

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 petroleum products</i>	<i>Machinery and transport equipment</i>	<i>Other manufactures</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 *a*

\$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 <i>b</i>	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 <i>c</i>	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".

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.

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 _a

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>Food</i>	<i>Mineral</i>	<i>Machinery</i>	<i>Other</i>
		<i>(c.i.f.)</i>		<i>fuels</i>	<i>and</i>	<i>manufactures</i>
				<i>lubricants</i>	<i>transport</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 ^a
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 ^a
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
Total all countries					130.7	133.6	167.4	193.9
Of which:								
Commonwealth					74.8	75.6	93.6	107.9
E.E.C.					9.9	10.7	13.2	22.7 ^a
EFTA (Continental)					3.0	3.3	3.8	4.8 ^a
Eastern Europe					0.6	0.7	0.6	0.5

^a 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
Total all countries	9,866	11,075	12,358	14,202	13,939
Of which:					
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 ^a
1970	1,119	440	237 ^a

^a 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	^a
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	^a
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 ^b
Eastern Europe	151	102	154	157	169

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

^b 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 ^a ..	1,071	159	63	406	604

^a 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
Maldivc 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
Total all countries	2,024	1,734	2,168	2,538	2,308
Of which:					
Commonwealth	730	614	755	962	918
E.E.C.	220	267	257	324	274
EFTA (Continental)	42	40	36	47	28 ^b
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
Total all countries	31.8	34.8	39.8	44.0
Of which:				
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
Total all countries	49.7	55.7	67.3	75.8
Of which:				
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 ^a ..	6.5	3.1	2.3	0.9

^a Provisional.

TABLE 28
EXPORTS FROM THE GAMBIA *a*

£ million

	1965-66	1966-67	1967-68	1968-69	1969-70 ^b
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
Total all countries	5.1	6.3	5.3	7.3	6.5
Of which:					
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

	<i>Total</i> <i>(c.i.f.)</i>	<i>Food</i>	<i>Machinery</i> <i>and</i> <i>transport equipment</i>	<i>Other</i> <i>manufactures</i>
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 ^a	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 ^b
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

	Cocoa	Timber	Bauxite	Manganese ore	Diamonds
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 ^a	39.5	1.4	7.0	13.9
Jan.-Aug.					
1969	140.2	25.7	1.1	4.7	11.5
1970	247.2 ^a	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 ^a
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 ^b	135.7 ^b
Total all countries	172.1	219.1	309.0	362.7 ^b	444.0 ^b
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 ^a
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

^a 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 ^a
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
Total all countries	186.4	197.4	215.0	242.0	269.5
Of which:					
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

^a 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 ^a
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
Total all countries.. ..	202.0	225.3	219.2	235.8	268.0
Of which:					
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 ^b	0.8 ^b

^a Annual rates based on latest data.

^b 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

Exports from Hong Kong

\$HK million

	Exports (f.o.b.)		Domestic exports (f.o.b.)			
	Total	of which re-exports	Total	Textiles	Clothing	Other manufactures
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 ^b
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 ^c	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 ^b
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 ^c	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 ^a
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	..	..	..

^a 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 ^a
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 ^b	8.8 ^b	10.1 ^b

^a Annual rates based on latest data.

^b 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 ^a
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

^a 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 a

£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. ^b					
1969 ..	0.5	4.8	11.1	33.1	24.2
1970 ..	1.1	6.8	12.0	41.8	29.4

^a See Notes on Statistics.

^b Principal commodities only. Excluding inter-territorial trade.

TABLE 41
NET IMPORTS INTO KENYA ^a

£K million

	1966	1967	1968	1969	1970 ^b
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

^a See Notes on Statistics.

^b 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 ^a
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
Total all countries	16.8	20.5	20.0	22.0	24.4
Of which:					
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	—	—	—	—	..

^a 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

		Food	Basic materials	Mineral fuels	Machinery and transport equipment	Other manufactures (incl. base metals)
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	1970a
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	b
Netherlands	0.2	0.3	0.3	0.4	b
Iran	0.7	0.9	1.1	1.3	b
Japan	1.3	2.1	1.4	1.6	2.0
Mozambique	0.3	0.3	0.4	0.3	b
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
Total all countries	27.1	25.4	29.1	30.7	35.5
Of which:					
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	..

a Annual rates based on latest data.

b 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

	Rubber	Tin	Vegetable oils	Iron ore	Timber	Petroleum and petroleum products	Oil seeds and nuts	Coffee, tea, cocoa and spices
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 ^a	45 ^b
1970 ..	1,334	758	218	90	634	249	13 ^a	44 ^b

^a Copra and palm kernels only.

^b Pepper only.

TABLE 44
EXPORTS FROM MALAYSIA

\$ (Malaysian) million

	1966	1967	1968	1969	1970 ^a
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

^a 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	476	499	804	866
1969	..	727	489	483	842	912
Jan.-Sept.						
1969	..	525	222 ^a	363	607	761 ^b
1970	..	562	245 ^a	380	858	925 ^b

^a Basic materials only.

^b Includes base metals.

TABLE 45
IMPORTS INTO MALAYSIA

\$ (Malaysian) million

	1966	1967	1968	1969	1970 ^a
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

^a 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 ^a
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

^a 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.

		<i>Imports into Malta</i>				
		£ 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 ^a
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

^a 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 ^b	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 ^a
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

	<i>Total</i>	<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 ..	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 ^a
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	..

^a 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 ^b	2,342,877 ^b

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 ^b	3.0	8.9	86.4
1970	49.1	6.4	3.6	24.8 ^b	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 ^a
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

^a 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 ^a	11.4	46.2	76.1 ^b
1970	19.1	5.3 ^a	8.9	84.6	104.2 ^b

^a Basic materials only.

^b Includes base metals.

TABLE 53
IMPORTS INTO NIGERIA

£N million

	1966	1967	1968	1969	1970 ^a
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

^a 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 ^a	1970 ^a
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 ^b	15.3 ^b
EFTA (Continental)	0.6	0.2	2.6	..	..
Eastern Europe	—	—	0.1	..	..

^a Annual rates based on latest data.

^b 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 ^a	5.7	16.5	35.1 ^b
1969 ..	93.0	15.4	2.0 ^a	5.7	22.2	44.1 ^b
1970 ..	96.9	20.4	1.9 ^a	4.6	25.0	40.9 ^b

^a Basic materials only.

^b Includes base metals.

TABLE 57

IMPORTS INTO SIERRA LEONE

Leones million

	1966	1967	1968	1969 ^a	1970 ^a
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
Total all countries	71.0	65.3	75.4	93.0	96.9
Of which:					
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	..	..

^a Annual rates based on latest data.

^b Included, if any, in "Other Commonwealth".

^c 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 ^a
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
Total all countries <i>b</i>	3,147	3,222	3,564	4,434	4,381
Of which:					
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 ^a
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 ^a	11.8	11.1 ^a	11.0	5.3

^a 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 ^b
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 ^a

	£T million				
	1966	1967	1968	1969	1970 ^b
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
Total all countries	79.9	78.7	91.6	85.4	110.1
Of which:					
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

^a Tanganyika only for years 1966-67. See Notes on Statistics.

^b 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
Total all countries	3.6	3.6	3.8	3.4
Of which:				
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	1970 ^a
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 ^a
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 ^b	14.1 ^b
Eastern Europe	2.4	2.5	3.0	..	..
LAFTA	277.1	324.5	393.5	371.6	289.0

^a Annual rates based on latest data.

^b 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 ^a
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
Total all countries	77.5	78.1	77.0	80.1	102.9
Of which:					
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

^a 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. ^b						
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

^a See Notes on Statistics.

^b Principal commodities only. Excluding inter-territorial trade.

TABLE 68
NET IMPORTS INTO UGANDA ^a

	£U million				
	1966	1967	1968	1969	1970 ^b
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 ^a ..	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 ^a	0.3	1.4	2.6 ^a
1970 ..	2.4	..	0.4	2.5	..

^a 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
Jan.-June						
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 ^a
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
Of which:					
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

^a 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 ^a	18.5	59.4	51.0 ^b
1970 ..	14.3	6.7 ^a	20.3	66.5	63.2 ^b

^a Basic materials only.

^b Includes base metals.

TABLE 74

IMPORTS INTO ZAMBIA

K million f.o.b.

	1966	1967	1968	1969	1970 ^a
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

^a Annual rates based on latest data.