £1,754 million, to exceed by a small margin (and for the first time) the value of its exports to the Commonwealth (Table 2). Canadian exports of basic materials, such as wood products and minerals, contributed towards a rise of over 40 per cent in total exports from that country to the E.E.C. although, as in the case of its exports to the U.S.A., the holdup of certain items by strikes affecting production in 1969 resulted in an abnormally high gain in the following year. Exports of manufactures from Hong Kong to the E.E.C., (as to the U.S.A.) once more went ahead rapidly in 1970, and several other Commonwealth countries did well with their exports of primary products. Among these Nigeria was outstanding. Zambian exports of copper to the E.E.C. were adversely affected by both production setback and price falls.

On the side of imports into Commonwealth countries from the E.E.C., rises were general, with only one or two exceptions such as Ceylon, whose total imports from all sources recorded a fall in 1970, in line with official policy

designed to husband foreign exchange; and India, owing to the development of its trade with Eastern Europe and attempts to minimise its adverse trade gap with the E.E.C.

TABLE 5

EXPORTS FROM THE COMMONWEALTH TO THE EUROPEAN ECONOMIC COMMUNITY

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	165	150	173	205	186
Canada .. .. .	213	228	294	330	482
Ceylon .. .. .	10	10	14	12	12
Ghana .. .. .	21	20	36	37	37
Hong Kong .. .. .	47	43	57	85	108
India .. .. .	43	38	59	57	52
Malawi .. .. .	2	2	2	2	2
Malaysia .. .. .	46	39	53	70	85
New Zealand .. .. .	58	38	44	65	51
Nigeria .. .. .	101	96	88	132	174
Pakistan .. .. .	35	27	55	40	39
Singapore .. .. .	22	26	34	44	49
Trinidad & Tobago .. .. .	14	9	6	6	5
United Kingdom .. .. .	1,045	1,042	1,292	1,526	1,754
Zambia .. .. .	84	63	102	148	127
Other Commonwealth .. .. .	85	55	73	81	90
Total .. .. .	1,991	1,886	2,382	2,840	3,253

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE 6

IMPORTS INTO THE COMMONWEALTH FROM THE EUROPEAN ECONOMIC COMMUNITY

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	136	154	190	202	244
Canada .. .. .	182	207	255	304	322
Ceylon .. .. .	17	20	18	23	19
Ghana .. .. .	27	22	26	30	37
Hong Kong .. .. .	49	53	71	90	111
India .. .. .	128	127	133	104	93
Kenya .. .. .	21	23	28	28	34
Malawi .. .. .	2	2	2	2	3
Malaysia .. .. .	36	35	41	44	52
New Zealand .. .. .	24	26	25	31	39
Nigeria .. .. .	68	58	62	73	117
Pakistan .. .. .	61	70	76	98	91
Singapore .. .. .	32	36	44	60	73
United Kingdom .. .. .	1,104	1,264	1,551	1,608	1,822
Zambia .. .. .	10	19	24	18	22
Other Commonwealth .. .. .	112	108	130	146	166
Total .. .. .	2,009	2,224	2,676	2,861	3,245

<sup>a</sup> Actuals, or annual rates based on latest data.

### European Free Trade Association

In July 1970 Denmark and Norway, as well as Britain, formally commenced negotiations for entry into the European Economic Community. Accordingly, deliberations in the EFTA Council during the year included a consideration of the modus operandi of those negotiations and an exchange of policy statements, not only by the EFTA applicants to the E.E.C., but also by those EFTA countries not able or willing to contemplate all the obligations of full membership of the E.E.C. Parallelism in the negotiations between the Six and the various applicant countries had been decided upon at an early stage by the E.E.C.

Towards the end of 1970 it was announced that Austria, whose trade ties with the E.E.C. are already strong, sought an arrangement looking eventually to complete free-trade, in accordance with Article XXIV of the General Agreement on Tariffs and Trade. This arrangement would come into force if and when other EFTA countries became members of the E.E.C., thus preserving the freedom of trade already achieved in EFTA. Sweden sought to participate in the enlargement of the European Communities through comprehensive, close, and lasting economic relationships, including membership in the E.E.C. customs union and adherence to the common agricultural policy. Switzerland, which is second in EFTA (after the United Kingdom) as a customer of the present E.E.C. membership, sought very liberal trade relations and an appropriate institutional framework to facilitate co-operation in other economic fields. Finland, whose policy of neutrality also would not permit membership in the E.E.C., asked for some type of association which would preserve its free trade with the other EFTA countries and extend similar arrangements, if possible, to the six E.E.C. members. Iceland, which is highly dependent on a single export item, fish, agreed to explore with the Commission some suitable form of trading relationship. Portugal sought associate membership with special provisions—such as were granted by its EFTA partners—that would recognize the differences in the levels of economic development between E.E.C. members and Portugal.

Reference has already been made in this report to the rapid growth of imports into Continental EFTA countries in 1970. Table 7 shows the interest of the Commonwealth in this expansion, exports of Commonwealth countries to

TABLE 7  
EXPORTS FROM THE COMMONWEALTH TO CONTINENTAL MEMBERS OF  
EFTA

	£ million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	10	12	11	14	13
Canada .. .. .	68	58	82	83	124
Hong Kong .. .. .	15	22	25	38	49
India .. .. .	6	7	8	9	9
Jamaica .. .. .	7	8	11	13	10
New Zealand .. .. .	4	4	3	5	4
Nigeria .. .. .	13	16	17	28	23
Pakistan .. .. .	4	4	7	6	7
Singapore .. .. .	2	3	2	4	5
Trinidad & Tobago .. .. .	11	12	19	12	13
United Kingdom .. .. .	684	706	803	972	1,145
Zambia .. .. .	14	14	18	25	20
Other Commonwealth .. .. .	21	19	23	29	35
Total .. .. .	859	885	1,029	1,238	1,457

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE 8

## IMPORTS INTO THE COMMONWEALTH FROM CONTINENTAL MEMBERS OF EFTA

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	47	47	60	63	74
Canada .. .. .	69	78	96	115	130
Hong Kong .. .. .	17	21	26	38	47
India .. .. .	21	21	24	17	15
Malaysia .. .. .	8	8	10	10	12
New Zealand .. .. .	8	9	11	10	10
Nigeria .. .. .	15	13	9	11	19
Pakistan .. .. .	14	9	11	14	12
Singapore .. .. .	10	17	15	20	24
United Kingdom .. .. .	716	811	999	1,072	1,209
Other Commonwealth .. .. .	36	37	47	52	62
Total .. .. .	961	1,071	1,308	1,422	1,614

<sup>a</sup> Actuals, or annual rates based on latest data.

“Continental” EFTA rising by not much less than 20 per cent. This figure is, of course, largely a reflection of the British performance—intra-EFTA trade increasing in 1970 by more than trade with any other area—but the strong expansion of Canadian and Hong Kong sales in Scandinavia continued. The Canadian expansion consisted mainly of non-ferrous metals. Over the period 1966 to 1970 (Table 7) exports from Hong Kong to Continental EFTA more than trebled in terms of sterling, textiles and clothing being a major component of this growth.

### Japan

The growth of Japanese industry and foreign trade over the past decade and more has been one of the most remarkable phenomena in the whole field of international economic affairs. The year 1970 was no exception, gross national product rising by a nominal 18·3 per cent, or by 11·2 per cent in terms of constant prices—hardly less than the real growth of the preceding year. For long the growth of the Japanese economy was accompanied by defensive economic policies, but in more recent years the size of the Japanese payments surplus and the appetite of Japanese industry for raw materials of all kinds, and especially minerals, have brought about a more expansive and less restrictive posture—especially as regards imports of manufactures and capital, and foreign aid. At the beginning of 1971 Japan announced another \$100 million loan to the World Bank, bringing to more than \$400 million the accommodation provided by the Bank of Japan to that institution in little over twelve months. This gives some indication of the growing size of the payments surplus. It was queried, however, whether large surpluses could be offset indefinitely by capital exports.

In past issues of this report emphasis has been placed on the importance of Australia, Canada and India as sources of minerals for Japanese industrial expansion. Japan is indeed by far the largest export market for Australia, and ranks among the premier markets of India (along with the United States and the Soviet Union). It is also, however, a growing export market for New Zealand, ranking fourth after the United Kingdom, the United States and the E.E.C.

The main barriers at present to a greater increase of New Zealand exports to Japan are quantitative restrictions on the import of beef into Japan and an import control policy for most dairy products, which is geared to high internal

prices in support of Japanese production. The value of New Zealand dairy exports to Japan has, in fact, fallen in the past three years; under the policy of restructured production out of rice and into livestock, Japanese milk production has increased rapidly. There appears little prospect in the immediate future of large increases in Japanese dairy imports. Cheese is free of quota in Japan but carries a 35 per cent duty; skimmed milk powder sales were showing satisfactory results until Japan imposed limitations. The New Zealand dairy industry had its eye on the large Japanese school programme which uses considerable quantities of milk powder. There is a growing acceptance of lamb in the Japanese market and in the use of mutton for processed meats, although in 1970 New Zealand's shipments of mutton to Japan fell by a very large tonnage. Given some liberalisation of beef imports there are prospects for a steady increase for trade in meat, provided this does not interfere with the high support price policies of the Japanese Government. There are also prospects for a continued expansion of the growing trade in forest products.

Arrangements were made for the continued expansion of Anglo-Japanese trade in 1970, and a programme was agreed for eliminating remaining trade restrictions in both directions. The Japanese Government liberalised the import of wool cloth and increased the opportunities available for British exports of various foodstuffs and manufactured items still subject to global quota in Japan. In return, quotas were increased by up to 20 per cent for the export to the United Kingdom of goods still subject to voluntary export control by Japan, and in accordance with arrangements agreed in principle in the negotiations at the end of 1968, certain textile goods were removed from the list of items subject to control.

Discussions between the British and Japanese Governments with the object of reaching a long-term agreement for the removal of the remaining restrictions on mutual trade began in June 1969. The intention of the British Government was to end the remaining restrictions on non-cotton textiles and pottery over the following three or four years. However, future policy towards imports of textiles from Japan will need to take account of trade relations between a number of other countries—especially those between Japan and the United States.

TABLE 9  
EXPORTS FROM THE COMMONWEALTH TO JAPAN

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	210	249	333	439	521
Canada .. .. .	131	190	234	241	318
Ceylon .. .. .	3	3	4	3	5
Ghana .. .. .	5	7	9	11	8
Hong Kong .. .. .	27	32	40	59	74
India .. .. .	48	61	84	93	115
Malaysia .. .. .	81	88	105	126	131
New Zealand .. .. .	33	34	36	45	50
Pakistan .. .. .	9	13	22	14	18
Singapore .. .. .	13	16	35	43	44
Uganda .. .. .	3	6	9	10	12
United Kingdom .. .. .	69	87	98	129	148
Zambia .. .. .	35	48	67	105	98
Other Commonwealth .. .. .	26	23	29	27	27
Total .. .. .	693	857	1,105	1,345	1,569

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE 10  
IMPORTS INTO THE COMMONWEALTH FROM JAPAN

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	104	127	173	206	235
Canada .. .. .	84	101	139	191	233
Ceylon .. .. .	9	7	8	13	14
Ghana .. .. .	7	7	7	8	10
Hong Kong .. .. .	115	125	187	240	288
India .. .. .	48	47	66	36	43
Kenya .. .. .	3	6	9	11	17
Malaysia .. .. .	47	50	66	78	100
New Zealand .. .. .	21	22	28	33	46
Nigeria .. .. .	14	19	8	11	30
Pakistan .. .. .	28	34	47	47	56
Singapore .. .. .	54	64	94	138	187
United Kingdom .. .. .	77	91	115	104	134
Zambia .. .. .	4	9	11	13	13
Other Commonwealth .. .. .	37	38	52	60	64
Total .. .. .	652	747	1,010	1,189	1,470

<sup>a</sup> Actuals, or annual rates based on latest data.

The spectacular rise of total Japanese imports from all sources in 1970, by over a quarter, has already been mentioned in this report. Commonwealth exports to Japan went up by rather less—about 18 per cent as shown in Table 9. Increases in exports of copper ore, wood pulp and aluminium, and a revival in wheat exports, contributed to the higher level of Canadian exports to Japan. Minerals were again the main component of the rise in Australian exports to that country. Imports into the Commonwealth as a whole from Japan rose by rather more than the trade in the other direction. The movement was rather general, affecting most Commonwealth countries. The almost 30 per cent rise in British imports from Japan (Table 10) is clear evidence of the liberalization of this trade.

### *Eastern Europe*

Since the disastrous harvests in the middle nineteen sixties, followed by abandonment of the "virgin lands" policy in the Soviet Union and increasing reliance on intensive methods of farming, Eastern Europe had offered a seemingly declining market for Commonwealth agricultural produce, especially grain.\* In 1970, however, wheat was a major contributor to the expansion of Commonwealth, and especially Canadian, sales to Eastern Europe, where there was also a better demand for New Zealand meat. Together with the results of a relaxation in trade between Britain and the Soviet Union, and an expansion in the exports of India, Nigeria and Singapore, Commonwealth exports as a whole to Eastern Europe rose by over a fifth, i.e. by a larger proportion than exports to any other major marketing area.

One of the most significant features of the development of Soviet trade policy in recent years has been its liberalization and increasing orientation towards Asia (except China). In Singapore the first Soviet trade and industrial exposition was held there in September 1970. Trade with Eastern European countries

\* Output of wheat in the Soviet Union in 1970 was estimated at 80 million tons by the Foreign Agricultural Service of the U.S. Department of Agriculture—a rise of 28 per cent over output in 1969—and Soviet sources have announced that investment in State and collective farms under the 1971–75 economic plan will equal agricultural investment during the whole of the two previous five year plans combined.

(Tables 11 and 12) has increased rapidly over the past five years following the signing of trade agreements obligating the Soviet Union, Bulgaria, Poland and Rumania to purchase manufactured goods from Singapore to the value of 50 per cent of their total sales to Singapore. In particular, imports into Singapore have gone up from only £2 million in 1966 to an estimated £15 million in 1970. Statistics of Pakistan's growth of trade with Eastern European countries show a similar rapid expansion. In the case of India, exports to Eastern European countries now account for about a fifth of the total, and take an increasingly large share of exports of engineering goods in liquidation of bilateral debt. Continual expansion in the scope of trade with State agencies in Eastern European countries, and the "socialization" of Indian foreign trade, must soon result in sales to Eastern Europe surpassing those to the Commonwealth as a whole—unless there is a totally unforeseen change of trend.

TABLE 11  
EXPORTS FROM THE COMMONWEALTH TO EASTERN EUROPE

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	25	23	27	33	47
Canada .. .. .	131	60	53	12	57
Ceylon .. .. .	11	8	11	11	12
Ghana .. .. .	16	13	8	4	7
India .. .. .	99	95	133	146	159
Malaysia .. .. .	34	27	37	45	40
New Zealand .. .. .	8	4	7	8	11
Nigeria .. .. .	3	7	11	12	23
Pakistan .. .. .	13	17	23	30	37
Singapore .. .. .	17	14	20	28	33
United Kingdom .. .. .	151	174	229	229	258
Zambia .. .. .	5	3	3	4	3
Other Commonwealth .. .. .	10	9	8	13	15
Total .. .. .	523	454	570	575	702

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE 12  
IMPORTS INTO THE COMMONWEALTH FROM EASTERN EUROPE

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	6	6	8	9	12
Canada .. .. .	18	26	30	29	27
Ceylon .. .. .	15	12	12	14	11
Cyprus .. .. .	3	4	4	6	6
Ghana .. .. .	14	8	8	9	11
India .. .. .	93	99	125	125	120
Nigeria .. .. .	6	7	9	9	16
Pakistan .. .. .	17	21	36	38	33
Singapore .. .. .	2	4	8	9	15
United Kingdom .. .. .	241	254	303	331	364
Other Commonwealth .. .. .	16	18	23	25	30
Total .. .. .	431	459	566	604	645

<sup>a</sup> Actuals, or annual rates based on latest data.

## China

According to the Japan External Trade Organization (JETRO), China's total external trade in 1970 could have totalled more than £1,660 million. If achieved, this would be a striking indication of the new direction of recent commercial policies. China's trade with major partner countries in the first half of 1970 totalled £626 million, an increase of 18 per cent over the first half of the preceding year. On the same basis of comparison China's imports were estimated to have grown by 43 per cent, but exports declined, resulting in a trade deficit of more than £40 million. Trading partner figures analysed by JETRO showed that the growth of China's imports was attributable mainly to an increase of 77 per cent in purchases from Japan. From Japan and Western Europe together, Chinese imports rose by 61 per cent; at the same time exports to those countries increased by only about 3 per cent.

Britain passed £50 million in its sales to the Peoples Republic in 1969, but the total for 1970 fell to £45 million. A large proportion of British sales to China is accounted for by non-ferrous metals and industrial diamonds which have been stockpiled since the end of the Cultural Revolution. British exports of engineering products and complete plant and equipment have fallen off in recent years.

China is the second largest agricultural producer in the world. It is a leading producer of rice, millet and sweet potatoes; the second largest producer of soya beans, sorghum, tobacco and barley; the third largest of maize, cotton and pork, and the third or fourth in wheat. Of the total sown acreage of food crops in China, from a fifth to a quarter is in rice and wheat. China recorded a foreign trade surplus in food products for the fourth straight year in 1969. Increased exports of livestock and livestock products, poultry and eggs, sugar and fresh and processed fruit and vegetables probably offset declines in rice and soya beans—China's two major farm exports. Hong Kong, Singapore and Japan are China's main agricultural markets. China provides 40–45 per cent of Hong Kong's agricultural supplies.

According to press reports in March 1971 the first "concrete" economic statistics to come out of China since 1958 put 1970 grain production at 240 million tons. When measured against an estimate of population approaching 800 million this is still well short of the official target of 400 kilos of grain per

TABLE 13  
EXPORTS FROM THE COMMONWEALTH TO CHINA

	£ million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	30	68	37	50	54
Canada .. .. .	61	30	63	47	57
Ceylon .. .. .	13	12	14	17	18
Hong Kong .. .. .	4	3	3	3	4
Malaysia .. .. .	—	2	10	19	12
Pakistan .. .. .	11	12	11	12	15
Singapore .. .. .	16	11	11	24	12
United Kingdom .. .. .	34	39	29	55	45
Other Commonwealth .. .. .	10	14	10	13	14
Total .. .. .	179	191	188	240	231

<sup>a</sup> Actuals, or annual rates based on latest data.



TABLE 14  
IMPORTS INTO THE COMMONWEALTH FROM CHINA

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	9	10	12	14	14
Canada .. .. .	7	8	9	11	8
Ceylon .. .. .	16	14	17	20	20
Ghana .. .. .	3	—	1	2	3
Hong Kong .. .. .	173	143	167	186	195
Malaysia .. .. .	28	31	33	33	31
Nigeria .. .. .	5	6	4	6	8
Pakistan .. .. .	10	12	12	11	13
Singapore .. .. .	32	45	63	57	52
Tanzania .. .. .	4	3	5	5	12
United Kingdom .. .. .	34	30	34	38	34
Other Commonwealth .. .. .	8	8	12	11	11
Total .. .. .	329	310	369	394	401

<sup>a</sup> Actuals, or annual rates based on latest data.

person per year. China continues to import wheat, in spite of rising production and 40 million tons of reserves, partly because it exports rice at a higher price and partly because it donates large quantities of grain to North Vietnam and other countries.

Wheat sales to China have been of major importance to Australia and Canada. The good grain harvest in 1970 enabled China to postpone negotiations for Australian wheat, although reportedly preparing for bad harvests in 1971 following winter droughts. During the course of 1970 it was disclosed that China would take 98 million bushels of wheat in 1971—the largest one-year contract ever signed between Canada and China.

TABLE 15

## TRADE OF THE COMMONWEALTH WITH MAIN TRADING AREAS

	1966	1967	1968	1969	1970 <sup>a</sup>
Exports to:			£ million		
Commonwealth .. ..	3,907	3,825	4,454	4,844	5,349
United States .. ..	3,454	3,842	5,561	6,288	6,702
E.E.C. .. ..	1,991	1,886	2,382	2,840	3,253
EFTA (Continental) .. ..	859	885	1,029	1,238	1,457
Japan .. ..	693	857	1,105	1,345	1,569
Eastern Europe .. ..	523	454	570	575	702
China .. ..	179	191	188	240	231
Other countries .. ..	2,204	2,263	2,926	3,326	3,857
Total .. ..	13,810	14,203	18,215	20,696	23,120
Imports from:					
Commonwealth .. ..	4,083	4,056	4,694	5,042	5,660
United States .. ..	4,215	4,714	5,995	6,528	6,840
E.E.C. .. ..	2,009	2,224	2,676	2,861	3,245
EFTA (Continental) .. ..	961	1,071	1,308	1,422	1,614
Japan .. ..	652	747	1,010	1,189	1,470
Eastern Europe .. ..	431	459	566	604	645
China .. ..	329	310	369	394	401
Other countries .. ..	2,499	2,767	3,536	3,782	3,982
Total .. ..	15,179	16,348	20,154	21,822	23,857
Exports to:		Percentage of total trade			
Commonwealth .. ..	28	27	24	23	23
United States .. ..	25	27	31	30	29
E.E.C. .. ..	14	13	13	14	14
EFTA (Continental) .. ..	6	6	6	6	6
Japan .. ..	5	6	6	7	7
Eastern Europe .. ..	4	3	3	3	3
China .. ..	1	1	1	1	1
Other countries .. ..	17	17	16	16	17
Total .. ..	100	100	100	100	100
Imports from:					
Commonwealth .. ..	27	25	23	23	24
United States .. ..	28	29	30	30	29
E.E.C. .. ..	13	14	13	13	14
EFTA (Continental) .. ..	6	7	7	7	7
Japan .. ..	4	5	5	5	6
Eastern Europe .. ..	3	3	3	3	3
China .. ..	2	2	2	2	2
Other countries .. ..	17	15	17	17	15
Total .. ..	100	100	100	100	100

<sup>a</sup> Actuals, or annual rates based on latest data.

PART II

# The Trade of Commonwealth Countries

## AUSTRALIA

The year 1969-70 was again one of boom for Australian exports and production, although the domestic scene was marred to some extent by growing inflationary problems. Despite drought, low wool prices and the marketing problems which affected most rural products, the strong growth in exports continued so that an all time record was reached. Even with difficulties in regard to wool and the constraints of marketing problems on the wheat side, the value of rural production in 1969-70 was estimated to have been only 4 per cent less than the record total of 1968-69. Meanwhile minerals and manufactures forged ahead in conformity with the pattern established in the last few years.

As in other recent years, minerals made the largest contribution to the growth in exports. The value of shipments of iron ore and concentrates, and of coal exports, both went up by roughly half. Large additions to capacity for producing refined copper and lead, together with significant price increases, led to big rises in exports of these commodities. The total increase in the value of exports of crude and refined materials was about \$A350 million, amounting to 45 per cent. But despite this strong growth in mining products, manufactures again accounted for a greater share of the value of exports in 1969-70 and represented 18 per cent of the total. Exports in all major manufacturing industry sectors recorded increases over the previous year's figures. The largest increase was in vehicles and parts which rose by 69 per cent. There were also large increases in exports of iron and steel of around a quarter, and in machines and machinery which went up by 35 per cent. Exports of chemicals, which had risen sharply in the previous two years, mainly because of large alumina shipments, rose again in 1969-70 but at a slower rate. The largest proportionate increase was in rubber manufactures, which rose by more than a half.

### Balance of payments summary

	\$A million						
	<i>Exports (f.o.b.)</i>	<i>Imports (f.o.b.)</i>	<i>Balance of Trade</i>	<i>Invisibles (net)</i>	<i>Balance on Current Account</i>	<i>Balance on Capital Account</i>	<i>Official Monetary Movements</i>
1966-67 ..	2,926	2,837	+89	-740	-651	+531	-120
1967-68 ..	2,941	3,159	-218	-909	-1,127	+1,208	+81
1968-69 ..	3,220	3,209	+11	-1,011	-1,000	+1,154	+154
1969-70 ..	3,963	3,558	+405	-1,208	-803	+840	+37

### Exports from Australia

	\$A million									
	<i>Meat</i>	<i>Butter</i>	<i>Wheat and flour</i>	<i>Sugar</i>	<i>Wool</i>	<i>Hides and skins</i>	<i>Fruit</i>	<i>Non- ferrous ores and metals</i>	<i>Iron and steel</i>	<i>Iron ore</i>
1966-67 ..	279	65	385	103	807	89	100	236	111	46
1967-68 ..	279	47	367	101	716	64	111	276	91	103
1968-69 ..	286	41	281	126	796	77	97	330	110	180
1969-70 ..	418	52	359	119	761	90	94	496	136	278
July-Dec.										
1969 ..	214	27	188	81	369	51	31	211	73	131
1970 ..	217	24	213	109	260	40	41	262	52	177

TABLE 16

EXPORTS FROM AUSTRALIA *a*

\$A million

	1966-67	1967-68	1968-69	1969-70	July-Dec.	
					1969	1970
Brunei .. .. .	—	9	1	1	—	1
Canada .. .. .	50	53	67	111	45	52
Ceylon .. .. .	16	16	15	15	6	5
Fiji .. .. .	14	16	16	17	10	12
Ghana .. .. .	1	1	2	1	1	—
Hong Kong .. .. .	36	43	48	59	46	43
India .. .. .	57	65	31	39	18	14
Kenya .. .. .	3	3	4	5	2	3
Malaysia .. .. .	46	47	51	61	41	36
Mauritius .. .. .	4	4	3	4	2	2
New Zealand .. .. .	166	147	150	187	96	126
Pacific Territories <i>b</i> .. .. .	79	78	90	109	86	100
Pakistan .. .. .	52	6	6	16	8	8
Singapore .. .. .	49	54	53	71	51	52
United Kingdom .. .. .	398	414	415	481	235	227
Other Commonwealth .. .. .	25	28	27	30	14	18
Belgium .. .. .	56	47	43	43	19	21
France .. .. .	99	88	109	114	60	48
West Germany .. .. .	75	90	104	114	54	51
Italy .. .. .	126	87	106	105	54	31
Netherlands .. .. .	36	35	53	71	34	21
Poland .. .. .	19	20	23	20	7	6
Yugoslavia .. .. .	19	16	15	17	3	9
Soviet Union .. .. .	20	27	40	51	21	32
Arabian States <i>c</i> .. .. .	24	28	23	29	15	22
China .. .. .	129	126	67	126	69	58
Indonesia .. .. .	4	12	18	31	15	19
Iran .. .. .	9	5	7	15	5	6
Japan .. .. .	585	641	818	1,018	505	604
Okinawa .. .. .	5	7	10	10	5	4
Philippines .. .. .	32	41	44	54	31	20
South Africa .. .. .	42	28	45	63	30	44
Thailand .. .. .	20	21	22	28	14	18
Taiwan .. .. .	19	20	26	30	13	18
United States .. .. .	338	387	463	540	285	278
Other countries .. .. .	214	235	180	227	2	39
Total all countries .. .. .	2,867	2,945	3,195	3,913	1,902	2,048
Of which:						
Commonwealth .. .. .	996	984	979	1,207	661	699
E.E.C. .. .. .	392	347	415	446	220	172
EFTA (Continental) .. .. .	28	26	26	28	15	15
Eastern Europe .. .. .	54	64	76	88	34	47

Note. In the periods July-Dec. 1969 and 1970 non-merchandise trade has been excluded only from "Total all countries".

*a* Years ended 30th June.

*b* Australian overseas territories and British islands in the Pacific.

*c* Includes Bahrain, Kuwait, Qatar, Saudi Arabia, Trucial States, Yemen.

Despite low prices and difficult marketing conditions for various products, there was a solid overall gain in rural exports. The increase over the previous year was about 11 per cent. Meat exports in particular increased very strongly, mainly as a result of higher prices and larger shipments to North America and Britain. Wheat exports also showed a considerable increase, following the cut-back in 1968-69 caused by a break in shipments to China. The increase in quantity, however, was partly offset by a fall in prices. Dairy produce exports were also higher in value despite a decline in average returns, while shipments of wool, still Australia's most important export, were well above the 1968-69 level in volume, but the market was weak and average prices fell.

*Developments in July—December 1970*

The rapid growth of exports that took place in 1969-70 slowed down considerably in the first six months of 1970-71. Wool was the main factor in this decline, a reduction of some 30 per cent being registered in the value of wool exports owing to a drop in both the price and quantity of wool sold abroad—a significant proportion of total offerings being taken up at auction by the new Australian Wool Commission in support of the market. The spectacular increase in meat exports came to a halt with a very small increase over the six month period, both meat and wool having suffered severely from the adverse weather conditions. Exports of butter and of hides and skins declined during the period, but those of sugar increased. Both the remaining major agricultural exports, wheat and fruit, increased in the period. Minerals, with the exception of iron and steel, continued to do well.

By the end of the calendar year 1970, no new wheat contract had been signed with China, but it was announced by the Australian Wheat Board that approximately one million tons of wheat a year would move from Australia to the United Arab Republic during a three-year period beginning 1 July 1971. Prices and conditions of each year's shipments would be negotiated annually by the two countries. The operative date of this agreement followed the sale of 750,000 tons of various grades of Australian wheat to the U.A.R. for shipment during 1970 and the first half of 1971.

<i>Imports into Australia</i>					
\$A million					
	<i>Food, beverages and tobacco</i>	<i>Basic materials and base metals</i>	<i>Petroleum and petro- leum products</i>	<i>Machinery and transport equipment</i>	<i>Other manu- factures</i>
1966-67	.. 156	310	247	1,144	1,038
1967-68	.. 153	349	241	1,250	1,112
1968-69	.. 172	364	252	1,328	1,192
1969-70	.. 188	383	255	1,528	1,345
July-Dec.					
1969	.. 94	188	136	763	676
1970	.. 104	211	99	859	758

TABLE 17

IMPORTS INTO AUSTRALIA <sup>a</sup>

\$A million f.o.b.

	1966-67	1967-68	1968-69	1969-70	July-Dec.	
					1969	1970
Brunei .. .. .	11	15	19	14	8	4
Canada .. .. .	114	136	147	146	74	83
Ceylon .. .. .	15	15	15	11	6	6
Fiji .. .. .	1	1	2	1	1	2
Ghana .. .. .	8	6	6	9	3	5
Hong Kong .. .. .	30	36	40	53	26	31
India .. .. .	33	35	32	31	16	15
Kenya .. .. .	1	2	2	1	1	1
Malaysia .. .. .	28	28	30	34	18	18
New Zealand .. .. .	46	59	72	84	37	46
Pacific Territories <sup>b</sup> .. .. .	38	43	57	49	26	23
Pakistan .. .. .	18	14	17	19	9	9
Singapore .. .. .	9	8	12	14	8	8
United Kingdom .. .. .	695	698	721	816	421	437
Other Commonwealth .. .. .	19	13	15	19	8	6
Belgium .. .. .	20	20	20	28	12	14
France .. .. .	86	84	60	67	33	36
West Germany .. .. .	154	183	196	251	128	149
Italy .. .. .	52	71	77	75	39	46
Netherlands .. .. .	45	47	49	58	30	41
Finland .. .. .	16	15	15	17	8	10
Norway .. .. .	9	11	11	10	5	5
Sweden .. .. .	50	47	50	58	27	33
Switzerland .. .. .	41	47	47	57	29	32
Arabian States <sup>c</sup> .. .. .	113	119	121	140	73	52
China .. .. .	25	23	29	31	16	16
Indonesia .. .. .	57	56	60	49	27	13
Iran .. .. .	26	19	13	13	8	6
Japan .. .. .	290	336	404	469	242	277
Philippines .. .. .	3	3	3	4	2	2
South Africa .. .. .	17	19	19	21	11	11
Taiwan .. .. .	5	8	12	16	8	10
Thailand .. .. .	2	2	2	3	2	2
United States .. .. .	746	805	846	922	510	575
Other countries .. .. .	89	103	108	130	—	24
Total all countries .. .. .	2,912	3,127	3,329	3,720	1,869	2,048
Of which:						
Commonwealth .. .. .	1,066	1,109	1,187	1,301	662	694
E.E.C. .. .. .	356	406	401	479	242	287
EFTA (Continental) .. .. .	118	123	128	148	73	84
Eastern Europe .. .. .	15	16	20	22	10	15

Note. In the periods July-Dec. 1969 and 1970 non-merchandise trade has been excluded only from "Total all countries".

<sup>a</sup> Years ended 30th June.

<sup>b</sup> Australian overseas territories and British Islands in the Pacific.

<sup>c</sup> Includes Bahrain, Kuwait, Qatar, Saudi Arabia, Trucial States, Yemen.

## BARBADOS

The year 1969 was one of progress for Barbados, with much achievement in the development of the infrastructure of the economy, but results in the export field were marred by poor results for sugar—the mainstay of the economy after tourism. The upsurge in imports of some 16 per cent in 1969, and the small decline in exports, contributed to a further sharp rise in the crude deficit on visible trade to \$EC129·4 million, compared with \$EC101·5 million in 1968.

Tourism forged ahead during 1969, the total number of visitors amounting to 137,632, a rise of nearly a fifth on the 1968 level. An encouraging recent feature has been the increase in the number of summer visitors. In 1969 the summer total showed a rise of well over a quarter on the 1968 figure and played a major part in reducing the differential in hotel occupancy between winter and summer periods, thus giving more employment stability for a larger number of people. In order to meet the growing demands of tourism, the construction of new hotels and apartments was undertaken during 1969, and plans were announced early in 1970 for further airport expansion required to meet the needs of “Jumbo Jets” due to arrive by the end of the year.

		<i>Exports from Barbados</i>							
		\$EC million							
	<i>Total</i>	<i>of which:</i>		<i>Re-exports</i>	<i>Rum</i>	<i>Sugar</i>	<i>Molasses</i>	<i>Machinery and transport equipment</i>	<i>Textiles</i>
	<i>f.o.b.</i>	<i>Domestic</i>							
1966	..	57·0	49·3	7·7	3·3	33·8	3·3	1·5	1·5
1967	..	59·5	52·7	6·7	2·9	36·6	3·8	2·0	1·3
1968	..	65·9	58·9	7·0	2·9	36·2	3·5	4·6	1·2
1969	..	64·5	56·4	8·1	2·9	27·0	3·5	8·9	..

TABLE 18  
EXPORTS FROM BARBADOS

					\$EC million			
					1966	1967	1968	1969
Canada	..	..	..	..	4·2	4·7	3·0	2·7
Dominica	..	..	..	..	1·0	0·8	1·0	1·2
Guyana	..	..	..	..	1·2	1·1	1·0	1·1
Jamaica	..	..	..	..	0·5	0·2	0·2	0·6
St. Lucia	..	..	..	..	2·1	1·8	1·9	2·2
Trinidad & Tobago	..	..	..	..	2·1	1·9	2·0	2·9
Other Commonwealth Caribbean					5·6	5·1	6·0	6·8
United Kingdom	..	..	..	..	31·6	29·5	35·9	27·8
Other Commonwealth	..	..	..	..	—	1·1	—	—
Irish Republic	..	..	..	..	1·5	2·3	0·4	<i>b</i>
United States	..	..	..	..	5·7	10·7	12·8	16·4
Other countries	..	..	..	..	1·5	0·3	1·7	2·8
Total all countries					57·0	59·5	65·9	64·5
Of which:								
Commonwealth					48·3	46·2	51·0	45·3
E.E.C.					0·1	0·1	0·2	1·6 <sub>a</sub>

*a* Including possessions.

*b* Included, if any, in “Other countries”.

Although the economy of Barbados, like that of other Commonwealth countries in the area, is heavily dependent on tourism and agriculture, manufacturing is becoming of greater importance each year, the projected annual growth rate for the industrial sector for 1970 and 1971 being 11 per cent. Industrial growth is aided considerably by tariff protection on imported items, fiscal incentives to industries and concentration on development of the economic infrastructure.

The need for concentration on export fields in addition to sugar was emphasized by the low sugar output of 1969, when production fell to 138,521 tons, compared with 159,078 tons in 1968. This was mainly due to the high incidence of cane fires and drought. Production in 1970 would appear to have been affected by flooding, although early in the year estimates for a crop of some 180,000 tons were made and a new sugar cane variety, more resistant to disease, was introduced.

<i>Imports into Barbados</i>						
\$EC million						
		<i>Total</i>		<i>Mineral</i>	<i>Machinery</i>	
		<i>(c.i.f.)</i>	<i>Food</i>	<i>fuels</i>	<i>and</i>	<i>Other</i>
				<i>and</i>	<i>transport</i>	<i>manufactures</i>
				<i>lubricants</i>	<i>equipment</i>	
1966	..	130.7	34.1	13.1	22.3	50.1
1967	..	133.6	32.5	11.6	25.6	52.0
1968	..	167.4	38.6	16.6	35.1	61.3
1969	..	193.9	42.2	14.8	40.8	78.2

TABLE 19  
IMPORTS INTO BARBADOS

	\$EC million			
	1966	1967	1968	1969
Australia .. .. .	1.6	1.7	1.4	1.7
Canada .. .. .	15.4	16.7	22.5	21.4
Hong Kong .. .. .	1.1	1.2	1.5	1.5
New Zealand .. .. .	2.9	3.4	4.0	4.5
United Kingdom .. .. .	39.4	38.1	45.7	56.0
Guyana .. .. .	2.8	3.0	3.0	3.5
Jamaica .. .. .	0.9	1.0	2.2	2.9
St. Lucia .. .. .	1.1	0.9	0.9	0.5
Trinidad & Tobago .. .. .	7.3	7.3	9.8	13.3
Other Commonwealth Caribbean	1.0	1.0	1.1	1.3
Other Commonwealth .. .. .	1.3	1.3	1.5	1.3
France .. .. .	1.8	2.1	2.9	3.0 <sup>a</sup>
West Germany .. .. .	3.0	3.0	3.1	4.5
Italy .. .. .	1.2	1.5	1.6	2.5
Netherlands .. .. .	3.1	2.5	4.0	12.2 <sup>a</sup>
Argentina .. .. .	2.6	1.7	2.2	1.9
Japan .. .. .	2.1	2.9	2.7	3.9
United States .. .. .	23.9	26.1	34.7	43.4
Venezuela .. .. .	9.4	8.5	10.4	4.3
Other countries .. .. .	8.8	9.7	12.2	10.3
<b>Total all countries .. .. .</b>	<b>130.7</b>	<b>133.6</b>	<b>167.4</b>	<b>193.9</b>
<b>Of which:</b>				
Commonwealth .. .. .	74.8	75.6	93.6	107.9
E.E.C. ( .. .. .)	9.9	10.7	13.2	22.7 <sup>a</sup>
EFTA (Continental) .. .. .	3.0	3.3	3.8	4.8 <sup>a</sup>
Eastern Europe .. .. .	0.6	0.7	0.6	0.5

<sup>a</sup> Including possessions.



On the agricultural side emphasis is being laid on the necessity for increased local production of beef, milk products, poultry and pork. These items accounted for \$EC7.6 million of the import bill in 1969. Fishing is also being developed substantially: shrimps to the value of \$EC7 million were exported to the United States in 1969. Expansion of the small Sea Island cotton industry could result from a survey of the United Kingdom market for this product: the members of the West Indian Sea Island Cotton Association have been urged to increase production by at least one million lb to meet the likely demand. Production of onions is being developed, both to save imports in the region of \$EC350,000 and to explore an export market estimated to be worth \$EC2 million. First shipments of these onions, to Trinidad, began in April 1970. Other new ventures commenced during 1969 included garment manufacturing, computer components—both mainly for export — paper products, processed marble, fibre-glass products, toys, aluminium utensils, sports goods, foam rubber and reinforced concrete products.

Exports of both molasses and rum in 1969 stayed at the same level as in 1968, when rum at least appeared to be suffering from a shrinking market—particularly to Caribbean territories outside CARIFTA.

### BOTSWANA

The main feature of 1970 in the economic life of the country was a severe drought, particularly in the south, which lasted throughout most of the year. Such crops as were harvested were particularly poor. Production of the three staple crops—sorghum, maize and millet—was about 80 per cent lower in 1970 than in 1969. There was a heavy demand for slaughter quotas at the Botswana Meat Commission as owners tried to dispose of stock rather than face the possibility of serious loss. As the drought continued, many cattle died for want of fodder, but final data show over 58 million lb of beef processed during the year, a record for the Commission. Sales of meat and meat preparations to Britain, during the first eleven months of 1970, totalled £3,081,000 a considerably higher total than was realised in the corresponding period of the previous year.

In addition to the earnings of the pastoral industry, substantial remittances are received from migrant labour in South Africa. As Botswana's second biggest current credit item, however, the amounts involved are rapidly being overtaken by a four-year-old industry specialising in the treatment of animal skins and the mounting of animal trophies. In 1970 total sales of these amounted to R440,000, of which exports were valued at nearly R400,000. The biggest export market was South Africa, which bought game products valued at over R250,000 while exports to the United States, at R100,000 doubled the level of the preceding two years.

Despite the new Customs Agreement between South Africa and the former High Commission Territories, giving the latter increased revenues, Botswana still needs budgetary aid from the United Kingdom. The effect of the new agreement on Botswana's 1970-71 budget, however, was to reduce the proportion of total revenue derived from the United Kingdom's grants-in-aid, from 46

#### *Exports from Botswana*

					R million				
					<i>Total</i>	<i>Cattle</i>	<i>Meat products</i>	<i>Hides and skins</i>	
1965	..	..	..	..	10.2	6.6	1.6	0.7	
1966	..	..	..	..	12.0	7.7	1.2	0.9	
1967	..	..	..	..	9.2	4.3	1.7	1.7	
1968	..	..	..	..	7.5	6.1	0.4	0.6	

*Imports into Botswana*

R million

	<i>Total</i>	<i>Food</i>	<i>Basic materials</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1965 .. ..	16.6	..	..	..	..	..
1966 .. ..	18.8	6.7	0.3	1.9	2.2	6.0
1967 .. ..	22.4	5.5	0.5	2.4	4.6	6.7
1968 .. ..	23.2	5.8	0.4	2.5	4.0	7.2

per cent in 1969–70 to only 27.4 per cent. Moreover, the articles in the Customs Agreement concerning protective measures, free movement, and equal treatment on the railway are strong supports for newly-established industries in Botswana.

An effort is being made to increase receipts from tourism and with this in view a new 100 bed tourist lodge is to be built in the Chobe National Park. Approximately 30,000 square miles will be protected as game reserves and natural parks open to tourists. In addition, great economic benefits are expected to accrue from the exploitation of Botswana's copper, nickel, diamond and coal resources. Canada is allocating \$C18 million to help to provide the electricity necessary for the development of the mining industry. A recent edition of the 1970–75 Plan envisages an amount of some R35 million to be spent on the Shashi Complex. The construction of roads and services for the Selebi-Pikwe copper-nickel mining township was reported to have commenced late in 1970: sectoral analysis indicates that 60 per cent of capital expenditure will be spent on physical infrastructure.

Although a member of a Customs Union with South Africa, Botswana, like the other two Commonwealth countries in the region, is to be offered a form of association with the European Economic Community, subject to certain conditions, if and when Britain enters the Community.

## CANADA

A very large increase in the merchandise trade surplus was the outstanding feature of the Canadian economy in 1970. Exports rose by just under \$2,000 million, 13 per cent, while imports actually declined slightly in terms of the national currency. This resulted in a favourable balance of \$2,947 million in 1970, compared with one of \$729 million in 1969. This movement in the net trading position accounted for almost half the increase in GNP, which rose in real terms by 3 per cent, and the business activity generated by exports played a significant part in cushioning the economy from the effect of the marked slow-down in domestic demand. The strong foreign balance was an important element in the decision to free the currency from its I.M.F. par on 1 June. After the appreciation of the currency exports were well-maintained and imports continued to reflect the general weakness of internal demand.

The success of exports in 1970 needs to be seen against a favourable background of strength in the economies of the E.E.C. and Japan, the catching up of strike-delayed exports from 1969 and the resumption of large-volume deliveries of wheat to Eastern European countries. By contrast, the growth in exports to the United States slowed down, the annual gain to this market being just under 4 per cent in terms of Canadian currency. This situation was a reflection of the general economic conditions in the United States, together with a marked slow-down in automotive sales in that country—accentuated in the last few months by labour strikes. Several other commodities which are sold predominantly in the

Exports from Canada

\$ million

	Wheat and flour	Other grains	Newsprint	Wood, timber and pulp	Crude petroleum	Iron ore	Non-ferrous metals and ores	Road motor vehicles, engines and other parts
1966	1,142	72	968	1,032	322	369	1,547	993
1967	795	101	955	1,087	398	383	1,709	1,730
1968	742	55	990	1,338	446	443	2,056	2,638
1969	525	41	1,126	1,512	526	333	1,973	3,503
1970	745	156	1,110	1,497	649	476	2,540	3,570

TABLE 20

EXPORTS FROM CANADA

\$ million

	1966	1967	1968	1969	1970
Australia .. .. .	119	161	191	169	202
Bahamas .. .. .	11	11	13	15	17
Barbados .. .. .	8	9	10	9	11
Bermuda .. .. .	8	7	7	10	11
Guyana .. .. .	10	13	10	9	13
Jamaica .. .. .	34	40	35	52	48
Trinidad & Tobago .. .. .	24	20	16	20	22
Other Commonwealth Caribbean	9	10	10	12	16
Ceylon .. .. .	5	9	6	3	9
Hong Kong .. .. .	16	18	17	19	21
India .. .. .	108	142	113	97	131
Malaysia .. .. .	16	14	11	16	14
New Zealand .. .. .	42	41	32	38	44
Nigeria .. .. .	10	4	4	4	8
Pakistan .. .. .	26	34	30	23	57
Singapore .. .. .	4	3	3	5	11
United Kingdom .. .. .	1,132	1,178	1,226	1,113	1,500
Other Commonwealth .. .. .	16	22	16	15	21
Belgium .. .. .	119	103	128	118	192
France .. .. .	87	84	84	133	157
West Germany .. .. .	180	181	232	281	388
Italy .. .. .	116	143	133	135	187
Netherlands .. .. .	144	178	184	187	280
Norway .. .. .	108	89	118	104	177
Sweden .. .. .	37	29	32	42	49
Switzerland .. .. .	33	26	33	37	41
Soviet Union .. .. .	321	129	89	10	102
China .. .. .	185	91	163	123	142
Japan .. .. .	395	574	608	626	796
Mexico .. .. .	54	51	57	77	96
South Africa .. .. .	76	79	70	80	105
Spain .. .. .	37	40	42	57	67
United States .. .. .	6,254	7,350	9,249	10,653	11,037
Venezuela .. .. .	77	82	103	93	112
Other countries .. .. .	504	446	530	546	802
Total all countries .. .. .	10,325	11,411	13,605	14,931	16,886
Of which:					
Commonwealth .. .. .	1,598	1,736	1,750	1,629	2,156
E.E.C. .. .. .	645	689	762	855	1,204
EFTA (Continental) .. .. .	206	175	211	215	309
Eastern Europe .. .. .	395	181	138	30	143

United States, including newsprint and lumber, reflected the downturn in U.S. industrial activity. The change in the exchange rate of the Canadian dollar also appeared to have more effect on exports of secondary manufactures to the United States than to overseas countries. The result was that the share of exports going to the United States dropped from 71 per cent in 1969 to 65 per cent in 1970.

Exports to Britain, which had declined in 1969, expanded strongly from the end of that year onwards and by the end of 1970 were over a third higher than the 1969 level. This was largely the result of a very strong recovery in shipments of lumber and nickel after the 1969 labour disputes. Exports to the Commonwealth as a whole also increased, by around a third, with the more than doubling of exports to Pakistan and the leap in those to India contributing much towards the rise. This upward surge was partly the result of greatly increased wheat exports to these markets.

Western European countries took much larger quantities of Canadian basic materials, such as wood products and minerals, and these contributed towards the rise of over 40 per cent in exports to both the E.E.C. and EFTA. Manufactured goods contributed to the higher value of shipments to Mexico and Venezuela. Increases in exports of copper ore, wood pulp and aluminium, and a revival in wheat exports, contributed to the higher Japanese level, while Japanese participation in several major resource developments in Canada is likely to produce a further expansion in exports of coal.

Exports to China and Eastern Europe showed large increases in 1970, with wheat being the major contributor. In 1970 total wheat exports increased by over 4 per cent, compared with over 3 per cent in 1969, while other grains nearly trebled in the same period. During the year Canada re-emerged as the world's leading exporter of barley.

The lower level of imports has mostly been a reflection of the sluggishness of the domestic economy, and was accentuated in the October-December quarter by the auto strike. Imports of automobiles and parts dropped appreciably throughout the year, even before the strike, and machinery and equipment purchases followed the flat trend of business capital investment. The sharp fall of 7 per cent in imports from the United Kingdom was largely the result of a drop of around a half in car imports from that country. The fall in imports from the United States came in crude materials, manufactures and the "food, beverages and tobacco" group. In contrast to the general trend, imports from Japan and Western Europe rose. Of these countries the rise from the E.E.C. was partly attributable to higher imports in the "food etc." group also.

<i>Imports into Canada</i>						
\$ million						
	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels, lubricants, gas and electricity</i>	<i>Machinery</i>	<i>Transport equipment</i>	<i>Other manufactures</i>
1966 .. ..	729	1,294	636	2,655	1,665	2,500
1967 .. ..	822	1,205	730	2,497	2,657	2,857
1968 .. ..	837	1,160	796	2,511	3,544	3,213
1969 .. ..	952	1,292	726	3,009	4,159	3,761
1970 .. ..	995	1,263	789	3,016	3,730	3,863

TABLE 21  
IMPORTS INTO CANADA

\$ million f.o.b.

	1966	1967	1968	1969	1970
Australia .. .. .	60	64	76	96	146
Bahamas .. .. .	1	2	3	4	6
Barbados .. .. .	2	3	2	1	2
Guyana .. .. .	29	30	29	31	29
Jamaica .. .. .	37	32	34	46	27
Trinidad & Tobago .. .. .	16	19	20	18	8
Other Commonwealth Caribbean	3	4	4	5	6
Ceylon .. .. .	10	12	10	9	9
Ghana .. .. .	11	8	11	8	7
Hong Kong .. .. .	39	51	58	73	78
India .. .. .	40	43	38	41	40
Kenya .. .. .	7	7	4	6	6
Malaysia .. .. .	29	22	26	33	34
New Zealand .. .. .	15	15	19	41	43
Nigeria .. .. .	39	37	17	22	45
Pakistan .. .. .	4	4	5	7	10
Singapore .. .. .	12	11	15	22	20
Tanzania .. .. .	7	6	5	4	4
Uganda .. .. .	6	10	10	7	8
United Kingdom .. .. .	645	673	696	791	738
Other Commonwealth .. .. .	12	9	13	26	27
Belgium .. .. .	62	65	58	61	52
France .. .. .	107	130	122	154	158
West Germany .. .. .	235	257	299	355	371
Italy .. .. .	87	110	114	141	145
Netherlands .. .. .	60	65	69	79	79
Austria .. .. .	15	20	29	39	46
Denmark .. .. .	24	27	26	32	30
Norway .. .. .	34	34	39	45	49
Sweden .. .. .	73	76	78	85	106
Switzerland .. .. .	50	66	64	84	81
Soviet Union .. .. .	12	23	22	12	9
China .. .. .	21	25	23	27	19
Japan .. .. .	253	305	360	496	582
Saudi Arabia .. .. .	33	31	36	27	24
South Africa .. .. .	28	37	39	46	46
United States .. .. .	7,140	8,023	9,051	10,318	9,912
Venezuela .. .. .	215	276	358	346	339
Other countries .. .. .	393	443	476	564	598
<b>Total all countries .. .. .</b>	<b>9,866</b>	<b>11,075</b>	<b>12,358</b>	<b>14,202</b>	<b>13,939</b>
<b>Of which:</b>					
Commonwealth .. .. .	1,024	1,062	1,095	1,291	1,293
E.E.C. .. .. .	551	627	662	789	805
EFTA (Continental) .. .. .	209	237	249	298	326
Eastern Europe .. .. .	54	79	77	76	68

### CEYLON

During 1970 the economic growth rate was estimated to have risen by 6 per cent, compared with a 4 per cent expansion of gross national product in 1969. At the same time, the record trade deficit recorded by the Customs in 1969 was halved in 1970, largely as a result of a severe cut in recorded imports—now almost completely under State control.

Exports from Ceylon

Rs million

	Tea	Rubber	Coconut products
1966 .. .. .	1,027	337	234
1967 .. .. .	1,060	282	212
1968 .. .. .	1,161	331	382
1969 .. .. .	1,061	431	222 <sup>a</sup>
1970 .. .. .	1,119	440	237 <sup>a</sup>

<sup>a</sup> Copra, coconut oil and desiccated coconut.

TABLE 22

EXPORTS FROM CEYLON

Rs million

	1966	1967	1968	1969	1970
Australia .. .. .	74	93	101	79	72
Canada .. .. .	47	53	62	49	52
Hong Kong .. .. .	7	5	8	6	7
India .. .. .	22	19	24	27	21
Malaysia .. .. .	2	2	3	2	2
New Zealand .. .. .	34	35	40	34	34
Pakistan .. .. .	43	31	39	48	42
Singapore .. .. .	3	3	5	9	13
United Kingdom .. .. .	417	474	489	379	455
Other Commonwealth .. .. .	24	21	7	45	63
France .. .. .	14	16	20	17	17
West Germany .. .. .	47	52	83	78	81
Italy .. .. .	30	31	41	36	39
Netherlands .. .. .	33	38	46	35	34
East Germany .. .. .	19	8	12	14	20
Poland .. .. .	25	13	27	27	41
Rumania .. .. .	18	19	14	20	19
Soviet Union .. .. .	82	57	94	90	82
China .. .. .	177	153	195	240	252
Egypt .. .. .	7	27	35	45	56
Iran .. .. .	27	18	26	26	<sup>a</sup>
Iraq .. .. .	105	55	91	64	56
Irish Republic .. .. .	9	14	14	13	17
Japan .. .. .	42	42	55	45	67
Mexico .. .. .	13	14	17	20	15
South Africa .. .. .	81	84	99	84	80
South Yemen .. .. .	13	15	16	18	<sup>a</sup>
United States .. .. .	135	138	139	149	144
Other countries .. .. .	130	107	174	182	221
Total all countries .. .. .	1,680	1,637	1,976	1,881	2,002
Of which:					
Commonwealth .. .. .	673	736	778	678	761
E.E.C. .. .. .	129	140	195	172	178
EFTA (Continental) .. .. .	10	9	15	12	8 <sup>b</sup>
Eastern Europe .. .. .	151	102	154	157	169

<sup>a</sup> Included, if any, in "Other countries".

<sup>b</sup> Incomplete.

New and more stringent budgetary measures were introduced in October which, along with certain measures of nationalization of trade and industry, were influenced by the need to combat existing economic difficulties, notably a

serious shortage of foreign exchange, internal inflation and rising unemployment. A Tea Corporation was established to supply the domestic market and organise trade with countries having bilateral agreements. In addition to the ship and aircraft bunkering services, the State already had effective control of the import trade through the State Trading Corporation, which was expected also to control most exports at a later date.

The remedial measures introduced by the new Government were designed to conserve foreign exchange and to reduce the reliance on foreign aid for budgetary support. Increases in internal revenue were to result from higher taxation on certain luxury and consumer durable goods, increases in business turnover tax, the imposition of a capital levy, a ceiling on individual incomes, and an increase in compulsory savings of employers and employees. Attempts were also made to rationalise the foreign exchange position: tax and exchange controls on money held abroad were lifted until the end of January 1971. The Government also imposed cuts in import quotas—by 55 per cent, 40 per cent and 25 per cent for “luxury”, “non-essential” and “essential” goods respectively. Continuing attempts are being made to reduce imports by the programme of self-sufficiency in food, especially rice, although the doubling of rice rations in fulfilment of election pledges must postpone the target date for this achievement.

The value of tea exports rose by Rs57.7 million in 1970, resulting partly from an increase in volume and partly from slightly higher unit values. It appears that prices hardened in sellers’ favour in 1969 due to the absorption of existing stocks, which were drawn on following the effects of strikes on Indian tea production, as well as lower production in Ceylon itself. As a result of adverse weather conditions and reduced application of fertilizers late in 1969, tea output in Ceylon fell by 16.5 million lb in 1970.

Exports of rubber, Ceylon’s second major export, rose by Rs8.9 million in 1970, the greater quantity exported being only partially offset by a fall of average f.o.b. prices. A large proportion of Ceylon’s rubber is exported to China in exchange for rice under a barter arrangement. Exports of copra, coconut oil and desiccated coconut in 1970 were altogether Rs15.9 million higher than in the previous year. The rise was the result of increases in the average f.o.b. prices for all three products—9.0 per cent, 4.3 per cent and 18.2 per cent respectively; this, however, was partly offset by a reduction of 2.4 per cent in their export volume (in terms of their nut equivalent).

Recorded imports into Ceylon fell by over 9 per cent in 1970, the only classifications to show an increase being food, due to greater imports of rice to meet the official programme of free and subsidised rice for all. However, final data for food imports in 1970 must await publication of the Food Commissioner’s data. Imports of mineral fuels and lubricants went down by as much as 60 per cent, to record the largest reduction of any group.

*Imports into Ceylon*

Rs million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	957	110	136	263	551
1967 ..	785	119	123	251	452
1968 ..	991	131	201	272	568
1969 ..	951	181	160	586	649
1970 <sup>a</sup> ..	1,071	159	63	406	604

<sup>a</sup> Estimates.

TABLE 23  
IMPORTS INTO CEYLON

Rs million

	1966	1967	1968	1969	1970
Australia .. .. .	99	111	125	104	112
Canada .. .. .	22	16	44	34	68
Hong Kong .. .. .	8	8	12	15	15
India .. .. .	135	123	152	213	226
Malaysia .. .. .	9	19	4	7	13
Maldiv Islands .. .. .	9	9	8	10	15
New Zealand .. .. .	4	6	6	8	20
Pakistan .. .. .	85	34	45	75	58
Singapore .. .. .	6	8	18	18	31
United Kingdom .. .. .	339	272	316	438	330
Other Commonwealth .. .. .	14	8	25	40	30
Belgium .. .. .	17	12	17	22	19
France .. .. .	37	51	45	70	62
West Germany .. .. .	74	94	115	160	140
Italy .. .. .	38	70	46	37	27
Netherlands .. .. .	55	41	35	35	26
Czechoslovakia .. .. .	16	9	7	13	30
East Germany .. .. .	5	5	1	85	10
Poland .. .. .	32	10	34	23	48
Rumania .. .. .	28	14	28	15	18
Soviet Union .. .. .	116	110	97	51	40
Burma .. .. .	175	63	60	30	89
China .. .. .	217	185	245	282	289
Egypt .. .. .	14	32	28	18	36
Iran .. .. .	29	24	52	40	19
Japan .. .. .	123	97	116	187	195
South Yemen .. .. .	9	7	10	33	<i>a</i>
Thailand .. .. .	80	56	93	27	29
United States .. .. .	80	108	172	213	132
Other countries .. .. .	149	132	212	235	181
<b>Total all countries .. .. .</b>	<b>2,024</b>	<b>1,734</b>	<b>2,168</b>	<b>2,538</b>	<b>2,308</b>
<b>Of which:</b>					
Commonwealth .. .. .	730	614	755	962	918
E.E.C. .. .. .	220	267	257	324	274
EFTA (Continental) .. .. .	42	40	36	47	28 <sup>b</sup>
Eastern Europe .. .. .	200	156	176	200	155

*a* Included, if any, in "Other countries".

*b* Incomplete.

## CYPRUS

Conditions of drought in 1970 adversely affected production and exports of citrus fruit, but exports of potatoes showed a substantial rise, with four-fifths of the total going to the United Kingdom. As in 1969, the Soviet Union, with its imports of brandy alcohol, surpassed the United Kingdom as the chief market for alcoholic beverages from Cyprus.

The value of imports for the year 1970 continued to rise, largely as a result of increased economic activity and the development of the tourist industry. The United Kingdom was the main supplier. This upward trend applied particularly



to iron and steel, and there were increases also in non-ferrous metals and manufactures of metals. However, because of the imposition of credit restrictions and import duties on certain articles in July 1969, imports of road motor vehicles in 1970 fell slightly compared with the substantial rise recorded for 1969.

In spite of the credit squeeze of July 1969, the visible trade account for 1970 showed an increased deficit. However, the overall balance of payments continued in surplus, assisted by earnings from invisibles and the influx of capital from abroad.

In an effort to stimulate local industries the Government announced new tariff changes in February 1970. These entailed the reduction or abolition of customs duties on imported raw materials, and increases in certain cases where imported products were of a type manufactured locally.

<i>Exports from Cyprus</i>				
£ million				
	<i>Beverages</i>	<i>Fruit and vegetables</i>	<i>Iron pyrites</i>	<i>Copper concentrates cupreous pyrites and cement copper</i>
1966 .. ..	2.2	9.8	2.1	9.1
1967 .. ..	2.4	12.8	2.5	5.3
1968 .. ..	3.0	15.5	3.1	8.0
1969 .. ..	3.0	17.7	3.2	7.4
1970 .. ..	3.2	18.4	2.6	8.8

TABLE 24  
EXPORTS FROM CYPRUS

£ million					
	1966	1967	1968	1969	1970
United Kingdom .. ..	9.4	11.8	13.6	15.9	17.4
Other Commonwealth .. ..	0.4	0.3	0.6	0.4	0.4
Belgium .. ..	0.4	0.7	0.4	0.5	0.3
France .. ..	0.5	0.4	1.0	0.9	1.2
West Germany .. ..	5.8	2.9	7.0	7.0	7.4
Italy .. ..	1.0	1.6	1.9	2.8	2.6
Netherlands .. ..	1.5	1.4	2.0	1.6	1.4
East Germany .. ..	0.6	0.7	0.4	0.8	1.0
Soviet Union .. ..	1.7	1.7	1.8	2.4	2.3
Lebanon .. ..	0.3	0.4	0.4	0.4	0.6
Spain .. ..	2.6	1.4	1.8	1.1	1.0
Other countries .. ..	4.6	5.9	5.4	6.5	8.1
Total all countries .. ..	28.8	29.2	36.3	40.3	43.7
Of which:					
Commonwealth .. ..	9.8	12.1	14.2	16.3	17.8
E.E.C. .. ..	9.2	7.0	12.3	12.8	12.8
EFTA (Continental) .. ..	0.6	0.8	1.0	1.3	1.5
Eastern Europe .. ..	3.1	3.5	3.7	4.3	4.7

*Imports into Cyprus*

£ million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	8.0	5.1	3.8	12.9	22.8
1967 ..	8.6	5.5	4.4	13.7	24.9
1968 ..	9.1	7.0	6.0	17.6	28.0
1969 ..	11.8	8.3	6.4	22.0	33.0
1970 ..	13.7	10.4	7.0	27.5	36.2

TABLE 25

IMPORTS INTO CYPRUS

£ million

	1966	1967	1968	1969	1970
India .. .. .	0.6	0.5	0.6	0.5	0.8
Hong Kong .. .. .	0.5	0.4	0.5	0.6	0.6
New Zealand .. .. .	0.5	0.4	0.4	0.6	0.4
United Kingdom .. .. .	16.6	17.9	22.3	25.2	28.6
Other Commonwealth .. .. .	1.2	1.0	1.2	1.2	1.5
Belgium .. .. .	1.4	1.5	1.6	1.8	2.3
France .. .. .	2.6	2.8	3.1	3.9	4.2
West Germany .. .. .	4.8	5.1	5.3	6.9	7.1
Italy .. .. .	5.1	5.7	7.6	8.4	10.2
Netherlands .. .. .	1.7	1.9	2.2	3.0	3.3
Denmark .. .. .	0.9	1.1	1.3	1.3	1.4
Portugal .. .. .	0.7	0.7	1.1	0.7	0.8
Sweden .. .. .	0.9	0.9	1.2	1.2	1.6
Czechoslovakia .. .. .	0.6	0.7	0.9	1.3	1.4
Soviet Union .. .. .	1.5	1.3	1.6	2.3	2.0
Greece .. .. .	2.0	2.3	2.7	3.8	5.2
Israel .. .. .	1.1	1.0	1.5	1.6	2.8
Japan .. .. .	1.9	2.1	2.2	3.1	3.8
Lebanon .. .. .	0.6	0.7	0.7	1.1	1.3
Spain .. .. .	0.2	0.2	0.4	0.8	0.8
United States .. .. .	2.5	3.0	3.4	4.0	6.6
Yugoslavia .. .. .	0.7	0.7	0.6	1.7	1.6
Other countries .. .. .	5.3	6.2	6.5	7.8	8.0
Total all countries .. .. .	53.9	58.1	68.9	82.8	96.3
Of which:					
Commonwealth .. .. .	19.4	20.2	25.0	28.1	31.9
E.E.C. .. .. .	15.6	17.0	19.8	24.0	27.1
EFTA (Continental) .. .. .	3.6	3.8	5.0	4.8	5.9
Eastern Europe .. .. .	3.3	4.1	4.4	5.7	6.5

FIJI

On 10 October, 1970, the former British Colony of Fiji became a fully independent member of the Commonwealth. The territory of Fiji consists of about 800 islets and islands, of which the two principal are Viti Levu (4,010 sq. m.) and Vanua Levu (2,137 sq. m.), lying on the main trade route between North America and Australasia. The 1969 census revealed a population of over half a million, of whom 43 per cent were of Fijian ethnic origin and over 50 per cent were of Indian ethnic origin.

In the past, economic performance has been closely associated with the fortunes of the sugar industry and, in more recent years, with the development of tourism. To-day, the economy is still largely dependent on agriculture, especially sugar and coconut products, and to a less extent on mining (especially for gold), although receipts from tourism have grown over the past five years by a third each year, compared with 5 per cent p.a. for agricultural exports.

Of the main domestic exports (excluding gold) sugar accounts for about two thirds of total receipts from visible trade, coconut products for about a tenth, bananas for about one per cent and timber for less than one per cent. In addition, Fiji enjoys a buoyant re-export trade by virtue of its position on the international and inter-regional air and sea transport routes. About 30 per cent of the gross domestic product is attributable to the sugar industry, the prosperity of which is largely governed by the level of internationally determined prices. Under the Commonwealth Sugar Agreement Fiji has a guaranteed outlet for 140,000 tons, and her quota under the U.S. Sugar Act rose to 44,000 short tons in 1970. The International Sugar Agreement quota for disposal on the free market amounted to 130,500 tons which, at prices ruling in 1970, afforded a profitable opportunity. Fiji has well established markets for sugar in Canada and New Zealand, and for bananas in the latter.

*Domestic exports from Fiji*

\$F million

	<i>Sugar</i>	<i>Molasses</i>	<i>Copra</i>	<i>Coconut oil</i>	<i>Bananas</i>
1966 ..	21.7	0.4	0.3	2.9	0.3
1967 ..	23.8	0.4	0.2	2.9	0.1
1968 ..	24.9	0.4	—	4.8	0.4
1969 ..	28.1	0.6	0.3	3.9	0.3

TABLE 26

EXPORTS FROM FIJI

\$F million

	1966	1967	1968	1969
Australia .. .. .	0.9	1.2	1.3	1.6
Canada .. .. .	2.4	2.5	3.1	4.9
Malaysia .. .. .	0.6	—	0.8	0.7
New Zealand .. .. .	1.1	2.1	2.2	2.8
Singapore .. .. .	—	0.3	0.3	0.7
Tonga .. .. .	0.7	1.0	1.1	1.1
United Kingdom .. .. .	17.6	17.4	18.4	18.3
Western Samoa .. .. .	0.5	0.6	0.7	0.9
Other Commonwealth .. .. .	0.8	0.7	0.9	0.9
West Germany .. .. .	0.5	0.3	0.4	0.4
American Samoa .. .. .	0.4	0.4	0.7	0.6
Japan .. .. .	0.6	1.8	2.0	1.9
United States .. .. .	5.1	6.1	6.6	8.3
Other countries .. .. .	0.6	0.4	1.3	0.9
<b>Total all countries .. .. .</b>	<b>31.8</b>	<b>34.8</b>	<b>39.8</b>	<b>44.0</b>
<b>Of which:</b>				
Commonwealth .. .. .	24.6	25.8	28.8	31.9
E.E.C. .. .. .	0.5	0.3	0.4	0.5
Eastern Europe .. .. .	0.3	—	0.4	—

Exports of coconut products, valued at over \$F4 million in 1969, consist mainly of coconut oil to the United Kingdom and copra cake and meal to West Germany. Timber exports are at present relatively insignificant, but an ambitious tree-planting programme is being undertaken during the current Plan period (1971-75).

Imports have risen significantly over the past decade, at an annual average rate of 15 per cent, with food imports (mainly rice) contributing to this growth. Rice imports amounted to \$F1.2 million in 1969. However, official policies are aimed at increasing domestic production to make the country self-sufficient in this grain. F.A.O. pre-investment surveys, it is hoped, may pave the way for large-scale drainage and irrigation projects for rice in the fertile delta areas.

*Imports into Fiji*

		\$F million			
	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	11.7	3.6	5.4	10.0	17.7
1967 ..	12.7	3.8	6.2	12.1	19.9
1968 ..	13.3	5.2	7.3	15.2	24.7
1969 ..	15.3	4.6	8.4	16.8	28.9

TABLE 27

IMPORTS INTO FIJI

\$F million

	1966	1967	1968	1969
Australia .. .. .	13.8	15.1	17.8	19.1
Canada .. .. .	0.8	1.1	1.1	0.8
Ceylon .. .. .	0.5	0.5	0.5	0.5
Hong Kong .. .. .	1.6	2.1	2.2	2.8
India .. .. .	1.4	1.4	1.6	1.4
Malaysia .. .. .	1.0	0.9	0.4	0.4
New Zealand .. .. .	3.8	4.3	6.3	7.1
Pakistan .. .. .	0.1	0.3	0.4	0.7
Singapore .. .. .	1.0	1.7	1.8	2.5
United Kingdom .. .. .	10.2	9.5	14.0	14.5
Other Commonwealth .. .. .	0.4	0.2	0.2	0.3
West Germany .. .. .	0.4	0.5	0.7	0.9
Netherlands .. .. .	0.5	0.6	0.8	0.5
Switzerland .. .. .	0.4	0.4	0.7	0.7
Iran .. .. .	1.0	0.9	2.2	2.7
Japan .. .. .	7.2	8.6	8.7	10.9
South Korea .. .. .	—	0.2	0.5	1.9
South Yemen .. .. .	0.2	0.8	0.6	1.1
United States .. .. .	2.4	3.2	3.3	3.4
Other countries .. .. .	3.0	3.4	3.5	3.6
<b>Total all countries .. .. .</b>	<b>49.7</b>	<b>55.7</b>	<b>67.3</b>	<b>75.8</b>
<b>Of which:</b>				
Commonwealth .. .. .	34.6	37.1	46.3	50.1
E.E.C. .. .. .	1.7	2.1	2.1	2.1
EFTA (Continental) .. .. .	0.7	0.7	1.5	1.2
Eastern Europe .. .. .	0.1	0.1	0.1	0.1

Over the past five years the share of manufactured goods in the composition of imports has been growing rapidly, reflecting increased industrial activity and the accelerated growth of the tourist industry. A significant recent development has been the growth of trade in duty-free goods. In 1963, consumer durables were exempted from duty as an incentive to the tourist industry, and since then imports of such goods have risen by about 18 per cent a year. Corresponding sales to tourists are reckoned as invisible exports in the balance of payments statistics.

Over the past decade the share of imports from the United Kingdom and Australia has fallen somewhat. The share from the United States has risen slightly, but imports from Japan have increased rapidly to make that country by now the third largest overseas source of supply, after Australia and Britain. Imports from Hong Kong, Malaysia and Singapore have grown faster than total imports over this period and now amount to 7 per cent of all imports as opposed to 4 per cent in 1960.

### THE GAMBIA

Lighter shipments of groundnuts and groundnut oil—on which The Gambia is heavily dependent for earnings of foreign exchange—resulted in a fall of a tenth in the value of total exports in the year ended June 1970. During the same period imports fell at twice this rate, and the adverse balance on merchandise trade was substantially reduced, so that external reserves, including The Gambia's S.D.R. allocation by the I.M.F., rose by about £1 million in the trade year 1969–70.

When the groundnut season officially closed at the end of March 1970 cumulative purchases by the Marketing Board amounted to 112,182 tons, compared with 123,827 tons in the 1968–69 season when there had been a considerable inflow of groundnuts across the border from Senegal. The 1969–70 crop, equivalent to about 77,000 tons decorticated, was sold at a good average world price of £75 per ton f.o.b., which was well maintained throughout the period. The value of export sales was estimated at some £2.46 million, compared with £3.51 million in 1968–69. At the beginning of the 1969–70 season the producer price of unshelled nuts was raised by £2 a ton to £30 a ton. A feature of the Marketing Board's operations during 1969–70 was the effort made towards marketing handpicked selected groundnuts, which command a substantial premium. Some 750 tons of these nuts were exported to the Netherlands and it was hoped to increase this trade during the 1970–71 season.

Development programmes were implemented with a view to diversifying exports and lessening dependence on some imports. A centralised buying organisation for quality hides and skins was established in Bathurst to foster a

#### *Exports from The Gambia* £ million

	<i>Total (f.o.b.)</i>	<i>Oilseeds, oil nuts and oil kernels</i>	<i>Vegetable oils</i>	<i>Animal feeding stuffs</i>
1965–66 ..	5.1	2.4	1.4	1.1
1966–67 ..	6.3	2.4	2.3	1.3
1967–68 ..	5.3	1.7	2.4	1.1
1968–69 ..	7.3	4.2	1.7	1.2
1969–70 <sup>a</sup> ..	6.5	3.1	2.3	0.9

<sup>a</sup> Provisional.

TABLE 28  
EXPORTS FROM THE GAMBIA *a*

£ million

	1965-66	1966-67	1967-68	1968-69	1969-70 <sup>b</sup>
United Kingdom .. .. .	2.6	3.8	3.7	2.8	3.1
Other Commonwealth .. .. .	0.1	0.1	—	—	—
France .. .. .	—	—	0.1	1.1	0.6
West Germany .. .. .	—	—	0.1	0.1	0.6
Italy .. .. .	1.0	0.5	0.1	0.2	0.2
Netherlands .. .. .	0.1	—	0.5	0.8	0.8
Portugal .. .. .	1.3	1.3	0.3	1.0	0.2
Switzerland .. .. .	—	0.4	0.1	0.4	0.8
Czechoslovakia .. .. .	—	—	0.3	0.2	—
Senegal .. .. .	—	—	—	0.5	—
Other countries .. .. .	—	0.2	0.1	0.2	0.2
<b>Total all countries .. .. .</b>	<b>5.1</b>	<b>6.3</b>	<b>5.3</b>	<b>7.3</b>	<b>6.5</b>
<b>Of which:</b>					
Commonwealth .. .. .	2.7	3.9	3.7	2.8	3.1
E.E.C. .. .. .	1.1	0.7	1.0	2.3	2.2
EFTA (Continental) .. .. .	1.3	1.7	0.4	1.5	1.0
Eastern Europe .. .. .	—	—	0.3	0.2	—

*a* Years ended 30th June.

*b* Provisional.

rapid increase in the quantities offered for sale, and for bulk shipment to the United Kingdom. Also in the context of export diversification, it was expected late in 1970 that annual exports of sweet potatoes would soon reach 5,000 tons; shipments of yam and pumpkins were also being increased. The first steps were taken to explore the potential market for exports of Gambian and other West African beef products, and the fishing industry continued to make progress during the year. At the same time favourable weather and a larger area of rice under cultivation resulted in a larger harvest of this grain—the staple food of The Gambia. To assure continued advance in the production of rice, the Technical Co-operation Agreement between The Gambia and Taiwan, due to expire in June 1970, was extended and increased for a further two years.

The sharp fall in imports in 1969-70 came mainly as a result of the measures taken by the Senegalese authorities to restrict the traditional border trade with The Gambia. This also led to a decrease in Customs and Excise revenue, particularly from textiles. During the year the existing rates of import duty on luxury type items such as perfumes and cosmetics, air conditioners and refrigerators

*Imports into The Gambia*

£ million

	Total ( <i>c.i.f.</i> )	Food	Machinery and transport equipment	Other manufactures
1965-66 .. .. .	5.7	0.8	1.2	2.9
1966-67 .. .. .	7.0	1.1	1.4	3.5
1967-68 .. .. .	7.4	1.3	1.5	3.4
1968-69 .. .. .	9.2	1.7	1.4	4.9
1969-70 <sup>a</sup> .. .. .	7.1	1.9	1.1	3.1

*a* Estimates.

TABLE 29  
IMPORTS INTO THE GAMBIA *a*

£ million

	1965-66	1966-67	1967-68	1968-69	1969-70 <sup>b</sup>
Hong Kong .. .. .	0.2	0.2	0.2	0.3	0.2
Pakistan .. .. .	0.1	0.1	0.1	0.1	0.3
United Kingdom .. .. .	2.5	2.6	3.0	2.8	2.4
Other Commonwealth .. .. .	0.4	0.4	0.4	0.4	0.4
France .. .. .	0.2	0.2	0.2	0.2	0.2
West Germany .. .. .	0.1	0.2	0.2	0.3	0.2
Netherlands .. .. .	0.1	0.2	0.3	0.3	0.2
Czechoslovakia .. .. .	0.1	0.2	0.1	0.1	—
East Germany .. .. .	0.1	0.2	0.1	0.2	0.1
Burma .. .. .	0.3	0.3	0.3	0.1	0.2
China .. .. .	0.3	0.4	0.5	1.2	0.9
Japan .. .. .	0.8	1.3	1.1	1.7	1.4
Other countries .. .. .	0.5	0.7	0.9	1.5	0.6
Total all countries .. .. .	5.7	7.0	7.4	9.2	7.1
Of which:					
Commonwealth .. .. .	3.2	3.3	3.7	3.6	3.3
E.E.C. .. .. .	0.4	0.7	0.9	1.1	0.7
EFTA (Continental) .. .. .	0.1	0.1	0.1	0.2	0.1
Eastern Europe .. .. .	0.2	0.6	0.5	0.6	0.2

*a* Years ended 30th June.

*b* Annual rates based on latest data.

were raised, to realise an estimated £6,200 in extra revenue in a full financial year. The duties on motor vehicles, including spare parts, were also raised, and this was expected to yield additional revenue amounting to £12,200 in a full year.

## GHANA

Provisional figures for 1970 indicate an increase of N¢13.8 million in the crude trade surplus to N¢22.1 million, well up on the N¢8.3 million surplus of the previous year. Although imports continued to expand at a fairly high rate, exports expanded even faster—by some 22 per cent.

The result of a meeting of Ghana's creditors in July was immediate relief granted on 50 per cent of the accounts due, both principal and interest, between July 1970 and June 1972. It was also decided that another conference would be held before the heavy payments fell due on the rescheduled debts after June 1972, to consider a long-term solution in the light of future developments.

Cocoa production increased in the 1969-70 season and this led to a significant rise in the value of cocoa exports. For the first eight months of the year the value of cocoa exports rose by about three-quarters compared with the corresponding period of the previous year. The 1969-70 season ended on 3 September with an above average mid crop of 31,897 tons, bringing the total declared purchases in the season to 403,263 tons. This compared with 334,000 tons in 1968-69. Prices realized for export were on average lower in 1970 than in 1969, partly owing to the practice of forward selling adhered to by the Cocoa Marketing Board, and the poorer outlook for the 1970-71 crop probably had a

Exports from Ghana

New Cedi million

	<i>Cocoa</i>	<i>Timber</i>	<i>Bauxite</i>	<i>Manganese ore</i>	<i>Diamonds</i>
1966 .. ..	116.4	20.9	1.5	12.1	10.8
1967 .. ..	156.2	22.5	1.6	9.2	12.6
1968 .. ..	185.6	28.7	1.5	10.5	17.4
1969 .. ..	219.7 <sub>a</sub>	39.5	1.4	7.0	13.9
Jan.-Aug.					
1969 .. ..	140.2	25.7	1.1	4.7	11.5
1970 .. ..	247.2 <sub>a</sub>	27.3	1.3	4.2	10.4

*a* Includes shipments of cocoa which have not yet been officially recorded.

TABLE 30

EXPORTS FROM GHANA

New Cedi million

	1966	1967	1968	1969	1970 <sub>a</sub>
Australia .. ..	3.4	3.5	5.7	6.8	14.0
Canada .. ..	4.6	4.0	10.5	4.0	2.6
New Zealand .. ..	1.0	1.6	2.2	2.1	6.6
Nigeria .. ..	1.5	1.1	1.5	0.8	1.2
United Kingdom .. ..	28.9	45.6	63.1	76.9	80.8
Other Commonwealth .. ..	1.0	3.3	2.2	1.8	3.0
Belgium .. ..	7.6	5.5	5.0	7.9	8.6
France .. ..	1.4	2.4	2.0	4.1	1.9
West Germany .. ..	14.0	16.7	33.5	33.2	31.2
Italy .. ..	6.1	5.5	9.9	10.9	12.1
Netherlands .. ..	12.9	18.3	37.5	33.6	36.7
Denmark .. ..	0.8	1.2	1.1	1.8	1.5
Norway .. ..	4.4	6.6	6.3	4.5	4.9
Sweden .. ..	1.2	2.4	3.6	5.0	3.9
Czechoslovakia .. ..	3.8	1.8	2.5	1.9	—
Poland .. ..	2.8	6.1	5.0	2.2	2.2
Soviet Union .. ..	18.1	19.0	11.6	4.1	14.1
China .. ..	3.7	0.6	0.6	1.1	2.8
Irish Republic .. ..	1.9	4.6	3.7	5.8	3.6
Japan .. ..	9.4	17.0	23.1	26.2	19.8
United States .. ..	27.5	39.1	59.7	46.8	40.3
Yugoslavia .. ..	5.2	4.5	10.1	7.8	16.5
Other countries .. ..	10.9	8.7	8.6	73.4 <sub>b</sub>	135.7 <sub>b</sub>
Total all countries .. ..	172.1	219.1	309.0	362.7 <sub>b</sub>	444.0 <sub>b</sub>
Of which:					
Commonwealth .. ..	40.4	59.1	85.2	92.4	108.2
E.E.C. .. ..	42.0	48.3	87.9	89.7	90.5
EFTA (Continental) .. ..	6.4	10.2	11.1	11.4	10.4
Eastern Europe .. ..	31.2	31.7	20.4	9.4	16.3

*a* Annual rates based on latest data.

*b* Includes shipments of cocoa (valued at N¢ 61.4 million in 1969 and N¢ 118.6 million in Jan.-Nov. 1970) which have not yet been officially recorded.

depressing influence on the value of cocoa exports in the latter part of 1970. Due to the heavier 1969-70 crop, exports from Ghana by weight in the first three-quarters of 1970 were 22 per cent higher than those during the corresponding period of the previous year, reflecting increases to Australia, the United States, the E.E.C., the Soviet Union and Yugoslavia. Shipments to Britain, however,



fell by over a quarter and substantial reductions were also recorded in respect of Canada, the Irish Republic, Czechoslovakia and Poland.

Timber exports in the first eight months of the year were slightly higher than in 1969 despite difficulties of transportation earlier in the year, partly due to labour disputes. However, the outlook for timber deteriorated later in the year with reduced European demand for the qualities on offer.

<i>Imports into Ghana</i>					
New Cedi million					
	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	39.3	17.4	10.6	82.2	96.5
1967 ..	43.2	15.5	15.5	70.4	112.0
1968 ..	51.0	19.1	21.5	86.0	129.7
1969 ..	55.2	23.5	22.9	94.5	154.9
Jan.-Aug. 1969 ..	35.1	15.2	15.7	60.6	95.1
1970 ..	51.7	19.4	16.6	75.0	115.7

TABLE 31  
IMPORTS INTO GHANA

	New Cedi million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	1.2	0.9	1.0	2.6	1.1
Canada .. .. .	1.6	4.7	7.1	6.6	3.7
Hong Kong .. .. .	2.2	2.8	2.6	4.5	7.5
India .. .. .	1.9	1.4	1.7	1.7	2.2
Nigeria .. .. .	2.4	2.2	1.5	4.0	2.9
Pakistan .. .. .	1.7	4.1	2.7	2.0	1.7
United Kingdom .. .. .	72.2	78.4	86.5	95.0	100.4
Other Commonwealth .. .. .	0.3	0.6	1.1	4.6	2.5
Belgium .. .. .	2.5	1.4	0.9	2.5	4.7
France .. .. .	10.9	7.6	6.3	8.5	15.6
West Germany .. .. .	18.6	24.9	36.0	37.8	45.5
Italy .. .. .	8.4	6.2	7.2	8.9	9.3
Netherlands .. .. .	12.8	13.0	13.5	16.8	15.7
Denmark .. .. .	1.0	1.8	2.4	3.1	4.3
Norway .. .. .	0.8	1.7	4.7	6.7	7.8
Sweden .. .. .	1.1	2.2	2.1	1.8	2.3
Switzerland .. .. .	1.3	2.1	3.3	4.1	5.4
Bulgaria .. .. .	1.2	0.5	1.3	0.5	0.5
Czechoslovakia .. .. .	3.7	3.0	3.7	3.7	3.8
East Germany .. .. .	2.8	2.6	1.0	0.4	0.7
Hungary .. .. .	1.4	1.4	2.1	1.9	0.8
Poland .. .. .	4.5	3.4	2.9	1.7	2.6
Soviet Union .. .. .	14.6	8.0	7.2	13.2	16.6
China .. .. .	5.3	0.7	1.7	4.4	7.8
Japan .. .. .	13.3	15.7	17.3	20.8	25.3
Upper Volta .. .. .	2.8	2.8	2.3	2.6	2.2
United States .. .. .	42.1	43.2	60.0	65.2	84.4
Yugoslavia .. .. .	3.9	1.6	3.3	3.8	3.5
Other countries .. .. .	14.7	22.6	30.5	25.0	41.1
Total all countries .. .. .	251.2	261.5	313.9	354.4	421.9
Of which:					
Commonwealth .. .. .	83.5	95.1	104.2	121.0	122.0
E.E.C. .. .. .	53.2	53.2	63.9	74.3	90.8
EFTA (Continental) .. .. .	4.7	8.3	13.4	16.7	21.1
Eastern Europe .. .. .	28.6	19.2	18.8	22.1	26.0

<sup>a</sup> Annual rates based on latest data.

## GUYANA

More than 85 per cent of Guyana's exports is accounted for by bauxite/ alumina, sugar and rice. Of these the mineral commodities, as well as being of the greatest importance in terms of foreign exchange, also show the most regular export growth and promise the greatest financial contributions to development capital—which has hitherto been provided by a Canadian-based international aluminium group. The trend of increasing production of dried and calcined bauxite continued throughout 1970, Guyana now supplying 90 per cent of world market requirements of this commodity—the higher grades of which are used in the manufacture of refractory bricks for the steel industry. With the market

### Exports from Guyana

\$G million

						<i>Rice</i>	<i>Sugar</i>	<i>Alumina</i>	<i>Bauxite</i>
1966	..	..	..	..	..	24.9	51.3	33.0	44.6
1967	..	..	..	..	..	25.3	59.2	31.4	45.6
1968	..	..	..	..	..	26.1	63.6	33.1	58.2
1969	..	..	..	..	..	19.7	88.1	38.9	62.6
Jan.-Aug.									
1969	..	..	..	..	..	12.8	34.5	22.7	37.3
1970	..	..	..	..	..	12.4	31.4	28.2	44.0

TABLE 32

### EXPORTS FROM GUYANA

\$G million

	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. .. .	40.0	36.4	43.0	46.5	59.8
Barbados .. .. .	2.7	3.3	3.2	3.3	6.0
Jamaica .. .. .	3.2	4.4	5.2	4.9	5.9
Trinidad & Tobago .. .. .	15.1	17.3	16.6	17.0	20.3
Grenada .. .. .	0.5	0.6	0.5	0.8	1.1
St. Vincent .. .. .	0.4	0.5	0.6	0.7	1.2
Other Carifta .. .. .	1.8	2.0	2.2	2.6	5.0
Singapore .. .. .	—	2.7	3.8	—	—
United Kingdom .. .. .	41.1	47.9	45.8	58.3	43.0
Other Commonwealth .. .. .	6.0	0.8	1.2	0.9	1.6
Belgium .. .. .	1.1	0.9	1.5	1.5	1.7
France .. .. .	1.2	0.9	0.8	1.6	1.0
West Germany .. .. .	1.4	0.9	0.4	1.0	0.3
Italy .. .. .	1.2	1.4	2.0	1.6	1.8
Netherlands .. .. .	5.2	2.4	4.1	3.6	5.9
Norway .. .. .	10.9	10.0	9.0	14.0	22.7
Sweden .. .. .	1.2	3.5	3.6	5.0	4.7
Argentina .. .. .	0.6	0.8	0.5	0.5	1.2
Japan .. .. .	1.2	1.9	2.9	3.3	4.3
Mexico .. .. .	0.5	0.7	0.8	1.0	1.7
Spain .. .. .	2.2	3.4	5.9	5.8	7.9
United States .. .. .	40.6	46.4	55.8	61.0	61.9
Venezuela .. .. .	0.6	0.7	0.2	2.0	6.0
Other countries .. .. .	7.7	7.6	5.4	5.1	4.5
<b>Total all countries .. .. .</b>	<b>186.4</b>	<b>197.4</b>	<b>215.0</b>	<b>242.0</b>	<b>269.5</b>
<b>Of which:</b>					
Commonwealth .. .. .	110.8	115.9	122.1	135.0	143.9
E.E.C. .. .. .	10.1	6.4	8.7	9.3	10.7
EFTA (Continental) .. .. .	12.3	13.7	12.9	19.3	27.6

<sup>a</sup> Annual rates based on latest data.

price of around \$US 40 per ton the export of calcined bauxite is proving to be a good deal more profitable than metal grade bauxite, whose price of \$US 9 per ton leaves little margin in view of the 200-250 feet overburden and high transport costs. About a third of Guyana's bauxite ore contains less than 5 per cent iron, i.e. is suitable for calcining.

Because of the importance of earnings from minerals in the foreign exchange budget of Guyana and the possibility, however remote, of eventually establishing a smelter in Guyana itself, the Government in February 1971 announced its intention of nationalising the industry. By the beginning of April 1971 enabling legislation had been passed.

*Imports into Guyana*  
\$G million

	<i>Food</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 .. ..	33.4	16.5	59.9	80.1
1967 .. ..	33.6	18.1	77.4	81.8
1968 .. ..	35.5	20.7	61.6	88.3
1969 .. ..	37.6	18.6	63.0	100.2
Jan.-Aug. . .				
1969 .. ..	24.3	11.1	40.1	64.8
1970 .. ..	23.1	15.9	60.9	73.6

TABLE 33  
IMPORTS INTO GUYANA

	\$G million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. ..	2.6	3.5	6.2	7.3	2.8
Canada .. ..	18.4	24.8	20.0	19.6	26.2
Hong Kong .. ..	2.4	2.8	2.7	3.7	3.3
India .. ..	2.2	1.9	1.8	1.7	1.7
Pakistan .. ..	0.6	0.6	1.2	1.0	0.2
Barbados .. ..	0.4	0.8	0.8	1.0	1.0
Jamaica .. ..	2.5	1.9	2.6	3.7	3.7
Trinidad & Tobago .. ..	20.6	22.0	25.7	27.7	33.1
Other Carifta .. ..	0.2	0.9	0.3	0.1	0.4
United Kingdom .. ..	65.6	57.5	64.5	74.0	80.5
Other Commonwealth .. ..	1.6	0.9	1.2	1.6	1.4
Belgium .. ..	2.9	3.0	2.8	1.8	2.8
France .. ..	2.2	2.1	2.4	2.8	2.5
West Germany .. ..	6.4	13.0	6.2	7.8	8.9
Italy .. ..	2.5	1.9	2.9	1.6	1.7
Netherlands .. ..	7.3	7.7	9.4	9.1	9.1
Soviet Union .. ..	1.2	0.8	0.7	1.3	0.8
Japan .. ..	6.7	7.8	7.5	9.2	10.0
United States .. ..	46.1	63.0	51.8	50.4	67.0
Other countries .. ..	9.6	8.4	8.5	10.4	10.9
<b>Total all countries .. ..</b>	<b>202.0</b>	<b>225.3</b>	<b>219.2</b>	<b>235.8</b>	<b>268.0</b>
<b>Of which:</b>					
Commonwealth .. ..	117.1	117.6	127.0	141.4	154.3
E.E.C. .. ..	21.2	27.7	23.5	23.1	25.1
EFTA (Continental) .. ..	3.6	4.0	4.5	4.0	3.9
Eastern Europe .. ..	2.7	1.5	1.1	1.3 <sup>b</sup>	0.8 <sup>b</sup>

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Incomplete.

Notwithstanding the importance of the mineral industry, sugar and industries based on sugar account for nearly 30 per cent of G.N.P. and 30 per cent of exports. In terms of employment the sugar industry ranks well ahead of minerals, absorbing 10 per cent of the labour force and providing the major source of income for 4,000 cane farmers. Development of cane growing is encouraged by the National Cane Farming Association, a statutory authority on which government, farmers and the sugar companies are represented. Finance for the farmers is provided jointly by the Commonwealth Development Corporation and deposit banks. The industry suffered from a combination of unfavourable weather in the early part of 1970 and industrial unrest continuing throughout the year, with the result that production fell to 302,869 tons compared with the record 364,465 tons in 1969.

In the first eight months of 1970 Trinidad was the main destination for Guyanese rice, taking \$G5.8 million compared with \$G5.5 million in the corresponding period of the preceding year. Practically all exports went to CARIFTA countries. The Rice Corporation has embarked on an extensive capital development programme including the establishment of a modern research station, the bridging of the Mahaicony river and the setting up of pools of land-clearing, ploughing and harvesting equipment.

## HONG KONG

Trade for Hong Kong in 1970 expanded under both exports and imports, the former by some 15 per cent and the latter by 18 per cent. Despite earlier fears of the effect of a United States recession on the Hong Kong economy, exports to the Colony's largest market expanded by over 17 per cent in 1970. Imports from the United States increased at a similar rate and this, together with an expansion in imports of some 27 per cent from Britain and 20 per cent from Japan, led to a widening of the crude trade deficit from \$HK1,696 in 1969 to \$HK2,369 in 1970.

The share of re-exports fell slightly to just under a fifth of total exports, the growth of re-exports amounting to less than 8 per cent. China maintained its traditional position as the leading country of origin for goods re-exported from Hong Kong, with the United States in second place. Normally, about a tenth of the latter country's exports to Hong Kong are subsequently re-exported. Non-metallic mineral manufactures have been among the leading United States items re-exported in recent years.

Exports to the United Kingdom showed little growth during the year, while exports to West Germany rose by nearly 30 per cent. Clothing still accounts for

		<i>Exports from Hong Kong</i>				
		\$HK million				
				<i>Domestic exports</i>		
				<i>(f.o.b.)</i>		
	<i>Exports</i>	<i>of which</i>	<i>Total</i>	<i>Textiles</i>	<i>Clothing</i>	<i>Other</i>
	<i>(f.o.b.)</i>	<i>re-exports</i>				<i>manufactures</i>
	<i>Total</i>					
1966 ..	7,563	1,833	5,730	921	2,035	2,449
1967 ..	8,781	2,081	6,700	936	2,317	3,114
1968 ..	10,570	2,142	8,428	1,035	3,014	3,998
1969 ..	13,197	2,679	10,518	1,126	3,828	5,117
1970 ..	15,238	2,892	12,346	1,277	4,337	6,225

TABLE 34  
EXPORTS FROM HONG KONG

SHK million

	1966	1967	1968	1969	1970
Australia .. .. .	166	240	292	336	423
Brunei .. .. .	8	8	14	21	28
Canada .. .. .	193	238	307	377	416
Ceylon .. .. .	30	17	15	17	16
Fiji .. .. .	9	11	12	15	21
Ghana .. .. .	11	16	30	42	59
Jamaica .. .. .	13	14	17	19	23
Kenya .. .. .	32	25	39	27	41
Malaysia .. .. .	206	168	172	203	201
New Zealand .. .. .	69	77	95	98	119
Nigeria .. .. .	44	97	67	77	144
Pakistan .. .. .	17	19	23	21	23
Sierra Leone .. .. .	9	8	13	14	13
Singapore .. .. .	366	364	444	546	617
Tanzania .. .. .	17	15	26	24	19
Trinidad & Tobago .. .. .	12	12	12	17	14
United Kingdom .. .. .	1,017	1,178	1,407	1,537	1,556
Zambia .. .. .	11	18	19	31	57
Other Commonwealth .. .. .	91	95	98	115	125
Belgium .. .. .	89	96	93	147	155
France .. .. .	45	39	38	57	62
West Germany .. .. .	434	386	517	787	1,014
Italy .. .. .	61	51	50	75	109
Netherlands .. .. .	131	116	128	178	231
Denmark .. .. .	47	54	58	90	112
Sweden .. .. .	90	141	155	217	249
Switzerland .. .. .	52	69	84	135	218
Cambodia .. .. .	21	25	38	36	28
China .. .. .	69	48	45	37	64
Indonesia .. .. .	445	630	442	378	280
Japan .. .. .	440	504	584	857	1,076
Macao .. .. .	90	78	82	86	112
Philippines .. .. .	77	114	124	103	97
South Africa .. .. .	57	78	94	122	154
South Korea .. .. .	34	53	71	110	101
South Vietnam .. .. .	111	129	129	228	156
Taiwan .. .. .	97	131	165	212	301
Thailand .. .. .	134	142	156	155	147
United States .. .. .	2,141	2,633	3,623	4,637	5,435
Other countries .. .. .	577	644	792	1,013	1,222
Total all countries .. .. .	7,563	8,781	10,570	13,197	15,238
Of which:					
Commonwealth .. .. .	2,321	2,620	3,102	3,537	3,915
E.E.C. .. .. .	758	687	827	1,243	1,572
EFTA (Continental) .. .. .	239	346	367	545	715
Eastern Europe .. .. .	—	1	1	8	6

the bulk of exports to Europe, but the share of textiles as a whole is declining. At the beginning of the decade it accounted for some 75 per cent of Hong Kong's exports; by the end it was around a half. The range of products exported to Western Europe is steadily increasing and now includes footwear, toys and games, and watch and clock cases and parts to Switzerland.

*Imports into Hong Kong*

\$HK million

	<i>Total (c.i.f.)</i>	<i>Food</i>	<i>Machinery and transport equipment</i>	<i>Textile fibres and manufactures</i>	<i>Metals and metal manufactures</i>
1966 ..	10,097	2,216	1,310	2,292	537
1967 ..	10,449	2,329	1,347	2,141	504
1968 ..	12,472	2,468	1,604	2,948	556
1969 ..	14,893	2,804	2,238	3,273	678
1970 ..	17,607	3,051	2,897	3,808	938

TABLE 35

IMPORTS INTO HONG KONG

\$HK million

	1966	1967	1968	1969	1970
Australia .. .. .	209	261	312	357	430
Canada .. .. .	86	85	101	103	123
Ceylon .. .. .	7	7	8	6	8
India .. .. .	49	50	72	92	118
Kenya .. .. .	26	29	15	10	21
Malaysia .. .. .	62	59	72	86	106
New Zealand .. .. .	15	15	20	30	37
Pakistan .. .. .	139	190	301	231	223
Singapore .. .. .	200	233	266	282	358
Tanzania .. .. .	99	79	106	78	108
Uganda .. .. .	25	22	27	51	57
United Kingdom .. .. .	1,011	984	1,083	1,201	1,517
Other Commonwealth .. .. .	17	30	16	17	22
Belgium .. .. .	190	165	209	263	256
France .. .. .	73	92	115	173	205
West Germany .. .. .	269	316	402	544	657
Italy .. .. .	123	127	148	170	260
Netherlands .. .. .	137	146	162	162	237
Switzerland .. .. .	202	247	266	412	513
Brazil .. .. .	109	49	66	183	184
Cambodia .. .. .	31	86	51	58	48
China .. .. .	2,769	2,282	2,429	2,700	2,830
Indonesia .. .. .	135	105	96	121	158
Iran .. .. .	45	83	103	122	89
Israel .. .. .	93	99	104	156	154
Japan .. .. .	1,839	1,995	2,717	3,484	4,188
Saudi Arabia .. .. .	54	43	57	72	130
South Africa .. .. .	95	112	125	143	147
South Korea .. .. .	48	71	85	127	156
Taiwan .. .. .	169	260	413	502	820
Thailand .. .. .	267	329	269	350	325
United States .. .. .	1,090	1,411	1,727	2,002	2,317
Other countries .. .. .	414	387	529	605	805
Total all countries .. .. .	10,097	10,449	12,472	14,893	17,607
Of which:					
Commonwealth .. .. .	1,945	2,044	2,399	2,544	3,128
E.E.C. .. .. .	791	846	1,036	1,312	1,614
EFTA (Continental) .. .. .	275	342	376	546	677
Eastern Europe .. .. .	32	26	56	61	85

## INDIA

The trend over the past few years toward balance in the trade position continued during 1970 also. According to provisional estimates imports rose by 2.9 per cent while exports went up by 8.3 per cent over the level of the previous year. The rise in imports reflected greater demand for industrial raw materials and components and, with a low level of stocks, the Government decided to increase import licences for capital goods and raw materials during the year. Although exports during the first half of 1970-71 declined, partly as a result of some abnormal factors like the dock strike in Calcutta and strikes in the jute and tea industries, there was a strong recovery from the month of August onward and there was a marked increase in exports, especially during the months of September to December 1970. Thus exports during the year 1970-71 were provisionally estimated to have achieved a growth rate exceeding the Fourth Plan target of 7 per cent p.a. However, there was a decline in international reserves, largely on account of repurchase of drawings from the I.M.F. Disbursement of foreign aid in 1970-71 was also at a reduced level.

During the year ended March 1971 industrial output rose by an estimated 5 per cent, compared with 7 per cent in the previous year and a Plan target of 8-10 per cent per annum. Growth of industrial production was hampered by shortage of raw materials—particularly iron, steel and cotton—which had an adverse effect on the trade balance through the increased imports needed to meet production shortfalls. During the first half of the fiscal year steel production declined, and the textile industry was badly affected by shortages of raw cotton.

In contrast to the industrial sector there was a marked expansion in food-grain production which rose to 105 million metric tons compared with 99.5 million metric tons in 1969-70. Much of this improvement resulted from favourable weather and improved technology. Agricultural expansion stimulated further growth of the supporting industries: demand for tractors could not be met by home supplies and, in August, the I.D.A. provided a \$28 million loan for the importation of tractors and harvesting machinery.

The importance of India's traditional exports—jute, tea and cotton—has been eroded in recent years by both world over-production and competition from synthetics. Exports of jute goods have fallen steadily over the past four years, and in the first eight months of 1970-71 were 15 per cent below the corresponding period of 1969-70. This trend is influenced by the increased use of synthetic backing in carpet-making, particularly in the United States, and by competition from Pakistan which has turned more and more towards export of the manufactured product as opposed to raw jute. The situation was aggravated by industrial unrest and strikes at mills and ports in India during 1970-71.

### *Exports from India*

	Rs million								
	<i>Tea</i>	<i>Sugar</i>	<i>Hides skins and leather</i>	<i>Raw cotton</i>	<i>Cotton fabrics</i>	<i>Jute goods</i>	<i>Animal feeding stuffs</i>	<i>Unmanu- factured tobacco</i>	<i>Iron ore</i>
1966-67	1,584	182	783	175	756	2,490	523	215	702
1967-68	1,802	165	608	194	794	2,335	469	348	748
1968-69	1,565	106	773	157	880	2,169	514	332	884
1969-70	1,245	89	888	178	866	2,050	432	327	946
Apr.-Sept. 1969	621	65	480	92	406	1,075	195	243	387
1970	484	93	351	84	426	741	266	243	470

TABLE 36  
EXPORTS FROM INDIA *a*

Rs million

	1966-67	1967-68	1968-69	1969-70	1970-71 <sup>b</sup>
Australia .. .. .	261	280	255	244	255
Canada .. .. .	309	297	297	263	296
Ceylon .. .. .	185	148	233	256	284
Fiji .. .. .	9	11	10	11	12
Ghana .. .. .	20	9	12	11	10
Hong Kong .. .. .	81	83	114	128	184
Kenya .. .. .	73	60	81	77	89
Malaysia .. .. .	105	69	71	83	105
Mauritius .. .. .	9	11	13	11	14
New Zealand .. .. .	86	63	68	58	60
Nigeria .. .. .	46	37	31	28	63
Pakistan .. .. .	—	—	—	—	—
Singapore .. .. .	93	87	134	140	153
Tanzania .. .. .	42	40	49	41	40
Uganda .. .. .	19	14	22	23	17
United Kingdom .. .. .	2,019	2,287	2,010	1,646	1,476
Zambia .. .. .	20	20	12	16	39
Other Commonwealth .. .. .	48	44	54	71	61
Belgium .. .. .	175	207	315	247	212
France .. .. .	181	154	200	217	170
West Germany .. .. .	259	219	262	298	342
Italy .. .. .	153	177	179	129	127
Netherlands .. .. .	118	130	153	112	147
Czechoslovakia .. .. .	286	292	318	301	287
East Germany .. .. .	194	203	198	200	271
Poland .. .. .	135	220	249	213	222
Soviet Union .. .. .	1,234	1,217	1,482	1,761	2,002
Afghanistan .. .. .	68	69	97	113	131
Burma .. .. .	37	38	97	208	197
China .. .. .	—	—	—	—	—
Egypt .. .. .	250	212	218	346	449
Indonesia .. .. .	11	59	56	40	36
Iran .. .. .	103	142	215	240	289
Iraq .. .. .	60	48	115	94	77
Japan .. .. .	1,073	1,356	1,583	1,793	2,130
Nepal .. .. .	209	183	245	270	252
Persian Gulf States <sup>c</sup> .. .. .	139	201	298	313	277
Philippines .. .. .	4	7	27	18	16
Saudi Arabia .. .. .	46	59	110	150	151
Sudan .. .. .	146	207	185	198	280
Thailand .. .. .	42	84	74	75	48
United States .. .. .	2,197	2,069	2,341	2,379	2,058
Yugoslavia .. .. .	189	116	188	340	387
Other countries .. .. .	794	718	880	927	1,077
Total all countries .. .. .	11,528	11,947	13,551	14,089	14,793
Of which:					
Commonwealth .. .. .	3,425	3,560	3,466	3,107	3,158
E.E.C. .. .. .	886	887	1,109	1,003	997
EFTA (Continental) .. .. .	131	138	155	183	175
Eastern Europe .. .. .	2,067	2,142	2,474	2,733	3,128

*a* Years ended 31st March.

*b* Annual rates based on latest data.

*c* Includes Bahrain, Kuwait, Muscat & Oman, Qatar.



Imports into India

Rs million

	Food	Basic materials and base metals	Mineral fuels and lubricants	Machinery and transport equipment	Other manufactures
1966-67 ..	7,053	3,829	633	5,761	2,838
1967-68 ..	5,792	4,206	749	5,031	3,596
1968-69 ..	4,031	3,844	1,332	5,139	3,835
1969-70 ..	3,206	3,619	1,379	3,927	2,830
Apr.-Sept.					
1969 ..	1,895	1,832	666	1,963	1,349
1970 ..	1,277	2,631	635	1,924	1,425

TABLE 37

IMPORTS INTO INDIA *a*

Rs million

	1966-67	1967-68	1968-69	1969-70	1970-71 <sup>b</sup>
Australia .. .. .	588	648	256	312	446
Canada .. .. .	914	980	986	738	1,110
Ceylon .. .. .	26	31	19	29	26
Ghana .. .. .	11	6	21	18	24
Hong Kong .. .. .	4	8	8	6	7
Kenya .. .. .	59	76	67	45	79
Malaysia .. .. .	124	93	77	81	47
New Zealand .. .. .	10	13	19	16	14
Nigeria .. .. .	4	7	1	3	—
Pakistan .. .. .	14	21	—	—	—
Singapore .. .. .	150	33	91	15	6
Tanzania .. .. .	138	115	174	155	221
Uganda .. .. .	16	26	43	69	123
United Kingdom .. .. .	1,630	1,484	1,229	959	998
Zambia .. .. .	5	27	82	203	254
Other Commonwealth .. .. .	16	11	30	16	8
Belgium .. .. .	240	178	113	81	73
France .. .. .	345	331	356	230	149
West Germany .. .. .	1,605	1,424	1,186	832	995
Italy .. .. .	411	342	491	386	339
Netherlands .. .. .	344	256	176	156	164
Czechoslovakia .. .. .	335	246	348	230	232
East Germany .. .. .	209	216	205	243	194
Poland .. .. .	179	237	218	224	217
Soviet Union .. .. .	1,018	1,070	1,234	1,167	1,053
Afghanistan .. .. .	42	94	98	116	43
Burma .. .. .	402	92	165	201	57
China .. .. .	—	—	—	—	—
Egypt .. .. .	203	269	414	217	579
Iran .. .. .	305	329	864	834	853
Iraq .. .. .	35	27	31	39	14
Japan .. .. .	995	1,053	1,094	640	749
Nepal .. .. .	121	150	141	143	125
Persian Gulf States <sup>c</sup> .. .. .	34	83	15	98	41
Saudi Arabia .. .. .	61	228	128	175	176
Sudan .. .. .	174	115	215	272	145
Thailand .. .. .	519	247	351	152	16
United States .. .. .	7,790	7,719	5,705	4,574	4,690
Yugoslavia .. .. .	147	157	86	52	62
Other countries .. .. .	1,076	1,245	1,485	1,265	1,479
Total all countries .. .. .	20,299	19,687	18,222	14,992	15,808
Of which:					
Commonwealth .. .. .	3,709	3,579	3,103	2,665	3,363
E.E.C. .. .. .	2,945	2,530	2,323	1,685	1,720
EFTA (Continental) .. .. .	425	447	417	283	252
Eastern Europe .. .. .	1,959	1,952	2,317	2,215	2,094

*a* Years ended 31st March.

*b* Annual rates based on latest data.

*c* Includes Bahrain, Kuwait, Muscat & Oman, Qatar.

In addition, the tea industry is suffering from world over-production and keen competition, particularly from East African producers. To ease the difficulties of the tea industry the Government abolished the export duty in 1970-71; excise duty was raised commensurately, but is refundable when the tea is exported. India participated in the Tea Producers' Agreement reached in Mauritius to cut back exports in order to stabilize prices, pending long-term arrangements under the auspices of F.A.O.

One of the most significant long-term changes in the pattern of India's trade has been the rise in importance of (non-traditional) manufactured goods. As much as 60 per cent of the rise in total exports over the past three years has been accounted for by such goods, which are increasingly valuable in view of the weakness shown by the traditional goods. About half of these exports, particularly engineering goods, are absorbed by Asian countries, and Eastern European countries are taking an increasingly large share. Since the devaluation of the Rupee in 1966, exports of manufactured goods have risen steadily to both the United States and Europe, owing to their improved competitive position. In Britain, however, the devaluation of sterling, followed by the import deposit scheme, took away much of the advantage: the regular decline of exports to that market and the continual expansion in the scope of trade with State agencies in Eastern Europe have resulted in the latter practically catching up with the rest of the Commonwealth as a market for Indian exports of all descriptions.

#### JAMAICA

For the first three quarters of 1970 the main economic indicators pointed to continued growth and greater stability than for the corresponding period of 1969. Industrial production was on the whole at a higher level, consumer credit was successfully restrained and, with large additional capacity for alumina production having come into operation, the foreign exchange reserves were still increasing. The agricultural sector, however, engaging about 35 per cent of the labour force, continued to give cause for concern, with production shortfalls in respect of both sugar and bananas and marketing difficulties affecting the latter.

Official policy aims to diversify the country's agriculture, and efforts are being made to increase the production of crops for local consumption, to reduce dependence on imported foodstuffs. The major economic problem is still unemployment, estimated at between 15 and 25 per cent. The higher wages offered in industry compared with agriculture induce migration from the rural to the urban areas, and though the creation of the Caribbean Free Trade Area has offered new opportunities to Jamaica, its most highly industrialized member, it is hardly to be expected that the unemployment problem will be solved without regard to similar difficulties existing in other CARIFTA countries.

Over the last four years there has been a considerable adverse balance of visible trade, much of the deficit being due to the importation of capital goods required for industrial expansion. Greater imports of some items, notably foodstuffs and manufactured goods, have led to the introduction of restrictions on these and other categories in recent years. Preliminary estimates show a deficit on merchandise trade of \$145 million for 1970. However, there would have been the usual surplus on invisible account, especially in respect of tourism: according to the Tourist Board the number of long-stay visitors in the first half of the year increased by 10 per cent.

Sugar production in the first nine months of 1970 was 4.1 per cent lower than in the comparable period of 1969. The forecast for the 1971 sugar crop was for some 439,000 tons, 70,600 tons more than the actual output for the 1970 crop. The industry has been troubled with mechanization problems, although prices were favourable throughout the year. The United Kingdom takes around 70 per cent of the total under the Commonwealth Sugar Agreement.

Banana production fell by 8.6 per cent in the first three quarters of 1970 and, though the outlook for this crop is encouraging, export proceeds may depend to a large extent on improved handling, and the volume and quality of fruit reaching the United Kingdom—which takes the entire exportable surplus. Early in 1971 a dispute between the Jamaica Banana Board and the Fyffes Group, over the banana marketing arrangements in the United Kingdom, was

*Exports from Jamaica*

\$J million

	<i>Sugar</i>	<i>Bananas</i>	<i>Bauxite</i>	<i>Alumina</i>
1966 .. .. .	35.0	12.7	36.9	38.6
1967 .. .. .	30.2	13.1	38.0	41.8
1968 .. .. .	34.0	13.8	38.0	50.8
1969 .. .. .	27.9	12.5	46.6	70.2
Jan–April				
1969 .. .. .	12.3	3.4	15.4	20.1
1970 .. .. .	17.2	3.0	15.8	29.9

TABLE 38

EXPORTS FROM JAMAICA

\$J million

	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. .. .	24.6	22.5	25.9	35.5	28.9
Barbados .. .. .	0.4	0.5	0.9	1.3	1.5
Bahamas .. .. .	1.9	2.0	1.7	3.1	1.5
Bermuda .. .. .	0.7	0.5	0.7	0.7	0.6
British Honduras .. .. .	1.3	1.0	1.4	1.4	1.6
Guyana .. .. .	1.0	0.9	1.3	1.6	1.5
Trinidad & Tobago .. .. .	1.3	1.4	1.8	3.1	3.7
Other Commonwealth Caribbean	1.7	1.5	1.9	2.7	3.4
United Kingdom .. .. .	43.3	43.2	43.6	41.3	57.6
Other Commonwealth .. .. .	1.3	0.7	0.7	3.6	3.2
West Germany .. .. .	2.5	1.4	1.1	1.6	2.4
Netherlands .. .. .	0.4	0.4	0.4	2.2	1.0
Norway .. .. .	10.9	13.6	15.5	20.1	12.8
Sweden .. .. .	2.1	2.8	6.2	5.7	3.5
United States .. .. .	61.7	65.2	71.4	79.3	113.1
Other countries .. .. .	7.8	5.7	8.2	7.2	11.7
Total all countries .. .. .	162.9	163.3	182.7	210.4	248.0
Of which:					
Commonwealth .. .. .	77.5	74.2	79.9	94.3	103.5
E.E.C. .. .. .	3.5	2.4	3.1	4.6	3.9
EFTA (Continental) .. .. .	14.4	17.0	21.8	26.2	19.7
Eastern Europe .. .. .	0.5	1.1	..	..	..

<sup>a</sup> Annual rates based on latest data.

settled. Under the Agreement Jamaican banana producers are to get a guaranteed minimum average price on their sales to the United Kingdom. However, for the time being Fyffes will in addition continue to purchase elsewhere.

Although light manufacturing industries, especially those in the categories of food, drink and tobacco, and textiles and clothing, are well-established in Jamaica, by far the most important non-agricultural industry is bauxite mining. Jamaica is the world's largest exporter of bauxite, and is on the way to becoming the leader in alumina production. Activity in the bauxite and alumina industries continued at a high level in 1970, output of the former in the first three quarters exceeding production in the corresponding months of 1969 by 15 per cent, while alumina production rose by 55.3 per cent—results which were reflected in exports to the United States.

*Imports into Jamaica*  
\$J million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	45.2	22.9	19.1	56.9	85.9
1967 ..	48.6	25.0	20.3	63.5	91.4
1968 ..	58.0	31.6	22.9	90.2	111.9
1969 ..	59.9	34.9	25.3	116.3	126.6
Jan-April					
1969 ..	18.7	10.8	8.6	36.4	38.8
1970 ..	20.3	15.0	7.8	41.9	46.4

TABLE 39  
IMPORTS INTO JAMAICA

\$J million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	4.2	5.7	5.7	5.2	7.4
British Honduras .. .. .	0.5	0.5	0.5	0.5	0.3
Guyana .. .. .	1.4	1.7	1.1	1.3	2.6
Trinidad & Tobago .. .. .	1.0	1.4	2.0	3.5	4.1
Other Commonwealth Caribbean	0.4	0.2	0.2	0.4	0.4
Canada .. .. .	25.4	28.8	30.5	34.9	37.8
Hong Kong .. .. .	1.9	2.3	2.6	3.3	2.9
New Zealand .. .. .	4.8	4.1	5.8	5.4	4.1
United Kingdom .. .. .	51.8	50.2	65.1	77.3	81.7
Other Commonwealth .. .. .	1.8	1.7	1.5	1.5	1.7
Belgium .. .. .	3.3	3.0	3.3	2.7	2.3
France .. .. .	4.4	4.3	6.9	5.2	5.2
West Germany .. .. .	7.8	7.3	11.6	11.8	12.1
Italy .. .. .	2.6	2.6	4.4	3.6	4.9
Netherlands .. .. .	3.4	3.6	4.4	4.5	5.1
Switzerland .. .. .	1.3	1.3	3.5	3.0	2.1
Honduras .. .. .	1.9	2.2	2.9	3.3	2.6
Japan .. .. .	3.9	5.8	12.0	8.2	14.3
Netherlands West Indies .. .. .	4.4	3.8	5.8	4.9	6.3
Venezuela .. .. .	14.1	13.6	14.2	18.5	12.6
United States .. .. .	85.3	98.6	123.2	154.5	162.8
Other countries .. .. .	7.8	9.5	11.7	14.6	19.5
Total all countries .. .. .	233.4	252.2	318.9	368.1	392.8
Of which:					
Commonwealth .. .. .	93.2	96.6	115.0	133.3	143.0
E.E.C. .. .. .	21.4	20.8	30.6	27.9	29.5
EFTA (Continental) .. .. .	4.7	5.0	8.6 <sup>b</sup>	8.8 <sup>b</sup>	10.1 <sup>b</sup>

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Includes Finland.

## KENYA

In Kenya's second economic development plan ending in 1974, rural development is given pride of place, and heavy investment in the economic infrastructure also is envisaged. The development plan projects a growth in the value of export crops to £K55 million by 1974, with the biggest increases in exports of tea (expected to double to £K16 million) and maize (expected to rise from £K1.4 million to £K7.6 million). But, while exports should go up by 50 per cent over the plan period, imports are expected to rise still more—by 75 per cent.

Gross farm revenue in 1970 increased by over 9 per cent as compared with 1969. The increase was attributed partly to improved prices of some commodities, notably coffee and pyrethrum, but largely to greater production of almost all major crops. Higher production of coffee and tea came at a time of rising world prices. Coffee berry disease had been brought under control and Kenya appeared to be running into its first ever major surplus of coffee. At the end of the quota year in September 1970 it had a surplus of 13,000 metric tons to dispose of, though there will be some alleviation in the shape of a 2,000 ton increase in the export quota under the International Coffee Agreement for 1970–71. Tea production rose during 1970, when Kenya benefited by an interruption in the flow of Indian tea to export markets and a reduction in exports from Ceylon.

After a static tourist season in 1969, tourist visitors in 1970 were almost one third up on the year before. In the future tourism may well consolidate its position as the leading foreign exchange earner, with growth rates forecast in the development plan already being substantially exceeded.

The Association Agreement between the E.E.C. countries and the Partner States of the East African Community, which includes Kenya, came into force on 1 January 1971. Under this Agreement products originating in East Africa will normally enter the E.E.C. member countries free of customs duties. Annual duty-free quotas are applied by the E.E.C. to certain commodities of East African origin, including 56,000 metric tons of unroasted coffee and 860 metric tons of pineapples. For its part East Africa has granted tariff concessions on 58 products originating in the E.E.C.

The steadily increasing volume of regulations concerning licensing, transfer traffic and customs procedures within East Africa are reported to have been adversely affecting Kenyan trade with its Partner States. Nevertheless, Kenya's foreign exchange reserves at the end of June 1970 stood at £K72.6 million, representing a rise of £K17.1 million, almost a third, compared with their level twelve months earlier.

		<i>Exports from Kenya a</i>						
		<i>Exports (f.o.b.) £K million</i>	<i>Domestic exports b £K million</i>				<i>Petro- leum products</i>	
			<i>Total</i>	<i>Coffee</i>	<i>Tea</i>	<i>Sisal</i>		
1966	..	87.4	83.6	18.8	9.2	3.3	8.0	
1967	..	79.2	74.2	15.7	7.9	2.1	11.2	
1968	..	83.6	79.2	12.8	10.4	1.8	10.5	
1969	..	90.0	85.5	16.9	11.7	1.7	12.5	
Jan.-Oct.								
1969	..	76.8	72.7	14.6	9.3	1.4	5.1	
1970	..	84.4	79.9	18.9	10.5	1.6	6.5	

a See Notes on Statistics.

b Domestic exports for individual commodities for Jan.-Oct. 1969 and 1970 exclude inter-territorial trade.

TABLE 40  
EXPORTS FROM KENYA

£K million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	0.6	0.6	0.6	0.6	0.6
Canada .. .. .	2.1	2.1	1.3	1.4	1.9
India .. .. .	1.6	1.5	1.7	1.8	2.4
Tanzania .. .. .	13.6	11.7	13.1	12.8	14.5
Uganda .. .. .	15.6	14.8	13.3	15.9	16.7
United Kingdom .. .. .	13.4	14.5	15.9	15.1	15.6
Zambia .. .. .	1.7	2.6	2.9	4.3	4.3
Other Commonwealth .. .. .	2.9	3.1	2.8	2.9	3.8
France .. .. .	0.8	0.6	1.3	0.7	0.5
West Germany .. .. .	8.2	4.9	5.9	7.9	7.3
Italy .. .. .	1.7	1.5	1.3	1.4	1.6
Netherlands .. .. .	3.4	2.5	2.9	2.4	3.9
Sweden .. .. .	1.8	2.1	1.6	2.1	3.6
Finland .. .. .	0.7	0.9	0.9	1.2	1.7
China .. .. .	0.9	1.1	0.4	0.5	0.7
Japan .. .. .	1.8	1.2	1.7	1.3	1.2
Sudan .. .. .	0.9	0.4	0.8	0.2	0.2
United States .. .. .	5.4	3.8	4.2	5.2	6.9
Other countries .. .. .	10.3	9.3	11.0	12.3	13.8
Total all countries .. .. .	87.4	79.2	83.6	90.0	101.2
Of which:					
Commonwealth .. .. .	51.5	50.9	51.6	54.8	59.8
E.E.C. .. .. .	14.5	9.9	11.8	13.1	13.9
EFTA (Continental) .. .. .	2.4	2.7	2.0	3.9	4.6
Eastern Europe .. .. .	1.5	0.9	1.0	0.7	0.6

<sup>a</sup> Annual rates based on latest data.

Manufacturing showed an average growth of around 8 per cent in 1969, with output in some sectors, such as beer and drinks, cement, petroleum products, and manufactured foods and clothes increasing more rapidly. During 1970 an extension to the oil refineries at Mombasa was completed, resulting in a 10 per cent increase in capacity. Fifty per cent of the producing company's shares have now been acquired by the Government.

*Net imports into Kenya <sup>a</sup>*

£K million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	14.4	11.6	12.3	36.4	42.2
1967 ..	8.5	11.6	12.7	41.6	41.3
1968 ..	8.6	13.3	13.8	37.2	47.4
1969 ..	6.6	15.2	13.4	41.1	47.8
Jan.-Oct. <sup>b</sup>					
1969 ..	0.5	4.8	11.1	33.1	24.2
1970 ..	1.1	6.8	12.0	41.8	29.4

<sup>a</sup> See Notes on Statistics.

<sup>b</sup> Principal commodities only. Excluding inter-territorial trade.

TABLE 41  
NET IMPORTS INTO KENYA <sup>a</sup>

£K million

	1966	1967	1968	1969	1970 <sup>b</sup>
Australia .. .. .	1.1	1.4	1.7	2.1	2.1
Canada .. .. .	0.5	0.7	0.8	0.8	0.8
Hong Kong .. .. .	1.8	1.3	1.9	1.5	1.9
India .. .. .	3.5	3.2	2.9	3.0	3.2
Malaysia .. .. .	0.9	0.5	0.7	1.3	1.2
Pakistan .. .. .	1.3	1.4	1.6	1.0	0.4
Tanzania .. .. .	3.9	3.4	3.7	4.0	5.3
Uganda .. .. .	7.3	10.2	8.7	7.8	10.4
United Kingdom .. .. .	37.5	34.7	35.7	36.3	42.4
Other Commonwealth .. .. .	1.0	1.1	1.1	0.9	1.4
Belgium .. .. .	2.8	2.3	2.1	1.6	2.0
France .. .. .	3.6	3.9	4.1	3.9	5.3
West Germany .. .. .	8.1	10.6	9.1	9.6	11.3
Italy .. .. .	3.6	3.9	4.8	4.9	6.0
Netherlands .. .. .	3.3	2.8	3.4	4.3	4.2
Sweden .. .. .	1.4	1.7	1.5	1.8	2.1
Switzerland .. .. .	0.5	0.6	0.8	0.8	1.1
Czechoslovakia .. .. .	0.6	0.6	0.7	1.0	1.0
China .. .. .	1.9	0.9	1.6	1.2	1.0
Iran .. .. .	7.9	8.6	8.9	8.1	8.7
Japan .. .. .	2.7	5.8	8.0	9.3	14.8
Saudi Arabia .. .. .	—	1.3	2.7	3.2	4.2
United States .. .. .	11.3	7.8	7.9	8.7	11.6
Other countries .. .. .	16.8	10.7	12.0	11.0	14.5
Total all countries .. .. .	123.3	119.4	126.4	128.1	156.9
Of which:					
Commonwealth .. .. .	58.8	57.9	58.8	58.7	69.1
E.E.C. .. .. .	21.3	23.4	23.6	24.3	28.7
EFTA (Continental) .. .. .	3.6	4.2	4.5	4.6	5.4
Eastern Europe .. .. .	2.6	1.7	1.8	2.2	2.4

<sup>a</sup> See Notes on Statistics.

<sup>b</sup> Annual rates based on latest data.

## LESOTHO

Drought conditions set in during 1970 and in the middle of the year appeals were made for international aid to relieve the resultant severe food shortages. Crop failure amounted to 70 per cent in the case of maize, 45 per cent for sorghum, 40 per cent for wheat, and about 80 per cent for peas and beans. After taking into account a carry-over of 66 million lb of grain from the previous year, the country's shortfall was expected to be in the region of 240 million lb. In Lesotho, farmers depend mainly on livestock for their livelihood, and the mounting toll of livestock deaths gave cause for deep concern.

The relative importance of agriculture and livestock in the economy has been somewhat diminished, however, by the development of diamond mining, and by the Lesotho National Development Corporation's plan for establishing small industries. Additional revenue is received from Basuto employed in the gold and coal mines in South Africa, who are responsible for a steady cash flow into the country. In 1969, these miners had voluntary deferred pay accumulations and remittances to relatives amounting to about R3.5 million. Aid receipts, both budgetary and developmental, are provided during 1971-72 and 1972-73.

*Exports from Lesotho*

R million

				<i>Total</i>	<i>Wool and mohair</i>	<i>Cattle</i>	<i>Diamonds</i>
1965	..	..	..	3.5	1.4	0.4	0.6
1966	..	..	..	3.1	1.5	0.5	0.7
1967	..	..	..	4.2	1.3	1.2	1.0
1968	..	..	..	3.4	1.3	1.1	0.4
1969	..	..	..	4.1	1.3	0.6	1.2
1970	..	..	..	..	..	..	0.7

In December 1969 Lesotho and its three partners, South Africa, Botswana and Swaziland, signed a new Customs Agreement, a principal effect of which will be to channel higher revenues from the common pool to the former High Commission Territories. The articles concerning protective measures, free movement and equal treatment on the railway are strong supports for infant industries in Lesotho. Notwithstanding its Customs union with South Africa, Lesotho (along with Botswana and Swaziland) is to be offered Associate status with the European Economic Community, subject to certain conditions, if the United Kingdom becomes a member of the Community.

*Imports into Lesotho*

R million

		<i>Total</i>	<i>Food</i>	<i>Basic materials</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>	
1965	..	17.3	5.1	0.1	0.7	1.6	8.3	
1966	..	22.9	6.4	0.5	1.0	2.0	11.0	
1967	..	23.8	4.6	0.6	1.6	2.5	12.4	
1968	..	23.9	4.6	0.5	1.2	2.6	12.2	
1969	..	23.9	5.5	0.4	1.4	2.8	11.0	

## MALAWI

Total exports rose by about 10 per cent in 1970, while imports went up at a somewhat higher rate due to developmental spending and substantial purchases of maize required to make good the deficiency in the harvest. Notwithstanding these movements, however, Malawi's reserves increased by 46 per cent to almost £11 million in 1970, equivalent to four months' imports. Real monetary G.D.P., excluding the subsistence sector, was estimated to have grown by 5 per cent during the year: although below the average of 7.7 per cent achieved since independence, these results were up to expectations considering the effects of unseasonable weather on the output of some crops, especially maize.

Tobacco and tea were two crops which did well during 1970. Clearances of tobacco at auction in the first three quarters of the year were close to 49 million lb, nearly double the comparable 1969 figure. Clearances of both flue-cured and burley were more than two thirds higher than a year earlier, while those of sun-air cured tobacco rose by nearly 90 per cent. The value of exports of tobacco rose by some 14 per cent in the first three quarters of 1970. Towards the end of the year legislation was introduced to establish a new Tobacco Control Commission with provisions for regulating the sale and promoting the export of tobacco, to take effect in the 1971-72 season.



*Domestic exports from Malawi*

£ million

	<i>Tea</i>	<i>Tobacco</i>	<i>Groundnuts</i>	<i>Cotton lint</i>	<i>Maize</i>	<i>Other</i>
1966 .. ..	4.4	4.5	1.3	1.1	0.8	1.7
1967 .. ..	4.5	4.2	3.4	0.7	1.6	2.2
1968 .. ..	4.9	5.3	2.3	0.6	1.5	2.2
1969 .. ..	4.8	6.3	2.8	0.9	1.1	2.4
Jan.-Sept.						
1969 .. ..	3.9	4.9	1.7	0.7	1.1	1.6
1970 .. ..	4.2	5.6	1.5	0.9	—	2.2

TABLE 42

EXPORTS FROM MALAWI

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. ..	0.1	0.2	0.2	0.1	0.1
Hong Kong .. ..	0.1	0.2	0.1	—	—
Kenya .. ..	0.2	0.2	0.1	—	0.1
Sierra Leone .. ..	0.3	0.3	0.3	0.4	0.4
United Kingdom .. ..	8.3	10.7	9.8	9.9	12.2
Zambia .. ..	0.7	1.6	1.3	2.3	1.5
Other Commonwealth .. ..	1.3	1.6	1.5	2.3	2.0
West Germany .. ..	0.5	0.4	0.5	0.5	0.6
Italy .. ..	0.1	0.4	0.1	0.1	—
Netherlands .. ..	0.7	0.8	0.7	0.7	0.7
Irish Republic .. ..	1.1	0.8	1.2	1.0	1.0
South Africa .. ..	0.5	0.6	0.9	0.9	0.9
United States .. ..	0.4	0.6	0.9	1.2	0.7
Other countries .. ..	2.5	2.1	2.4	2.6	4.2
<b>Total all countries .. ..</b>	<b>16.8</b>	<b>20.5</b>	<b>20.0</b>	<b>22.0</b>	<b>24.4</b>
<b>Of which:</b>					
Commonwealth .. ..	11.0	14.8	13.3	15.0	16.3
E.E.C. .. ..	1.9	1.9	1.8	1.6	1.8
EFTA (Continental) .. ..	0.3	0.1	0.2	0.3	..
Eastern Europe .. ..	—	—	—	—	..

<sup>a</sup> Annual rates based on latest data.

Tea exports in the first three quarters of 1970 increased by 8 per cent compared with the corresponding period of the previous year. Price movements were generally favourable to growers. Under the informal arrangements of the FAO Consultative Committee for tea, Malawi's tea quota was revised in September 1970 from 36.2 million lb to 38.4 million lb. The new quota may be met with a margin to spare as production in 1970 was expected to be near 39.5 million lb, an increase of roughly 6 per cent on 1969.

Unfavourable weather had a detrimental effect on production of maize and groundnuts. In the first three quarters of the year maize purchases were 43,000 tons lower than in the corresponding period of 1969. Exports of this commodity ceased altogether in 1970 when domestic consumption had to be supported by imports. Production of groundnuts did not fare so badly but yields were nevertheless substantially reduced.

*Imports into Malawi*

£ million

	<i>Food</i>	<i>Basic materials</i>	<i>Mineral fuels</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures (incl. base metals)</i>
1966 ..	2.0	0.5	1.3	7.2	12.5
1967 ..	1.8	0.6	1.3	6.3	12.3
1968 ..	1.9	0.8	1.7	9.2	12.9
1969 ..	2.1	0.9	1.8	9.1	14.7
1970 ..	..	..	..	..	..

TABLE 43

IMPORTS INTO MALAWI

£ million f.o.b.

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	0.5	0.4	0.4	0.5	0.6
Hong Kong .. .. .	0.6	0.7	0.5	0.4	0.5
India .. .. .	0.5	0.4	0.3	0.3	0.4
Pakistan .. .. .	0.4	0.4	0.3	0.3	0.5
United Kingdom .. .. .	8.3	7.2	8.9	9.1	9.2
Zambia .. .. .	2.6	1.8	1.2	1.3	1.6
Other Commonwealth .. .. .	6.5	6.1	6.1	6.2	8.5
West Germany .. .. .	0.6	0.7	1.1	1.1	1.2
Italy .. .. .	0.4	0.4	0.5	0.4	<i>b</i>
Netherlands .. .. .	0.2	0.3	0.3	0.4	<i>b</i>
Iran .. .. .	0.7	0.9	1.1	1.3	<i>b</i>
Japan .. .. .	1.3	2.1	1.4	1.6	2.0
Mozambique .. .. .	0.3	0.3	0.4	0.3	<i>b</i>
South Africa .. .. .	2.0	2.0	3.2	4.4	4.4
United States .. .. .	0.8	0.7	1.6	1.2	1.3
Other countries .. .. .	1.4	1.0	1.8	1.9	5.3
<b>Total all countries .. .. .</b>	<b>27.1</b>	<b>25.4</b>	<b>29.1</b>	<b>30.7</b>	<b>35.5</b>
<b>Of which:</b>					
Commonwealth .. .. .	19.4	17.0	17.7	18.1	21.3
E.E.C. .. .. .	1.6	1.8	2.4	2.4	..
EFTA (Continental) .. .. .	0.3	0.5	0.7	0.7	..
Eastern Europe .. .. .	0.1	0.1	0.1	0.1	..

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Included, if any, in "Other countries".

MALAYSIA

A check to economic expansion in 1970 was occasioned by falling prices for natural rubber. Despite a strong advance in export proceeds from tin, timber and vegetable oils, lower realisations from rubber, which in 1969 had accounted for over two fifths of visible trade receipts, held down growth to 4 per cent in 1970, compared with 23 per cent in the preceding year. Coupled with a rise of 15 per cent in the level of imports, which nevertheless remained well below the level of exports, the surplus on merchandise trade was reduced. The balance of monetary movements remained strong, however, with end-of-year reserves capable of financing about nine months of retained imports at current rates.

The high level of unemployment, running between 7 and 10 per cent in some areas, remained a major feature of the economy. The Government, in its 1971 Budget, abolished the 2 per cent payroll tax to avoid penalising labour-intensive

*Exports from Malaysia*  
\$ (Malaysian) million

	<i>Rubber</i>	<i>Tin</i>	<i>Vegetable oils</i>	<i>Iron ore</i>	<i>Timber</i>	<i>Petroleum and petroleum products</i>	<i>Oil seeds and nuts</i>	<i>Coffee, tea, cocoa and spices</i>
1966 ..	1,476	792	142	136	468	274	33	49
1967 ..	1,276	744	141	122	581	289	17	59
1968 ..	1,407	864	165	111	670	353	39	53
1969 ..	2,031	932	177	116	779	339	22	69
Jan.-Sept.								
1969 ..	1,484	691	121	98	571	243	17 <sup>a</sup>	45 <sup>b</sup>
1970 ..	1,334	758	218	90	634	249	13 <sup>a</sup>	44 <sup>b</sup>

<sup>a</sup> Copra and palm kernels only.

<sup>b</sup> Pepper only.

TABLE 44  
EXPORTS FROM MALAYSIA

\$ (Malaysian) million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	84	116	125	128	118
Brunei .. .. .	11	15	21	26	34
Canada .. .. .	81	65	83	85	99
Ceylon .. .. .	2	12	3	4	14
Hong Kong .. .. .	39	33	39	53	63
India .. .. .	46	37	24	21	19
Kenya .. .. .	3	1	3	3	4
New Zealand .. .. .	21	19	16	21	22
Pakistan .. .. .	12	6	6	9	7
Singapore .. .. .	940	839	840	1,068	1,118
United Kingdom .. .. .	266	234	265	269	335
Other Commonwealth .. .. .	1	5	11	7	17
Belgium .. .. .	26	25	20	26	30
France .. .. .	91	76	68	112	112
West Germany .. .. .	85	76	86	131	166
Italy .. .. .	120	104	113	146	168
Netherlands .. .. .	74	57	99	101	150
Sweden .. .. .	15	19	17	20	23
Poland .. .. .	35	30	41	65	43
Soviet Union .. .. .	248	196	202	237	228
Argentina .. .. .	35	20	23	30	24
China .. .. .	4	20	76	138	89
Indonesia .. .. .	1	12	28	46	31
Japan .. .. .	696	755	774	928	962
Philippines .. .. .	54	67	66	78	94
Spain .. .. .	41	31	38	51	51
South Africa .. .. .	8	9	9	7	10
Taiwan .. .. .	30	39	42	53	65
Thailand .. .. .	39	33	39	33	38
United States .. .. .	481	520	643	754	666
Other countries .. .. .	220	224	255	361	402
Total all countries .. .. .	3,809	3,695	4,075	5,011	5,202
Of which:					
Commonwealth .. .. .	1,506	1,382	1,436	1,694	1,850
E.E.C. .. .. .	395	337	387	516	626
EFTA (Continental) .. .. .	27	31	29	36	50
Eastern Europe .. .. .	295	233	268	334	296

<sup>a</sup> Annual rates based on latest data.

industries. With stabilisation of the situation after the disturbances of May, 1969, industrial investment went ahead rapidly in 1970, gross fixed capital formation rising by 18 per cent compared with 4.3 per cent in the preceding year.

Tin exports rose by 9 per cent in the first three quarters of 1970, following relaxation of buffer stock restrictions by the International Tin Council and the removal of export quotas early in December 1969. Increased world demand for the metal had led to a steady rise in prices from approximately £1,350 to £1,600 during 1969 and up to £1,630 a ton by the end of April 1970.

The continuously rising trend of exports of wood and wood products shows no sign of interruption. West Malaysia accounted for the bulk of the production and exports of sawn timber, while East Malaysia's shipments consisted almost entirely of logs. Australia and Japan were Malaysia's main buyers of sawn timber and logs respectively.

Over the past three years there has been a rapid growth in the oil palm industry as old, low yielding rubber trees have made way for plantations of palm. The oil of palm nuts and kernels is now the country's fourth largest net foreign exchange earner. Exports of vegetable oils in 1970 rose to double the value of shipments in the preceding year—an increase reflecting both greater volume and higher prices. The latter rose sharply from the depressed levels of 1968 and early 1969 as it became apparent that available supplies would not satisfy the normal growth of world demand.

The substantial rise in imports during 1970 reflected the revival of industrial investment referred to earlier. The net value of manufacturing production rose by about a quarter, and this growth was mirrored by substantial rises, of over 40 per cent, in imports of "other manufactures". A proportion of these imports were parts brought in by American and Japanese firms for assembly by Malaysian labour, this being particularly the case in the electronics industry, which is the fastest growing industry in Malaysia. In its budget of December 1970 the Government took measures calculated to reduce the high level of imports and at the same time to protect its domestic manufactures by raising a number of import and excise duties, and doubling the surcharge on all imports except machinery and industrial raw materials.

Despite an increase of almost 80,000 tons in rice production, food imports rose slightly during 1970. However, the Government's agricultural programme, aimed at making Malaysia self-sufficient in rice, may reduce this level in future. Irrigation projects at Kemabu in Kelantan and at the Muda River and other sites will allow for double-cropping of almost 500,000 acres.

		<i>Imports into Malaysia</i>				
		\$ (Malaysian) million				
		<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966	..	748	357	437	800	871
1967	..	764	369	446	727	849
1968	..	765	475	499	804	866
1969	..	727	489	483	842	912
Jan.-Sept.						
1969	..	525	222 <sup>a</sup>	363	607	761 <sup>b</sup>
1970	..	562	245 <sup>a</sup>	380	858	925 <sup>b</sup>

<sup>a</sup> Basic materials only.

<sup>b</sup> Includes base metals.

TABLE 45  
IMPORTS INTO MALAYSIA

\$ (Malaysian) million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	188	216	256	232	228
Brunei .. .. .	215	239	271	260	278
Canada .. .. .	29	29	30	29	47
Ceylon .. .. .	4	3	2	2	2
Hong Kong .. .. .	107	101	82	88	92
India .. .. .	58	49	43	46	61
Kenya .. .. .	3	3	3	2	2
New Zealand .. .. .	25	31	35	28	37
Pakistan .. .. .	8	9	12	16	13
Singapore .. .. .	389	314	295	288	310
United Kingdom .. .. .	630	491	497	470	563
Other Commonwealth .. .. .	29	9	14	16	46
Belgium .. .. .	27	24	19	22	29
France .. .. .	40	41	42	53	63
West Germany .. .. .	142	153	153	160	199
Italy .. .. .	41	44	39	40	46
Netherlands .. .. .	58	40	47	45	45
Denmark .. .. .	19	17	16	19	22
Sweden .. .. .	25	25	31	33	40
Switzerland .. .. .	14	12	15	14	13
Soviet Union .. .. .	6	6	8	10	10
Burma .. .. .	15	13	13	19	36
China .. .. .	240	266	243	243	226
Indonesia .. .. .	20	53	188	183	190
Japan .. .. .	406	431	484	575	736
Kuwait .. .. .	37	41	52	54	49
Saudi Arabia .. .. .	73	76	79	73	72
Taiwan .. .. .	21	36	50	51	58
Thailand .. .. .	208	208	206	187	154
United States .. .. .	206	215	227	228	322
Other countries .. .. .	85	117	96	105	139
Total all countries .. .. .	3,368	3,312	3,548	3,591	4,128
Of which:					
Commonwealth .. .. .	1,685	1,494	1,540	1,477	1,679
E.E.C. .. .. .	307	303	301	320	381
EFTA (Continental) .. .. .	67	66	76	76	91
Eastern Europe .. .. .	14	17	21	22	25

<sup>a</sup> Annual rates based on latest data.

## MALTA

Malta has been adapting itself from an economy based on a British military presence to harmonise with a civilian way of life. The process was smoother than earlier expected and is now almost complete. However, in 1970 there were signs that the country was losing some of the momentum which the property boom and the tourist influx had injected into the economy since 1966. Tourist arrivals were down and foreigners were buying less property, but the economy still seemed buoyant. In the second half of 1970 Britain and Malta agreed on the terms of the aid to be granted by Britain for the second five-year period of the 1964-74 financial agreement between the two countries.

*Domestic exports from Malta*  
£ million

	<i>Textiles</i>	<i>Clothing</i>	<i>Fruit and vegetables</i>	<i>Beverages</i>	<i>Metal scrap</i>
1966 ..	3.1	1.2	0.7	0.4	0.4
1967 ..	2.4	1.5	0.5	0.3	0.3
1968 ..	2.0	2.3	0.7	0.4	0.4
1969 ..	2.3	3.1	0.7	0.3	0.5
Jan.-June					
1969 ..	1.1	1.7	0.6	0.2	0.3
1970 ..	1.0	1.9	0.6	—	0.3

TABLE 46  
EXPORTS FROM MALTA

	£ million				
	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. .. .	0.1	0.2	0.4	0.5	0.3
United Kingdom .. .. .	2.8	3.0	4.8	5.5	5.4
Other Commonwealth .. .. .	0.3	0.4	0.3	0.3	0.3
West Germany .. .. .	0.3	0.1	0.5	0.8	0.9
Italy .. .. .	0.6	0.9	1.5	1.7	1.8
Netherlands .. .. .	0.4	0.3	0.3	0.5	1.1
Libya .. .. .	0.8	0.8	0.9	0.8	0.6
United States .. .. .	1.0	0.7	0.7	0.5	0.7
Other countries .. .. .	2.2	1.7	2.3	3.2	2.3
Total all countries.. .. .	8.5	8.1	11.7	13.8	13.4
Of which:					
Commonwealth .. .. .	3.2	3.6	5.5	6.3	6.0
E.E.C. .. .. .	1.6	1.5	2.8	4.1	4.5

<sup>a</sup> Annual rates based on latest data.

Tourism, which clearly heads the list of invisible foreign exchange earnings, suffered a slump of around 10 per cent in 1970. This was attributed mainly to the relaxation of United Kingdom currency restrictions on personal travel outside the sterling area: about four-fifths of all tourists come from Britain.

When systematic efforts were begun in 1959 to bring about a measure of import substitution, the Government offered new industries various duty and tax incentives with a duration of up to ten years. Ten years later the turnover of industries so aided accounted for 43 per cent of industrial output (excluding drydocks); despite a full programme the drydocks have been experiencing financial difficulties. The closing of the Suez Canal seriously affected the type of work being done there but it was hoped that the announced intention of the United States Navy to make use of the dockyard would have a beneficial effect.

Within ten years Malta will become part of the customs union of the European Economic Community. An agreement establishing an association between the Community and Malta, to enter into force on 1 April 1971, was signed at Valletta on 5 December 1970. The agreement, aimed at progressively eliminating trade obstacles, provides for implementation in two successive five-year stages. During the first stage Malta is to reduce its external tariff by 35 per cent gradually, while the E.E.C. makes an immediate cut of 70 per cent. The terms of the

agreement will, it is hoped, provide a spur to the country's exports. The agreement lays down that the tariff system applied by Malta to products imported from the Community may not be less favourable than those applied to products from the most favoured third state, but until the end of the fourth year of the agreement Commonwealth exports, on which Malta already grants preferential treatment, will be excepted.

*Imports into Malta*  
£ million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	11.4	3.7	2.3	6.1	13.0
1967 ..	11.6	3.3	2.4	7.0	14.6
1968 ..	13.1	4.4	3.0	10.1	18.9
1969 ..	14.6	5.8	3.0	13.6	22.7
Jan.-June 1969 ..	6.6	2.9	1.5	6.4	10.9
1970 ..	7.0	3.0	1.6	7.2	12.8

TABLE 47

IMPORTS INTO MALTA

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	1.3	1.6	1.6	1.9	1.3
Canada .. .. .	0.8	0.6	0.7	0.6	0.8
Hong Kong .. .. .	0.2	0.2	0.3	0.3	0.5
United Kingdom .. .. .	14.4	15.6	22.3	26.0	30.5
Other Commonwealth .. .. .	1.0	0.5	0.6	0.9	0.9
France .. .. .	1.1	1.3	1.7	2.2	1.8
West Germany .. .. .	1.5	1.5	2.0	2.3	3.0
Italy .. .. .	5.2	6.4	8.0	9.7	11.8
Netherlands .. .. .	2.0	1.8	1.6	1.9	1.7
Denmark .. .. .	0.7	0.6	0.6	0.9	1.0
Rumania .. .. .	0.5	0.7	0.6	0.6	1.4
China .. .. .	0.3	0.4	0.5	0.7	0.6
Japan .. .. .	0.9	0.9	1.0	1.5	2.0
United States .. .. .	1.6	1.3	1.2	1.9	2.1
Yugoslavia .. .. .	0.3	0.5	0.5	0.9	0.6
Other countries .. .. .	6.0	6.2	7.9	8.9	8.3
Total all countries .. .. .	37.8	40.1	51.1	61.2	68.3
Of which:					
Commonwealth .. .. .	17.7	18.5	25.5	29.7	34.0
E.E.C. .. .. .	10.4	11.6	14.4	17.7	19.4
EFTA (Continental) .. .. .	1.6	1.6	2.2	2.5	3.0
Eastern Europe .. .. .	1.7	2.1	1.9	2.0	2.8

<sup>a</sup> Annual rates based on latest data.

## MAURITIUS

With a population of 800,000 in an area of 720 sq. miles, producing mainly sugar, the country is one of the most densely populated monoculture areas of the world. Imports are much relied upon to meet the requirements of a rapidly-growing population and the raw materials and capital needs of the light to medium industries which are being developed, and it is hoped that the Free Trade Zone opened at Port Louis at the end of 1970 will create jobs for 80,000 people to help with the pressing problem of unemployment.

Production of sugar, which accounts for about 93 per cent of visible exports and a third of gross national product, fell from 668,672 tons in 1969 to 576,200 tons in 1970, a cyclone causing crop damage in the early part of the year. Imports dropped sharply in 1969, and were checked in 1970 by import substitution, agricultural diversification and a protectionist policy towards locally produced goods. Tea retained its place ahead of molasses as the second most important export item.

The sugar industry employs some 70,000 workers, more than a third of the economically active population. Britain is by far the largest market, taking 380,000 tons under the Commonwealth Sugar Agreement at the negotiated

### Exports from Mauritius

Rs million

	Total	Sugar <i>a</i>	Molasses	Tea
1966 .. .. .	337.0	306.5	11.5	6.5
1967 .. .. .	304.6	281.3	8.5	8.4
1968 .. .. .	352.4	320.7	11.9	9.6
1969 .. .. .	364.4	326.0	10.0	14.6
1970 <sup>b</sup> .. .. .	370.9	335.2	10.6	14.7

*a* Including quota certificates.

*b* Provisional.

TABLE 48

### EXPORTS FROM MAURITIUS

Rs million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	0.2	0.3	0.6	0.9	1.4
Canada .. .. .	30.9	9.5	44.1	63.2	75.4
United Kingdom .. .. .	268.5	267.1	271.0	260.1	250.1
Other Commonwealth .. .. .	3.6	0.8	1.2	3.8	1.0
France .. .. .	1.1	0.6	1.0	1.1	1.0
Netherlands .. .. .	0.2	2.8	0.3	0.5	0.5
Malagasy Republic .. .. .	1.1	1.7	1.9	2.4	2.5
Reunion .. .. .	2.9	1.3	2.5	3.3	3.0
South Africa .. .. .	1.2	3.3	6.7	9.5	15.6
United States .. .. .	16.2	15.8	21.6	18.3	19.4
Other countries .. .. .	11.1	1.4	1.5	1.3	1.0
Total all countries .. .. .	337.0	304.6	352.4	364.4	370.9
Of which:					
Commonwealth .. .. .	303.2	277.7	316.9	328.0	327.9
E.E.C. .. .. .	1.4	4.0	2.2	1.8	2.0

*a* Estimates.



price. In recent years Canada also has been one of the major markets, taking an annual average of about 175,000 tons at world market price plus preference. The United States permits a small quota of 15,000 tons under the Sugar Act, at the relatively profitable price (for exporters) of £60 a ton upwards. The final

*Imports into Mauritius*

Rs million

	Total	Food	Basic materials and base metals	Mineral fuels and lubricants	Machinery and transport equipment	Other manufactures
1966 ..	333.2	109.6	35.7	15.4	36.9	130.6
1967 ..	371.1	118.5	40.5	25.4	43.7	138.0
1968 ..	421.1	135.5	40.4	35.8	56.5	147.1
1969 ..	376.0	132.6	29.5	31.7	44.7	131.9
Jan.-March 1969 ..	93.4	34.6	7.3	9.6	12.1	28.7
1970 ..	87.6	27.2	13.3	3.7	12.5	29.7

TABLE 49

IMPORTS INTO MAURITIUS

Rs million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	23.9	28.0	25.7	27.1	..
Canada .. .. .	0.8	1.1	2.2	1.4	..
Hong Kong .. .. .	8.8	10.4	8.7	8.8	..
India .. .. .	9.9	9.4	11.5	10.2	..
Kenya .. .. .	9.6	11.7	12.1	11.1	..
Malaysia .. .. .	2.5	3.4	2.8	2.5	..
New Zealand .. .. .	0.7	0.7	2.7	2.7	..
Pakistan .. .. .	4.4	4.3	4.7	3.5	..
Seychelles .. .. .	0.2	0.5	1.0	1.3	..
Singapore .. .. .	4.3	4.1	4.4	4.5	..
Tanzania .. .. .	0.5	1.6	6.1	0.1	..
United Kingdom .. .. .	79.1	77.8	99.6	74.4	86.0
Other Commonwealth .. .. .	2.9	2.1	2.2	0.7	..
Belgium .. .. .	4.4	4.9	6.1	3.1	..
France .. .. .	20.2	20.3	23.8	24.8	..
West Germany .. .. .	19.7	25.9	27.9	17.1	..
Italy .. .. .	11.1	7.3	7.9	6.7	..
Netherlands .. .. .	5.6	7.5	6.1	3.9	..
Burma .. .. .	23.1	27.0	42.3	7.7	..
China .. .. .	5.3	7.0	6.7	6.8	..
Iran .. .. .	11.4	17.8	12.6	19.9	..
Japan .. .. .	14.2	16.8	14.3	14.6	..
Malagasy Republic .. .. .	5.3	7.1	9.0	8.9	..
South Africa .. .. .	27.3	30.6	31.4	31.3	..
Thailand .. .. .	14.3	16.1	10.7	43.8	..
United States .. .. .	7.5	7.3	9.0	6.2	..
Other countries .. .. .	16.2	20.4	29.6	32.9	..
Total all countries .. .. .	333.2	371.1	421.1	376.0	351.0
Of which:					
Commonwealth .. .. .	147.6	155.1	183.7	148.3	166.0
E.E.C. .. .. .	61.0	65.8	71.9	55.6	..
EFTA (Continental) .. .. .	7.6	10.1	8.5	8.9	..
Eastern Europe .. .. .	1.3	1.7	1.9	5.0	..

<sup>a</sup> Annual rates based on latest data.

International Sugar Agreement quota allocated to Mauritius for exports on the free market during 1970 was 188,180 metric tons, raw value.

Tea, molasses, copra, ginger and cattle hides make up the balance of exports based on agriculture. However, because of the gradual development of a wide range of light manufacturing, secondary industry products are beginning to assume some importance in the export performance.

Port Louis harbour has experienced a sharp upswing in business since the closure of the Suez Canal, and the supply of bunker fuel to ships using the Cape route has helped the country's balance of payments. Britain has provided substantial development aid and has announced an intention to set up a harbour consultancy. Consideration is being given to the construction of a yard to build ships up to 15,000 tons.

The small tourist industry is already giving employment to more than 1,500 people. The number of tourists in 1970 was expected to increase by 4 per cent compared with 1969, most coming from Reunion and the Malagasy Republic.

## NAURU

The Republic of Nauru, situate in the Central Pacific, 30 miles south of the equator, became independent on 31 January 1968, and is a special member of the Commonwealth. Its area of barely more than eight square miles makes it the second smallest state in the world. The high plateau contains large phosphate deposits, which almost completely inhibit any useful natural growth, and it is estimated that these deposits will be exhausted in twenty-five years. The major problem facing Nauru is thus the rehabilitation of worked-out land and finding a viable economic alternative to the phosphate industry. The majority of the non-indigenous population are connected with this industry—which is the mainstay of the economy, producing the country's only export.

The phosphates were worked by the British Phosphate Commissioners from 1919. In 1967 an agreement was reached between the partner Governments and the Nauru Local Government Council governing the phosphate operation on the island as from 1 July of that year. Under this agreement the Nauruans had three years in which to pay for the British Phosphate Commissioners' assets on the island and to assume full control and conduct of the operation. Until that date the Commissioners continued to manage the enterprise and paid an agreed price per ton of phosphate shipped.

Phosphate exports in the twelve months ended 30 June 1967 amounted to \$A10·8 million, compared with \$A8·7 million in 1965–66.

### PHOSPATE EXPORTS FROM NAURU *a*

	tons	
	1965–66	1966–67
Australia .. .. .	1,047,475	1,606,295
New Zealand .. .. .	599,019	600,782
United Kingdom .. .. .	205,600	135,800
Total .. .. .	1,852,094 <sup>b</sup>	2,342,877 <sup>b</sup>

*a* Years ended 30th June.

*b* Including 323,759 in 1965–66 and 436,485 tons in 1966–67 from Ocean Island.

## NEW ZEALAND

In the year ended June 1970 the North Island was hit by a severe drought which adversely affected production in the rural industries. As a result the standard of the wool clip was generally below that of the previous season. There was a marked fall in prices received at auction, and a reduction of sales from the Wool Commission's stockpile. The average price for greasy wool sold at auction in New Zealand during 1969-70 was 25.62 cents per lb, a fall of 2.44 cents per lb compared with 1968-69. Contributing to the fall in prices was the levelling off of wool consumption in the main processing countries, associated with the hesitation of growth in economic activity in many of the major countries, most notably the United States.

The value of meat exports continued to show an upward trend, mainly due to increased sales and higher prices for beef sold in North America, especially Canada, and the record prices received for mutton sold to Japan. Lamb continued to sell in the United Kingdom at favourable prices and there was a greater demand for New Zealand meat in the Soviet Union. Exports to Canada nearly trebled, mainly due to the diversion of meat supplies for the United States through Canada. The Meat Producers Board required meat exporters to ship 15 per cent of their lamb to markets outside the United Kingdom or pay a levy of 2.5 cents per lb on the amount by which exports fell short of this figure. This scheme was extended through 1970-71.

The reduction in total butter and cheese quotas in the United Kingdom promoted a more stable market in 1969-70, but the dairy outlook for the calendar year 1970 changed completely from that prevailing in 1969, when the main worry had been an obvious world glut. Substantial reductions in supplies from Denmark and the E.E.C. countries meant a greater demand for New Zealand production, which led to increased sales and a reduction of stocks.

The United Kingdom was again the chief supplier of goods imported into New Zealand in 1969-70. The total from this source expanded over the previous year, machines and machinery of all types being particularly affected. Imports of road motor vehicles went up from \$NZ42.7 million in 1968-69 to \$NZ57.9 million in the following year.

Because of the drought, quantities of wheat and other grains were imported from Australia. From that country also there was a considerable upturn in the value of imports of manufactures—especially road motor vehicles which rose from \$NZ16.8 million in the previous year to \$NZ30.3 million in 1969-70.

Effective from January 1970, New Zealand expanded by 12.5 per cent the value of licences granted under special reciprocal trading deals with Australia. This in part accounted for the widening gap between these two countries, which is in Australia's favour. In 1969-70 New Zealand's adverse balance rose from \$NZ88 million to \$NZ117 million. Imports of basic materials and metals, manufactures, and cereals accounted for most of this gap.

### *Exports from New Zealand*

		\$NZ million		
		<i>Wool</i>	<i>Meat</i>	<i>Dairy produce</i>
1966-67	..	174	205	187
1967-68	..	158	261	192
1968-69	..	213	309	183
1969-70	..	205	369	188
July-Dec.				
1969	..	86	175	101
1970	..	72	188	92

TABLE 50  
EXPORTS FROM NEW ZEALAND *a*

\$NZ million

	1966-67	1967-68	1968-69	1969-70	July-Dec.	
					1969	1970
Australia .. .. .	35	58	75	81	39	46
Canada .. .. .	11	11	16	45	26	17
Ceylon .. .. .	1	1	1	2	1	1
Fiji .. .. .	4	6	8	8	4	7
Hong Kong .. .. .	2	3	4	5	2	3
India .. .. .	1	1	2	1	1	1
Jamaica .. .. .	4	5	4	4	2	<i>c</i>
Malaysia .. .. .	6	7	6	7	3	4
Pacific Islands <i>b</i> .. .. .	1	1	1	4	2	<i>c</i>
Singapore .. .. .	4	6	8	9	4	<i>c</i>
Tonga .. .. .	1	1	2	1	1	<i>c</i>
Trinidad & Tobago .. .. .	3	4	4	4	2	<i>c</i>
United Kingdom .. .. .	315	352	383	383	174	159
Western Samoa .. .. .	2	2	2	3	2	2
Other Commonwealth .. .. .	4	4	7	10	5	23
Belgium .. .. .	12	11	19	21	8	8
France .. .. .	25	27	37	29	12	10
West Germany .. .. .	21	21	29	29	15	11
Italy .. .. .	15	16	22	24	11	10
Netherlands .. .. .	12	11	14	16	8	6
Soviet Union .. .. .	9	6	12	17	6	5
China .. .. .	8	6	4	4	1	1
Japan .. .. .	64	68	88	106	51	51
United States .. .. .	114	138	170	164	86	106
Other countries .. .. .	46	47	59	82	37	39
Total all countries .. .. .	720	813	977	1,059	503	510
Of which:						
Commonwealth .. .. .	394	462	523	567	268	263
E.E.C. .. .. .	84	86	120	119	55	45
EFTA (Continental) .. .. .	8	7	8	11	5	<i>3d</i>
Eastern Europe .. .. .	15	10	16	25	8	<i>6d</i>

*a* Years ended 30th June.

*b* Australian overseas territories and British islands in the Pacific.

*c* Included, if any, in "Other Commonwealth".

*d* Incomplete.

#### *Developments in July-December 1970*

Because of the severe drought in New Zealand, dairy production declined rapidly and the reduced volume of exports prevented full advantage being taken of the firmer tone of overseas markets. However, meat shipments to the United States continued their upward trend, and exports as a whole were higher than for the comparable period in 1969. Prices in general showed an improvement, though wool prices remained depressed.

Imports in the first half of 1970-71 were \$NZ96 million higher than the level recorded a year earlier. There were increases in basic materials and base metals, and machinery and transport equipment. The dock strike in the United Kingdom, from July until mid-August, seriously affected the timing of shipments in the period under review.

Imports into New Zealand

\$NZ million (c.d.v.)

	Food	Basic materials and base metals	Petroleum and petroleum products	Machinery and transport equipment	Other manufactures
1966-67 .. ..	31	124	45	291	249
1967-68 .. ..	32	106	48	196	229
1968-69 .. ..	34	142	56	253	298
1969-70 .. ..	44	170	59	319	330
July-Dec. 1969 .. ..	23	81	28	141	177
1970 .. ..	28	98	25	187	201

TABLE 51

IMPORTS INTO NEW ZEALAND *a*

\$NZ million (c.d.v.)

	1966-67	1967-68	1968-69	1969-70	July-Dec.	
					1969	1970
Australia .. ..	143	133	157	197	94	123
Canada .. ..	30	30	30	37	20	23
Ceylon .. ..	4	4	5	4	2	2
Fiji .. ..	1	1	2	1	1	3
Hong Kong .. ..	9	13	14	18	9	10
India .. ..	7	6	9	9	5	3
Malaysia .. ..	6	5	7	6	3	3
Pacific Islands <i>b</i> .. ..	5	5	8	9	5	<i>c</i>
Singapore .. ..	3	2	3	3	1	<i>c</i>
Tonga .. ..	1	1	1	—	—	<i>c</i>
United Kingdom .. ..	275	188	243	279	137	150
Western Samoa .. ..	1	1	1	1	1	1
Other Commonwealth .. ..	8	9	8	12	7	18
France .. ..	6	5	7	8	4	5
West Germany .. ..	27	21	34	37	18	26
Italy .. ..	11	8	11	12	5	8
Netherlands .. ..	9	7	8	10	5	5
Sweden .. ..	7	8	9	7	3	4
Switzerland .. ..	7	6	9	9	5	5
China .. ..	3	3	5	4	2	<i>d</i>
Iran .. ..	6	10	10	11	5	4
Japan .. ..	44	51	64	78	38	60
Kuwait .. ..	14	15	16	16	9	<i>d</i>
Saudi Arabia .. ..	4	4	5	5	3	1
United States .. ..	97	68	99	123	56	73
Other countries .. ..	24	19	32	46	19	26
Total all countries .. ..	752	623	797	942	457	553
Of which:						
Commonwealth .. ..	493	398	488	576	285	336
E.E.C. .. ..	56	44	64	70	35	49
EFTA (Continental) .. ..	20	19	24	23	11	10
Eastern Europe.. ..	3	2	3	3	2	..

*a* Years ended 30th June.

*b* Australian overseas territories and British islands in the Pacific.

*c* Included, if any, in "Other Commonwealth."

*d* Included, if any, in "Other countries".

## NIGERIA

The Nigerian economy made rapid progress during the year under review. Recovery was already well under way during 1969 as mineral oil bearing areas came under control, and the last refinery returned to full working order at Port Harcourt during 1970, making Nigeria the second largest oil producing country in Africa and the tenth in the world. Production of crude oil doubled during the first eight months of 1970, and by the end of the year was running at some 1·4 million barrels per day.

Fiscal and monetary policies for 1970–71 were designed to curb inflationary pressures caused by the deficit financing of the preceding three years, and at the same time to raise additional revenue and foreign exchange necessary for meeting the demands of rehabilitation, reconstruction and national development. To this end, in the April 1970 Budget, some restrictions on imports essential to development were lifted; these included agricultural equipment, industrial machinery and spare parts. The import duty on cement and other building materials was reduced to bring down construction costs and to help to liberalise trade and reduce the cost of living. The surcharge on imports was reduced from 7½ per cent to 5 per cent. The textile industry was encouraged by the liberalisation on importation of yarns, and the import of some 16,000 motor vehicles was authorised to ease conditions in the transport sector.

A surplus of about £N56 million—£N18 million less than in 1969—was recorded on the trade figures for the following year. Data available for the first nine months of 1970 suggest that not much over half the value of oil exports represented a net inflow of foreign exchange; this, together with a large increase of imports following the relaxation of controls, resulted in a worsening of the foreign exchange position, and measures were announced at the end of the year aimed at strengthening the balance of payments.

Exports of cocoa from Nigeria in the first ten months of 1970 were slightly higher by weight than in the comparable period of 1969. Substantially increased shipments to Canada, the United Kingdom, the Netherlands and Yugoslavia outweighed lower consignments to the United States, West Germany, Italy, the Soviet Union and Japan. Under the National Reconstruction and Development Plan 1970–74, export earnings from cocoa and cocoa products are expected to increase from £N54·3 million in 1970–71 to £N58·6 million in 1973–74.

The value of rubber exports fell slightly in the first eight months of 1970, mainly due to lower prices realised, but efforts were made to raise both the quality and quantity of crepe and sheet exports and to integrate horizontally the export of crumb rubber by installing new machinery for this process. This is to keep up with the rapidly increasing overseas demand for crumb rubber and the need to stay competitive with exporters in other countries.

### *Exports from Nigeria* £N million

	<i>Cocoa</i>	<i>Rubber</i>	<i>Cotton</i>	<i>Oils and oilseeds a</i>	<i>Timber</i>	<i>Tin</i>	<i>Petroleum and petroleum products</i>
1966 .. ..	28·3	11·4	3·3	86·0	5·7	15·4	92·0
1967 .. ..	54·5	6·3	4·1	50·4	3·5	13·1	72·1
1968 .. ..	51·7	6·3	3·3	57·6	3·5	13·7	37·0
1969 .. ..	52·6	9·6	3·4	56·8	4·2	13·9	136·1
Jan.–Aug.							
1969 .. ..	45·1	6·6	2·0	30·4 <sup>b</sup>	3·0	8·9	86·4
1970 .. ..	49·1	6·4	3·6	24·8 <sup>b</sup>	2·3	12·4	151·4

*a* Palm kernels, groundnuts, palm oil and groundnut oil.

*b* Excluding groundnut oil.

TABLE 52  
EXPORTS FROM NIGERIA

£N million

	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. .. .	6.5	8.9	5.5	7.4	10.8
Ghana .. .. .	1.4	1.1	0.7	1.6	0.8
Hong Kong .. .. .	0.1	0.1	0.3	0.5	0.2
United Kingdom .. .. .	109.1	72.1	61.9	87.7	135.2
Other Commonwealth .. .. .	1.4	1.2	0.6	4.0	2.9
Belgium .. .. .	7.1	3.2	5.9	5.0	3.8
France .. .. .	25.9	22.4	11.5	31.9	26.5
West Germany .. .. .	27.8	25.2	17.9	19.3	27.6
Italy .. .. .	13.7	14.1	13.1	14.5	20.9
Netherlands .. .. .	26.1	30.8	27.0	42.8	70.7
Denmark .. .. .	1.8	3.4	3.8	5.8	1.8
Portugal .. .. .	1.9	5.3	4.1	4.8	1.9
Sweden .. .. .	3.7	4.3	1.7	8.4	10.3
Soviet Union .. .. .	0.3	4.0	5.5	8.2	12.9
Brazil .. .. .	—	3.0	5.5	8.5	8.0
Japan .. .. .	4.3	6.1	3.7	3.3	3.8
Spain .. .. .	1.0	4.4	5.9	5.8	10.8
United States .. .. .	22.3	19.0	17.5	40.1	47.7
Other countries .. .. .	29.4	13.1	19.0	23.6	46.4
Total all countries .. .. .	283.8	241.7	211.1	323.2	443.0
Of which:					
Commonwealth .. .. .	118.5	83.4	69.0	101.2	149.9
E.E.C. .. .. .	100.5	95.6	75.4	113.6	149.5
EFTA (Continental) .. .. .	12.7	15.6	14.2	24.0	19.6
Eastern Europe .. .. .	3.2	6.6	9.7	10.5	19.5

<sup>a</sup> Annual rates based on latest data.

Palm kernels and palm oil were the two exports worst hit during the civil war of previous years and the value of vegetable oils and oilseeds shipped abroad showed a substantial decline in the first eight months of 1970. Prospects for the remainder of the year were also not good as unusually dry weather conditions had severely affected production of these as well as other food crops and cotton.

With the exception of mineral fuels and lubricants, all import groups showed substantial rises in the first eight months of 1970, as was to be expected from the liberalisation provisions of the Budget in April. Total imports for the year rose by over a half.

*Imports into Nigeria*

£N million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 .. .. .	25.8	28.3	3.8	95.5	98.0
1967 .. .. .	21.3	23.2	8.8	71.6	93.9
1968 .. .. .	14.2	21.3	14.6	58.9	75.4
1969 .. .. .	20.9	29.1	15.6	75.5	92.6
Jan.—Aug.					
1969 .. .. .	14.8	3.8 <sup>a</sup>	11.4	46.2	76.1 <sup>b</sup>
1970 .. .. .	19.1	5.3 <sup>a</sup>	8.9	84.6	104.2 <sup>b</sup>

<sup>a</sup> Basic materials only.

<sup>b</sup> Includes base metals.

TABLE 53  
IMPORTS INTO NIGERIA

£N million

	1966	1967	1968	1969	1970 <sup>a</sup>
Canada .. .. .	3.1	1.7	0.9	1.0	2.3
Ghana .. .. .	0.2	0.4	1.1	0.3	0.2
Hong Kong .. .. .	1.8	2.6	2.3	2.4	5.8
India .. .. .	3.2	3.2	1.8	2.0	3.1
Pakistan .. .. .	6.5	3.2	2.0	3.3	3.6
United Kingdom .. .. .	76.3	64.6	59.9	86.4	126.1
Other Commonwealth .. .. .	1.8	2.3	3.9	4.1	2.4
Belgium .. .. .	3.5	2.9	3.3	3.2	6.8
France .. .. .	14.5	9.4	7.2	8.0	11.0
West Germany .. .. .	27.5	25.2	21.2	26.4	47.2
Italy .. .. .	13.0	10.7	13.8	13.6	20.3
Netherlands .. .. .	9.3	9.3	7.8	11.6	14.6
Norway .. .. .	6.8	4.6	2.1	1.4	2.5
Sweden .. .. .	2.9	2.2	1.8	1.9	2.9
Switzerland .. .. .	2.3	2.3	1.8	2.9	4.8
Czechoslovakia .. .. .	2.5	2.6	2.8	2.9	3.8
Poland .. .. .	1.4	1.7	2.0	2.0	2.3
Soviet Union .. .. .	0.5	1.1	0.9	1.6	3.7
China .. .. .	5.0	6.3	3.7	5.5	6.7
Japan .. .. .	14.3	18.8	7.2	9.4	25.3
United States .. .. .	41.5	27.9	22.3	29.3	53.4
Other countries .. .. .	18.5	20.6	22.8	29.5	37.6
Total all countries .. .. .	256.4	223.6	192.6	248.7	386.4
Of which:					
Commonwealth .. .. .	92.9	78.0	71.9	99.5	143.5
E.E.C. .. .. .	67.8	57.6	53.3	62.8	99.9
EFTA (Continental) .. .. .	15.4	12.6	8.1	9.8	16.7
Eastern Europe .. .. .	5.8	7.3	8.1	8.0	13.4

<sup>a</sup> Annual rates based on latest data.

## PAKISTAN

Exports rose but slightly during the trade year ended June 1970—by something less than 1 per cent—compared with an actual decline in the preceding year. The rate of growth of exports was kept low by an absolute decline in earnings from primary commodities, particularly raw cotton and rice. Much of this decline was due to the stagnation or slow growth of production in the face of rising domestic consumption. There was also a deceleration in the rate of growth of exports of manufactured items. In previous years the effect of rising internal prices had been cushioned by measures under the Export Bonus Scheme, but one of the major factors responsible for the slowdown in the rate of growth of bonus-entitled manufactured exports in 1969–70 was the fall in bonus voucher premiums, which led to a reduction in the effective subsidy available to exporters of these items.

Although exports to the United States were below the level of 1968–69, those to the United Kingdom fell even more steeply so that the former country resumed its 1967–68 position as the chief external market. Lower re-exports than in 1968–69 accounted for the decline in total earnings from the United States. Domestic exports to that market were in fact nearly 10 per cent above



those of the previous year, due in part to an increase in the value of jute fabric shipments. As regards exports to the United Kingdom, increases in the value of jute fabrics by over a third, and of raw jute by some 10 per cent, were insufficient to offset declines in exports of raw cotton, cotton fabrics and leather. Raw cotton and cotton fabrics featured in the fall in exports to Hong Kong and Singapore respectively, while jute manufactures contributed to the rise of earnings from Canada and Australia.

Exports to Iran remained at a similar level to 1968-69, while those to Turkey expanded by roughly a half, due in part to a steep rise in jute fabrics. The declines in exports to Saudi Arabia and Kuwait were partly due to much reduced earnings from rice, while increases to Eastern European countries were partly accounted for by cotton manufactures. The fall in raw cotton exports to China was more than offset by increased earnings from raw jute, which rose from Rs 42 million to Rs 101 million. For Japan the much smaller increase in this export, from Rs 30 million to Rs 35 million, was insufficient to offset the decline in raw cotton.

*Domestic exports from Pakistan*

	Rs million								
	<i>Fish</i>	<i>Rice</i>	<i>Hides and skins</i>	<i>Wool</i>	<i>Raw cotton</i>	<i>Raw jute</i>	<i>Cotton yarn and thread</i>	<i>Cotton fabrics</i>	<i>Jute manu- factures</i>
1965-66 ..	52	133	31	72	278	863	105	149	573
1966-67 ..	69	176	10	42	291	898	118	159	633
1967-68 ..	57	149	7	43	442	759	216	200	620
1968-69 ..	76	155	4	48	347	731	215	244	674
1969-70 ..	99	94	18	27	211	762	268	270	787
July-Dec.									
1969 ..	51	35	2	15	46	376	130	152	414
1970 ..	53	69	5	11	75	246	160	162	420

Total imports of Pakistan rose by some 4 per cent in 1969-70 compared with the previous year. Food imports, contrary to expectations and to the fall in the preceding two years, rose by some 3 per cent on account of a greatly increased intake of wheat, mainly from Canada. A fall in imports of petroleum derivatives more than offset a rise in crude and partly refined petroleum. Imports of manufactures continued to forge ahead, with chemicals increasing by well over a third to counteract a fall in "other manufactures", such as scientific instruments and some iron and steel items. Machinery and transport equipment as a group advanced slightly by 2 per cent. After their decline in the preceding year imports from the United Kingdom rose by nearly 5 per cent in 1969-70.

*Developments in July-December 1970*

In the first half of the 1970-71 trade year exports were running at a similar level to that of the corresponding months of 1969-70, but the performance of individual commodities varied. Rice exports, which had been very much reduced in 1969-70, began to recover towards the end of that year and exports by weight in the first three months of the new year were at nearly twice the year-ago level. Cotton exports began to rise in August 1970, following the extension of bonus vouchers to them. The new crop was expected to be over 3 million bales but plans for increasing capacity were expected to raise local consumption of raw cotton to almost 2½ million bales in the year to the end of June 1971, leaving only about 400,000 bales for export. At the commencement of the new raw jute season in July the bonus voucher scheme was extended to this commodity,

TABLE 54  
EXPORTS FROM PAKISTAN *a*

	Rs million				
	1965-66	1966-67	1967-68	1968-69	1969-70
Australia .. .. .	81	90	75	86	96
Canada .. .. .	23	18	24	32	39
Ceylon .. .. .	45	59	31	50	48
Ghana .. .. .	—	1	10	8	5
Hong Kong .. .. .	110	130	208	190	154
India .. .. .	18	1	1	—	—
Kenya .. .. .	28	19	29	22	24
Malaysia .. .. .	24	14	8	30	10
New Zealand .. .. .	3	14	13	17	17
Nigeria .. .. .	24	18	16	24	29
Singapore .. .. .	11	100	78	177	100
Tanzania .. .. .	12	10	22	13	13
United Kingdom .. .. .	354	352	399	388	372
Other Commonwealth .. .. .	52	54	25	19	27
Belgium .. .. .	156	99	113	108	91
France .. .. .	105	77	104	84	77
West Germany .. .. .	102	112	126	119	139
Italy .. .. .	59	68	88	92	112
Netherlands .. .. .	49	54	61	61	73
Portugal .. .. .	22	23	24	29	28
Sweden .. .. .	14	16	21	19	21
Switzerland .. .. .	6	10	13	10	13
Bulgaria .. .. .	1	20	12	22	41
Czechoslovakia .. .. .	13	25	34	35	38
Hungary .. .. .	5	13	18	16	18
Poland .. .. .	45	51	49	93	113
Rumania .. .. .	5	17	27	27	53
Soviet Union .. .. .	80	130	90	109	108
Afghanistan .. .. .	50	53	45	37	42
Burma .. .. .	42	63	30	18	14
China .. .. .	155	212	107	108	158
Egypt .. .. .	16	15	19	32	28
Iran .. .. .	14	16	22	26	26
Iraq .. .. .	10	16	15	17	29
Japan .. .. .	137	118	253	176	173
Kuwait .. .. .	31	53	43	60	34
Saudi Arabia .. .. .	21	31	53	44	41
Spain .. .. .	33	41	48	28	28
Turkey .. .. .	16	33	49	13	20
United States .. .. .	296	288	475	385	376
Yugoslavia .. .. .	28	27	26	68	42
Other countries .. .. .	422	352	444	413	467
Total all countries .. .. .	2,718	2,913	3,348	3,305	3,337
Of which:					
Commonwealth .. .. .	785	880	939	1,056	934
E.E.C. .. .. .	472	410	492	465	492
EFTA (Continental) .. .. .	53	58	71	69	80
Eastern Europe .. .. .	150	262	233	302	371

*a* Years ended 30th June.

with the result that exporters were able to reflect this concession in lower minimum export prices. The value of raw jute exports went down in the first half of 1970-71, with the possibility of a smaller crop in Pakistan aggravating supply shortfalls expected in India and Thailand.

*Imports into Pakistan*

			Rs million				
			<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1965-66	..	..	469	838	212	1,714	960
1966-67	..	..	897	1,065	304	1,731	1,181
1967-68	..	..	724	839	294	1,774	1,010
1968-69	..	..	557	909	310	1,817	1,265
1969-70	..	..	575	986	298	1,854	1,370
July-October							
1969	..	..	42	286	92	757	427
1970	..	..	218	455	144	677	534

TABLE 55

IMPORTS INTO PAKISTAN *a*

						Rs million				
						1965-66	1966-67	1967-68	1968-69	1969-70
Australia .. .. .	..	..	..	..	..	33	292	53	46	102
Canada .. .. .	..	..	..	..	..	92	168	114	102	187
Ceylon .. .. .	..	..	..	..	..	36	36	21	25	30
Hong Kong .. .. .	..	..	..	..	..	10	12	10	15	22
India .. .. .	..	..	..	..	..	26	2	3	—	—
Kenya .. .. .	..	..	..	..	..	5	7	4	4	4
Malaysia .. .. .	..	..	..	..	..	15	28	9	18	26
Singapore .. .. .	..	..	..	..	..	6	20	24	14	19
United Kingdom .. .. .	..	..	..	..	..	637	681	647	555	580
Other Commonwealth .. .. .	..	..	..	..	..	6	4	3	2	15
Belgium .. .. .	..	..	..	..	..	44	47	39	43	52
France .. .. .	..	..	..	..	..	63	109	142	188	139
West Germany .. .. .	..	..	..	..	..	505	457	454	451	583
Italy .. .. .	..	..	..	..	..	186	202	183	191	206
Netherlands .. .. .	..	..	..	..	..	69	83	80	55	73
Sweden .. .. .	..	..	..	..	..	42	38	31	33	29
Switzerland .. .. .	..	..	..	..	..	53	61	61	63	73
Bulgaria .. .. .	..	..	..	..	..	2	17	10	38	21
Czechoslovakia .. .. .	..	..	..	..	..	20	33	21	49	91
Hungary .. .. .	..	..	..	..	..	9	17	23	31	17
Poland .. .. .	..	..	..	..	..	39	57	81	148	82
Rumania .. .. .	..	..	..	..	..	5	15	12	37	23
Soviet Union .. .. .	..	..	..	..	..	68	179	146	141	135
Afghanistan .. .. .	..	..	..	..	..	62	99	94	89	94
Burma .. .. .	..	..	..	..	..	36	54	22	13	26
China .. .. .	..	..	..	..	..	97	159	131	159	95
Iran .. .. .	..	..	..	..	..	29	124	157	124	121
Japan .. .. .	..	..	..	..	..	378	453	422	586	564
Kuwait .. .. .	..	..	..	..	..	15	20	20	15	9
Turkey .. .. .	..	..	..	..	..	1	10	2	2	1
United States .. .. .	..	..	..	..	..	1,448	1,528	1,462	1,422	1,371
Yugoslavia .. .. .	..	..	..	..	..	37	28	48	65	111
Other countries .. .. .	..	..	..	..	..	134	152	125	172	197
Total all countries .. .. .	..	..	..	..	..	4,208	5,192	4,654	4,896	5,098
Of which:										
Commonwealth .. .. .	..	..	..	..	..	866	1,250	888	781	985
E.E.C. .. .. .	..	..	..	..	..	867	899	899	929	1,053
EFTA (Continental) .. .. .	..	..	..	..	..	168	146	123	122	140
Eastern Europe .. .. .	..	..	..	..	..	148	319	296	449	372

*a* Years ended 30th June.

Imports during the first half of 1970-71 were up by a quarter on the corresponding period of 1969-70. As a result, new import curbs were announced in December 1970. Imports of cars, electrical domestic appliances, air conditioners and expensive watches were among those banned under the import policy for the six months to the end of June 1971.

## SIERRA LEONE

During the year 1970 total exports fell below the level of the preceding year with the share of diamonds dropping to their usual level of about 60 per cent. The 17 per cent fall in exports of diamonds was due to a recession in the world diamond market, a deterioration in the quality of diamonds mined in Sierra Leone and lower output: the value of diamonds purchased by the Government Diamond Office fell by a fifth to Le 26 million in 1970. During the year agreement was reached on the means whereby the Government would take a controlling interest in the diamond mining companies operating in Sierra Leone.

The value of all other major exports went up: exports of iron ore advanced by about 7 per cent in 1970 and all agricultural items did well. The figures for palm kernels and coffee were the highest recorded for the past seven years. Cocoa is expected to show further marked increases in the 1970-71 season, especially as a result of the spraying programme against black pod. Below

### Exports from Sierra Leone

Leones million

	Total (f.o.b.)	Diamonds	Iron ore	Palm kernels	Coffee	Cocoa
1966 ..	53.4	31.2	9.6	5.1	3.9	1.4
1967 ..	50.5	29.7	9.0	1.1	0.5	1.4
1968 ..	79.7	45.6	10.2	8.6	0.6	1.9
1969 ..	88.3	61.2	9.8	5.4	3.0	2.8
1970 ..	84.4	51.0	10.5	7.0	4.3	3.3

TABLE 56

### EXPORTS FROM SIERRA LEONE

Leones million

	1966	1967	1968	1969 <sup>a</sup>	1970 <sup>a</sup>
The Gambia .. .. .	0.2	0.2	0.2	0.2	0.2
United Kingdom .. .. .	36.4	32.3	53.3	61.6	57.6
Other Commonwealth .. .. .	0.2	—	—	0.2	0.2
West Germany .. .. .	3.6	2.4	6.3	4.2	4.5
Italy .. .. .	1.5	1.5	0.7	0.2	0.3
Netherlands .. .. .	6.7	5.6	9.1	9.7	10.5
United States .. .. .	3.4	1.1	2.1	4.6	5.0
Other countries .. .. .	1.4	7.4	8.0	7.6	6.1
Total all countries .. .. .	53.4	50.5	79.7	88.3	84.4
Of which:					
Commonwealth .. .. .	36.8	32.5	53.5	62.0	58.0
E.E.C. .. .. .	12.0	10.1	17.1	14.1 <sup>b</sup>	15.3 <sup>b</sup>
EFTA (Continental) .. .. .	0.6	0.2	2.6	..	..
Eastern Europe .. .. .	—	—	0.1	..	..

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Incomplete.

average rainfall in July and improved road conditions meant that palm kernel purchases by the Marketing Board were at well above average levels. Coffee, and especially Robustas, benefited from sustained demand and high prices on world markets.

*Imports into Sierra Leone*

		Leones million				
		<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
	<i>Total (c.i.f.)</i>					
1966 ..	71.0	13.8	3.7	5.7	16.6	27.8
1967 ..	65.3	12.6	3.4	4.8	14.8	26.4
1968 ..	75.4	13.2	1.8 <sup>a</sup>	5.7	16.5	35.1 <sup>b</sup>
1969 ..	93.0	15.4	2.0 <sup>a</sup>	5.7	22.2	44.1 <sup>b</sup>
1970 ..	96.9	20.4	1.9 <sup>a</sup>	4.6	25.0	40.9 <sup>b</sup>

<sup>a</sup> Basic materials only.

<sup>b</sup> Includes base metals.

TABLE 57

IMPORTS INTO SIERRA LEONE

Leones million

	1966	1967	1968	1969 <sup>a</sup>	1970 <sup>a</sup>
Canada .. .. .	1.5	0.7	0.1	0.4	0.9
Hong Kong .. .. .	1.7	1.3	2.0	2.5	2.6
India .. .. .	1.0	0.8	1.1	1.9	1.3
Malawi .. .. .	0.8	0.7	0.6	1.0	0.9
Nigeria .. .. .	0.5	0.5	0.4	<i>b</i>	<i>b</i>
Pakistan .. .. .	0.3	0.2	0.3	<i>b</i>	<i>b</i>
Trinidad & Tobago .. .. .	0.3	0.7	0.3	0.3	0.3
United Kingdom .. .. .	20.0	18.3	21.2	29.4	30.6
Other Commonwealth .. .. .	1.2	0.6	0.8	2.0	3.2
France .. .. .	5.3	4.8	4.2	4.1	4.6
West Germany .. .. .	4.4	3.3	4.0	4.8	6.2
Italy .. .. .	2.2	1.7	2.2	2.2	2.0
Netherlands .. .. .	4.5	3.1	3.1	3.3	3.2
Czechoslovakia .. .. .	1.1	0.8	1.1	1.3	2.1
East Germany .. .. .	1.1	0.7	1.0	1.3	1.3
Hungary .. .. .	1.2	1.0	1.5	<i>c</i>	<i>c</i>
Poland .. .. .	0.6	0.4	0.7	<i>c</i>	<i>c</i>
Soviet Union .. .. .	0.3	1.1	1.0	<i>c</i>	<i>c</i>
China .. .. .	1.0	1.3	1.9	2.8	2.6
Egypt .. .. .	0.1	0.1	2.5	<i>c</i>	<i>c</i>
Japan .. .. .	7.4	7.2	9.2	9.9	11.0
Netherlands West Indies .. .. .	1.9	1.9	2.6	0.6	0.4
Senegal .. .. .	0.3	0.5	0.6	<i>c</i>	<i>c</i>
United States .. .. .	4.4	6.9	7.2	7.9	9.5
Other countries .. .. .	7.9	6.7	5.8	17.3	14.2
<b>Total all countries .. .. .</b>	<b>71.0</b>	<b>65.3</b>	<b>75.4</b>	<b>93.0</b>	<b>96.9</b>
<b>Of which:</b>					
Commonwealth .. .. .	27.3	23.8	26.8	37.5	39.8
E.E.C. .. .. .	16.8	13.7	14.5	16.0	17.3
EFTA (Continental) .. .. .	1.4	1.7	2.0	..	..
Eastern Europe .. .. .	4.1	4.1	5.3	..	..

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Included, if any, in "Other Commonwealth".

<sup>c</sup> Included, if any, in "Other countries".

Although mining is increasingly important to the economy, accounting for about two thirds of total exports, over 70 per cent of the labour force depends on agriculture for a living. Amounts budgeted for agriculture and its related activities have quadrupled since 1968-69, mainly on account of larger outlays for agricultural machinery, inland swamp development and the initial cost of establishment of the proposed Agricultural and Co-operative Development Bank.

Sierra Leone's oil refinery has a throughput capacity of 450,000 tons a year; when in full production refined products should be available for export. The importation of petroleum oil from Nigeria commenced during 1970 and by June of that year comprised about 60 per cent of total supplies processed. Domestic production of petroleum products accounts for the decline of nearly a fifth in imports in the "mineral fuels and lubricants" group. The rise in food imports during the year was to some extent due to a poor local harvest of rice, a commodity in which the country is endeavouring to become self-sufficient, so that larger amounts than expected had to be imported.

## SINGAPORE

Economic expansion in 1970, with an acceleration of industrial growth and a boom in the building industry, was fed by massive inflows of foreign capital. At current prices, gross domestic product rose by 15 per cent and fixed capital formation went up by a notable 41 per cent during the year. Because of the resultant shortage of both skilled and unskilled labour, investment priorities were established, favouring capital-intensive industries involving new technology (and training), as opposed to the labour-intensive industries previously favoured. An amendment to the Economic Expansion Incentives Bill was passed in July, reducing tax relief from the fifteen years previously offered to eight years (except for companies with investments of over £20 million). And at a later stage an investment guarantee agreement, operative from January 1971, was signed by the Governments of the United Kingdom and Singapore with a view to bringing about a greater inflow of British capital to Singapore. By trust deed, the Singapore Government established a Trust Fund, in London, with the Crown Agents having power as trustees to operate the scheme.

The stimulus given by industry to trade in manufactured goods is reflected in the fact that entrepot earnings fell by 4.5 per cent, over \$30 million, compared with 1969, and in 1970 contributed only 11 per cent to G.D.P. compared with 20 per cent a decade earlier. This trade, mainly the re-export of primary products (and especially rubber) from Indonesia and Malaysia, is expected to decline further as neighbouring countries process more of their own

### *Exports from Singapore* \$ (Singapore) million

	<i>Food</i>	<i>Crude rubber</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 .. .. .	463	769	594	320	650
1967 .. .. .	519	765	677	271	635
1968 .. .. .	502	877	810	253	685
1969 .. .. .	525	1,412	931	350	768
Jan.-Sept.					
1969 .. .. .	385	1,033	677	245	558
1970 .. .. .	408	906	608	375	578

TABLE 58  
EXPORTS FROM SINGAPORE

\$ (Singapore) million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	63	65	74	98	117
Brunei .. .. .	48	52	55	66	63
Canada .. .. .	34	34	48	61	71
Ceylon .. .. .	10	12	13	17	44
Hong Kong .. .. .	111	110	134	135	176
India .. .. .	21	16	10	25	21
Kenya .. .. .	11	9	9	11	9
Malaysia .. .. .	1,190	1,092	1,007	1,081	999
New Zealand .. .. .	28	29	14	31	23
Pakistan .. .. .	13	19	15	18	27
Tanzania .. .. .	4	4	5	4	3
United Kingdom .. .. .	128	152	179	204	261
Zambia .. .. .	1	1	9	4	3
Other Commonwealth .. .. .	57	37	33	42	27
Belgium .. .. .	9	26	17	28	28
France .. .. .	59	51	55	86	93
West Germany .. .. .	46	47	73	107	128
Italy .. .. .	38	51	42	56	65
Netherlands .. .. .	35	43	61	45	46
Soviet Union .. .. .	109	87	106	122	168
China .. .. .	137	96	81	175	87
Japan .. .. .	107	138	254	316	323
South Africa .. .. .	45	45	48	<i>c</i>	<i>c</i>
South Vietnam .. .. .	256	305	350	447	340
Thailand .. .. .	116	129	171	177	174
United States .. .. .	146	226	312	485	490
Other countries .. .. .	325	346	389	593	595
<b>Total all countries <i>b</i> .. .. .</b>	<b>3,147</b>	<b>3,222</b>	<b>3,564</b>	<b>4,434</b>	<b>4,381</b>
<b>Of which:</b>					
Commonwealth .. .. .	1,719	1,632	1,605	1,797	1,844
E.E.C. .. .. .	186	218	247	321	359
EFTA (Continental) .. .. .	17	21	17	27	33
Eastern Europe .. .. .	147	122	144	204	244

*a* Annual rates based on latest data.

*b* Excluding Indonesia.

*c* Included, if any, in "Other countries".

commodities and enter into direct trading relations with final importers. This change in the trading pattern reflects a change in structure, which has been taking place since Independence, from an economy almost exclusively dependent on entrepot trade and commerce to one based on industrial growth.

During the first three quarters of 1970 exports fell slightly below their level in the corresponding period of the preceding year. Falling world market prices for rubber led to a 12 per cent decline in the value of exports of this commodity, and smaller export shipments of mineral fuels and lubricants—excluding bunkers, which are properly recorded as invisible exports—resulted in a similar decline in this case also. The petroleum industry has been a major contributor to the growth of exports in recent years. Expansion of oil refining capacity is continuing and it is expected that by 1972 a total of seven refineries, processing half a million barrels of crude oil, will have been completed.

*Imports into Singapore*  
\$ (Singapore) million

		<i>Food</i>	<i>Crude rubber</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>	
1966	.. ..	770	586	621	556	1,154	
1967	.. ..	812	457	739	579	1,417	
1968	.. ..	889	395	875	747	1,719	
1969	.. ..	907	656	983	1,089	2,048	
Jan.-Sept.							
1969	.. ..	680	481	712	767	1,447	
1970	.. ..	713	430	735	1,230	1,863	

TABLE 59

IMPORTS INTO SINGAPORE

\$ (Singapore) million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. ..	186	193	208	223	312
Canada .. ..	16	14	16	19	36
Ceylon .. ..	2	2	2	5	8
Hong Kong .. ..	111	124	142	164	179
India .. ..	55	53	53	57	64
Kenya .. ..	4	3	3	4	2
Malaysia .. ..	1,162	1,065	1,039	1,388	1,399
New Zealand .. ..	16	23	32	32	44
Pakistan .. ..	21	39	78	69	65
Tanzania .. ..	1	20	17	52	82
United Kingdom .. ..	382	337	364	401	500
Other Commonwealth .. ..	9	10	5	8	14
Belgium .. ..	16	19	20	21	46
France .. ..	35	41	43	76	89
West Germany .. ..	110	127	127	210	233
Italy .. ..	33	43	55	66	90
Netherlands .. ..	76	76	75	68	80
Denmark .. ..	19	20	25	26	32
Sweden .. ..	11	43	12	30	35
Switzerland .. ..	43	63	54	61	82
Czechoslovakia .. ..	4	5	12	10	16
Soviet Union .. ..	9	20	29	35	29
China .. ..	272	386	460	418	380
Iran .. ..	115	151	138	177	185
Japan .. ..	462	546	690	1,014	1,374
Kuwait .. ..	155	223	340	348	333
Saudi Arabia .. ..	48	31	47	44	67
South Korea .. ..	10	15	33	39	45
Taiwan .. ..	33	48	77	82	120
Thailand .. ..	161	145	165	167	151
United States .. ..	207	242	340	478	781
Other countries .. ..	230	232	301	362	352
Total all countries <i>b</i> .. ..	4,014	4,359	5,002	6,154	7,225
Of which:					
Commonwealth .. ..	1,965	1,883	1,959	2,422	2,705
E.E.C. .. ..	271	305	321	442	538
EFTA (Continental) .. ..	87	145	113	146	180
Eastern Europe .. ..	19	38	55	70	110

*a* Annual rates based on latest data.

*b* Excluding Indonesia.



Marked falls in exports to Malaysia and South Vietnam in 1970 reflect the reduced size of petroleum shipments. In the case of the latter country this was associated with the run-down of U.S. military expenditure. There were increased exports of both raw materials and manufactured goods to Australia, Hong Kong and Britain. Trade with the Eastern European countries has increased rapidly over the past five years following the signing of trade agreements obligating the Soviet Union, Bulgaria, Poland and Rumania to purchase manufactured goods from Singapore to the value of 50 per cent of their total sales to Singapore.

The buoyancy of imports in 1970 was due largely to the rapid growth of business investment and the resulting demand for imported capital goods. Imports of machinery and transport equipment rose by a massive 60 per cent, while imports of other manufactured goods showed a rise of almost 30 per cent. Imports from three of the largest supplying countries, Japan, the United States and Britain, showed significant expansion. Australia, which is becoming an important source of supply for motor cars, yarns, clothing and foodstuffs, increased her share of the market during 1970.

## SWAZILAND

A new Customs Agreement between Swaziland, Botswana, Lesotho and South Africa came into effect in March 1970, with the result that Swaziland, as well as Botswana and Lesotho, will receive higher shares of the pooled Customs revenues than under the old arrangement. In the case of Swaziland the increased revenues have completely eliminated the need for United Kingdom budgetary aid in the future. The Agreement also countenances industrial development, within Swaziland, fostered by tariffs to be imposed to protect new industries.

The country's economy is relatively prosperous, with rich deposits of iron ore and asbestos, fertile agricultural lands and adequate water supplies. Its foreign trade is traditionally in surplus with estimated exports in 1970 reaching a record R49·0 million, boosted by increasing iron ore shipments, all to Japan, from the Bomvu Ridge mines. Sugar, iron ore, wood pulp and asbestos are the main exports.

The railroad connecting Swaziland directly with Lourenco Marques is used to ship all the iron ore to Japan. In 1970 a new agreement with Japan covered ore exports to that country for the life of the mine, while a new departure was an agreement to sell a small quantity to Western Germany.

The important sugar industry, with a quota under the Commonwealth Sugar Agreement, continued to make progress after the set-back following the devaluation of sterling at the end of 1967. The value of sugar exports reached a new peak in 1970. The principal reason for the increase was the rise in the sugar

### *Exports from Swaziland*

R million

	<i>Total</i>	<i>Sugar</i>	<i>Forest products</i>	<i>Iron ore</i>	<i>Asbestos</i>
1965 ..	30·8	8·1	7·8	5·5	5·8
1966 ..	38·4	10·2	8·2	8·5	5·0
1967 ..	40·2	9·5	6·9	10·0	5·8
1968 ..	39·3	9·1	7·3	9·0	6·0
1969 ..	44·5	10·5	9·3	9·6	6·2
1970 ..	49·0 <sup>a</sup>	11·8	11·1 <sup>a</sup>	11·0	5·3

<sup>a</sup> Estimates.

TABLE 60  
EXPORTS FROM SWAZILAND

			R million				
			1965	1966	1967	1968	1969
United Kingdom	..	..	10.7	15.0	13.8	11.5	13.4
Japan	..	..	5.0	8.5	10.0	11.8	10.8
South Africa	..	..	5.1	6.3	6.3	6.5	6.9
Other countries	..	..	10.0	8.6	10.1	9.5	13.4
Total all countries	..	..	30.8	38.4	40.2	39.3	44.5

price on the free market, which takes up to 40 per cent of export sales. Because of the importance of sugar exports, among other things, it came as a relief early in 1971 to learn that the E.E.C. would offer Associate status to Swaziland, subject to certain conditions, if Britain became a member of the Community.

Prospects in the secondary industries continue to be bright. The country's main industrial estate at Matsapa expanded its rail and other services to meet the requirements of various new industries established there. Financial incentives are given to attract foreign investors. A United Nations Survey of the country's major river basins was completed and recommendations were made for a long term complex of irrigation schemes and national farms, the first phase of which would take ten years to complete at a cost of about R4.5 million.

*Imports into Swaziland*

		R million					
		<i>Total</i>	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Minerals fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1965	..	26.5	3.5	1.9	1.9	8.6	9.3
1966	..	25.7	3.9	1.7	2.2	6.8	9.3
1967	..	35.0	4.2	3.8	3.4	8.8	13.0
1968	..	34.1	4.1	1.7	2.9	10.0	13.0
1969	..	37.4	5.0	2.3	3.1	9.2	14.8
1970	..	42.1	4.5	..	3.6	10.5	..

TANZANIA

In the Development Plan 1969-74 the country's agricultural crops have been classified in three groups according to future and existing market prospects. The first and most important of these groups, for which accelerated growth is sought, comprises fourteen commodities including cotton, tea, flue-cured tobacco and cashew nuts. Over the period of the Development Plan it is intended to more than double tea production to reach a target level of 38 million lb in 1974.

The Association Agreement between the six countries of the European Economic Community and the three East African Partner States came into force on 1st January 1971. Under this agreement, popularly known as the Arusha Convention, products originating in the East African countries normally enter the E.E.C. in any quantities free of customs duties, but annual duty-free quotas are applied to certain commodities of particular export interest to

African countries associated with the E.E.C. under the Yaounde Convention. They include 56,000 metric tons of unroasted coffee and 120 metric tons of cloves. The Partner States of the East African Community in turn grant tariff concessions on 58 items originating in the E.E.C.

In October 1970 work was officially inaugurated on the Tanzam railway, which China has undertaken to build. It will consist of a single passenger and freight railway to run for 1,166 miles from Kapiri Mposhi, near the Zambian

<i>Exports from Tanzania a</i>							
	<i>Exports (f.o.b.) £T million</i>	<i>Domestic exports b</i>					<i>Petroleum products</i>
		£T million					
		<i>Total</i>	<i>Coffee</i>	<i>Cotton</i>	<i>Sisal</i>	<i>Diamonds</i>	
1966	88.2	83.0	15.1	17.5	11.7	9.1	—
1967	82.9	81.2	11.9	12.8	10.0	11.1	6.8
1968	85.1	83.2	13.3	14.2	7.9	6.8	8.2
1969	89.2	88.2	12.9	11.7	8.0	8.9	5.3
Jan.-Oct. 1969	74.6	73.7	10.6	9.1	6.5	7.5	4.3
1970	76.1	75.5	12.8	9.1	7.6	7.2	4.5

*a* Tanganyika only: Zanzibar included from January 1968. See Notes on Statistics.

*b* Domestic exports for individual commodities for Jan.-Oct. 1969 and 1970 exclude inter-territorial trade.

TABLE 61  
EXPORTS FROM TANZANIA *a*

	£T million				
	1966	1967	1968	1969	1970 <sup>b</sup>
Australia .. .. .	1.0	0.9	0.8	0.9	1.5
Canada .. .. .	2.2	1.8	1.2	0.9	1.3
Hong Kong .. .. .	6.9	5.6	6.3	5.2	6.1
India .. .. .	5.8	5.2	5.8	6.6	7.3
Kenya .. .. .	3.8	3.3	3.7	4.0	5.3
Singapore .. .. .	0.1	0.2	1.0	2.9	5.2
Uganda .. .. .	0.8	0.8	0.9	1.2	1.2
United Kingdom .. .. .	22.4	23.6	19.4	21.3	19.5
Zambia .. .. .	4.4	7.0	8.8	5.7	5.6
Other Commonwealth .. .. .	2.1	1.9	1.4	2.0	1.2
Belgium .. .. .	2.2	2.1	1.4	1.3	1.8
France .. .. .	0.6	0.8	0.9	1.0	1.0
West Germany .. .. .	5.6	4.1	3.7	3.4	3.7
Italy .. .. .	1.7	2.2	1.8	2.4	2.4
Netherlands .. .. .	3.0	3.2	3.1	2.4	3.1
China .. .. .	3.4	2.8	2.7	3.9	2.1
Japan .. .. .	4.8	3.4	5.5	4.1	4.9
United States .. .. .	6.1	3.9	4.7	6.3	8.3
Other countries .. .. .	11.3	10.1	12.0	14.7	9.8
Total all countries .. .. .	88.2	82.9	85.1	89.2	91.3
Of which:					
Commonwealth .. .. .	49.5	50.3	49.3	49.7	54.2
E.E.C. .. .. .	13.2	12.5	10.8	10.5	12.0
EFTA (Continental) .. .. .	2.3	1.7	1.9	1.5	2.1
Eastern Europe .. .. .	2.2	2.2	1.4	1.8	1.0

*a* Tanganyika only for years 1966-67.

*b* Annual rates based on latest data.

copperbelt, to the Tanzanian capital and main port of Dar-es-Salaam. The Chinese loan for the railway will be shared equally by Zambia and Tanzania. Local costs, which will be incurred mainly for labour, will be defrayed by the two African states out of "counterpart" funds. Tanzania and Zambia will enter a seven-year commodity credit agreement which will give them goods to sell immediately, for local currencies, with repayment in Chinese currency not due until 1983.

Agriculture dominates the economy of Tanzania, accounting for some 90 per cent of employment and 50 per cent of the national income. Cotton and coffee are the two main crops with sisal, once the chief export earner, falling rapidly over the past few years into third place.

The movement of coffee to first place as a foreign exchange earner was assisted by higher prices following severe damage to the crop in Brazil, the world's leading producer and exporter. In these circumstances, it is reported that Tanzanian plans for restraining the growth in coffee output may well be revised, especially if the International Coffee Organisation's export quotas continue to increase. The quota for Tanzania for 1970-71 was 672,824 bags (60 kg.) as against 573,868 bags for 1969-70.

Cotton is the second most valuable export, and a lower than expected United States crop, together with reductions in other producing countries, lifted prices in 1970. Tanzania finds it economical to process imported grades in its own textile industry and export some of the higher grade varieties produced locally.

Tanzania is the world's second largest producer of cashew nuts, a crop that has shown rapid expansion in recent years and earned good returns. In 1962 the value of the nuts was £T2.7 million; by 1969 it had risen to £T6.8 million, while in the first ten months of 1970 £T5.8 million had been exported. India is the chief market for the raw nuts, decortication of which is the basis of a labour-intensive export industry. The import trade in these nuts was formally nationalised in India towards the end of 1970, after a start had been made in Tanzania on developing local processing. Control of overseas trading companies in Tanzania had been assumed by the State some years earlier.

The production of tobacco in Tanzania has been increasing on average by 25 per cent a year. In 1962 it amounted to 2.5 million lb but by 1969 it had reached 14 million lb. Early indications were that the improvement had been maintained in 1970.

In 1970 the estimated value of exports showed a slight increase, but there was a dramatic jump in imports. The main imports were of capital goods for industrial and infrastructural development, partial data indicating large increases

*Net imports into Tanzania a*  
£T million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	7.9	5.3	5.4	21.1	37.0
1967 ..	7.5	6.6	7.0	23.8	31.0
1968 ..	8.2	7.3	8.4	23.4	38.8
1969 ..	7.4	7.9	8.7	24.0	35.6
Jan.-Oct. b					
1969 ..	2.1	3.3	6.0	19.1	16.5
1970 ..	2.2	4.6	6.1	29.9	21.3

a Tanganyika only: Zanzibar included from January 1968. See Notes on Statistics.

b Principal commodities only. Excluding inter-territorial trade.

TABLE 62  
NET IMPORTS INTO TANZANIA <sup>a</sup>

	£T million				
	1966	1967	1968	1969	1970 <sup>b</sup>
Canada .. .. .	0.3	1.7	0.6	0.2	0.3
Hong Kong .. .. .	1.6	1.2	2.2	1.7	1.5
India .. .. .	3.3	2.0	2.7	2.4	2.9
Kenya .. .. .	13.3	11.4	13.1	12.8	14.5
Pakistan .. .. .	1.4	1.0	1.2	1.1	0.9
Uganda .. .. .	3.1	2.4	2.0	1.7	2.0
United Kingdom .. .. .	19.3	18.7	21.2	18.9	21.3
Other Commonwealth .. .. .	1.4	1.3	1.1	1.7	2.5
Belgium .. .. .	0.6	0.7	0.9	0.8	1.3
France .. .. .	2.0	2.5	3.3	2.3	4.2
West Germany .. .. .	5.5	4.2	5.4	5.6	8.7
Italy .. .. .	3.1	6.9	5.2	3.9	5.2
Netherlands .. .. .	2.7	2.7	3.9	3.3	4.2
China .. .. .	3.7	3.1	4.3	4.0	10.6
Iran .. .. .	2.1	3.7	4.9	5.2	5.2
Japan .. .. .	4.2	3.3	6.6	6.5	7.0
United States .. .. .	3.9	4.9	4.2	4.1	6.9
Other countries .. .. .	8.4	7.0	8.8	9.2	10.9
<b>Total all countries .. .. .</b>	<b>79.9</b>	<b>78.7</b>	<b>91.6</b>	<b>85.4</b>	<b>110.1</b>
<b>Of which:</b>					
Commonwealth .. .. .	43.7	39.7	44.1	40.5	45.9
E.E.C. .. .. .	14.0	17.0	18.7	15.9	23.7
EFTA (Continental) .. .. .	2.5	1.7	2.2	2.6	3.6
Eastern Europe .. .. .	1.4	1.6	2.1	1.5	1.8

<sup>a</sup> Tanganyika only for years 1966-67. See Notes on Statistics.

<sup>b</sup> Annual rates based on latest data.

in non-metallic mineral manufactures, iron and steel (including railway track material) and electrical machinery. This resulted in a visible trade deficit of £T18.8 million, compared with a surplus of £T3.8 million in 1969, but it was only to be expected that there would emerge a gross visible deficit on merchandise trade, and a current account deficit, as Chinese credits were drawn upon in addition to Western aid.

## TONGA

On 4 June 1970, the Kingdom of Tonga celebrated the termination of its status as a British protected State and the resumption of full control over its external affairs and defence.

The Kingdom of Tonga, comprising 150 islands and islets scattered over a wide area of the south-west Pacific Ocean, has an economy based on agriculture. Its inhabitants, numbering about 85,000, are predominantly peasant farmers, growing their own food and producing a few cash crops, the chief of which are coconuts and bananas. There are no proved mineral resources and manufacturing is limited to a small number of processing industries. The islands have a semi-tropical climate, and with recent and projected improvements in both sea and air communications, there are good prospects for the growth of tourism.

A five-year development programme for 1965–70 gave priority to agriculture, communications, education and health and was completed by the end of 1970 at an estimated total cost of £T5 million. A Development Plan 1970–75 has been drafted. Its major objective is the expansion and diversification of agriculture; the establishment of training facilities in agricultural methods is accordingly given high priority. Considerable expenditure is to be devoted to improving transport and communications. As was the case with the first Plan, the financing of the 1970–75 Plan depends heavily on external assistance. Wharf development at Nuku'alofa, the capital, has been helped by a loan from the United Kingdom. Tonga also receives development aid from Australia, New Zealand, the United States and United Nations agencies.

There was a deficit on visible trade throughout the years 1966–69. This was offset by receipts from overseas aid, mainly from the United Kingdom, and to a less extent from tourism. Traditionally, copra has been Tonga's main export, bananas being of secondary importance. In 1967 and 1968 this pattern was reversed when the value of banana exports exceeded that of copra, although in 1969 copra again became the main export owing to the effect of seriously adverse weather conditions, which curtailed production and led to a drop of around 60 per cent in exports of bananas. Almost the entire export surplus of bananas is shipped to New Zealand. From \$T1.8 million in 1966, the value of copra exports declined slightly in the two years 1967 and 1968. In 1969, however, it recovered to \$T2.1 million as a result of price rises caused mainly by a long drought in the Philippines, the world's chief exporting country.

*Exports from Tonga*

\$T million

	<i>Bananas</i>	<i>Copra</i>	<i>Desiccated coconut</i>
1966 .. ..	1.4	1.8	0.3
1967 .. ..	1.6	1.4	0.3
1968 .. ..	1.7	1.5	0.4
1969 .. ..	0.7	2.1	0.3

TABLE 63

EXPORTS FROM TONGA

\$T million

	1966	1967	1968	1969
Australia .. ..	0.1	0.2	0.2	0.1
New Zealand .. ..	1.5	1.9	2.1	1.0
Other Commonwealth .. ..	—	0.1	—	0.2
West Germany .. ..	0.1	—	0.1	0.2
Netherlands .. ..	1.2	1.1	0.8	0.5
Norway .. ..	0.1	0.2	0.5	1.0
Japan .. ..	0.1	—	—	0.2
United States .. ..	0.4	—	—	—
Other countries .. ..	0.1	0.1	0.1	0.2
<b>Total all countries .. ..</b>	<b>3.6</b>	<b>3.6</b>	<b>3.8</b>	<b>3.4</b>
<b>Of which:</b>				
Commonwealth .. ..	1.6	2.2	2.3	1.3
E.E.C. .. ..	1.3	1.1	0.9	0.8
EFTA (Continental) .. ..	0.1	0.2	0.5	1.0

The only important secondary industry is a desiccated coconut factory. This was opened in 1962 and, until recently, was exporting only in bulk. Since late 1969, however, the factory has also been exporting pre-packaged desiccated coconut. There has not been much other industrial development in Tonga. The main imports are textiles, meat, motor vehicles and parts, fuel oils, building materials, cigarettes and dairy products. In 1969 New Zealand replaced Australia as the chief supplier.

<i>Imports into Tonga</i>				
\$T million				
	<i>Food</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 .. ..	1.2	0.2	0.6	1.9
1967 .. ..	1.7	0.2	0.6	2.7
1968 .. ..	1.5	0.2	0.5	2.4
1969 .. ..	1.5	0.1	0.5	2.5

TABLE 64  
IMPORTS INTO TONGA

	\$T million			
	1966	1967	1968	1969
Australia .. ..	1.2	1.6	1.5	1.3
Fiji .. ..	0.3	0.4	0.4	0.4
Hong Kong .. ..	0.1	0.2	0.2	0.2
New Zealand .. ..	0.9	1.3	1.5	1.6
United Kingdom .. ..	0.7	0.8	0.6	0.6
Other Commonwealth .. ..	0.2	0.3	0.1	0.1
Japan .. ..	0.2	0.2	0.3	0.3
United States .. ..	0.2	0.5	0.2	0.2
Other countries .. ..	0.3	0.4	0.4	0.4
Total all countries .. ..	4.1	5.7	5.2	5.1
Of which:				
Commonwealth .. ..	3.4	4.6	4.3	4.2
E.E.C. .. ..	0.1	0.1	0.1	0.1

### TRINIDAD AND TOBAGO

Trinidad is one of the largest producers of crude mineral oil in the Commonwealth, though there has been a diminution in production since March 1968. In 1970 production stood at 103.7 million barrels, 10 million barrels less than in 1969. The petroleum industry, by far the most important single industry in the economy, accounts for about 26 per cent of Government revenue, 80 per cent of total exports and 23 per cent of the gross domestic product.

The combined capacity of the two major refineries is greater than domestic production of crude oil; thus large quantities are imported from Venezuela and the Middle East, while in 1970 imports from Nigeria jumped to \$TT47.1 million from \$TT8.3 million in 1969. The local crude oil has a high sulphur content which is falling into disfavour in the lucrative United States market but a desulphurisation plant is to be constructed to process about 90,000 barrels a day.

Exports from Trinidad & Tobago

\$TT million

	Total	Petroleum and petroleum products (a)	Chemicals	Sugar	Cocoa
1966 .. .. .	687.9	539.4	57.4	38.1	4.3
1967 .. .. .	717.5	549.9	77.5	37.9	5.6
1968 .. .. .	888.0	684.7	81.4	48.5	8.2
1969 .. .. .	897.3	685.4	89.9	52.1	5.9
Jan.-Nov.					
1969 .. .. .	804.6	608.5	80.6	50.7	5.6
1970 .. .. .	825.4	628.8	68.2	44.0	8.9

a Excluding ships' bunkers.

TABLE 65

EXPORTS FROM TRINIDAD & TOBAGO

\$TT million

	1966	1967	1968	1969	1970a
Antigua .. .. .	4.8	4.1	4.1	4.4	5.0
Barbados .. .. .	7.9	8.3	9.4	13.3	16.8
Bahamas .. .. .	2.7	3.0	2.9	3.7	5.6
Bermuda .. .. .	0.8	1.6	1.3		
British Honduras .. .. .	0.7	1.5	0.5	0.4	0.1
Guyana .. .. .	18.4	19.4	23.3	30.0	31.4
Jamaica .. .. .	2.8	2.8	5.6	10.0	11.5
Other Commonwealth Caribbean	12.8	12.9	16.1	20.7	26.6
Canada .. .. .	29.9	33.6	40.5	28.3	13.6
Ghana .. .. .	—	1.0	0.6	0.1	0.3
Nigeria .. .. .	0.4	3.8	5.5	6.9	3.0
United Kingdom .. .. .	101.7	96.0	99.4	92.3	91.9
Other Commonwealth .. .. .	6.6	3.8	3.7	1.7	1.4
Belgium .. .. .	13.1	4.1	3.1	1.3	0.4
West Germany .. .. .	5.1	7.3	5.4	3.2	2.7
Italy .. .. .	2.6	1.5	3.0	6.9	4.0
Netherlands .. .. .	46.1	28.6	15.8	15.3	11.3
Denmark .. .. .	5.5	7.1	16.4	3.5	3.8
Sweden .. .. .	43.9	48.1	72.7	52.9	59.8
Central American Common Market .. .. .	4.0	3.9	3.1	8.2	3.3
Argentina .. .. .	2.5	0.5	4.6	2.5	0.8
Brazil .. .. .	4.6	5.0	15.4	21.1	28.9
Venezuela .. .. .	1.8	1.4	1.9	3.5	2.3
Martinique, Guadeloupe & French Guiana .. .. .	5.8	7.2	9.5	10.1	10.7
Netherlands Antilles & Surinam	22.4	19.2	26.1	31.1	37.6
Japan .. .. .	9.3	9.6	16.8	12.7	6.3
Spanish Africa .. .. .	13.5	8.1	2.8	4.9	6.1
United States .. .. .	272.0	325.3	438.0	486.1	491.4
Other countries .. .. .	46.2	48.8	40.5	22.2	23.8
Total all countries .. .. .	687.9	717.5	888.0	897.3	900.4
Of which:					
Commonwealth .. .. .	189.5	191.8	212.9	211.8	207.2
E.E.C. .. .. .	68.4	42.4	27.7	27.2	21.6
EFTA (Continental) .. .. .	52.1	56.2	90.5	57.2	64.6
Eastern Europe .. .. .	—	—	—	—	—
LAFTA .. .. .	10.9	7.5	25.7	29.7	35.1

a Annual rates based on latest data.



In recent years large discoveries have been made of natural gas, which has been used mainly in the oil industry, though it is also supplied to the main electric power station and other industries.

For a long time the economy of Trinidad and Tobago has been mainly dependent upon only two commodities, petroleum and sugar, but the Third

*Imports into Trinidad & Tobago*

\$TT million

	<i>Food</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>
1966 .. ..	89.7	391.3	102.7
1967 .. ..	87.0	355.8	95.7
1968 .. ..	87.6	468.6	103.8
1969 .. ..	106.1	510.3	111.8
Jan.-Nov. 1969 .. ..	96.3	447.7	100.6
1970 .. ..	92.1	525.4	123.9

TABLE 66

IMPORTS INTO TRINIDAD & TOBAGO

\$TT million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. ..	8.7	8.6	6.1	7.2	9.6
Bahamas-Bermuda .. ..	0.3	0.1	0.1	0.1	0.1
Barbados .. ..	1.3	1.5	1.3	1.9	2.5
Guyana .. ..	10.0	10.0	9.8	11.1	11.6
Jamaica .. ..	1.8	2.1	2.7	6.0	9.0
Other Commonwealth Caribbean	2.2	2.3	2.1	2.8	2.7
Canada .. ..	43.0	37.3	34.8	43.0	45.8
Hong Kong .. ..	4.3	4.7	4.4	6.5	5.3
India .. ..	2.3	1.8	2.4	2.3	2.7
New Zealand .. ..	10.6	9.0	9.2	12.9	11.5
Nigeria .. ..	0.5	—	1.1	8.3	47.1
United Kingdom .. ..	125.7	103.8	125.2	133.0	140.8
Other Commonwealth .. ..	1.5	1.7	1.8	2.0	3.4
Belgium .. ..	3.4	3.4	3.4	4.4	6.0
France .. ..	4.8	4.8	4.9	6.5	8.7
West Germany .. ..	8.1	9.2	8.9	12.0	13.8
Italy .. ..	4.2	4.4	3.1	4.8	6.9
Netherlands .. ..	8.3	8.2	8.3	8.5	9.7
Denmark .. ..	3.3	3.8	3.9	2.9	2.6
Honduras .. ..	1.3	1.4	1.9	3.0	3.0
Brazil .. ..	1.7	6.8	1.5	6.2	7.5
Colombia .. ..	36.9	30.0	7.5	13.0	6.9
Venezuela .. ..	236.6	283.6	382.6	347.0	269.3
Japan .. ..	10.4	12.1	12.2	20.0	26.8
Saudi Arabia .. ..	103.7	4.0	23.6	56.7	90.0
United States .. ..	108.8	116.5	124.6	138.0	173.6
Other countries .. ..	30.7	49.9	64.6	98.8	152.7
Total all countries .. ..	774.4	721.0	852.0	958.9	1,069.6
Of which:					
Commonwealth .. ..	212.2	182.9	201.0	237.1	292.1
E.E.C. .. ..	28.8	30.0	28.6	36.1	45.0
EFTA (Continental) .. ..	9.8	10.0	10.4	12.8 <sup>b</sup>	14.1 <sup>b</sup>
Eastern Europe .. ..	2.4	2.5	3.0	..	..
LAFTA .. ..	277.1	324.5	393.5	371.6	289.0

<sup>a</sup> Annual rates based on latest data.

<sup>b</sup> Includes Finland.

Five-Year Plan 1969–73, like the two previous Plans, has placed emphasis on diversifying the economy by promoting import substitution and, more recently, by manufacturing for the export market, particularly within the framework of CARIFTA.

Sugar is the premier agricultural industry and average yields are now greater than before. In 1970, however, there was a disappointing crop because of adverse weather conditions. Exports fell from \$TT50.7 million in the first eleven months of 1969 to \$TT44.0 million in the corresponding period of 1970.

Following civil disturbances during the year a State of Emergency was in force from 21 April until 19 November, at the end of which period trading conditions were back to normal though tourism, which was seriously hit, had not fully recovered. As a result of the disturbances the Government put in hand work on a revision of the Third Five-Year Development Plan with long term problems, such as unemployment, constituting one of the major difficulties still to be solved.

The estimated deficit in the balance of trade went up from \$TT61.6 million in 1969 to \$TT169.2 million in 1970. There was little change in the value of exports, but a considerable advance in imports, mainly crude oil, and machinery and transport for expanding secondary industries.

## UGANDA

Agriculture is still the dominant sector of Uganda's economy. Products from the land earn over 80 per cent of the country's foreign exchange. Excluding inter-territorial trade, coffee alone provided around 50 per cent of total export earnings in the first ten months of 1970. Production of coffee is likely to continue to increase so long as prices remain satisfactory, but the volume of coffee exports is limited by the terms of the International Coffee Agreement. A policy of diversification of agricultural production is therefore being followed with the expansion of cotton, tea, tobacco and sugar being encouraged.

Production of tea suffered a setback in the first half of 1970 due to dry weather. However, yields in Uganda are now said to be higher than in any other producing country with the single exception of Japan. Uganda and other tea producing countries have confirmed a scheme to limit tea exports during 1970 in a bid to restore falling market prices. Uganda's allocation of 54.1 million lb is expected to be large enough to allow almost the whole of the season's production to be exported.

		<i>Exports from Uganda a</i>					
<i>Exports (f.o.b.)</i>		<i>Domestic exports b</i>					
£U million		£U million					
		<i>Total</i>	<i>Coffee</i>	<i>Tea</i>	<i>Cotton</i>	<i>Copper</i>	
1966	..	77.5	76.4	34.8	3.2	15.3	5.8
1967	..	78.1	77.2	34.6	3.5	15.2	5.5
1968	..	77.0	76.1	35.8	3.8	14.8	5.5
1969	..	80.1	79.4	39.0	4.7	12.5	6.0
Jan.–Oct.							
1969	..	66.7	66.1	32.2	3.9	11.0	4.7
1970	..	85.8	85.2	42.2	4.0	16.5	6.4

a See Notes on Statistics.

b Domestic exports for individual commodities for Jan.–Oct. 1969 and 1970 exclude inter-territorial trade.

TABLE 67  
EXPORTS FROM UGANDA

£U million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	1.8	2.3	2.3	2.6	2.3
Canada .. .. .	3.0	2.2	3.3	2.8	2.6
Hong Kong .. .. .	1.7	1.4	1.1	2.8	3.5
India .. .. .	1.8	2.8	3.2	2.4	4.5
Kenya .. .. .	7.3	10.2	8.7	7.8	10.4
New Zealand .. .. .	0.4	0.4	0.6	0.3	0.8
Tanzania .. .. .	3.1	2.5	2.0	1.7	2.0
United Kingdom .. .. .	12.3	15.4	15.2	15.8	17.9
Other Commonwealth .. .. .	0.6	0.3	0.1	0.2	0.3
Belgium .. .. .	1.3	0.7	0.5	0.3	0.4
West Germany .. .. .	2.5	2.3	2.8	2.2	4.5
Italy .. .. .	2.0	1.6	0.9	0.9	1.0
Netherlands .. .. .	1.8	2.2	1.8	1.6	1.7
China .. .. .	1.2	1.4	1.7	0.4	0.7
Israel .. .. .	1.1	1.5	0.9	1.1	0.7
Japan .. .. .	3.3	5.8	7.8	8.2	10.0
Sudan .. .. .	0.3	1.2	1.3	0.9	1.6
Spain .. .. .	2.3	2.1	0.5	0.7	3.0
United States .. .. .	17.0	14.1	16.4	16.6	17.9
Other countries .. .. .	12.7	7.7	5.9	10.8	17.1
<b>Total all countries .. .. .</b>	<b>77.5</b>	<b>78.1</b>	<b>77.0</b>	<b>80.1</b>	<b>102.9</b>
<b>Of which:</b>					
Commonwealth .. .. .	32.0	37.5	36.5	36.4	44.3
E.E.C. .. .. .	8.2	7.3	6.2	5.2	7.7
EFTA (Continental) .. .. .	1.6	0.8	1.0	1.0	2.9
Eastern Europe .. .. .	3.2	1.1	0.9	4.0	6.3

<sup>a</sup> Annual rates based on latest data.

In 1970 there was an estimated surplus on visible trade of £U39.3 million, over double that for 1969. This was partly the result of higher world prices received for coffee and cotton, and increased exports by volume of copper. Exports to the United Kingdom rose by £U2.1 million to reach £U17.9 million, equal to the value of shipments to the United States—traditionally the leading market.

Estimated imports by value in 1970 were only slightly higher as compared with 1969. This was due in part to the official policy of restricting the import of "luxuries" by the imposition of up to 50 per cent increases in duties on a wide range of goods.

*Net imports into Uganda a*  
£U million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Textiles and clothing</i>	<i>Other manufactures</i>
1966 ..	6.2	4.6	3.0	16.0	7.8	18.7
1967 ..	5.8	4.3	3.2	17.4	5.5	17.9
1968 ..	4.0	4.9	3.7	16.4	7.0	20.0
1969 ..	6.3	6.3	4.2	17.4	6.1	20.7
Jan.-Oct. <sup>b</sup>						
1969 ..	0.4	2.5	0.5	14.1	3.7	8.2
1970 ..	0.4	2.7	0.5	12.3	2.4	11.7

<sup>a</sup> See Notes on Statistics.

<sup>b</sup> Principal commodities only. Excluding inter-territorial trade.

TABLE 68  
NET IMPORTS INTO UGANDA *a*

£U million

	1966	1967	1968	1969	1970 <sup>b</sup>
Hong Kong .. .. .	1.3	0.8	0.9	0.8	0.9
India .. .. .	2.0	1.4	1.7	1.9	1.6
Kenya .. .. .	15.6	14.8	13.3	15.9	16.7
Pakistan .. .. .	0.7	0.6	0.7	1.3	1.1
Tanzania .. .. .	0.8	0.8	0.9	1.2	1.2
United Kingdom .. .. .	15.1	14.0	14.5	15.5	14.9
Other Commonwealth .. .. .	1.7	1.0	1.3	1.6	1.7
Belgium .. .. .	0.7	0.9	0.8	0.7	0.6
France .. .. .	1.9	1.6	1.6	1.4	1.5
West Germany .. .. .	4.8	5.3	4.8	4.3	3.7
Italy .. .. .	2.2	1.9	2.4	2.2	2.2
Netherlands .. .. .	1.0	1.0	1.1	1.1	1.0
China .. .. .	1.7	0.8	1.0	0.9	0.8
Japan .. .. .	2.3	2.7	4.7	6.2	4.8
United States .. .. .	1.7	2.8	1.9	1.9	2.5
Other countries .. .. .	5.5	6.2	6.2	5.6	8.4
Total all countries .. .. .	59.0	56.6	57.8	62.5	63.6
Of which:					
Commonwealth .. .. .	37.2	33.4	33.3	38.2	38.1
E.E.C. .. .. .	10.6	10.6	10.6	9.7	9.0
EFTA (Continental) .. .. .	1.7	1.8	2.3	2.4	2.1
Eastern Europe .. .. .	1.0	1.6	1.5	1.2	1.0

*a* See Notes on Statistics.

*b* Annual rates based on latest data.

## UNITED KINGDOM

For the first time in twelve years early official estimates of the visible trade balance for 1970, on a balance of payments basis, showed a small surplus. Thus with invisibles running at £50 million a month the current account of the balance of payments was provisionally reckoned to show a surplus of some £600 million for the year—exceeding the £500 million target figure suggested by ministerial statements at the end of 1970. The growth of exports, at 12 per cent, was still well above pre-devaluation levels, reflecting an increase in prices more than a higher volume exported. In contrast the 9 per cent increase in imports was “due” more to a rise in volume than in price. The terms of trade thus

### Domestic exports from the United Kingdom

£ million

	Fuels and lubri- cants	Chemicals	Textiles	Metals and metal manu- factures	Mach- inery other than electric	Electric mach- inery and apparatus	Road vehicles and parts	Other manu- factures
1966 ..	134	469	261	562	1,044	345	576	1,021
1967 ..	129	493	250	590	1,036	345	523	1,036
1968 ..	166	600	299	721	1,270	410	660	1,326
1969 ..	171	684	347	811	1,416	466	794	1,575
1970 <sup>a</sup> ..	207	786	397	959	1,642	579	834	1,610

*a* Including re-exports.

TABLE 69  
EXPORTS FROM THE UNITED KINGDOM

£ million

	1966	1967	1968	1969	1970
Australia .. .. .	258	256	319	321	346
Barbados .. .. .	7	7	7	9	12
Canada .. .. .	224	220	266	309	288
Ceylon .. .. .	23	21	23	29	19
Cyprus .. .. .	17	17	23	26	26
Fiji .. .. .	4	4	6	6	6
The Gambia .. .. .	2	3	3	3	2
Ghana .. .. .	31	31	33	37	38
Guyana .. .. .	12	11	12	13	15
Hong Kong .. .. .	66	62	78	89	100
India .. .. .	97	83	73	66	73
Jamaica .. .. .	24	24	29	36	38
Kenya .. .. .	44	48	47	50	53
Malawi .. .. .	6	6	7	8	8
Malaysia .. .. .	51	43	48	47	60
Malta .. .. .	14	15	20	24	26
Mauritius .. .. .	5	5	6	5	6
New Zealand .. .. .	128	100	104	121	129
Nigeria .. .. .	67	59	59	79	114
Pakistan .. .. .	53	51	47	54	49
Sierra Leone .. .. .	10	8	10	14	13
Singapore .. .. .	40	36	40	50	63
Tanzania .. .. .	15	14	19	18	20
Trinidad & Tobago .. .. .	24	20	24	25	28
Uganda .. .. .	9	8	8	10	10
Zambia .. .. .	26	26	36	35	38
Other Commonwealth .. .. .	40	41	47	58	58
Belgium .. .. .	187	184	243	291	294
France .. .. .	213	218	253	312	339
West Germany .. .. .	289	277	363	416	503
Italy .. .. .	148	158	178	210	240
Netherlands .. .. .	207	206	255	297	378
Denmark .. .. .	137	146	163	196	220
Finland .. .. .	77	73	80	101	129
Norway .. .. .	109	130	127	145	174
Sweden .. .. .	236	225	263	301	364
Switzerland .. .. .	111	117	137	184	209
Soviet Union .. .. .	50	64	105	95	102
Argentina .. .. .	23	25	34	47	44
Brazil .. .. .	17	20	45	44	61
China .. .. .	34	39	29	55	45
Iraq .. .. .	26	17	16	22	24
Iran .. .. .	39	43	61	72	66
Irish Republic .. .. .	189	197	273	330	381
Israel .. .. .	53	50	88	103	96
Japan .. .. .	69	87	98	129	148
Kuwait .. .. .	26	25	29	41	36
South Africa .. .. .	247	261	265	291	333
Spain .. .. .	102	92	99	119	123
United States .. .. .	652	639	910	906	943
Venezuela .. .. .	24	22	33	32	34
Other countries .. .. .	679	680	861	1,019	1,139
Total all countries .. .. .	5,241	5,214	6,402	7,300	8,063
Of which:					
Commonwealth .. .. .	1,297	1,219	1,394	1,542	1,638
E.E.C. .. .. .	1,045	1,042	1,292	1,526	1,754
EFTA (Continental) .. .. .	684	706	803	972	1,145
Eastern Europe .. .. .	151	174	229	229	258

improved but, when allowance is made for the commodity components of the foreign trade indices, there would not appear to have been any very significant loss of "competitiveness". There was a much faster rate of growth of imports in 1970, compared with 1969 when the cumulative effects of devaluation, the import deposit scheme and the general restraint on credit were being felt.

For the first time the E.E.C. became a larger market for British exports than the Commonwealth; exports to the E.E.C. were some 7 per cent higher than those to the Commonwealth, and were some 15 per cent greater than in 1969. The main influence affecting the position of the Commonwealth was the extraordinary sluggishness of Canadian imports from all sources, which showed a slight reduction. Exports from Britain to Canada in 1970 showed a decline of some 7 per cent. By contrast, exports to Germany were running at a high level throughout 1970, presumably stimulated by the German revaluation of 1969. Exports to the Netherlands increased at an even faster rate to make this market now Britain's fourth largest.

Exports to EFTA countries were some 18 per cent up on the 1969 level, with strong growth to each of them. Exports to Japan showed a well-above-average expansion but those to the United States, reflecting the sluggishness of the North American market generally, rose by only 4 per cent. With the rapid increase in British export prices in 1970, the volume of exports to the United States clearly fell.

In the first half of the year imports were swollen by consignments of nickel, nickel ore and timber previously delayed by strikes in Canada, and by the arrival of three Boeing 747's in the second quarter. The British dock strike affected the flow of imports in the second half of 1970, but by the end of the year it was thought that arrears had probably been made good. The increase in the volume of imports, excluding both arrivals and payments for United States military aircraft etc., between 1969 and 1970, was about 7½ per cent. It is possible that the gradual relaxation of the import deposit scheme through the year and its eventual termination early in December played some part in the above-average increase.

Nearly half of the 1970 increase in imports was in respect of finished manufactures; the proportion of total imports accounted for by these goods rose from 20 to 23 per cent, a continuation of the trend of recent years. Industrial materials, especially chemicals, accounted for another large increase: imports of basic materials were swollen by the backlog from the Canadian strikes, but imports of semi-manufactures other than chemicals rose less sharply largely because of the fall in prices of non-ferrous metals (especially copper) during the year.

Imports from the Commonwealth rose by some 12 per cent above the 1969 level. The increase in imports from Australia was mainly due to higher meat imports while the decline in those from New Zealand was associated with lower imports of mutton, lamb and dairy produce. In Africa the sharp rise in imports

*Imports into the United Kingdom*

£ million

	<i>Food</i>	<i>Beverages and tobacco</i>	<i>Basic materials and base metals</i>	<i>Petroleum and petroleum products</i>	<i>Machinery and transport equipment</i>	<i>Other manu- factures</i>
1966 ..	1,572	139	1,570	611	681	1,281
1967 ..	1,609	154	1,512	714	868	1,476
1968 ..	1,707	193	1,929	882	1,189	1,862
1969 ..	1,746	184	2,035	886	1,320	2,034
1970 ..	1,863	189	2,195	925	1,496	2,252

TABLE 70  
IMPORTS INTO THE UNITED KINGDOM

£ million

	1966	1967	1968	1969	1970
Australia .. .. .	208	174	211	236	260
Barbados .. .. .	7	6	7	7	7
Canada .. .. .	425	456	513	505	683
Ceylon .. .. .	36	40	40	33	37
Cyprus .. .. .	12	14	16	19	20
Fiji .. .. .	9	9	9	12	10
The Gambia .. .. .	3	4	3	2	4
Ghana .. .. .	18	24	35	43	39
Guyana .. .. .	6	11	11	13	13
Hong Kong .. .. .	81	90	115	125	128
India .. .. .	119	126	135	107	106
Jamaica .. .. .	29	29	26	26	27
Kenya .. .. .	20	20	25	26	27
Malawi .. .. .	9	9	11	11	12
Malaysia .. .. .	32	28	36	34	47
Malta .. .. .	3	3	5	5	6
Mauritius .. .. .	23	20	24	22	22
New Zealand .. .. .	187	186	197	216	204
Nigeria .. .. .	113	79	70	104	124
Pakistan .. .. .	32	33	40	40	35
Sierra Leone .. .. .	20	23	35	36	31
Singapore .. .. .	16	18	26	31	34
Tanzania .. .. .	23	24	24	24	24
Trinidad & Tobago .. .. .	22	23	22	22	19
Uganda .. .. .	11	14	15	17	18
Zambia .. .. .	80	71	90	106	101
Other Commonwealth .. .. .	46	40	49	50	56
Belgium .. .. .	132	146	174	187	197
France .. .. .	212	255	312	325	368
West Germany .. .. .	302	339	436	466	549
Italy .. .. .	166	195	236	223	249
Netherlands .. .. .	291	329	393	408	459
Denmark .. .. .	206	217	239	245	275
Finland .. .. .	123	130	161	174	195
Norway .. .. .	120	127	162	180	199
Sweden .. .. .	217	247	314	333	371
Switzerland .. .. .	98	121	151	174	199
Soviet Union .. .. .	125	123	158	196	220
Argentina .. .. .	71	72	52	79	66
Brazil .. .. .	32	27	38	51	63
China .. .. .	34	30	34	38	34
Iraq .. .. .	66	24	28	31	19
Iran .. .. .	38	137	91	73	76
Irish Republic .. .. .	186	224	269	293	341
Israel .. .. .	27	32	44	39	45
Japan .. .. .	77	91	115	104	134
Kuwait .. .. .	93	74	151	172	165
South Africa .. .. .	191	220	272	302	258
Spain .. .. .	62	74	99	98	108
United States .. .. .	723	812	1,064	1,131	1,174
Venezuela .. .. .	58	68	73	57	51
Other countries .. .. .	707	746	1,034	1,055	1,142
Total all countries .. .. .	5,947	6,434	7,890	8,306	9,051
Of which:					
Commonwealth .. .. .	1,590	1,574	1,790	1,872	2,094
E.E.C. .. .. .	1,104	1,264	1,551	1,608	1,822
EFTA (Continental) .. .. .	716	811	999	1,072	1,209
Eastern Europe .. .. .	241	254	303	331	364

from Nigeria was due to the revitalising of the economy there, and the consequent growth of trade in crude petroleum oil. Total imports from Canada rose by well over a third. Probably about a fifth of the increase reflected the effect of the strikes in that country in the latter part of 1969.

Higher imports of some manufactured goods and of some cereals offset declines in tobacco and contributed towards the small increase in imports from the United States, while the increase from the Irish Republic was mainly associated with higher meat imports. Western Europe has become Britain's major supplier and, stimulated by tariff reductions under the Kennedy Round, together with the demise of the import deposit scheme, imports from both the E.E.C. and E.F.T.A. expanded strongly in 1970.

### WESTERN SAMOA

Western Samoa comprises a group of nine islands in the South Pacific, lying 1,800 miles north-east of New Zealand and 2,613 miles south-west of Hawaii. Two of these islands—Upolu and Savaii—account for almost all of the land mass and harbour virtually the entire population of 134,000. The country became a fully independent member of the Commonwealth in 1970.

The island group is emerging from a subsistence economy to a money economy. Its pleasant tropical climate is eminently suitable for the cultivation of coconuts, cocoa and bananas on the lowlands, and on these commodities depend the major export earnings. In January 1966 a hurricane caused considerable damage to these three crops, and about the same time the banana plantations became afflicted with bunchy top disease. As a result, export earnings suffered and had not fully recovered by the end of 1970. From 1962–65 the annual value of exports ranged from \$WS5.6 million to \$WS4.2 million, an amount only approached again in 1969. However, in 1970 the value of exports dropped by 30 per cent to \$WS3.4 million. New Zealand is the main market.

Despite the drop in export earnings there has been a steady increase in the value of imports, particularly in 1970. With the exception of 1968, each year has seen a steady widening of the trade gap. In an attempt to arrest the trade deficit and encourage import substitution the Enterprises Incentives Board recommended the granting of tax holidays for certain enterprises and duty-free imports on building materials, equipment, etc., needed for new and expanding undertakings. A number of companies have been granted incentives under this scheme.

Copra has traditionally been the chief export commodity and is marketed by the Copra Board, whose prices are based on those of the Philippines. In 1969 there was a slight reduction of output compared with 1968 because of several dry weather periods during the second half of the year. Similar adverse

*Exports from Western Samoa*  
\$WS million

			<i>Cocoa</i>	<i>Copra</i>	<i>Bananas</i>
1966	..	..	1.2	1.6	0.2
1967	..	..	1.5	0.9	0.3
1968	..	..	1.3	1.9	0.3
1969	..	..	1.8	1.8	0.6
1970	..	..	1.0	1.4	0.5



TABLE 71  
EXPORTS FROM WESTERN SAMOA

	\$WS million			
	1966	1967	1968	1969
New Zealand .. .. .	0.8	1.4	1.3	1.4
United Kingdom .. .. .	0.4	0.7	0.5	0.2
Other Commonwealth .. .. .	—	0.1	—	0.1
West Germany .. .. .	0.6	0.1	0.5	1.2
Netherlands .. .. .	0.9	0.2	0.4	0.9
Norway .. .. .	—	—	0.5	0.2
American Samoa .. .. .	0.1	0.3	0.2	0.2
United States .. .. .	0.2	0.3	0.2	0.1
Other countries .. .. .	0.3	—	0.2	0.3
Total all countries .. .. .	3.3	3.1	3.8	4.6
Of which				
Commonwealth .. .. .	1.2	2.2	1.8	1.7
E.E.C. .. .. .	1.5	0.3	0.9	2.4
EFTA (Continental) .. .. .	0.2	—	0.5	0.2

weather conditions in the early part of the following year, and a higher offtake for local consumption, combined with a decreasing yield from ageing trees, reduced the surplus available for export from 14,550 tons in 1969 to 9,619 tons in 1970. Despite an improvement in prices, the value of exports of this commodity fell by 24 per cent to \$WS1.4 million in 1970.

Improved husbandry, climatic conditions and market prices had a favourable effect on the value of cocoa exports for 1969. Unfortunately, at the end of that year and throughout 1970 world market prices slumped and exports by value fell by 42 per cent to \$WS1.0 million. In the same year banana exports declined by 12 per cent compared with the 1969 record year, though still well above 1968. This setback was largely the result of a shortage of shipping to New Zealand in the latter part of the year. Almost the entire export surplus is marketed to that country.

With very few exceptions, almost all goods used for consumption and investment came from overseas. In 1970 the principal ones were textiles and clothing, machinery, appliances and fittings, road motor vehicles and parts and timber. Within the food section the main item was meat.

<i>Imports into Western Samoa</i>					
\$WS million					
	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	2.4	0.4	0.2	0.6	1.8
1967 ..	1.8	0.4	0.3	0.7	2.1
1968 ..	1.9	0.2	0.3	0.7	2.1
1969 ..	2.1	0.4 <sup>a</sup>	0.3	1.4	2.6 <sup>a</sup>
1970 ..	2.4	..	0.4	2.5	..

<sup>a</sup> Estimates.

TABLE 72

## IMPORTS INTO WESTERN SAMOA

\$WS million

	1966	1967	1968	1969
Australia .. .. .	1.4	1.3	1.2	1.5
Fiji .. .. .	0.2	0.2	0.3	0.3
Hong Kong .. .. .	0.2	0.2	0.2	0.3
New Zealand .. .. .	1.7	1.5	1.4	2.1
United Kingdom .. .. .	0.6	0.7	0.5	0.7
Other Commonwealth .. .. .	0.2	0.2	0.3	0.3
Japan .. .. .	0.4	0.5	0.5	0.8
South Africa .. .. .	0.2	0.3	0.2	0.1
United States .. .. .	0.3	0.4	0.3	0.6
Other countries .. .. .	0.5	0.3	0.6	0.7
Total all countries .. .. .	5.7	5.6	5.5	7.4
Of which:				
Commonwealth .. .. .	4.3	4.1	3.9	5.2
E.E.C. .. .. .	0.2	0.2	0.2	0.3
EFTA (Continental) .. .. .	0.1	0.1	—	0.1

## ZAMBIA

The year 1970 was one of two highly dissimilar parts as far as trade was concerned, mainly due to the contrasting fortunes of copper. During the first half of the year exports were considerably higher than in the corresponding period of 1969 owing to the higher average prices written into copper export contracts. Copper production had already begun to diminish by the first month of 1970, for the first time in two years, but this did not have an immediately noticeable effect on the value of exports as copper prices were rising until April 1970, and continued for some while above year-ago levels. As the year wore on, however, the price fell steeply, and at the end touched a level not much over half its peak earlier in the year—thereby producing a dramatic decline in realizations from the lower volume of copper shipped. The situation was greatly exacerbated by a mine disaster at Mufulira; it was thought that production from this source would not be back to normal until late 1972 or even 1973.

Since copper accounts for well over 90 per cent of total exports from Zambia, its effect on the economy are far reaching. Zambia needs a large visible trade surplus, dependent on copper, to offset her adverse invisibles position and to provide the foreign exchange for payment of the 51 per cent stake taken in the copper industry—which is being met from the producing companies' dividends.

The value of tobacco exports in the first half of 1970 fell by nearly 24 per cent. The total amount offered at auctions was 503,000 lb down on the 1969 level, and the price also was lower. Of the other two major exports, zinc showed a small decline but cobalt expanded by over 60 per cent.

Transport problems have hindered development of the economy for several years, but in October 1970 the commencement of construction work on the Tanzania-Zambia railway was officially inaugurated, China having undertaken to lend to the Governments of Zambia and Tanzania a sum of K 286.6 million to cover the cost of construction.

*Exports from Zambia*

K million

			Copper	Zinc	Tobacco	Cobalt
1966	..	..	460.7	8.2	4.5	4.3
1967	..	..	431.9	8.1	3.7	5.6
1968	..	..	510.6	9.0	2.7	3.4
1969	..	..	722.2	12.4	3.2	4.5
<i>Jan.-June</i>						
1969	..	..	321.3	4.9	2.1	1.4
1970	..	..	376.3	4.7	1.6	2.3

TABLE 73

EXPORTS FROM ZAMBIA

K million

	1966	1967	1968	1969	1970 <sup>a</sup>
United Kingdom .. ..	160.2	128.3	160.0	198.0	152.7
Other Commonwealth .. ..	11.7	11.2	10.0	21.5	28.6
France .. ..	42.7	35.3	45.0	70.0	56.4
West Germany .. ..	69.4	42.8	70.9	96.1	79.3
Italy .. ..	43.8	41.3	52.8	80.1	65.1
Japan .. ..	69.5	95.8	114.9	180.3	168.1
South Africa .. ..	28.1	25.4	11.7	7.7	6.3
United States .. ..	0.2	23.9	10.8	8.7	0.1
Other countries .. ..	67.9	66.0	68.3	104.1	131.4
Total all countries .. ..	493.5	470.0	544.4	766.5	688.0
<i>Of which:</i>					
Commonwealth .. ..	171.9	139.5	170.0	219.5	181.3
E.E.C. .. ..	167.6	125.1	174.2	252.9	217.1
EFTA (Continental) .. ..	27.4	27.4	30.8	42.5	34.3
Eastern Europe .. ..	10.0	6.6	5.5	6.3	4.4

<sup>a</sup> Annual rates based on latest data.

In order to assist local production of various crops a new scale of producer prices was announced in the latter part of the year: it was hoped these would stimulate output of groundnuts, sugar beans, haricot beans, soya beans and sunflower. A higher producer price for rice also was announced, with the intention of encouraging interest among farmers in this new crop. Mainly due to adverse weather, maize production fell sharply during the year so that it became necessary to import a high volume of this grain: help was received in June when the World Bank agreed to a loan of K4 million to finance training and settlement schemes for maize and for tobacco.

In the 1970 Budget the duty on certain luxury goods, already raised in 1969, was further increased so that items such as washing machines, large television sets, cosmetics and jewellery became liable to a 75 per cent rate. The import duty on small cars was lowered but that on expensive models rose to 80 per cent. Later in the year the importation of clothes was banned as a measure of protection for local industry, but at the same time import duties on a list of producer goods were reduced.

*Imports into Zambia*

K million

	<i>Food</i>	<i>Basic materials and base metals</i>	<i>Mineral fuels and lubricants</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</i>
1966 ..	19.8	20.3	19.6	97.9	85.1
1967 ..	21.4	21.2	31.2	126.3	100.3
1968 ..	24.1	23.9	33.2	134.4	103.2
1969 ..	30.4	24.7	35.6	123.0	93.7
Jan.-June 1969 ..	14.2	4.1 <sup>a</sup>	18.5	59.4	51.0 <sup>b</sup>
1970 ..	14.3	6.7 <sup>a</sup>	20.3	66.5	63.2 <sup>b</sup>

<sup>a</sup> Basic materials only.

<sup>b</sup> Includes base metals.

TABLE 74

IMPORTS INTO ZAMBIA

K million f.o.b.

	1966	1967	1968	1969	1970 <sup>a</sup>
United Kingdom .. ..	54.4	62.8	76.3	71.3	82.0
Other Commonwealth .. ..	62.0	63.0	51.8	56.0	67.9
West Germany .. ..	8.1	12.2	13.7	12.2	15.3
Japan .. ..	8.9	18.6	18.0	22.6	22.0
South Africa .. ..	58.5	72.1	76.0	69.9	60.4
United States .. ..	27.2	32.9	33.3	29.9	33.3
Other countries .. ..	27.0	44.6	56.0	49.5	63.1
Total all countries ..	246.1	306.2	325.1	311.4	344.0
Of which:					
Commonwealth .. ..	116.4	125.8	128.1	127.3	149.9
E.E.C. .. ..	20.1	37.5	41.2	30.8	37.1
EFTA (Continental) .. ..	5.7	7.7	10.0	9.5	14.7
Eastern Europe .. ..	0.4	2.1	2.9	2.3	4.7

<sup>a</sup> Annual rates based on latest data.

# Appendix

## *Table*

I	Total trade of Commonwealth countries
II and III	Intra-Commonwealth trade: Exports
IV and V	Intra-Commonwealth trade: Imports
VI and VII	Trade of Commonwealth countries with the United Kingdom: Exports
VIII and IX	Trade of Commonwealth countries with the United Kingdom: Imports
X	United Kingdom imports by major commodity classes
XI	Proportion of United Kingdom imports supplied by Commonwealth countries
XII	United States imports from the Commonwealth

## *Notes on Statistics*

TABLE I  
TOTAL TRADE OF COMMONWEALTH COUNTRIES

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
<b>Exports and re-exports from:</b>					
Australia .. .. .	1,089	1,175	1,421	1,652	1,894
Canada .. .. .	3,411	3,770	5,244	5,755	6,755
Ceylon .. .. .	126	123	138	132	140
Ghana .. .. .	86	91	126	148	181
Hong Kong .. .. .	473	549	727	907	1,048
India .. .. .	562	545	729	764	777
Jamaica .. .. .	81	82	91	105	124
Kenya .. .. .	87	79	97	105	118
Malawi .. .. .	17	20	20	22	24
Malaysia .. .. .	444	431	555	682	708
New Zealand .. .. .	387	359	425	500	497
Nigeria .. .. .	284	242	246	377	517
Pakistan .. .. .	215	208	334	290	301
Singapore .. .. .	367	376	485	604	596
Tanzania .. .. .	88 <sup>c</sup>	83 <sup>c</sup>	99	104	107
Trinidad & Tobago .. .. .	143	149	185	187	188
Uganda .. .. .	77	78	90	93	120
United Kingdom .. .. .	5,241	5,214	6,402	7,300	8,063
Zambia .. .. .	247	235	318	447	401
Others .. .. .	385	394	483	522	561
<b>Total Commonwealth exports</b>	<b>13,810</b>	<b>14,203</b>	<b>18,215</b>	<b>20,696</b>	<b>23,120</b>
<b>Imports into:</b>					
Australia .. .. .	1,107	1,198	1,563	1,621	1,819
Canada .. .. .	3,259	3,659	4,763	5,474	5,576
Ceylon .. .. .	152	130	152	178	162
Ghana .. .. .	126	109	128	145	172
Hong Kong .. .. .	631	653	857	1,024	1,210
India .. .. .	930	983	1,014	858	895
Jamaica .. .. .	117	126	159	184	196
Kenya <sup>b</sup> .. .. .	123	119	148	150	183
Malawi .. .. .	27	25	29	31	36
Malaysia .. .. .	393	386	483	489	562
New Zealand .. .. .	362	321	350	392	485
Nigeria .. .. .	256	224	225	290	451
Pakistan .. .. .	321	393	424	433	510
Singapore .. .. .	468	509	681	838	983
Tanzania <sup>b</sup> .. .. .	80 <sup>c</sup>	79 <sup>c</sup>	107	100	128
Trinidad & Tobago .. .. .	161	150	178	200	223
Uganda <sup>b</sup> .. .. .	59	57	67	73	74
United Kingdom .. .. .	5,947	6,434	7,890	8,306	9,051
Zambia .. .. .	123	183	190	182	201
Others .. .. .	537	610	746	854	940
<b>Total Commonwealth imports</b>	<b>15,179</b>	<b>16,348</b>	<b>20,154</b>	<b>21,822</b>	<b>23,857</b>

<sup>a</sup> Actuals, or annual rates based on latest data.

<sup>b</sup> Net imports. See Notes on Statistics.

<sup>c</sup> Tanganyika only.

TABLE II  
INTRA-COMMONWEALTH TRADE  
*Exports to other Commonwealth countries*

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	385	399	462	511	581
Canada .. .. .	528	574	675	628	862
Ceylon .. .. .	50	55	54	47	53
Ghana .. .. .	20	25	35	38	44
Hong Kong .. .. .	145	164	213	243	269
India .. .. .	137	166	180	171	164
Jamaica .. .. .	39	37	40	47	52
Kenya .. .. .	51	51	60	64	70
Malawi .. .. .	11	15	13	15	16
Malaysia .. .. .	176	161	196	231	252
New Zealand .. .. .	258	204	233	271	263
Nigeria .. .. .	119	83	81	118	175
Pakistan .. .. .	65	61	80	106	81
Singapore .. .. .	201	190	218	245	251
Tanzania .. .. .	49 <sup>b</sup>	50 <sup>b</sup>	58	58	63
Trinidad & Tobago .. .. .	39	40	44	44	43
Uganda .. .. .	32	38	43	43	52
United Kingdom .. .. .	1,297	1,219	1,394	1,542	1,638
Zambia .. .. .	86	70	99	128	106
Others .. .. .	219	223	276	294	314
<b>Total .. .. .</b>	<b>3,907</b>	<b>3,825</b>	<b>4,454</b>	<b>4,844</b>	<b>5,349</b>

<sup>a</sup> Actuals, or annual rates based on latest data.

<sup>b</sup> Tanganyika only.

TABLE III  
INTRA-COMMONWEALTH TRADE  
*Exports to other Commonwealth countries as percentage of  
each country's total exports*

	1966	1967	1968	1969	1970
Australia .. .. .	35	34	33	31	31
Canada .. .. .	15	15	13	11	13
Ceylon .. .. .	40	45	39	36	38
Ghana .. .. .	23	27	28	25	24
Hong Kong .. .. .	31	30	29	27	26
India .. .. .	24	30	25	22	21
Jamaica .. .. .	47	45	44	45	42
Kenya .. .. .	59	64	62	61	59
Malawi .. .. .	65	72	67	68	67
Malaysia .. .. .	40	37	35	34	36
New Zealand .. .. .	67	57	55	54	53
Nigeria .. .. .	42	35	33	31	34
Pakistan .. .. .	30	29	24	37	27
Singapore .. .. .	55	51	45	41	42
Tanzania .. .. .	56 <sup>a</sup>	61 <sup>a</sup>	58	56	59
Trinidad & Tobago .. .. .	28	27	24	24	23
Uganda .. .. .	41	48	47	46	43
United Kingdom .. .. .	25	23	22	21	20
Zambia .. .. .	35	30	31	29	26
Others .. .. .	57	57	57	56	56
<b>Total .. .. .</b>	<b>28</b>	<b>27</b>	<b>24</b>	<b>23</b>	<b>23</b>

<sup>a</sup> Tanganyika only.

TABLE IV  
INTRA-COMMONWEALTH TRADE  
*Imports from other Commonwealth countries*

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	401	428	559	573	622
Canada .. .. .	338	351	422	497	517
Ceylon .. .. .	55	46	53	67	64
Ghana .. .. .	42	40	43	49	50
Hong Kong .. .. .	122	128	165	175	215
India .. .. .	162	189	169	155	176
Jamaica .. .. .	47	48	58	67	71
Kenya .. .. .	59	58	69	69	81
Malawi .. .. .	19	17	18	18	21
Malaysia .. .. .	197	174	210	201	229
New Zealand .. .. .	244	209	220	241	293
Nigeria .. .. .	93	78	84	116	167
Pakistan .. .. .	73	88	72	77	93
Singapore .. .. .	229	220	267	330	368
Tanzania .. .. .	44 <sup>b</sup>	40 <sup>b</sup>	51	47	54
Trinidad & Tobago .. .. .	44	38	42	49	61
Uganda .. .. .	37	33	39	45	44
United Kingdom .. .. .	1,590	1,574	1,790	1,872	2,094
Zambia .. .. .	58	63	75	74	87
Others .. .. .	229	234	288	320	353
<b>Total .. .. .</b>	<b>4,083</b>	<b>4,056</b>	<b>4,694</b>	<b>5,042</b>	<b>5,660</b>

<sup>a</sup> Actuals, or annual rates based on latest data.

<sup>b</sup> Tanganyika only.

TABLE V  
INTRA-COMMONWEALTH TRADE  
*Imports from other Commonwealth countries as  
percentage of each country's total imports*

	1966	1967	1968	1969	1970
Australia .. .. .	36	36	36	35	34
Canada .. .. .	10	10	9	9	9
Ceylon .. .. .	36	35	35	38	40
Ghana .. .. .	33	36	33	34	29
Hong Kong .. .. .	19	20	19	17	18
India .. .. .	17	19	17	18	20
Jamaica .. .. .	40	38	36	36	36
Kenya .. .. .	48	48	47	46	44
Malawi .. .. .	72	67	61	59	60
Malaysia .. .. .	50	45	43	41	41
New Zealand .. .. .	67	65	63	61	60
Nigeria .. .. .	36	35	37	40	37
Pakistan .. .. .	23	22	17	18	18
Singapore .. .. .	49	43	39	39	37
Tanzania .. .. .	55 <sup>a</sup>	50 <sup>a</sup>	48	47	42
Trinidad & Tobago .. .. .	27	25	24	25	27
Uganda .. .. .	63	59	58	61	60
United Kingdom .. .. .	27	24	23	23	23
Zambia .. .. .	47	34	39	41	44
Others .. .. .	43	38	39	37	38
<b>Total .. .. .</b>	<b>27</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>24</b>

<sup>a</sup> Tanganyika only.



TABLE VI  
TRADE WITH UNITED KINGDOM  
*Exports of other Commonwealth countries to the United Kingdom* £ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	172	156	200	204	221
Canada .. .. .	374	389	472	429	600
Ceylon .. .. .	31	36	34	27	32
Ghana .. .. .	14	19	26	31	33
Hong Kong .. .. .	64	74	97	106	107
India .. .. .	94	107	118	90	79
Malawi .. .. .	8	11	10	10	12
Malaysia .. .. .	31	27	36	37	46
New Zealand .. .. .	219	161	170	193	172
Nigeria .. .. .	109	72	72	102	158
Pakistan .. .. .	25	27	40	33	30
Singapore .. .. .	15	18	24	28	35
Zambia .. .. .	80	64	93	116	89
Others .. .. .	203	204	234	244	255
<b>Total .. .. .</b>	<b>1,439</b>	<b>1,365</b>	<b>1,626</b>	<b>1,650</b>	<b>1,869</b>

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE VII  
TRADE WITH UNITED KINGDOM  
*Proportion of each country's total exports sent to United Kingdom* per cent

	1966	1967	1968	1969	1970
Australia .. .. .	16	13	14	12	12
Canada .. .. .	11	10	9	7	9
Ceylon .. .. .	25	29	25	20	23
Ghana .. .. .	17	21	20	21	18
Hong Kong .. .. .	13	13	13	12	10
India .. .. .	17	20	16	12	10
Malawi .. .. .	49	52	49	45	50
Malaysia .. .. .	7	6	7	5	6
New Zealand .. .. .	56	45	40	39	35
Nigeria .. .. .	38	30	29	27	31
Pakistan .. .. .	11	13	12	11	10
Singapore .. .. .	4	5	5	5	6
Zambia .. .. .	32	27	29	26	22
Others .. .. .	24	24	22	22	21
<b>Total .. .. .</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>12</b>	<b>12</b>

TABLE VIII

## TRADE WITH UNITED KINGDOM

*Imports of other Commonwealth countries from the United Kingdom*

£ million

	1966	1967	1968	1969	1970 <sup>a</sup>
Australia .. .. .	276	269	348	357	389
Canada .. .. .	213	222	268	305	295
Ceylon .. .. .	25	20	22	31	23
Ghana .. .. .	36	33	35	39	41
Hong Kong	63	61	74	83	104
India .. .. .	80	76	67	59	52
Malawi .. .. .	8	7	9	9	9
Malaysia .. .. .	74	57	68	64	77
New Zealand .. .. .	134	104	109	121	136
Nigeria .. .. .	76	65	70	101	147
Pakistan .. .. .	48	51	52	54	52
Singapore .. .. .	45	39	50	55	68
Zambia .. .. .	27	31	44	42	48
Others .. .. .	244	228	284	305	332
Total .. .. .	1,349	1,263	1,500	1,625	1,773

<sup>a</sup> Actuals, or annual rates based on latest data.

TABLE IX

## TRADE WITH UNITED KINGDOM

*Proportion of each country's total imports supplied by United Kingdom*

per cent

	1966	1967	1968	1969	1970
Australia .. .. .	25	22	22	22	21
Canada .. .. .	7	6	6	6	5
Ceylon .. .. .	17	16	15	17	14
Ghana .. .. .	29	30	28	27	24
Hong Kong	10	9	9	8	9
India .. .. .	9	8	7	7	6
Malawi .. .. .	31	28	31	30	26
Malaysia .. .. .	19	15	14	13	14
New Zealand .. .. .	37	33	31	31	28
Nigeria .. .. .	30	29	31	35	33
Pakistan .. .. .	15	13	12	13	10
Singapore .. .. .	10	8	7	7	7
Zambia .. .. .	22	17	23	23	24
Others .. .. .	23	20	20	20	19
Total .. .. .	15	13	12	12	12

TABLE X

## UNITED KINGDOM IMPORTS BY MAJOR COMMODITY CLASSES

£ million

	1966	1967	1968	1969	1970
Food, beverages and tobacco	1,712	1,762	1,900	1,930	2,052
of which:					
Meat .. .. .	374	372	398	432	438
Dairy products .. .. .	195	208	200	183	186
Grain .. .. .	222	222	232	252	281
Fruit and vegetables .. .. .	313	325	347	356	380
Sugar .. .. .	106	103	104	112	117
Coffee, cocoa, tea, spices .. .. .	160	171	192	183	210
Tobacco .. .. .	85	89	117	115	110
Basic materials .. .. .	1,061	1,012	1,207	1,253	1,364
of which:					
Hides and skins .. .. .	67	51	63	78	70
Oilseeds, oilnuts and kernels .. .. .	45	37	41	38	42
Rubber .. .. .	46	44	48	61	58
Wood .. .. .	194	192	231	217	239
Pulp and waste paper .. .. .	134	126	155	165	198
Wool .. .. .	124	112	114	118	93
Cotton .. .. .	54	43	58	50	50
Metal ores and scrap .. .. .	189	203	266	291	347
Animal and vegetable oils and fats .. .. .	63	63	68	73	101
Fuels and lubricants .. .. .	625	729	902	907	946
Manufactured goods .. .. .	2,471	2,844	3,772	4,137	4,580
of which:					
Chemicals .. .. .	294	329	415	464	543
Wood manufactures .. .. .	66	81	96	90	109
Paper and manufactures .. .. .	133	155	185	204	231
Textiles .. .. .	159	182	231	239	256
Iron and steel .. .. .	88	120	155	174	222
Non-ferrous metals .. .. .	421	380	567	609	609
Machinery .. .. .	580	696	869	949	1,198
Transport equipment .. .. .	101	172	319	372	299
Total value of imports .. .. .	5,947	6,434	7,890	8,306	9,051

TABLE XI  
PROPORTION OF UNITED KINGDOM  
IMPORTS SUPPLIED BY COMMONWEALTH COUNTRIES

	per cent				
	1966	1967	1968	1969	1970
Food, beverages and tobacco	39	38	37	38	38
Meat .. .. .	31	25	29	29	30
Dairy products .. .. .	51	49	50	54	50
Grain .. .. .	36	32	30	35	40
Fruit and vegetables .. .. .	26	26	26	26	25
Sugar .. .. .	85	84	86	86	81
Coffee, cocoa, tea, spices .. .. .	78	80	74	73	72
Tobacco .. .. .	33	38	34	36	32
Basic materials .. .. .	34	33	32	29	32
Hides and skins .. .. .	18	15	17	17	17
Oilseeds, oilnuts and kernels .. .. .	68	61	59	52	52
Rubber .. .. .	63	62	64	63	61
Wood .. .. .	26	27	22	19	25
Pulp and waste paper .. .. .	11	11	11	11	14
Wool .. .. .	54	55	51	52	54
Cotton .. .. .	9	8	8	9	9
Metal ores and scrap .. .. .	32	34	36	30	37
Animal and vegetable oils and fats .. .. .	55	48	55	48	52
Fuels and lubricants .. .. .	9	6	3	6	6
Manufactured goods .. .. .	20	18	17	17	17
Chemicals .. .. .	10	11	9	11	11
Wood manufactures .. .. .	22	23	23	24	26
Paper and manufactures .. .. .	24	23	23	22	21
Textiles .. .. .	31	29	29	26	23
Iron and steel .. .. .	9	8	7	7	6
Non-ferrous metals .. .. .	48	51	45	44	55
Machinery .. .. .	5	5	4	4	5
Transport equipment .. .. .	5	2	2	2	2
<b>Total .. .. .</b>	<b>27</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>23</b>

TABLE XII  
UNITED STATES IMPORTS FROM THE COMMONWEALTH <sup>a</sup>  
\$U.S. million

	1966	1967	1968	1969	1970
<i>Meat and meat products</i> .. .. .	290	305	345	423	509
from Australia .. .. .	178	191	206	253	292
from New Zealand .. .. .	61	73	89	114	133
<i>Fish and fish products</i> .. .. .	218	209	257	293	300
from Canada .. .. .	146	135	162	179	191
<i>Cocoa or cocoa beans</i> .. .. .	52	68	73	73	105
from Ghana .. .. .	26	40	48	58	82
from Nigeria .. .. .	22	23	19	11	15
<i>Whisky</i> .. .. .	322	360	395	436	456
from United Kingdom .. .. .	201	230	247	263	291
<i>Rubber, crude and latex</i> .. .. .	86	99	119	194	163
from Malaysia .. .. .	56	67	77	137	110
<i>Wood, unmanufactured</i> .. .. .	395	388	557	614	506
from Canada .. .. .	379	375	541	593	488
<i>Wood pulp</i> .. .. .	392	366	405	483	465
from Canada .. .. .	392	366	405	483	465
<i>Wool, unmanufactured</i> .. .. .	153	104	111	101	69
from Australia .. .. .	74	57	55	51	30
from New Zealand .. .. .	50	27	32	31	25
<i>Iron and steel making raw materials</i> .. .. .	320	316	345	260	339
from Canada .. .. .	305	310	339	252	328
<i>Chemical and related products</i> .. .. .	355	404	466	541	656
from Canada .. .. .	253	270	291	309	361
<i>Newsprint paper</i> .. .. .	859	832	829	904	891
from Canada .. .. .	859	832	829	904	891
<i>Cotton manufactures <sup>b</sup></i> .. .. .	127	124	146	175	179
from Hong Kong <sup>b</sup> .. .. .	79	83	100	111	110
<i>Wool manufactures <sup>b</sup></i> .. .. .	84	87	109	146	114
from United Kingdom <sup>b</sup> .. .. .	40	38	42	41	35
<i>Jute and manufactures</i> .. .. .	200	183	191	219	169
from India .. .. .	161	149	151	171	114
from Pakistan .. .. .	38	33	39	47	54
<i>Steel mill products</i> .. .. .	207	204	348	276	332
from Canada .. .. .	104	102	192	147	194
<i>Non-ferrous metals, including ores and manufactures</i> .. .. .					
<i>Copper</i> .. .. .	167	222	290	145	177
from Canada .. .. .	116	174	199	119	163
<i>Nickel</i> .. .. .	187	214	238	227	341
from Canada .. .. .	183	209	233	221	332
<i>Aluminium</i> .. .. .	283	290	374	325	282
from Canada .. .. .	168	172	243	202	170
from Jamaica .. .. .	97	101	92	110	98
<i>Tin</i> .. .. .	104	106	140	138	125
from Malaysia .. .. .	95	101	132	128	119
<i>Agricultural machinery and implements</i> .. .. .	226	243	205	225	217
from Canada .. .. .	205	221	185	203	184
<i>Electrical machinery and apparatus</i> .. .. .	267	311	399	488	597
from Canada .. .. .	136	168	234	269	327
<i>Other machinery</i> .. .. .	556	622	777	945	1,123
from Canada .. .. .	314	375	497	600	733
<i>New automobiles</i> .. .. .	485	921	1,473	1,964	1,911
from Canada .. .. .	370	818	1,349	1,827	1,806
<i>Total imports of all commodities</i> .. .. .					
from the Commonwealth .. .. .	10,065	10,859	13,140	15,053	16,036
from all countries .. .. .	24,786	25,992	32,162	34,931	38,874

<sup>a</sup> Imports for domestic consumption.

<sup>b</sup> Including made-up articles and clothing.

## NOTES ON STATISTICS

### GENERAL

#### 1. *Symbols used in tables*

.. not available

— nil or negligible

#### 2. *Sources of Statistics*

Official national publications except in the case of the table on world trade by major areas which is based mainly on data published in International Financial Statistics by the International Monetary Fund.

#### 3. *Definition of area headings*

*Commonwealth.* Self-governing members of the Commonwealth and associated and dependent territories, as at December 1970. External trade of the constituent parts is defined by the political boundaries; as far as possible the trade of Malaysia is shown net of intra-Malaysian trade, trade of the East African Customs Area is grossed up to give the trade of Kenya, Uganda and Tanzania separately.

*European Economic Community:* Belgium, Netherlands, Luxembourg, France, West Germany, Italy. Associated overseas territories and associate members are not included.

*European Free Trade Association:* Continental members: Austria, Denmark, Norway, Portugal, Sweden and Switzerland. Dependencies, the associate member Finland, and Iceland, are not included. This group is described as EFTA (Continental) in the tables.

*Eastern Europe:* Soviet Union, Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania.

#### 4. *Definitions of commodity headings*

The standard groups generally used in the tables of commodity imports into countries cover the following items as defined under the Standard International Trade Classification (Revised): Food (S.I.T.C. 0); Beverages and tobacco (S.I.T.C. 1); Basic materials and base metals (S.I.T.C. 2, 4, 67 and 68); Mineral fuels and lubricants (S.I.T.C. 3); Machinery and transport equipment (S.I.T.C. 7); Other manufactures (S.I.T.C. 5, 8, and 6, less 67 and 68).

#### 5. *Period of trade*

Calendar years unless otherwise stated. Statistics for certain countries have been adjusted as necessary from financial to calendar years where the figures are included in Commonwealth totals for calendar years. All 1970 data are provisional.

#### 6. *System of trade*

Exports usually refer to total exports, which are domestic exports plus re-exports. Direct transit trade, consisting of goods entering the national territory for the purpose of passing to some other country, is usually excluded from the figures of both exports and imports. Imports and exports are normally recorded at the point at which goods enter into or pass beyond the control of the national government. These are known as "General Trade" statistics.

## 7. Valuation of trade

Unless otherwise stated in the Country Notes below, exports are valued f.o.b. and imports c.i.f.

## 8. Coverage of trade

Figures are for merchandise trade only, including trade on government account and postal trade. Gold, in the form of coin, bullion, unworked gold ores and partly worked gold, is excluded and, wherever practicable, settlers' effects, tourist purchases, ships' and aircraft stores and bunkers are also excluded. Most countries exclude, from their export and import statistics, stores and equipment for armed forces and goods for diplomatic missions.

## 9. Rates of exchange

The data given below show exchange rates in national currency units per one pound sterling, before and after devaluation of the latter on 18th November 1967.

	<i>Before devaluation</i>	<i>After devaluation</i>
Ass. States of Eastern Caribbean .. ..	£1 = \$EC4·8	£1 = \$EC4·8
Australia, Papua-New Guinea, British Solomon Islands ..	£1 = \$A2·5	£1 = \$A2·1429
Bahamas .. ..	£1 = \$B2·8571	£1 = \$B2·4490
Barbados .. ..	£1 = \$EC4·8	£1 = \$EC4·8
Botswana .. ..	£1 = R2	£1 = R1·7143
British Honduras ..	£1 = \$BH4·0	£1 = \$BH4·0
Brunei <i>a</i> .. ..	£1 = \$B8·5714	£1 = \$B7·3469
Canada <i>b</i> .. ..	£1 = \$C3·0270	£1 = \$C2·5946
Ceylon .. ..	£1 = Rs13·3333	£1 = Rs14·2857
Cyprus .. ..	£1 = £C1	£1 = £C1
Fiji <i>c</i> .. ..	£1 = £F1·11	£1 = £F1·045
The Gambia .. ..	£1 = £G1	£1 = £G1
Ghana <i>d</i> .. ..	£1 = New Ce2·8571	£1 = New Ce2·4490
Guyana .. ..	£1 = \$G4·8	£1 = \$G4·8
Hong Kong <i>e</i> .. ..	£1 = \$HK16·0	£1 = \$HK14·5455
India .. ..	£1 = Rs21·0	£1 = Rs18·0
Jamaica <i>f</i> .. ..	£1 = £J1	£1 = £J1
Kenya .. ..	£1 = 20 shg. K	£1 = 17·1429 shg. K
Lesotho .. ..	£1 = R2	£1 = R1·7143
Malawi .. ..	£1 = £M1	£1 = £M1
Malta .. ..	£1 = £M1	£1 = £M1
Malaysia <i>a</i> .. ..	£1 = \$M8·5714	£1 = \$M7·3469
Mauritius .. ..	£1 = Rs13·3333	£1 = Rs13·3333
Nauru .. ..	£1 = \$A2·5	£1 = \$A2·1429
New Zealand <i>g</i> ..	£1 = \$NZ2·0137	£1 = \$NZ2·1429
Nigeria .. ..	£1 = £N1	£1 = £N0·8571

	<i>Before devaluation</i>	<i>After devaluation</i>
Pakistan . . . . .	£1 = Rs13·3333	£1 = Rs11·1885
Seychelles . . . . .	£1 = Rs13·3333	£1 = Rs13·3333
Sierra Leone . . . . .	£1 = Le2	£1 = Le2
Singapore <i>a</i> . . . . .	£1 = \$S8·5714	£1 = \$S7·3469
Swaziland . . . . .	£1 = R2	£1 = R1·7143
Tanzania . . . . .	£1 = 20 shg. T	£1 = 17·1429 shg. T
Trinidad & Tobago . . . . .	£1 = \$TT4·8	£1 = \$TT4·8
Tonga . . . . .	£1 = \$T2·5	£1 = \$T2·1429
Uganda . . . . .	£1 = 20 shg. U	£1 = 17·1429 shg. U
Western Samoa . . . . .	£1 = \$WS2	£1 = \$WS1·7143
Zambia <i>h</i> . . . . .	£1 = £Z1	£1 = £Z0·8571

*a* The Brunei, Malaysia and Singapore dollars replaced the former Malayan dollar in June 1967 without a change in par value.

*b* The Canadian dollar was "floated" free from its I.M.F. par value on 1 July 1970.

*c* Devalued to the same extent as sterling on 18th November but revalued to £1 = £F1·045 on 26th November. A new currency unit, the Fijian dollar, was introduced in January 1969 at the rate of 2 dollars = £F1.

*d* In February 1967 the New Cedi replaced the Cedi at rate of 1·2 old Cedis per New Cedi; in July 1967 the New Cedi was devalued from a rate of £1 = New Ce2·0 to a rate of £1 = New Ce2·8571.

*e* Devalued to the same extent as sterling on 18th November but revalued to £1 = \$HK14·5455 on 22nd November.

*f* A new currency unit, the Jamaican dollar, was introduced on 8th September 1969 at the rate of 2 dollars = £J1.

*g* The New Zealand dollar was introduced in July 1967 at the rate of \$NZ2 = £NZ1 (£1 = £NZ1·0069).

*h* A new currency unit, the Kwacha, was introduced in January 1968 at the rate of 2 Kwachas = £Z1.



## COUNTRY NOTES

### *Australia*

Exports are recorded at transaction value f.o.b. with a theoretical value for goods shipped on consignment.

Imports are recorded at transaction value f.o.b. or domestic value f.o.b. whichever is the higher. "Domestic value" is the value of similar goods on sale for cash for domestic consumption in the country of export.

Exports exclude uranium and certain materials for inter-governmental defence projects.

### *Britain*

Exports exclude:

- (1) used clothing and household goods exported by charitable organisations;
- (2) aircraft, other than newly constructed.

Imports exclude:

- (1) materials such as uranium ore and concentrates;
- (2) aircraft, other than newly constructed. Progress payments for U.S. military aircraft are published in lieu of the value of actual imports.

### *Canada*

Exports are normally valued f.o.b. point of consignment in Canada. This valuation approximates about 95 per cent of the normally accepted definition of f.o.b. value.

Imports are normally valued f.o.b. point of consignment to Canada and the statistical value of imports is usually the value as determined for Customs duty purposes. This valuation is equivalent to just over 90 per cent of normal c.i.f. value.

Imports exclude:

- (1) ships of British construction and registry for use in Canada;
- (2) ships purchased for use in foreign trade.

### *Ghana*

Exports and imports exclude ships and aircraft purchased or sold abroad and not manifested as cargo.

### *Kenya, Tanzania, Uganda*

Direct imports are goods imported from outside the East African Customs Area and entered for consumption or warehousing in either the country of actual import or in either or both of the other two countries.

Net imports are direct imports, as defined above, to which have been added or from which have been deducted imports from outside East Africa subsequently transferred interterritorially. The valuation of these adjustments is c.i.f. point of entry to the East African Customs Area. Both direct and net imports include goods entered for consumption or warehousing which are subsequently re-exported outside the East African Customs Area.

Domestic exports as shown in this report include domestic exports to the other two East African countries as well as outside East Africa.

Exports include re-exports of non-East African goods to points outside East Africa, but exclude trade in non-East African goods between East African countries. This trade is mainly in goods destined for Uganda and northern parts of Tanzania shipped via Mombasa. It is measured by the difference in value between direct and net imports of Kenya.

Exports by parcel post are excluded but imports under this heading are included.

Before 1968 the East African Customs Area excluded Zanzibar.

#### *Malawi*

Exports and re-exports are valued f.o.r. place of despatch.

Imports are valued f.o.b. or f.o.r. place of despatch.

#### *Pakistan*

Exports and imports exclude:

- (1) silver coin and bullion;
- (2) letter and parcel post.

#### *New Zealand*

Exports f.o.b.; detailed import statistics are valued at the current domestic value in the country of export (c.d.v.) which is the basis of most of the New Zealand import statistics in this publication.

Exports exclude:

- (1) goods shipped overseas by relief organisations;
- (2) ships on their own bottoms.

#### *Zambia*

Exports and re-exports are valued f.o.r. place of despatch.

Imports are valued f.o.b. or f.o.r. place of despatch.

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