COMMONWEALTH TRADE 1969

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Introduction

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

While the volume of intra-Commonwealth trade has grown, its percentage of total world trade has tended to decline as member countries established additional links with non-Commonwealth countries and sought new markets. Nevertheless, the existing financial and trade links within the Commonwealth are of such importance and magnitude as to warrant special attention.

Intra-Commonwealth exports in 1969 aggregated £4,826 million as against £4,443 million in 1968, although the proportion of this trade to the world exports of Commonwealth countries declined from 24 to 23 per cent.

Trade is influenced by individual and business associations, and while all members of the Commonwealth are outward looking with regard to trade, they do not minimise the importance of maintaining and building on the friendships and associations that exist within the Commonwealth to expand their trade and trading opportunities. Business associations and financial links in Commonwealth countries have led to a number of joint ventures in agriculture and industry, and there are growing opportunities for joint investment and participation in projects of mutual benefit to member countries.

Commonwealth Trade Ministers have on several occasions stressed the fact that, while seeing the Commonwealth in the context of the widest global relationships, there is considerable scope and opportunity for Commonwealth countries to consult and act in concert in the protection of their mutual interests in trade and development.

Commonwealth countries include some of the largest producers of a number of primary commodities, and there is a considerable volume of trade within the Commonwealth and outside in these commodities. Commonwealth countries therefore enjoy considerable influence in international forums on trade and have actively supported international arrangements for price stabilisation for primary commodities. It was the Commonwealth that took the initiative as far back as December 1951 in establishing the Commonwealth Sugar Agreement between major importing and exporting countries in the Commonwealth. The benefits conferred by the Commonwealth Sugar Agreement are real and substantial for exporting countries but it is by no means a one-sided agreement. At times of shortage and of high prices, the countries importing sugar have been assured of supply at the negotiated price. There are similar commodities of great interest both to Commonwealth and non-Commonwealth countries where consultation within the Commonwealth could perhaps lead the way for international arrangements to support price stabilisation so necessary for the producing countries. Some examples are jute, cocoa and tea, where major producer and consumer interests are represented within the Commonwealth, which also has special knowledge of the problems involved.

The Commonwealth today is not an economic bloc with common trading purposes, nor does it seek to formulate a position based on self-interest in order to influence the development of international trading relationships and policies. Nevertheless, its membership composes a very representative cross-section of both the richer and the poorer countries, and it has demonstrated its capacity for providing a forum in which the diverse and frequently conflicting trading interests of countries can be discussed intimately without an atmosphere of confrontation. This gives special value to the Commonwealth association in helping to meet new challenges in the field of international economic relationships and economic policy.

It is in this spirit that Commonwealth Ministers meet prior to international meetings to consider broad questions of international economic policy and strategy. Thus heads of Commonwealth delegations to the first UNCTAD Meeting at Geneva in 1964 and to the second UNCTAD Meeting in Delhi in 1968, held a number of Commonwealth meetings to discuss matters of mutual concern with a view to understanding issues and formulating international policies to the mutual advantage of member countries. More recently, there have been informal consultations among Commonwealth representatives at Geneva on the question of Generalised Preferences and their likely impact on existing Commonwealth Preferences and generally on the trade of Commonwealth countries. Discussions at these meetings have been facilitated by a number of background papers prepared by the Secretariat in consultation with member countries.

The Commonwealth Secretariat maintains liaison with international economic organisations such as UNCTAD, GATT, the World Bank and the F.A.O., as requested by Commonwealth Heads of Government. At their meeting in January, 1969, Prime Ministers recognised that more orderly and satisfactory markets for primary products were crucial for Commonwealth countries, and stressed the need for further efforts by Commonwealth countries in international forums to secure improved conditions for international commodity trade, including better access to markets in both developed and developing countries and equitable and stable prices for primary products. They stressed the dangers of excessive protectionism in a number of foreign industrialised countries for agricultural products of export interest to Commonwealth countries. While they recognised that Commonwealth trade must be seen in the larger context of global trade of which it was a vital part, they agreed that there was continuing scope for the expansion of Commonwealth trade and that for this purpose there was need to strengthen the well-established links among Commonwealth members.

This publication, "Commonwealth Trade 1969", which is one of the series of trade and commodity publications issued by the Commonwealth Secretariat, reviews the main features of the external trade of individual Commonwealth countries and of the Commonwealth as a whole. Special sections incorporate the prominent features of the trade of Commonwealth countries and their important trading partners—both individual countries and groups—outside the Commonwealth. It attempts to present a picture of Commonwealth trade in the context of world trade with the object of providing a source of ready reference for use by Commonwealth Governments and organisations. To this have been added short reviews of the general situation in regard to international trade policy and commodity trends and arrangements.

The Secretariat also undertakes research and provides economic intelligence on commodities of special interest to Commonwealth countries. Its Commodity Division produces regular series of reports on various products such as dairy produce, meat, fruit, industrial fibres, grain crops, plantation crops, vegetable oil and oil seeds, and keeps members informed of various developments in the international study of commodity problems.

Measures for expansion of Commonwealth trade naturally go beyond these studies. Export promotion has been recognised as a vital part of the development plans of member countries. In pursuance of a decision by a meeting of Commonwealth Governments that a feasibility study should be undertaken by the Secretariat on a Commonwealth initiative in the export market development field for Commonwealth countries, a four-man study team was appointed in 1968 and has recently concluded its work. It is hoped that consideration by Commonwealth Governments of the report, and of the recommendations embodied in it, may further the objective of expanding the trade of Commonwealth countries and thereby accelerate their economic development.

PART I

General Review

THE COMMONWEALTH IN WORLD TRADE

Summary

The year 1969 was one of consolidation for Commonwealth trade after the events of 1966 and 1967, including the series of currency devaluations, in which most Commonwealth countries had participated except Australia, Canada, Pakistan, Malaysia, Singapore, Zambia, Nigeria and the members of the East African and South African customs areas. With commodity prices favourable to producers in 1969, notwithstanding significant and important exceptions, and the continuance of the "green revolution" in India and Pakistan, the Commonwealth shared in the expansion of world trade at a record pace.

As detailed in the relevant sections of this general review, there was no striking change in the orientation of Commonwealth trade which, at least on the side of imports, showed no variation measurable to the nearest percentage point (Table 15). Commonwealth exports rose from £18,171 million in 1968 to £20,559 million in 1969. Within this total a smaller proportion went to the United States, as was only to be expected in view of the slower expansion of this market, while greater shares naturally went to the expanding economies of the E.E.C. and Japan. Although the tendency continued for intra-Commonwealth trade to fall relative to the total trade of Commonwealth countries, the exchanges between Commonwealth countries rose by 9 per cent (as measured on the side of exports), or by 7 per cent (imports). These are high rates of increase by any standards.

Trends in international trade

The year 1969, like its predecessor, turned out towards the end to have been exceptionally favourable to world trade, and in this respect it belied earlier expectations of some of the most well-informed observers of the economic and trade scene. The volume of world production increased by about 5 per cent, compared with 6 per cent in 1968 and 4 per cent in 1967: and in spite of a slight deceleration of economic growth, confined to North America and the United Kingdom, world exports increased by about 15 per cent in value—the highest rate for nearly two decades.

Perhaps in view of the efforts of the United States authorities to bring about an improvement in the U.S. balance of payments, a more marked effect on the growth of the world trade had been widely expected. This was especially the case at the beginning of 1969, following the extraordinary growth of U.S. imports in the preceding year, and in view of the new monetary policies which, in the United States and on international capital markets, were accompanied by the highest level of interest rates for a long time. In the event, however, the growth of world trade accelerated to a rate exceeding the 11 per cent recorded in 1968.

In terms of volume, world trade grew at not very disparate rates in both the years, since a part of the 1969 value increment was due to inflation of the general level of export prices, amounting to about 3½ per cent. In the preceding year, by contrast, export prices had shown a slight decline. Thus after export prices had been adjusted for price movements the increase in the volume of world exports could be estimated at about 10 per cent for 1969—rather less than the 12 per cent gain of the previous year, which was the largest recorded for post-war years.

The expansion of world trade over the greater part of 1969 reflected an unusually fast growth of import demand in all industrial countries except the United Kingdom and the United States, combined with sustained growth of imports into developing areas. The United States and the United Kingdom, which together account for not quite a quarter of world imports, contributed only about an eighth of the growth of world imports in 1969, whereas the E.E.C., which accounts for nearly a third of world imports, contributed more than half of the increase. The expansion of U.S. imports by only 9 per cent in 1969, compared with about 24 per cent in the previous year, undoubtedly had some effect on Canada, for example, although the structural integration of Canadian with U.S. industry tended to minimise the effect. British exports to the United States, which had shown a phenomenal rate of growth in 1968, did no more than mark time for the year under review. Thus the record level of growth of world trade as a whole was largely because the European Community, which now imports half as much again as the United States, was experiencing an exceptional boom, and sucked in over 20 per cent more imports. So the rate of growth of U.S. imports dropped by two thirds without significantly cutting the growth of world trade as a whole. The import growth of Japan, Canada and of the West European countries other than the Six was about the same as the world average in 1969, and that of the developing countries as a whole was only slightly smaller.

As shown in Table 1, the U.S. share of world exports recorded a marked fall, to emphasise a trend which has developed since 1966: the fall in its share of world imports, on the other hand, was in reversal of a tendency for its imports to grow disproportionately as the economy was operated close to full capacity. Towards

TABLE 1

WORLD TRADE BY MAJOR AREAS *a*

	1965	1966	1967	1968	1969
	£ thousand million (f.o.b.)				
World exports *b*	59·1	64·8	68·0	88·7	101·3
of which Commonwealth	12·8	14·0	14·3	18·4	20·9
	percentages of world exports				
Commonwealth	21·6	21·5	21·1	20·8	20·7
United States	16·6	16·8	16·6	16·3	15·6
Latin America	6·3	6·1	5·8	5·4	..
European Economic Community	29·0	29·0	29·5	30·2	31·2
EFTA (Continental)	7·8	7·6	7·8	7·6	7·7
Japan	5·1	5·4	5·5	6·1	6·6
Rest of world *b*	13·6	13·6	13·7	13·6	18·2 *c*
	£ thousand million (c.i.f.)				
World imports *b*	62·5	68·6	72·3	93·7	106·0
of which Commonwealth	15·0	15·8	16·6	20·8	22·5
	percentages of world imports				
Commonwealth	24·0	23·0	23·0	22·2	21·2
United States	13·2	14·4	14·2	15·8	15·1
Latin America	5·0	5·1	5·0	4·9	..
European Economic Community	28·1	27·9	27·2	27·6	29·8
EFTA (Continental)	9·2	9·0	8·9	8·5	8·6
Japan	4·7	5·0	5·8	5·8	5·9
Rest of world *b*	15·8	15·6	15·9	15·2	19·4 *c*

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

b Excluding the trade of Eastern European countries, China, North Korea, North Vietnam and Cuba which according to available data would have added some 15 per cent to the world total for 1965.

c Including Latin America.

the end of 1969, real national output in the United States actually declined, mainly as a result of the restrictive monetary policies in force.

The Commonwealth share of world exports showed little change, although it was subject to a number of adverse influences, especially those emanating from the United States which affected Britain and Canada, among others, and the weakness of some markets for wheat and wool. Canadian wheat sales to the Soviet Union and China were lower in 1969, and protracted work stoppages due to strikes at the mines and mills of leading producers cut exports of iron ore by a quarter. As against this, however, devaluation of sterling and a number of other currencies at the end of 1967, which had depressed export values in the first half of the following year, clearly began to have its desired effect in 1969 when the British export performance started showing encouraging results. In addition, many developing countries of the Commonwealth felt the beneficial effects of generally firm markets for tropical produce and non-ferrous metals. Largely because British imports were successfully held down to such small proportions in 1969, thus helping to bring about a major turnround for the better in the balance of payments, and a major accession of strength to the pound sterling, the Commonwealth share of world imports continued to decline.

The European Economic Community's share of world exports increased by one percentage point and its share of world imports by over two points. The Japanese share of world imports still showed no very significant change, while its share of exports bounded ahead once more as the value of its overseas shipments rose by a quarter. As from 1969, Japan took the place of Canada as the fourth trading nation of the world after the United States, the Federal Republic of Germany and the United Kingdom.

As usual trade in manufactures rose faster than total trade in 1969, industrial countries' exports faster than primary producers' exports, and industrial countries' trade with one another, particularly in Europe, faster than their trade with the rest of the world. There was, however, little change in the balance of trade between the members of O.E.C.D. and other countries.

From less detailed information on the trade of developing countries it would seem that their total exports increased by about 9 per cent in 1969, about the same as in 1968. In view of the increase in commodity prices, the rise in volume terms would have been smaller. Export growth was more rapid in Africa, the Middle East and South and East Asia than throughout Latin America. According to a preliminary announcement by the GATT Secretariat the main beneficiaries of this trade expansion, apart from petroleum exporting countries, were developing countries having a special interest in the Japanese market, as well as those whose exports comprised a relatively important proportion of manufactures. A number of countries also benefited from the large price increases of certain primary commodities such as copper, rubber, cocoa and, towards the end of the year and the early part of 1970, coffee.

According to provisional data published by the United Nations, exports of manufactured goods by industrialised countries in 1969 rose some 15 per cent above the level of the preceding year in terms of value. The unit value index for these exports went up by about 3½ per cent, a fraction less than the increase in the price index for primary commodities and substantially less than the rise in the index for non-ferrous metals. Thus the terms of exchange between manufactures and primaries in 1969 moved somewhat to the advantage of the latter.

The main features of the monetary situation having a close bearing on the valuation of trade in 1969, and the course of trade in succeeding years, have been the devaluation of the French franc by 11·1 per cent in August, followed by an upward adjustment of the D Mark from 30 September and its revaluation by

9·29 per cent on 24 October. It was thought that these measures at least temporarily removed some of the most pressing doubts about the international monetary system, although there was public discussion on the valuation of the Japanese yen, and the course of American policy in relation to its balance of payments continued to be closely watched. An accord was reached between the I.M.F. and the South African Reserve Bank on gold sales under the two circuit system. This, together with the end-of-year I.M.F. announcement of an average 35 per cent increase in quotas and an allocation of special drawing rights equivalent to 16·8 per cent of Fund quotas for participating countries (Singapore being the only non-participating Commonwealth country) seemed calculated to allay apprehensions on the score of international liquidity for the time being.

International trade policy

In the field of tariff reductions under the auspices of GATT, Canada unilaterally applied the final post-Kennedy rates as from 4 June 1969 and cuts were made by other countries in accordance with the original time schedule. Although legislation had been sent to the U.S. Congress by the Johnson Administration for the abolition of the A.S.P. system of duty valuation of certain chemicals, it did not reach the statute book. The other signatories of the Kennedy Round Protocol to the GATT agreed to leave open to the end of 1970 their offer to make the reciprocal concessions agreed upon. As regards the possibility of a resumption in the near future of substantive GATT negotiations, even after the urgent request of the GATT Director-General, members attending the February 1970 session were unable to authorise preparations for a new round leading to further reduction of tariffs and a concerted attack on non-tariff barriers. A major reason for this was the E.E.C.'s plea about the preoccupation of senior officials of its member countries with negotiations on the applications for membership of the Community.

The "Hague Summit" of heads of government of the Six, held in December 1969, was in some respects the most significant event of the year having a bearing on Commonwealth trade. At this meeting a major impediment to British membership of the E.E.C. was removed. After completion of outline arrangements for the financing of the Common Agricultural Policy and the Community institutions, and after filling in the details of the agricultural package deal (which finally went forward in April 1970 with an agreement on technical aspects of the internal policy for wine), it became virtually certain that negotiations for the adhesion of Britain, the Irish Republic, Denmark and Norway to the European Community would be proceeded with. About a year earlier, in mid-1969, the second Yaoundé Convention and the second Arusha Convention had been signed. These, however, still await complete ratification.

The question of generalised preferences, which again has a close bearing on the trade of Commonwealth countries, especially the developing ones, continued to be the subject of discussion during the year. The first meeting of the UNCTAD Special Committee on Preferences had taken place in November 1968 to record the progress made by preference-offering countries—mainly O.E.C.D. members—in preparing their proposals. During most of 1969, work was carried forward in several venues, mainly in the O.E.C.D., and UNCTAD, and the atmosphere of confrontation that had been detected in earlier negotiations gradually gave way to mutual understanding, as seemingly less rigid positions were taken up. Repeated setbacks to the timetable originally drawn up by UNCTAD, occasioned mainly by the re-thinking of its foreign economic policy by the new Administration in the United States, while causing disappointment among developing countries, served to some extent to soften some of the sharp edges of the controversy. The fourth protocol to the second Yaoundé Convention, when it was signed in July, stated that "The provisions of the Convention and in particular of Article 3 shall not constitute an obstacle to the realisation of a generalised system of preferences, nor to the participation of the Association States in such a system." A similar formula was drafted into the revised Arusha Convention.

On 14 November 1969, the O.E.C.D. submitted a Report to the Secretariat of UNCTAD in accordance with the earlier undertaking. The report consists of two parts, the first covering the main characteristics of a scheme of generalised preferences as seen by developed market economy countries, and the second covering individual submissions of the eighteen countries involved, i.e. the E.E.C., the Nordic countries (Denmark, Finland, Norway, Sweden), Austria, Canada, the United States, the Irish Republic, Japan, the United Kingdom, Switzerland and New Zealand. Australia participated in the discussions in the O.E.C.D. but indicated that it intended to continue the progressive development of its own system of preferences for developing countries.

These provisional proposals of the O.E.C.D. countries were discussed at the fourth session of the Special Preferences Committee of UNCTAD in April 1970. The main purpose of this meeting was to acquaint the preference-offering countries with the view of beneficiary countries on the tentative proposals already published. Informal consultations were held by representatives of Commonwealth countries at the same time. The exchange of views in both the Commonwealth and the UNCTAD forums proved useful and work is still proceeding within the O.E.C.D. with a view to resolving to the extent possible the differences in approach, before the resumed fourth session of the Committee considers the matter again and submits its Report to the Trade and Development Board of UNCTAD.

At the ninth session of the UNCTAD Trade and Development Board in September 1969 a resolution was adopted, with 43 countries in favour and with seven abstentions, laying down general directives for implementation of a supplementary financing system which would to some extent insure the developing countries against the risk of having their economic development disrupted as a result of the considerable fluctuations experienced in export proceeds from one year to the next. Among the abstentions, particular mention may be made of France, which adhered to the principle that stabilisation of receipts could more easily be obtained by the stabilisation of markets, and Belgium, which was unable to accept that supplementary funds should not be linked with the stabilisation of prices. It was generally recognised that fluctuations in export proceeds, including invisibles in some cases, could indeed jeopardise development plans. The resolution requested I.B.R.D. to work out intervention schemes and to apply them should opportunity present itself.

Commodity trends and arrangements

The year 1969 was full of striking contrasts and marked price changes in world commodity markets. Wheat prices slumped, wool prices fell sharply (crossbred to the lowest level for about 10 years) especially during the latter half, and the depression in the tea market worsened. On the other hand boom conditions were encountered by all metals, rubber and (after a weak start to the year) by coffee and oils and fats. Several new attempts were made to bring more stability to commodity markets. The first steps towards regulatory agreements were taken for tea and sisal; Asian coconut producers formed a joint agency; and facilities were offered by the I.M.F. and I.B.R.D. for relatively easy financing of buffer stocks or other operations aimed at stabilisation of markets. Progress was limited, however. The cocoa negotiations ended with no result, and each of the major international agreements already in operation came under great stress. For wheat, sugar and coffee, prices at some points of the year sank below the agreed price range: for tin, and later in the year coffee, they rose above it.

The International Sultana Agreement between Australia, Greece and Turkey came close to collapse in the early part of 1970.

Commodity prices in general, however, showed increases, comparing average quotations in 1969 with the averages of the preceding year. The most notable rises were in prices of non-ferrous metals. According to the indices published by the National Institute of Economic and Social Research in London, export prices of all "commodities" were on average 10 per cent higher in 1969 than in the preceding year. While prices of non-ferrous metals showed an average rise of 16 per cent, the increases in the cases of foodstuffs and agricultural raw materials were 10 per cent and 6 per cent respectively. However, the price indices of world exports by commodity classes, compiled by the United Nations Statistical Office, show smaller rises for 1969 compared with 1968: the rise for primary commodities amounted to 4 per cent on this basis and 9 per cent for non-ferrous base metals.

Apart from special factors which affected prices for particular commodities, such as strikes in the copper mining industry and poor harvests of coffee, pepper and sunflower, two general economic factors underlay the rise in commodity prices in 1969. These were, first, the strong economic expansion in Western Europe and Japan, and second, the monetary uncertainty which prevailed during the first half of the year and which led to speculative buying in commodities.

Among the principal foodstuffs the most striking rise in price was that of 68 per cent in the free market price of sugar following the entry into operation of the new International Sugar Agreement at the beginning of 1969. Although the price at the end of the year under review had fallen below the lowest price mentioned in the Agreement, the average price of 3·2 cents/lb was the highest recorded since 1964. In the first four months of 1970, free market sugar prices in London made a strong recovery, the London daily price reaching a peak of over £40/ton, which compares with the negotiated price of £43 10s 0d under the Commonwealth Sugar Agreement.*

Another notable rise was that in the case of coffee, prices of which went up 25–30 per cent in the second half of 1969. A declining trend during the first half of the year was reversed in July when a reduction in export quotas coincided with the news of severe frost damage in Brazil. The International Coffee Organisation's indicator prices for all coffees rose from 35·4 cents/lb in July 1969 to 46·3 cents/lb in December, and prices of each of the four main grades of coffee exceeded the ceilings fixed by the Organisation in the 1969–70 season, particularly so in the case of arabica coffees. For the year 1969 as a whole, however, the average price of all coffees was only 3 per cent higher than in 1968. In spite of even higher prices and shortages the International Coffee Council ended its quarterly meeting in March 1970 without deciding on any fresh measures concerning export quotas and prices.

The average price for pepper in 1969, which was 25 per cent higher than in the previous year, was the highest reached since 1960.

Despite a fall in December 1969, the average spot price of Ghana cocoa in New York reached 45·7 cents/lb, a level slightly higher than the average for 1968. Prices for the year as a whole showed less fluctuation than in the preceding year. Over 1·3 million tons of cocoa were produced throughout the world during the crop year 1969–70 making it out to be the second largest crop in history and exceeding the much reduced consumption for the first time in 5 years. It was expected that the low level of stocks would on this occasion slow down any

* Plus variable payments of from £1 10s 0d to £4/ton.

decline in prices in 1970, but this did not happen. Financial problems arising from falling stock markets had a depressing effect, and the July delivery contract on the London cocoa futures market in May, 1970, at about £270/ton, compared with average second position quotations of £400/ton in 1969.

During most of 1969, movements in the prices of the two main groups of vegetable oils and oilseeds were notably divergent. Until August, prices of soft oils fluctuated while those of lauric oils declined. Subsequently, prices of both groups of oils rose. In 1969 as a whole, however, prices of soft oils showed rises of between 10–25 per cent compared with 1968, while those of lauric oils suffered falls of 10–15 per cent. The surpluses of sunflower and fish oil supplies, which had overhung the market in 1968, disappeared during the course of the following year as a result of some crop failures and a sharply reduced catch of the Peruvian anchoveta. The good soya bean crop in the United States was insufficient to fill the gap.

The recovery of natural rubber consumption in 1968 and 1969 was reflected in a recovery of prices from March 1968 onwards, the rise being particularly marked in 1969. Although the average price of RSS1 rubber in Singapore in 1968 was no higher than the depressed level of 1967, the average for 1969 showed a rise of almost a third compared with the two previous years, as high demand almost everywhere—and particularly in the United States, Western Germany, China and Eastern Europe—coincided with the cessation of American stockpile releases.

Following a steep decline in the first half of 1969, reflecting the existence of exceptionally heavy stocks in the United Kingdom, tea prices recovered in the last 5 months of the year. Though partly seasonal, the recovery also owed something to a reduction of stocks due to a strike on Indian tea plantations. Nevertheless, the average price of tea in 1969 showed a further fall of about 6 per cent, compared with the preceding year, to a level which was 22 per cent below that of 1967.

In December 1969, countries accounting for 94 per cent of world exports of tea (excluding centrally planned economy countries) confirmed their intention to remove some 90 million lb of black tea from the 1970 export market, in line with the scheme agreed upon some four months earlier at a conference in Mauritius. This measure, which was designed to hold world market prices for tea as near as possible to the 1968 level, was welcomed by importing countries. Prices in 1968 were the lowest for 15 years, and it was estimated that without the implementation of the Mauritius plan, the average price per lb at the London auctions for 1970 might fall by another 4–6d. The agreement is, however, entirely voluntary: there is no enforcement and there is no means of stopping the spread of tea cultivation to more areas. A marked feature of 1969 was the increase of tea consumption in India attributed by trade experts to a general rise in incomes, following the two very good monsoons which boosted agricultural production. If the "green revolution" and plans for industrial development in India prove to be as beneficial as is hoped during the current decade, India's exportable surplus of tea may be expected to dwindle further.

The principal exceptions to the general rise in price levels in 1969, apart from tea, were wheat, rice, cotton and wool. After being in chronic deficit for practically the whole of the post-war period, rice is now once again in plentiful supply and prices have eased back considerably. Japan, owing to heavy subsidies to its farmers, found itself encumbered in 1969 with an accumulated surplus of over 5½ million tons of rice.

The fall in world import demand and the high levels of production and stocks in the principal exporting countries kept wheat prices below the minimum specified in the International Wheat Agreement throughout 1969. The successful introduction in India of a new type of wheat, supported by more modern cultivation, could make that country self-sufficient by 1971. In Ottawa, in the early part of 1970, representatives of the United States, Australia, Argentina and the European Economic Community joined Canada for a discussion on action toward the curtailment of world wheat production, to meet the demands of importing countries under the International Wheat Agreement. Earlier, the Canadian Government had announced completion of a national programme for limiting cereals production, including the granting of bounties for the reconversion of cereals-growing areas.

COMMONWEALTH TRADING PARTNERS

Intra-Commonwealth trade

As shown in Table 2, total exports of all Commonwealth countries to all destinations rose from £18,171 million in 1968 to £20,559 million in 1969. These data are on a Customs clearance basis and are at national values, unlike the series shown in Table 1. They represent an increase amounting to 13 per cent for the year, which is close to the rate of expansion of world trade. Exports of Commonwealth countries to each other increased very substantially but at not quite the same rate, so that the intra-Commonwealth proportion of total Commonwealth exports declined slightly to 23 per cent. It will be seen that while British exports to other Commonwealth countries, and the exports of other Commonwealth countries to each other, did exceptionally well, exports of other Commonwealth countries to Britain moved up by a mere £30 million—a reflection of British economic policy, the import deposit scheme and high interest rates, which were overwhelmingly directed towards improving the British balance of payments and the strength of sterling.

Substantially the same picture is presented by an examination of the statistics on the side of imports, although in this case, as Commonwealth imports from the world as a whole rose by only 8 per cent, the intra-Commonwealth proportion of this trade held steady—at least to the nearest percentage point.

More detailed statistics of intra-Commonwealth trade are set out in Appendix Tables II to IX. As already noted, the average proportion of Commonwealth exports going to other Commonwealth countries went down from 24 per cent in 1968 to 23 per cent in 1969; declines of a like order of magnitude affected most countries individually listed in Appendix Table III. In the case of Pakistan,

TABLE 2

INTRA-COMMONWEALTH TRADE *a*

£ million

	1965	1966	1967	1968	1969*b*
Exports and re-exports from the Commonwealth:					
United Kingdom to other Commonwealth countries	1,335	1,297	1,219	1,394	1,543
Other Commonwealth countries to United Kingdom	1,435	1,431	1,359	1,620	1,650
Other Commonwealth countries to each other	1,188	1,173	1,241	1,429	1,633
(1) Total intra-Commonwealth	3,958	3,901	3,819	4,443	4,826
(2) Total to all countries	12,713	13,785	14,177	18,171	20,559
(1) *as a percentage of* (2)	*31*	*28*	*27*	*24*	*23*
Imports into the Commonwealth:					
United Kingdom from other Commonwealth countries	1,673	1,590	1,574	1,790	1,874
Other Commonwealth countries from United Kingdom	1,419	1,349	1,264	1,500	1,610
Other Commonwealth countries from each other	1,118	1,144	1,218	1,397	1,526
(1) Total intra-Commonwealth	4,210	4,083	4,056	4,687	5,010
(2) Total from all countries	14,585	15,140	16,307	20,088	21,605
(1) *as a percentage of* (2)	*29*	*27*	*25*	*23*	*23*

a Sum of individual country valuations.

b Actuals, or annual rates based on latest data.

however, the proportion of her exports going to other Commonwealth countries rose from 24 per cent to 37 per cent, reflecting a large increase in recorded shipments of raw jute to Singapore. Ghana also provided an exception to the general experience, the proportion of her exports going to other Commonwealth countries having risen year by year from 20 per cent in 1965 to 32 per cent in 1969. This is a reflection of the reorientation of trade from the earlier situation in which a larger proportion of exports had been earmarked to liquidate bilateral balances with Eastern Europe. The proportion of the exports of East African countries going to other Commonwealth countries (including their own inter-territorial trade) has shown no apparent tendency to decline since 1965 and indeed, in the case of Uganda, the proportion has increased from 41 per cent to 47 per cent, mainly due to shipments of coffee to Britain at higher world prices.

Against the general trend of recent years one or two countries, especially exporters of sugar and bananas from the Commonwealth Caribbean, show relatively stable proportions of exports going to Britain—as is not surprising in view of the regulated nature of this trade. In 1969, however, such was the effect of drought and shipping difficulties on supplies from the Jamaica Banana Board that the restrictive British quota (4,000 tons) on supplies from the dollar area had to be relaxed to make good a shortfall in Britain. It may be mentioned, also, that in the case of Jamaica the proportion of her imports derived from Commonwealth countries has not shown a parallel stability. The percentage shares of the Commonwealth in Jamaican imports fell year by year, from 43 per cent in 1965 to 33 per cent in 1969, as a result of the inexorable gains made in this market by the United States.

In May 1970 representatives of the governments of Barbados, Jamaica and St. Kitts-Nevis-Anguilla held discussions with the Canadian Government to discuss its decision to terminate the 1966 Ottawa Agreement, under which Caribbean sugar suppliers received a rebate on sugar shipments to Canada equal to the amount of import duty payable. This worked out to 29 cents per 100 lb—the amount of the preferential rate of duty, compared with the m.f.n. rate of $1·29/100 lb. The rebate system was a special concession given by Canada to aid Caribbean producers at a time when world sugar prices were extremely low. The rebate system was limited to 175,000 metric tons, but actual shipments (after filling Commonwealth Sugar Agreement and U.S. quotas) fell well below that figure from 1966 to 1969 owing to poor crops. The Canadian Government has proposed endowing an Agricultural Development Fund with $EC 10 million as an acceptable substitute, in present conditions of higher prices and lower productivity in the sugar producing industries of the Commonwealth Caribbean, for the rebates which accrued directly to those industries.

Intra-Commonwealth trade as a whole continues to go up year by year, notwithstanding a number of adverse elements. Among the latter may be mentioned the intra-Commonwealth trade of Malaysia and Singapore, which reflects the virtual abolition of the Commonwealth preferences that were being granted by them and the effect this has had on their trade with Britain and the other Commonwealth countries concerned. Even in absolute terms the imports of Malaysia from Britain actually fell from 1965 to 1969 (Appendix Table VIII). Hong Kong has all along been for practical purposes a free port and the reorientation of her trade around the Pacific basin has not involved such a marked decline in the proportion of her imports obtained from Britain. The absolute value of trade both ways between Britain and India has shown a steep fall since 1965. In spite of these adverse elements, however, intra-Commonwealth exports advanced by almost £400 million in 1969.

Appendix Table XI shows the proportion of British imports of particular commodities supplied by Commonwealth countries. Falls in proportions will be noted for meat, grain and tobacco—comparing 1969 with 1965. The civil war had its effect on Nigerian shipments of petroleum oil, and palm nuts and kernels, all of which were predominantly produced in the former Eastern Region. Among manufactured articles it is particularly interesting to note that whereas Britain has been taking a steadily increasing proportion of its imports of wood manufactures from Commonwealth countries, the proportion of textiles from the Commonwealth has fallen notwithstanding the increasing value of imports of cotton textiles from Canada. In 1969 the British Government decided to introduce, with effect from 1st January 1972, a tariff on imports of cotton textiles from the Commonwealth Preference Area, with the existing quota system terminating on that date. The proposed rates were set at approximately 6½ per cent for yarn, 15 per cent for cloth and 17 per cent for garments, compared with m.f.n. rates of 7½ per cent, 17½ per cent and 20 per cent respectively, bringing the margin of Commonwealth preference on cotton textiles to the same level as on textiles of man-made fibres. Discussions will take place with Commonwealth countries at present having rights of duty free entry into the United Kingdom market for their cotton textiles. Such manufactures produced in EFTA (e.g. Portugal) and the Irish Republic would continue to enter duty-free, but for those from (e.g.) Canada and developing Commonwealth countries the new preferential rates would apply. So far as the developing Commonwealth countries are concerned, it has been stated that with the possible exception of India, there was no reason to think that they would be able to export less over the proposed tariff than under a continuation of the present quota system; for India, it was said that Britain would be willing, in determining the level of aid to that country after 1972, to take into account, against the background of India's general aid requirements at the time, any adverse effects on her exports arising from the tariff.

Among the measures taken by some Commonwealth countries in the Caribbean and East Africa for expanding trade among themselves, thus contributing to the expansion of intra-Commonwealth trade, are the formation of CARIFTA and the East African Economic Community, of which mention may be made here. The Caribbean Free Trade Association (CARIFTA) completed its second year of integration activity in May 1970. This economic grouping links Guyana and the members of the former West Indies Federation,* the eleven countries combined providing a market of 4·5 million people. To achieve its goals the CARIFTA Agreement provides for the removal of tariffs on trade among members over a five year period in the case of the more developed members and over ten years for the rest, with exceptions on a special Reserve List including some fruit and tobacco products, paints, radio and television sets, furniture, textiles, footwear, detergents and several other manufactures. Origin rules are designed to encourage the location of industry within the CARIFTA region, with imported raw materials generally entering duty-free. An Agricultural Marketing Protocol lists 21 commodities which may not be imported from sources outside the free trade area until all internal supplies have been exhausted.

The extent to which CARIFTA members are able to benefit from these arrangements depends largely on their individual economic structures and resources. Small size and a limited range of export products characterize most CARIFTA countries, all of which depend heavily on the sale of agricultural commodities. In Trinidad and Tobago, where industrial production contributes about half the domestic product, industrial activity is centred on oil refining, chemicals and fertilizers. Jamaica has the most diversified manufacturing base,

* Antigua, Barbados, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, and Trinidad & Tobago.

with such industries as cement, oil refining, textiles, clothing and food processing. The inability of the CARIFTA countries in the past to satisfy more than a small part of each other's import needs is suggested by the low level of trade—about 6 per cent of total exports—conducted within the region before the formation of the free trade area. It is too early, however to form an assessment of progress since the advent of the latter.

The East African Community (Kenya, Tanzania and Uganda) was inaugurated in December 1967 by the operative provisions of the Treaty for East African Co-operation. The underlying objective in establishing the Community was to strengthen and regulate the industrial, commercial and other relations of the member states so as to secure an accelerated and balanced growth of these economies. The formal establishment of a common market is one of the cornerstones of the Community arrangements. However, the nature of the common market provided for has been conditioned more by the desire for reasonable balance in intra-territorial trade and industrial development than by the wish to promote an increased volume of intra-territorial trade *per se*. Kenya has generally accounted for the greater part of the intra-territorial trade—to the extent of over 60 per cent. While the Treaty prohibits the imposition of internal tariffs on East African goods, it permits the imposition of transfer taxes on manufactures as part of the package of measures to stimulate industrial development in the less advanced countries (Tanzania and Uganda).

The life of the Community thus far has been relatively short, and it is not possible to assess the full impact of the Treaty's provisions. There exist some problems associated with the shortage of skilled manpower. Initial difficulties arising from the administration of transfer taxes, particularly the slow down caused in the movement of goods from Kenya to Tanzania and Uganda, were quickly overcome, and on the whole the transfer tax system seems to have proved less restrictive than the quantitative limitations which previously were in force.

United States

Despite an improvement in the U.S. merchandise trade balance late in 1969, the export surplus for the full year, at less than \$0·7 billion, was little changed from the unusually low 1968 surplus. The annual increases in both exports and imports were in the range of \$2·8–2·9 billion, to totals for the year of \$36·5 billion and \$35·8 billion respectively.

The year 1969 was marked in the United States by a process of review of the country's foreign economic policies. Emphasis was given to the concern reportedly felt at the high level of U.S. imports of textiles, which led to the belief that mandatory quotas might be imposed unless exporting countries, among them Hong Kong and Japan, did not impose their own "voluntary" restrictions on shipments of synthetic textiles to the United States. Protectionist sentiment also appeared to have gained strength, primarily from the widespread belief that U.S. exporters were being adversely affected by trade policies in certain other countries.

Among Commonwealth countries, exports by Canada to the United States, as shown in Table 3, went ahead strongly, in line with the trend established since the signing of the Auto-Pact. The U.S. now accounts for over 70 per cent of total Canadian exports. In March 1970, apparently under pressure from domestic oil producers, the U.S. Administration announced that the voluntary agreement with Canada on imports of crude and unfinished oil products into the United States was to be replaced by a stricter, temporary formal limitation. During the preceding few months, imports of Canadian oil had been running at up to 550,000 barrels a day, a fact which provoked considerable protests from

U.S. producers whose domestic price for crude, at $3·30 per barrel on the East Coast, was about 25 per cent higher than the Canadian level.

TABLE 3

EXPORTS FROM THE COMMONWEALTH TO THE UNITED STATES

£ million

	1965	1966	1967	1968	1969*a*
Australia..	114	142	139	202	235
Canada	1,668	2,066	2,428	3,565	4,083
Ceylon	11	10	10	10	11
Ghana	18	14	16	24	19
Hong Kong	113	134	165	249	319
India	112	108	91	122	138
Jamaica	29	31	33	36	41
Malaysia	65	56	61	87	100
New Zealand	43	62	56	79	79
Nigeria	26	22	19	20	50
Pakistan	17	25	27	41	32
Singapore	13	17	26	42	64
Trinidad & Tobago	46	57	68	90	90
Uganda	14	17	14	19	18
United Kingdom	521	652	639	910	906
Other Commonwealth	43	45	49	56	57
Total	2,853	3,458	3,841	5,552	6,242

a Actuals, or annual rates based on latest data.

TABLE 4

IMPORTS INTO THE COMMONWEALTH FROM THE UNITED STATES

£ million

	1965	1966	1967	1968	1969*a*
Australia..	269	280	306	414	404
Canada	1,998	2,359	2,650	3,488	3,977
Ceylon	4	6	8	12	16
Ghana	14	21	18	24	26
Hong Kong	62	68	88	119	138
India	371	356	385	357	256
Jamaica	33	43	49	62	82
Malawi	1	1	1	2	2
Malaysia	23	24	25	31	29
New Zealand	42	40	35	42	48
Nigeria	33	42	28	26	42
Pakistan	140	94	129	128	104
Singapore	22	24	28	46	62
Trinidad & Tobago	29	23	25	26	29
United Kingdom	672	723	812	1,064	1,129
Zambia	7	14	16	19	17
Other Commonwealth	85	97	112	127	131
Total	3,805	4,215	4,715	5,987	6,492

a Actuals, or annual rates based on latest data.

After a phenomenal rise of exports to the U.S. in 1968 the value of British shipments more or less marked time in the year under review. However, exports from a number of other Commonwealth countries, notably Australia, Singapore, Nigeria and Jamaica, went ahead strongly—mostly in confirmation of long-term trends.

On the side of imports, as shown in Table 4, the major expansion in trade from the United States to Canada accounted for about £490 million out of the total increase of Commonwealth imports from the United States, amounting to about £510 million. British imports from the United States showed a very modest rise, in keeping with the restrictive trade policies temporarily enforced. A noteworthy decline in imports from the United States was recorded by India and Pakistan, largely because of much reduced imports of food aid following the dramatic improvement in the agricultural situation in these countries. The imports of Singapore, Hong Kong and Jamaica continued their strong secular growth in line with the expansion of trade in the opposite direction.

European Economic Community

In the final year of its "transitional" period, boom conditions prevailed throughout most of the European Economic Community, with exports expanding by 18 per cent. Imports went ahead strongly by about 22 per cent—a higher rate of expansion than was recorded during 1969 in any other major country or group.

The year was not without difficulties, however, especially in the field of monetary policy. Attention has already been drawn to the two major currency revaluations, downwards in the case of France and upwards in the case of the Federal Republic of Germany. Notwithstanding these developments, the European Economic Community finally moved into its "definitive" period on 1 January 1970. Some of its common policies were behind schedule, particularly in the agricultural sector where common marketing systems for products

TABLE 5

EXPORTS FROM THE COMMONWEALTH TO THE EUROPEAN ECONOMIC COMMUNITY

£ million

	1965	1966	1967	1968	1969*a*
Australia	153	165	150	173	205
Canada	210	213	228	294	328
Ceylon	12	10	10	14	12
Ghana	32	21	20	36	45
Hong Kong	40	47	43	57	85
India	41	43	38	59	57
Malawi	1	2	2	2	2
Malaysia	46	46	39	53	68
New Zealand	61	58	38	44	64
Nigeria	96	101	96	88	122
Pakistan	27	35	27	55	39
Singapore	19	22	26	34	41
Trinidad & Tobago	14	14	9	6	5
United Kingdom	982	1,045	1,042	1,292	1,522
Zambia	57	84	63	102	136
Other Commonwealth	84	85	55	73	80
Total	1,875	1,991	1,886	2,382	2,811

a Actuals, or annual rates based on latest data.

like wine, tobacco, textile fibres, potatoes and sheepmeats had yet to enter into force. In particular, the new farm finance regulations agreed just before Christmas 1969 had not yet become operational, and on this hinged the whole of the package deal relating to the financing of Community institutions and progress with the applications for membership by Britain and a number of other countries. As indicated earlier, technical aspects of the agreement on wine, which had been holding things up, were finally settled in April 1970.

Moves toward closer economic relations with the European Economic Community were made during 1969 by a number of Commonwealth countries, like Malta and Mauritius, in addition to Britain. Progress towards definitive arrangements with such Commonwealth countries as have expressed interest in them now seems to hinge mainly upon developments in relation to the British application for membership. This applies particularly to Cyprus with its exports of fruit, vegetables and wine, to the Commonwealth sugar-producing countries, and to those African countries which might look for some form of association. The Yaoundé Convention itself was renewed during the course of 1969 with provision for a slightly larger Development Fund and specific provision for trade promotion. Both the revised Yaoundé Convention and the revised Arusha Convention (which latter does not provide for development finance or technical assistance) will run to 1975, and negotiations for further renewal are to start well in advance of this date.

In January 1968, before the second plenary session of UNCTAD, the Indian Economic Mission at Brussels urged the Commission of the European Communities to make special efforts to assist the economic development of India by enlarging the opportunities for the export of her products to the Common Market. It suggested to the Commission that formal talks should begin immediately for working out a comprehensive commercial arrangement between India and the countries of the E.E.C. Although talks were then postponed because of the imminence of the second plenary session of UNCTAD, and

TABLE 6

IMPORTS INTO THE COMMONWEALTH FROM THE EUROPEAN ECONOMIC COMMUNITY

£ million

	1965	1966	1967	1968	1969*a*
Australia	138	136	154	190	202
Canada	170	182	207	255	304
Ceylon	13	17	20	18	24
Ghana	34	27	22	26	31
Hong Kong	48	49	53	71	90
India	156	128	127	133	103
Kenya	15	21	23	28	28
Malawi	1	2	2	2	2
Malaysia	38	36	35	41	42
New Zealand	23	24	26	25	31
Nigeria	68	68	58	62	77
Pakistan	82	61	70	76	98
Singapore	29	32	36	44	56
United Kingdom	995	1,104	1,264	1,551	1,610
Zambia	8	10	19	24	18
Other Commonwealth	106	112	108	128	133
Total	1,924	2,009	2,224	2,674	2,849

a Actuals, or annual rates based on latest data comprehensive arrangements now seem to await the first steps in the negotiations for British entry to the E.E.C., India has during the past few years secured notable concessions, almost all of which are applicable to other suppliers as well. There is total or partial suspension of the Common External Tariff on tea, spices (cardamom, coriander seeds and ginger), curry powder, mango chutney and bleached lac. In the cases of coffee, cashew nuts, pepper and castor oil, duty has been partially suspended. Other concessions applicable in the case of India include an annual duty-free quota for handloom silk and handloom cotton fabric to the extent of $1 million each; duty-free entry for $500 million of handicrafts annually; and elimination of duties on East India kips (leather). An agreement was signed in November 1969 providing for duty-free quotas in the E.E.C. on jute carpet backing for a 3 year period from January 1970. Pakistan has been holding parallel discussions with the European Commission. It was reported in the London press on 28 April 1970 that the E.E.C. has offered both India and Pakistan significant increases in their quotas for cotton textiles when the L.T.A. on cotton textiles is renegotiated later in the year. The L.T.A., which has already been renewed twice since its introduction in 1961, expires on 30 September, 1970, and discussions are proceeding in GATT about the future of the arrangement.

India, Pakistan and Ceylon are three countries that may expect to benefit from definitive overall trade arrangements with the E.E.C. in the context of British accession. Exports from these countries to the E.E.C. showed a disappointing reduction in 1969 as compared with 1968. Apart from these countries, and Trinidad and Tobago in the Caribbean, exports from Commonwealth countries as a whole to the E.E.C. did very well in 1969, as could have been expected in view of the boom conditions in that market. Out of the total expansion in sales amounting to £430 million, the jump in the value of British exports accounted for £230 million. Rises in imports from the E.E.C., as shown in Table 6, were also widespread, with Britain accounting for a smaller proportion of the overall increase.

European Free Trade Association

Total commodity imports of the eight countries combined (i.e. including the associate member Finland but excluding Iceland, which became the eighth full member only in March 1970), amounted to £18,308 million, and exports to £15,923 million, respectively 11 per cent and 15 per cent higher than in 1968. Trade among the EFTA countries (measured by exports f.o.b.) rose by 17 per cent. Exports to the E.E.C. were buoyant, rising 18½ per cent, but imports from the Six were only 12 per cent higher, resulting in a further narrowing of EFTA's trade deficit with the E.E.C. Trade with the United States was comparatively stagnant after rapid growth in 1968; exports rose only 1½ per cent, while imports were up 7½ per cent. Exports to Eastern Europe and to the rest of the world increased by 11 per cent and 16 per cent respectively, while imports rose by 10 per cent and 6 per cent.

These figures are naturally influenced to a large extent by the trade of the dominant partner in the group, which is Britain. Indeed the 17 per cent increase in intra-EFTA exports in 1969, one of the highest increases in the past decade, was greatly influenced by the improved trading position of the United Kingdom. British sales to EFTA were 22 per cent higher than in 1968. Total Commonwealth exports to the continental members of EFTA went up by just short of £200 million, of which those from Britain alone accounted for £170 million.

In addition to the very large growth of British exports to continental EFTA, the exports from Hong Kong, although relatively small in absolute terms, represented a large proportionate increase. Sales of textiles and clothing from Hong Kong to the Scandinavian countries are very substantial. It is interesting to note that the growth of imports into Hong Kong from continental members of EFTA almost exactly matches the growth of trade in the other direction.

Apprehensions arose during 1969, among some of the continental members of EFTA, over the projected Nordek Treaty, involving the creation of a Scandinavian Customs Union. These plans did not, however, come to fruition partly because of some basic differences between the Scandinavian countries themselves, and partly as a result of the new situation created as a result of the expected opening of negotiations for accession to the E.E.C. on the part of Britain, the Irish Republic, Denmark and Norway.

TABLE 7

EXPORTS FROM THE COMMONWEALTH TO CONTINENTAL MEMBERS OF EFTA

£ million

	1965	1966	1967	1968	1969*a*
Australia..	11	10	12	11	14
Canada	55	68	58	82	83
Hong Kong	13	15	22	25	38
India	7	6	7	8	9
Jamaica	7	7	8	11	14
Pakistan	4	4	4	7	6
New Zealand	4	4	4	3	4
Singapore	2	2	3	2	4
Trinidad	10	11	12	18	12
United Kingdom	613	684	706	803	973
Zambia	8	14	14	18	23
Other Commonwealth	33	23	20	31	36
Total	767	848	870	1,019	1,216

a Actuals, or annual rates based on latest data.

TABLE 8

IMPORTS INTO THE COMMONWEALTH FROM CONTINENTAL MEMBERS OF EFTA

£ million

	1965	1966	1967	1968	1969*a*
Australia..	47	47	47	60	63
Canada	58	69	78	96	115
Hong Kong	17	17	21	26	38
India	25	21	21	24	17
Malaysia	6	8	8	10	10
New Zealand	11	8	9	11	9
Nigeria	16	8	9	10	12
Pakistan	9	14	9	11	13
Singapore	11	10	17	15	20
United Kingdom	665	716	811	999	1,072
Other Commonwealth	34	35	37	47	51
Total	899	953	1,067	1,309	1,420

a Actuals, or annual rates based on latest data.

Japan

The rapid expansion of the Japanese economy has now continued unabated since the middle of 1965, thus making for the longest period of rapid and sustained expansion in the post-war era. Contrary to the country's experience in previous periods of rapid growth its balance of payments situation suffered no adverse effects. Real gross national product went up by about 13 per cent in 1969 after a similar rise in 1968; yet the trade surplus reached \$3·7 billion, compared with \$2·5 billion in the previous year, and the current account surplus widened from \$1·1 billion to \$2·2 billion.

TABLE 9

EXPORTS FROM THE COMMONWEALTH TO JAPAN

£ million

	1965	1966	1967	1968	1969*a*
Australia	176	210	249	333	440
Canada	105	131	190	234	241
Ceylon	3	3	3	4	3
Hong Kong	24	27	32	40	59
India	41	48	61	84	93
Malaysia	69	81	88	105	132
New Zealand	19	33	34	36	45
Pakistan	9	9	13	22	14
Singapore	11	13	16	35	40
United Kingdom	53	69	87	98	129
Zambia	23	35	48	67	99
Other Commonwealth	21	30	31	41	45
Total	554	689	852	1,099	1,340

a Actuals, or annual rates based on latest data.

Japanese official agencies and businessmen continued during 1969 to express great caution about future prospects, as pressure built up for action either to revalue the yen or to introduce greater liberalisation of both trade and capital movements. During 1969 there was an easing of foreign exchange regulations, and tariff protection on large motorcars was cut. Trade figures for the year showed a slower growth of exports to the United States, largely offset by more rapid expansion of shipments to Europe. Sales abroad of motor vehicles, television sets, radio receiving sets and tape-recorders, all rose by well over a third. Overall, exports rose by 23 per cent and imports by 17 per cent in 1969. With a surplus in the overall balance of payments, foreign exchange reserves rose during the year from \$2,891 million to \$3,496 million.

Total exports from the Commonwealth to Japan rose by 22 per cent in 1969 to £1,340 million—well in excess of total Commonwealth imports from Japan, and well in excess of the growth of Japanese imports from the world as a whole. Because Japan is far from self-sufficient in a number of products, notably raw materials, the pace of domestic economic expansion will greatly influence her future importation of these products, for the supply of which several Commonwealth countries are very well placed. Canada, Australia, India, Malaysia, Singapore and Zambia are among the major suppliers of raw materials for the burgeoning Japanese economy. And even in the case of Hong Kong, which has practically no raw materials for export, such has been the improvement in productivity and international competitiveness of its industry that exports to Japan are taking place on a growing scale even in such items as had previously given Japan world leadership.

TABLE 10

IMPORTS INTO THE COMMONWEALTH FROM JAPAN

£ million

	1965	1966	1967	1968	1969*a*
Australia..	117	104	127	173	206
Canada ..	76	84	101	139	191
Ceylon ..	8	9	7	8	13
Ghana ..	7	7	7	7	8
Hong Kong	97	115	125	187	240
India ..	61	48	47	66	36
Malaysia	40	47	50	66	71
New Zealand	22	21	22	28	33
Nigeria ..	26	14	19	8	8
Pakistan ..	37	28	34	47	48
Singapore	49	54	64	94	122
United Kingdom	78	77	91	115	104
Zambia ..	4	4	9	11	14
Other Commonwealth ..	49	40	44	59	63
Total ..	671	652	747	1,008	1,157

a Actuals, or annual rates based on latest data.

The export of Indian iron ore to Japan entered into a more promising phase in 1969, marked by the signing of two agreements between the State-owned Corporations in India and the Japanese steel industry. One of these provides for the purchase of 14·7 million metric tons of lump iron ore by Japanese steel mills over a 5 year period beginning January 1971. Under the other agreement, 46 million metric tons of iron ore should be exported from India to Japan over 8 years from April 1970. Over a quarter of the world's proven reserves of iron ore are located in India, but the duration of the Indian contracts with Japanese mills do not match those of Australian producers.

With regard to Commonwealth imports from Japan, the increases recorded by Hong Kong, Singapore, Malaysia, Australia, and Canada, not only in 1969 but also over the preceding years, are particularly noteworthy. In view of the reciprocal trading interests, geographical location and the known competitiveness of Japanese industry no special explanation is called for. Imports into a number of Commonwealth African countries from Japan have been under varying measures of restraint. Zambia, which runs a large trade surplus with Japan through its export of copper, is an exception to the foregoing and its imports from Japan are on a rising trend, notwithstanding its own efforts at industrial diversification.

Eastern Europe

According to the Economic Commission for Europe, acceleration of the growth of the foreign trade of Eastern Europe began in 1967, after a setback in the mid-1960s, and continued in 1969. Increasing dependence on foreign trade has taken place at the same time as the growth of net material product has slowed down, so that the ratio of growth in trade to growth in net material product rose from 1·0 in 1967 to 1·2 in the following year and 1·6 in 1969. The intra-trade of the region increased in 1969 at a rather slower pace than trade with the rest of the world: trade with Western Europe and with developing countries expanded faster than the total turnover of the region.

TABLE 11

EXPORTS FROM THE COMMONWEALTH TO EASTERN EUROPE

£ million

	1965	1966	1967	1968	1969*a*
Australia..	43	25	23	27	33
Canada	101	131	60	53	12
Ceylon	13	11	8	11	12
Ghana	18	16	13	8	6
India	99	99	95	133	146
Malaysia	32	34	27	37	49
New Zealand	3	8	4	7	8
Pakistan	6	13	17	23	30
Singapore	20	17	14	20	24
United Kingdom	117	151	174	229	231
Zambia	4	5	3	3	4
Other Commonwealth *b* ..	9	11	9	25	23
Total	465	521	447	576	578

a Actuals, or annual rates based on latest data.
b Including estimates for Nigeria.

TABLE 12

IMPORTS INTO THE COMMONWEALTH FROM EASTERN EUROPE

£ million

	1965	1966	1967	1968	1969*a*
Australia..	10	6	6	8	9
Canada	14	18	26	30	29
Ceylon	13	15	12	12	14
Cyprus	3	3	4	4	6
Ghana	32	14	8	8	12
India	104	93	99	125	121
Pakistan	13	17	21	36	39
United Kingdom	220	241	254	303	332
Other Commonwealth *b* ..	23	21	27	42	44
Total	432	428	457	568	606

a Actuals, or annual rates based on latest data.
b Including estimates for Nigeria.

As shown in Table 11, aggregate exports from Commonwealth countries to Eastern Europe showed practically no change comparing 1969 with 1968, the general increases in exports from individual Commonwealth countries being offset by another substantial fall in Canadian exports—chiefly of wheat to the Soviet Union. The latter country's three year contract to buy 336 million bushels of Canadian wheat by July 31, 1969, was under-fulfilled on that date by 135 million bushels, representing about $300 million in sales for Canadian farmers. A new agreement between the Canadian Wheat Board and the Soviet buying agency at the turn of the year covered the balance of the 1966 contract, providing for shipment (including 260,000 tons of flour to be shipped to Cuba) before the end of 1970.

Apart from the exceptional case of Canada, there were general rises in Commonwealth exports to Eastern Europe in 1969, especially from the area of the Indian Ocean and Australasia. British exports to Eastern Europe, however, increased by a good deal less than imports therefrom. The imbalance of the trade of Britain with Eastern Europe has been noted on many occasions, but due allowance has to be made for the difference in valuation between exports (f.o.b.) and imports (c.i.f.), as well as the nature of the British re-export trade in diamonds supplied by the Soviet Union. At the end of April 1970 it was announced by the U.K. Board of Trade that restrictions would be removed on imports of a further range of goods from Eastern Europe. The principal items affected were canned salmon, toys and games, man-made fibres and filament yarns, typewriters and parts, motor and pedal bicycles and miscellaneous textiles already liberalised from Japan. As a result of these changes, less than 10 per cent of Britain's imports from Eastern Europe will in future be subject to bilateral quotas. The list of liberalised goods was last enlarged in 1966 although quota increases had continued to be given in the annual trade negotiations.

China

In 1969 Britain emerged as the leading Commonwealth exporter to China with the value of shipments exceeding £50 million for the first time in the trade between the two countries. A major factor in Britain's success in the Chinese market was the heavy volume of metals purchasing done by China early in the year at the London Metal Exchange, although China also made extensive metal purchases in Europe. As the year wore on there was some switch in Chinese buying interest from metals to machinery.

Australian exports to China in 1969, valued at £50 million, were not out of line with the general trend of Australia's experience in this market, which tends to fluctuate widely according to the extent of supply of wheat. In December 1969 it was announced by the Chairman of the Australian Wheat Board that a new contract had been signed with China covering the sale of 2·2 million tons of wheat valued at £46·6 million. China had been buying Australian wheat for about six years and for the past four years had been the biggest single customer, taking about a third of the export crop. The contract carried the usual provisions as to terms and was for shipment in December 1969, when the current contract would have been completed to October 1970 inclusive.

TABLE 13

EXPORTS FROM THE COMMONWEALTH TO CHINA

£ million

	1965	1966	1967	1968	1969*a*
Australia..	59	30	68	37	50
Canada	35	61	30	63	47
Ceylon	13	13	12	14	16
Hong Kong	4	4	3	3	3
Malaysia	—	—	2	10	20
Pakistan	15	11	12	11	12
Singapore	3	16	11	11	24
United Kingdom	26	34	39	29	54
Other Commonwealth	16	11	13	13	12
Total	171	180	190	191	238

a Actuals, or annual rates based on latest data.

TABLE 14

IMPORTS INTO THE COMMONWEALTH FROM CHINA

£ million

	1965	1966	1967	1968	1969a
Australia..	9	9	10	12	14
Canada	5	7	8	9	11
Ceylon	9	16	14	17	20
Ghana	5	3	—	1	2
Hong Kong	145	173	143	167	186
Malaysia	27	28	31	33	31
Nigeria	6	4	—	—	—
Pakistan	7	10	12	12	12
Singapore	26	32	45	63	58
United Kingdom	27	34	30	34	38
Other Commonwealth	7	12	10	16	13
Total	273	328	303	364	385

a Actuals, or annual rates based on latest data.

Canadian sales to China in 1969, although still very large, showed a substantial drop on the record figure of the preceding year. As in the case of Australia, grains are the main component of this trade. In September 1969 the Canadian Wheat Board announced the sale of 2·2 million tons of wheat to China (the same size as the Australian contract) with delivery to begin that month and spread over a period of a year.

Among the other Commonwealth countries having a substantial and growing export trade with China, Malaysia and Singapore are outstanding—the chief commodity involved being rubber. These countries, however, imported less from China in 1969, as shown in Table 14, which incidentally points to the resumption of imports from China by Ghana, and the continuing absence of trade relations between Nigeria and China.

TABLE 15

TRADE OF THE COMMONWEALTH WITH MAIN TRADING AREAS

	1965	1966	1967	1968	1969a
		£ million			
Exports to:					
Commonwealth	3,958	3,901	3,819	4,443	4,826
United States	2,853	3,458	3,841	5,552	6,242
E.E.C.	1,875	1,991	1,886	2,382	2,811
EFTA (Continental)	767	848	870	1,019	1,216
Japan	554	689	852	1,099	1,340
Eastern Europe	465	521	447	576	578
China	171	180	190	191	238
Other countries	2,070	2,197	2,272	2,909	3,308
Total	12,713	13,785	14,177	18,171	20,559
Imports from:					
Commonwealth	4,210	4,083	4,056	4,687	5,010
United States	3,805	4,215	4,715	5,987	6,492
E.E.C.	1,924	2,009	2,224	2,674	2,849
EFTA (Continental)	899	953	1,067	1,309	1,420
Japan	671	652	747	1,008	1,157
Eastern Europe	432	428	457	568	606
China	273	328	303	364	385
Other countries	2,371	2,472	2,738	3,491	3,686
Total	14,585	15,140	16,307	20,088	21,605
		Percentage of total trade			
Exports to:					
Commonwealth	31	28	27	24	23
United States	22	25	27	31	30
E.E.C.	15	14	13	13	14
EFTA (Continental)	6	6	6	6	6
Japan	4	5	6	6	7
Eastern Europe	4	4	3	3	3
China	1	1	1	1	1
Other countries	17	17	17	16	16
Total	100	100	100	100	100
Imports from:					
Commonwealth	29	27	25	23	23
United States	26	28	29	30	30
E.E.C.	13	13	14	13	13
EFTA (Continental)	6	6	7	7	7
Japan	5	4	5	5	5
Eastern Europe	3	3	3	3	3
China	2	2	2	2	2
Other countries	16	17	15	17	17
Total	100	100	100	100	100

a Actuals, or annual rates based on the latest data.

PART II

The Trade of Commonwealth Countries

AUSTRALIA

The year 1968–69 was outstanding for the Australian economy. Strong growth in employment, improved seasonal conditions and a steady increase in output per worker led to the highest annual growth rate on record. A major factor in the growth of total output was the recovery in rural production which had suffered in the previous year's drought. Gross farm product increased by an estimated 25 per cent in 1968–69 and contributed about 30 per cent of the increase in total product. A record wheat crop and improved production of other cereal crops and sugar contributed to the expansion. Wool production was at a record level, about 10 per cent above the previous year, and the average weight of carcases was higher as a result of the improved seasonal conditions in most meat producing areas. The spectacular growth in the mining industry—a feature of the economy in recent years—continued during 1968–69 with new discoveries and revised estimates showing even better prospects for the future. There was continued rapid growth in output of iron ore, and the latest available figures suggest notable gains in petroleum and natural gas, nickel, copper, zinc and coal. Industrial production, which increased steadily throughout 1967–68, expanded by some 7 per cent for the year as a whole compared with 4 per cent in the previous year.

The rise in exports, the result of increased output, was almost entirely the reason for the decline in the current account deficit. On a balance of payments basis imports rose by only 1·6 per cent, and with the rise of about 10 per cent in total exports as recorded for balance of payments purposes, this gave a surplus on the trade account of $A11 million compared with the $A218 million deficit of the preceding year. However, imports as recorded in the trade returns rose by over 6 per cent, and the trade balance on a Customs clearance basis showed a deficit of $A134 million.

Balance of payments summary

($A million)

	Exports (f.o.b.)	Imports (f.o.b.)	Balance of Trade	Invisibles (net)	Balance on Current Account	Balance on Capital Account	Official Monetary Movements
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

In contrast to the balance of merchandise trade, the deficit from current invisible transactions rose 11·2 per cent above the 1967–68 level. On the credit side, net gold production, receipts for services to non-residents and transfer payments were valued 10·7 per cent above the previous year's level, while most major components showed some increase over 1967–68, the largest being transportation services. On the debit side, invisible payments rose by 11 per cent, the most important items in value terms being transportation debits and income payable on overseas investment in Australian companies; a large proportion of this overall increase is probably reflected in a substantial rise in undistributed income and, to that extent, the rise in the current account deficit during the year was offset by a corresponding increase in the inflow of overseas investment in the form of re-invested income. Government debits also increased substantially. The record apparent capital inflow of 1967–68 declined by $A54 million in 1968–69, the greater part of the decline being a reflection of the outflow on short term financing transactions in respect of purchases overseas of large items of defence equipment and new aircraft for government airlines. Private overseas investment rose some $A6 million above the previous years' record net inflow of $A890 million, the rise in direct overseas investment more than offsetting the decline in portfolio investment. The favourable net official monetary movement was made up of an increase of $A214 million in official net gold and foreign exchange holdings and a decrease of $A15 million in other overseas assets of the official monetary sector, together with a fall of $A45 million in Australia's net I.M.F. position. This last was a result of an increase in the Fund's holdings of Australian currency arising out of repayments by other Fund members of Australian currency drawings made previously. The net rise of $A214 million in international reserves, the largest annual increase since 1963–64, included a rise of $0·6 million in gold holdings and a rise of $A213·2 million in holdings of foreign exchange.

Recovery from the 1967–68 drought brought a substantial increase in rural output and exports rose by over 8 per cent. The net increase in rural exports was, however, relatively small—about $A40 million. Australia's wool cheque for the 1968–69 season was $A85 million higher than in 1967–68. The season's average price was 44·7 cents per lb, a rise of 7 per cent or nearly 3 cents per lb on the 1967–68 average. Exports consequently rose by over 11 per cent leaving wool still by far Australia's largest foreign exchange earner.

Despite the relatively high level of production, exports of beef and veal were only fractionally heavier by weight than in the preceding year, and mutton and lamb exports were less than in 1967–68. However, total exports of meat rose by nearly 4 per cent after stagnating in the two preceding years. Receipts from sugar exports increased by nearly 25 per cent with an increase in volume and higher average prices following the implementation of the new International Sugar Agreement in January 1969. Exports of hides and skins recovered from the fall of 1967–68, to rise by over 20 per cent, due largely to improved prices. The three other major categories of agricultural exports all registered declines. The values of wheat and flour exports continued their downward trend to the lowest level since 1962–63, as the problems of selling in an oversupplied market became more acute. Exports of butter fell due to poor prices: there was in fact a rise in volume shipped and an improvement had been hoped for earlier in the year when the government provided for payment of an export subsidy on processed whole milk products. Mineral exports, in tune with the trend of recent years, continued their rapid upward progress with non-ferrous metals rising by 20 per cent, iron and steel by 21 per cent and iron ore by 75 per cent while exports of coal also grew rapidly.

Exports from Australia

$A million

	Meat	*Butter*	*Wheat and flour*	*Sugar*	*Wool*	*Hides and skins*	*Fruit*	*Non-ferrous ores and metals*	*Iron and steel*	*Iron ore*
1965–66 ..	288	58	291	95	785	89	104	273	73	3
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
July–Dec.										
1968	146	26	128	89	368	39	42	163	55	80
1969	214	27	188	81	370	51	31	211	73	131

Trade with New Zealand expanded by 2 per cent after the fall of the previous year, and this movement was probably aided by the addition of a further list of commodities to Schedule A of the Free Trade Agreement in December 1968.

TABLE 16

EXPORTS FROM AUSTRALIA *a*

$A million

	1965–66	1966–67	1967–68	1968–69	July–Dec. 1968	July–Dec. 1969
Canada	43	50	53	67	36	45
Hong Kong	33	36	43	48	34	46
India	27	57	65	31	16	18
Malaysia	47*c*	46	47	51	35	41
New Zealand	164	166	147	150	86	96
Pacific Territories *b*	51	79	78	90	59	88
Singapore	31	49	54	53	29	51
United Kingdom	466	398	414	415	214	236
Other Commonwealth	98	115	83	74	37	43
Belgium	51	56	47	43	21	19
France	118	99	88	109	54	60
West Germany	100	75	90	104	53	54
Italy	110	126	87	106	44	54
Poland	17	19	20	23	11	7
Soviet Union	48	20	27	40	20	21
China	107	129	126	67	30	69
Japan	470	585	641	818	382	508
South Africa	22	42	28	45	23	30
United States	330	338	387	463	245	285
Other countries	301	382	420	398	128	136
Total all countries	2,634	2,867	2,945	3,195	1,557	1,907
Of which:						
Commonwealth	960	996	984	979	546	664
E.E.C.	416	392	347	415	196	220
EFTA (Continental)	25	28	26	26	10	14
Eastern Europe	77	54	64	76	39	34

a Years ended 30th June.

b Australian overseas territories and British islands in the Pacific.

c Includes Singapore up to 30th September 1965.

Japan remained by far Australia's largest market, and exports to that destination increased by some 28 per cent over the previous year. This was due to the increasing supply of raw materials to Japan. Exports of dairy produce continued at a low level, while a sharp decline in shipments of mutton and lamb more than offset the small rise in those of beef and veal. Coal exports from Australia made great strides along with other minerals, and exports of this raw material to Japan are expected to increase even further with a contract concluded in January 1969, under which Australia will supply Japan 85 million tons of hard coking coal over the next thirteen years; a similar arrangement was reached for the supply of copper over the next fifteen years. Exports to the United States, Australia's second largest market, also expanded strongly—by nearly 20 per cent. Export shipments of beef and veal increased slightly, within the bounds of voluntary restrictions, while those of mutton and lamb declined. In October 1968 the Australian Meat Board announced a scheme to encourage diversification of meat exports in case the United States should again need to impose restrictions on Australian imports. Under the scheme, exporters were required to earn an entitlement to ship beef and mutton to the United States based on exports to non-United States destinations. The percentages to be exported to other markets varied during the year, but at the end, were 20 per cent of beef and veal shipments and 60 per cent of mutton; the initial percentages were 36 and 75 respectively. This explains the decline in mutton and lamb shipments to the United States. Shipments of beef and veal rose to account for some of the rise in exports to Canada, while a sharp rise in shipments of butter to Hong Kong contributed to the increase in total sales to the Colony. Exports to both India and China were almost halved, largely due to a fall-off in wheat sales to India and a break in the shipment of wheat under credit sales to China. Exports to the E.E.C. and Eastern Europe expanded, the former after a decline in the previous year, and sales to the Soviet Union increased by some 47 per cent.

Despite the high level of economic activity in Australia in 1968–69, imports only rose by some 6 per cent over the previous year. The most important factor in the slow growth of imports in 1968–69 was the sharp decline recorded in respect of defence and civil aviation. The import category recording the largest rise in 1968–69 was that of food, beverages and tobacco. Machinery and transport equipment advanced at about the same rate as total imports; motor vehicle industry imports which had been a volatile component of imports over recent years grew at a slower rate than in 1967–68. Imports of producers' equipment also increased during the year but did not fully reflect the strong growth in domestic capital expenditure. Imports of petroleum and petroleum products increased at slightly more than 4 per cent over 1967–68 but overseas expenditure on petroleum is declining with the expansion of local production of crude oil.

Imports into Australia

$A million

	Food, beverages and tobacco	*Basic materials and base metals*	*Petroleum and petroleum products*	*Machinery and transport equipment*	*Other manufactures*
1965–66 ..	147	318	252	1,121	970
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
July–Dec.					
1968 ..	87	193	123	699	614
1969 ..	94	188	135	763	676

The United States was again the main source of supply for Australia, with purchases increasing by some 6 per cent, although dock strikes in the United States in the third quarter of the year disrupted the flow of import arrivals and may have depressed the level of imports from that source for the year as a whole. A further slight decline occurred in the proportion of imports from the United Kingdom, although purchases from that source rose by 3 per cent. In contrast the proportion of imports from Japan rose by nearly 2 per cent, as purchases increased by some 20 per cent.

Developments in July–December 1969

In the first half of the new trade year, exports continued to expand strongly with minerals, particularly iron ore, racing ahead. On the agricultural side, meat exports made large gains aided by a leap in shipments of mutton and lamb; these increased by some 71 per cent over the corresponding period of 1968–69. The value of butter exports rose slightly although not as much as the quantity, owing to continued low prices. Exports to all Australia's major markets showed substantial increases during the period, with the growth in agricultural products strongly supplementing that in minerals. Increased shipments of beef and veal contributed to the total rise in sales to the United States and the United Kingdom, while those in mutton and lamb also contributed and helped even more to push up total exports to Japan. Increased meat shipments were also a

TABLE 17

IMPORTS INTO AUSTRALIA *a*

$A million f.o.b.

	1965–66	1966–67	1967–68	1968–69	July–Dec. 1968	July–Dec. 1969
Canada	108	114	136	147	85	74
Ceylon	18	15	15	15	9	6
Hong Kong	25	30	36	40	21	26
India	35	33	35	32	18	16
Malaysia	32*c*	28	28	30	15	18
New Zealand	47	46	59	72	38	37
Singapore	4	9	8	12	5	8
United Kingdom	755	695	698	721	376	421
Other Commonwealth ..	91	96	94	118	54	55
West Germany	168	154	183	196	101	128
France	92	86	84	60	34	33
Italy	50	52	71	77	42	39
Netherlands	40	45	47	49	24	30
Sweden	52	50	47	50	25	27
Arabian States *b*	103	113	119	121	57	73
Indonesia	62	57	56	60	31	27
Iran	34	26	19	13	8	8
Japan	280	290	336	404	206	243
United States	695	746	805	846	491	510
Other countries	226	227	251	266	85	90
Total all countries ..	2,917	2,912	3,127	3,329	1,725	1,869
Of which:						
Commonwealth ..	1,115	1,066	1,109	1,187	621	661
E.E.C.	357	356	406	401	211	242
EFTA (Continental) ..	123	118	123	128	66	73
Eastern Europe	17	15	16	20	10	10

a Years ended 30th June.

b Includes Bahrain, Kuwait, Qatar, Saudi Arabia, Trucial States, Yemen.

c Includes Singapore up to 30th September 1965.

factor in the rise in exports to Canada. Wool exports also expanded although less spectacularly than meat, and there were increased shipments of this commodity to the United Kingdom, Canada and India, although a fall was recorded in those to the United States.

The rise in the various export categories, as might be expected, had a favourable effect upon total exports, which increased by 22 per cent to give a favourable balance on the merchandise trade account of $A38 million, compared with a deficit of $A168 million in the corresponding period of 1968 and of $A134 million for the year 1968–69. For the first three months of the new year, Australia's international reserves suffered a decline of $A159 million following rises in the preceding three quarters and a fall of $A59 million in the corresponding three months of 1968. The main reason for the decline was a sharply lower apparent inflow of capital from overseas. Government capital transactions showed a net outflow of $A98 million compared with a net inflow of $A46 million a year earlier. This was due to the absence of new government sector borrowing abroad, to large redemptions of overseas debt and to substantial net payments to overseas suppliers for defence equipment and civil aircraft. Net private capital movements showed a net inflow of $A129 million compared with $A235 million in the first quarter of 1968–69.

BARBADOS

Barbados is one of the smallest of the Caribbean islands, but has one of the highest population densities in the world. For centuries sugar has formed the base of the economy, but in the past two decades, the rapid growth of tourism and the development of light industries have given new stimulus to the infrastructure.

The island is well placed geographically to take advantage of the opportunities offered by the formation of the Caribbean Free Trade Association (CARIFTA) and membership of the Organisation of American States. The deep-water harbour is used as a trans-shipment centre for cargo destined for other islands in the eastern Caribbean, and is also capable of receiving the larger sized cruise ships whose frequent visits assist the economy. The airport is continually being enlarged and in 1968, 97·5 per cent of all tourists came by air.

Several laws have been enacted to encourage industrial development. These allow income tax and import duty concessions in one form or another and have served to attract new industries to the island and to provide an urgently needed new source of employment.

In 1968 the Caribbean Free Trade Association, which embodies virtually all territories in the former British West Indies, was formed. The aims were to create a common external tariff, to eliminate barriers to trade between members,

Exports from Barbados

$EC million

	Total f.o.b.	*of which: Domestic*	*Re-exports*	*Rum*	*Sugar*	*Molasses*	*Machinery and transport equipment*	*Textiles*
1965 ..	53·3	47·4	5·9	2·7	33·1	3·9	1·6	1·5
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 ..	60·0	51·9	8·2	2·9	29·5	3·5	4·6	..

TABLE 18

EXPORTS FROM BARBADOS

$EC million

	1965	1966	1967	1968
Canada	4·9	4·2	4·7	3·1
St. Lucia	1·6	2·1	1·8	1·9
Trinidad	1·7	2·1	1·9	2·0
United Kingdom	27·0	31·6	29·5	29·3
Other Commonweath Caribbean	6·6	7·9	7·2	8·4
Irish Republic	3·6	1·5	2·3	..
United States	6·8	5·7	10·7	13·0
Other countries	1·0	1·9	1·4	2·3
Total all countries	53·3	57·0	59·5	60·0
Of which:				
Commonwealth	41·9	48·3	46·2	44·9
E.E.C.	0·2	0·1	0·1	1·1*a*
EFTA (Continental)	—	—	—	0·1
Eastern Europe	—	—	—	—

a Including possessions.

and, by means of the Regional Development Bank, to direct investment funds into the appropriate member country. The ultimate objective of CARIFTA is to strengthen the economies of all the members and give them a more powerful voice in matters concerned with world trade, particularly in commodities.

Compared with 85 per cent in 1964, sugar and its by-products, molasses and rum, together accounted for just under 70 per cent of the total value of domestic exports in 1968. In the latter year also, production of sugar fell to 159,000 tons and this had declined still further in the following year to 137,100 tons, the lowest for 21 years. These reductions were largely due to the low level of acreage planted, unfavourable weather conditions and the high incidence of cane fires.

Under the Commonwealth Sugar Agreement, extended further in 1968, the negotiated price for sugar for 1969–71 was fixed at £47 10s per ton. Barbados had a negotiated price quota of 139,800 tons of sugar to be shipped annually to Britain. Exports to that country in 1968 were 136,844 tons compared with 140,863 tons in 1967, while shipments of sugar to the United States declined from 11,000 tons in 1967 to 2,700 tons in 1968.

Imports into Barbados
$EC million

	Total (c.i.f.)	*Foo*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	116·3	31·9	11·8	18·9	42·9
1966 ..	130·7	34·1	13·1	22·3	50·1
1967 ..	133·6	32·5	11·6	25·6	52·0
1968 ..	168·1	38·6	16·6	35·1	61·3

TABLE 19

IMPORTS INTO BARBADOS

$EC million

	1965	1966	1967	1968
Australia	2·7	1·6	1·7	1·4
Canada	14·1	15·4	16·7	22·6
Guyana	2·8	2·8	3·0	3·0
New Zealand	3·3	2·9	3·4	4·0
Trinidad & Tobago	6·4	7·3	7·3	9·9
United Kingdom	34·3	39·4	38·1	45·9
Other Commonwealth Caribbean	2·6	3·0	3·7	4·1
West Germany	2·7	3·0	3·0	3·1
Netherlands	3·4	3·1	2·5	6·9*a*
Argentina	2·0	2·6	1·7	2·2
Japan	2·2	2·1	2·9	2·7
United States	18·4	23·9	26·1	34·9
Venezuela	8·4	9·4	8·5	10·4
Other countries	13·0	14·2	15·0	17·0
Total all countries	116·3	130·7	133·6	168·1
Of which:				
Commonwealth	68·1	74·8	75·6	94·0
E.E.C.	9·0	9·0	10·7	16·1*a*
EFTA (Continental)	2·6	3·0	3·3	3·9*a*
Eastern Europe	0·5	0·6	0·7	0·5

a Including possessions.

An interesting feature of the export trade was that $EC7·3 million were received for crustacea and molluscs (shrimps), making this item second only to sugar as a domestic export. The Caribbean is rich in marine life, some species of which form a valuable source of dollar earnings.

The deficit on the balance of visible trade rose sharply from $EC74·1 million in 1967 to $EC108·1 million in 1968. Much of this deterioration could be attributed to the continued effects of the 1967 devaluation of sterling. There was an insignificant increase in overall exports, accounted for by the relatively low level of sugar exports, while imports jumped by 26 per cent. Most categories were affected.

The adverse balance of trade was partly offset by revenue received from remittances from abroad, but more especially by the tourist industry which showed an increase of 55 per cent on 1967, to reach an estimated $EC53·9 million from some 116,000 visitors. This amount exceeded that for total domestic exports for the first time. Part of this increase could be accounted for by the effects of devaluation (since most hotel prices are fixed in terms of $U.S.), but was attributable more directly to the increase in the number of tourists.

BOTSWANA

Some 95 per cent of the population of Botswana depend on agriculture for their livelihood. Most of the country's farmers practice subsistence level arable agriculture, and rely on the sale of livestock for what ready cash they require in a society which is gradually changing to a cash economy. The beef industry accounts for 90 per cent of exports; the largest single industrial enterprise in the country is the Lobatsi Abattoir, owned by the Botswana Meat Commission. The weather can prove to be disastrous if the rains fail as in 1961–66. Although good progress has been made in the construction of small storage dams and more permanent boreholes, scarcity of water remains the main obstacle.

The need to develop Botswana's agriculture and mining potential and the necessary infrastructure is highlighted in the National Development Plan for 1968–73. Plans for the mining of copper-nickel ores at Selebi-Pickwe have reached an advanced stage. A credit of $2·5 million from the International Development Association will permit the Government to complete the detailed designs and preliminary works for the Shasi project. Mining has already begun under a small pilot scheme at the new diamond mine at Orapa but full scale production will not begin until 1971.

Exports are mainly meat and by-products, with small sales of beans, peas, sorghum, talc and manganese ore. The largest single item is cattle, followed by hides and skins, and meat extract. South Africa has been the traditional market for cattle carcases, accounting for about 50 per cent of total slaughterings in 1968. A further 30 per cent of carcases was sold after de-boning and canning. Britain was the main market for this type of meat, taking 92 per cent of Botswana's sales of boneless beef in 1967. The outbreak of foot and mouth

Exports from Botswana

R million

	Total	*Cattle*	*Meat products*	*Hides and skins*
1964	8·4	5·4	1·3	0·5
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

disease at the end of 1967 in Britain led to a total ban on imports of chilled and frozen meat from Botswana and other countries, and was not removed until 15 April, 1968. Consequently sales of boneless beef to Britain fell from 16·4 million lb in 1967 to only 6·4 million lb in 1968, representing 54 per cent of total sales. Botswana sought other markets in Africa, mainly South Africa and Zambia, to which 42·4 per cent of total sales were directed in 1968 compared with only 6·6 per cent in the previous year.

The President of the U.K. Board of Trade announced in July 1969 his decision to recommend that the then 20 per cent m.f.n. rate on imports of boned or boneless beef and veal in fresh, frozen or chilled form be reduced to 5 per cent with effect from 10 October 1969. The decision, which cut the margin of Commonwealth preference from 20 to 5 per cent, was in response to a recommendation made by a Select Committee on foot and mouth disease that if its recommendations on imports of boned-out meat were accepted, their import duties should be adjusted to encourage a reasonable flow of boneless beef to develop. It had been announced on 1 May 1969 that imports of beef from countries where foot and mouth disease was endemic would be limited to boneless beef and processed offal from 1 October 1969. Imports of bone-in beef from countries affected by the ban accounted for about two-fifths of total British imports of beef in the middle of 1969. In recent years only 2 to 5 per cent of British beef imports had been subject to the 20 per cent duty.

Imports into Botswana

R million

	Total	*Food*	*Basic Materials*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1964	9·3	..	..	..	..	..
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

There was an increase in the deficit on visible trade from R13·2 million in 1967 to R15·7 million in 1968. This was the result of a steep fall in total exports combined with a small advance in imports. In particular, exports of meat products and agricultural crops were reduced; those of canned meat and meat extract were eliminated, falling from R1·6 million in 1967. However, there was a marked increase in exports of cattle carcases from R3·9 million in 1967 to R5·8 million in 1968. Foreign reserves were augmented from overseas aid, especially from Britain, and by remittances from nationals working abroad, mainly in South Africa.

Imports for 1968 were slightly higher than in the preceding year. Food imports rose, partly as a result of reduced production of food crops, and there was also a rise in manufactures.

Botswana is a member of a Customs Union with South Africa, of which Lesotho and Swaziland are the other members. A new agreement was signed in December 1969, providing for the continuation of the Southern African Customs Union, but for the first time Botswana (and Lesotho and Swaziland) will have the right to protect infant industries from competing imports manufactured elsewhere in the Customs Union. Among other new features, the Agreement provides for a more equitable division of common Customs, excise and sales duty revenues.

CANADA

Export gains of the order of 9 per cent and renewed growth in business investment were the key factors in contributing to further expansion in production and employment, and thus to another year of significant economic achievement for Canada, despite the continuing serious problem of containing inflation. G.N.P. rose by 9 per cent over 1968, with nearly 5 per cent of this increase representing real output growth. Business activity surged forward strongly in the early part of the year, but the pace of advance moderated later, reflecting in part an abnormal amount of time lost in work stoppages due to industrial disputes, and partly also to a genuine slackness developing. A corresponding effect also began to be felt in consumer income and spending. Though labour income showed large gains through most of the year, the slower growth in the number of jobs and the depressed state of Prairie farm earnings cut into the total flow of consumer income as the year wore on. Higher tax payments and price rises also combined to thin out some of 1968's increase in disposable incomes, while the growing scarcity of credit put a damper on the financing of big purchases such as cars and appliances.

Although the difficulties experienced with capital during 1968 were eased during that year and the Bank rate lowered from 7½ to 6 per cent, continued concern about the trend in prices, which rose by 4 per cent in 1968 for the third consecutive year, together with rising interest rates abroad, led to the Bank rate being increased to 6½ per cent in December 1968 and to 7 per cent at the end of February 1969. In order to control inflation and also to stem the outflow of funds to the United States it was raised further to 8 per cent in July 1969. The budget proposals announced in June were also directed primarily towards controlling inflation and Kennedy Round tariff reductions, planned to be completed by 1972, were implemented immediately to stimulate Canadian industry by providing more overseas competition.

Total exports from Canada rose by some 9 per cent in 1969 compared with 1968. The category showing the greatest step-up was the one including road motor vehicles, due very much to the continuing benefits of the Auto-Pact with the United States. The number of motor vehicles produced in 1969 was double that in 1964, the year immediately preceding the implementation of the Auto-Pact. In line with this increase the output of motor vehicle parts and supplies has also continued an upward movement. After two years of little change, with the help of increased demand and insufficient supply becoming apparent fairly early in the year, there was a resurgence of pulp and paper output. Production and sales strengthened for both newsprint and wood pulp, thus contributing to a sharp rise in plant utilization and efficiency. On the minerals front, 1969 was a year of rising production for important mining and mineral processing sectors including asbestos, aluminium, oil and natural gas. Additions to sulphur and potash productive capacity have, however, increased the available supply of these minerals in a situation of world over-supply and downward pressure on prices. Declines in the production of iron ore, primary steel, copper and nickel

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*
1965	904	68	870	1,046	280	361	1,449	353
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

TABLE 20

EXPORTS FROM CANADA

$ million

	1965	1966	1967	1968	1969
Australia..	144	119	161	191	169
India	60	108	142	113	97
Jamaica	31	34	40	35	52
Trinidad & Tobago	22	24	20	16	20
Other Commonwealth Caribbean	31	46	50	50	55
New Zealand	37	42	41	32	38
Pakistan	22	26	34	30	23
United Kingdom	1,185	1,132	1,178	1,226	1,113
Other Commonwealth.. ..	71	67	70	57	62
Belgium	129	119	103	128	118
France	90	87	84	84	130
West Germany	193	180	181	232	281
Italy	95	116	143	133	135
Netherlands	129	144	178	184	187
Norway	83	108	89	118	104
China	105	185	91	163	122
Japan	317	395	574	608	626
Soviet Union	198	321	129	89	10
South Africa	78	76	79	70	80
United States	5,050	6,254	7,350	9,249	10,593
Venezuela	74	77	82	103	93
Other countries	623	665	592	694	761
Total all countries.. ..	8,767	10,325	11,411	13,605	14,869
Of which:					
Commonwealth	1,603	1,598	1,736	1,750	1,629
E.E.C.	636	645	689	762	851
EFTA (Continental) ..	167	206	175	211	215
Eastern Europe	305	395	181	138	30

in 1969 were principally a result of protracted work stoppages due to strikes at the mines and mills of leading producers. This led to a decrease in exports of iron ore of nearly a quarter, and to a small decline of 4 per cent in exports of non-ferrous metals and ores. In contrast exports of crude petroleum rose by a fifth.

On the agricultural side of the economy, grains, especially wheat, entered on a difficult period so that wheat and flour exports declined by nearly 30 per cent and other grains by a quarter. This reflected the substantial world over-supply and increased domestic production in importing countries. Wheat exports to the Soviet Union fell from over 1 million tons to 36 thousand tons and to China from 1,732,000 tons to 134,000 tons although under the recent agreements signed between Canada and China wheat exports to the latter may be expected to pick up during 1970. Low wheat exports contributed to the decline in exports to Britain in addition to the policies of restraint in that country, including the import deposit scheme. A scarcity of nickel and copper supplies also kept the level of sales to Britain below the 1968 record. In contrast, increased wheat sales to France and West Germany helped to raise exports by nearly 12 per cent to the E.E.C. as a whole. In line with the trend established since the signing of the Auto-Pact the greatest expansion came in sales to the United States which rose by some 14 per cent. This market now accounts for over 70 per cent of total Canadian exports.

Imports rose at a much faster rate than exports, rising 15 per cent above the 1968 level. The year brought increased demands for imported foodstuffs and industrial materials such as chemicals and plastics, while imports of machinery rose by nearly a fifth and of transport equipment by over 17 per cent. During the year many imported materials were subject to price rises, which further swelled the total bill. The rise in imports diminished the large trade surplus achieved in 1968 almost by half. Along with this, higher spending by Canadians on foreign travel pushed the balance of services transactions further into deficit, so that the year's current account showed a deficit of about $700 million, an increase on the 1968 figure of $111 million, but still about the average for the past five years.

Imports into Canada

$ million

	Food	*Basic materials and base metals*	*Mineral fuels, lubricants, gas and electricity*	*Machinery*	*Transport equipment*	*Other manufactures*
1965	700	1,279	626	2,180	1,240	2,282
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

TABLE 21

IMPORTS INTO CANADA

$ million f.o.b.

	1965	1966	1967	1968	1969
Australia..	47	60	64	76	96
Ceylon	14	10	12	10	9
Hong Kong	31	39	51	58	73
India	43	40	43	38	41
Jamaica	36	37	32	34	46
Malaysia	40	29	22	26	33
Singapore		12	11	15	22
New Zealand	15	15	15	19	41
Trinidad & Tobago	17	16	19	20	18
United Kingdom	619	645	673	696	791
Other Commonwealth Caribbean	29	36	39	38	42
Other Commonwealth	62	85	81	65	79
Belgium	72	62	65	58	61
France	96	107	130	122	154
West Germany	210	235	257	299	355
Italy	80	87	110	114	141
Netherlands	56	60	65	69	79
Japan	230	253	305	360	496
United States	6,048	7,140	8,023	9,051	10,318
Venezuela	255	215	276	358	346
Other countries	633	683	782	832	961
Total all countries.. ..	8,633	9,866	11,075	12,358	14,202
Of which:					
Commonwealth	953	1,024	1,062	1,095	1,291
E.E.C.	514	551	627	662	789
EFTA (Continental) ..	177	209	237	249	298
Eastern Europe	42	54	79	77	76

CEYLON

Agricultural and industrial output rose sharply in the first half of 1969, but despite this the trade gap widened by Rs.351 million over the first 9 months of the year compared with the corresponding period of 1968. Much of this was due to a further drop in export prices for tea and for copra, which accentuated the foreign exchange scarcity, so that a standby credit of some \$19·2 million was arranged with the I.M.F. International reserves fell from \$51 million at the end of 1968 to \$40 million by the end of 1969. In January 1970 Ceylon utilized \$5 million S.D.R.'s out of its total allocation of \$13·1 million at the beginning of the month.

Further emphasis was placed during 1969 on achieving self-sufficiency in agricultural production and on continued industrial expansion. In July, plans were announced to establish new industrial estates, co-ordinate long-term development and increase the output of the fishing industry. Action was also envisaged for improving further the country's infrastructure. Other measures included the setting up of a National Development Bank, to provide medium and long-term credit, and the establishment of a special department at the Ministry of Planning and Economic Affairs to review development. The budget of 2 August, for the financial year commencing in October, provided for record revenues to help meet the substantially enlarged deficit, created partly by estimates for increased capital expenditure to sustain economic development, and partly by pay increases of Rs.125 million a year for civil servants from 1 October. Income tax was left unchanged. But turnover taxes were introduced for cigarettes and raised for vehicles, fuel and many manufactured goods. The budget imposed duties on a number of exports like cocoa, coir fibre, graphite and cinnamon, partly offsetting the effective export subsidy these receive from Foreign Exchange Entitlement Certificates (F.E.E.C.'s).

F.E.E.C.'s were introduced in May 1968 and could be earned only by exporing goods other than tea, rubber, and coconut products, a fact which forced importers to obtain their foreign exchange at a fixed premium above the official rate. This system led to an acceleration in industrialisation as the flow of imports became dependent on market demands rather than on rigid quotas, and also stimulated an expansion in non-traditional exports. On 18 June the rates for F.E.E.C.'s, unchanged since their introduction, were raised so that the effective difference from the par rate became 35 per cent compared with 31 per cent previously. The restrictions on credit imposed during 1968 were continued until 1 June 1969, when commercial banks were allowed to expand lending to the private sector by up to 7 per cent above advances outstanding at the end of April.

A World Bank team visited Ceylon late in 1968 and mainly as a result of its recommendations the Aid Ceylon Consortium, which held its fifth meeting in Paris in March 1969, made commitments of over \$100 million for the aid year then current, compared with \$68 million committed and some \$50 million disbursed in 1968. Project aid committed included \$54 million from the World Bank and the International Development Association. Britain agreed to provide £4 million interest free for 25 years, with a 3-year grace period for imports including fertilisers and agricultural and industrial machinery. Germany agreed to provide \$6·3 million, \$2·5 million of which was to be advanced as a commodity loan for fertilisers and other imports, and the remaining \$3·8 million for industrial projects. France granted a special credit the equivalent of \$8 million to cover imports from France, following two earlier credits each of \$7·2 million for the import of tractors, machine spares, base metals and building materials, and Canada advanced \$2 million to cover imports of newsprint and asbestos fibre.

Domestic exports were slightly ahead over the first 9 months of 1969 compared with the corresponding period of 1968, but by October they had fallen slightly behind the 1968 value. A spectacular rise in rubber exports over the nine-month period was insufficient to offset completely the declines on account of coconut products and tea, so that the aggregate value of these three major export categories was lower in 1969 than in the first nine months of 1968. The average f.o.b. export price per pound of tea in the first 9 months of 1969 was Rs2·38 compared with Rs2·50 in the similar period of 1968, so that despite an increase in production and a 4·4 per cent increase in the volume exported, the value of tea exports fell by some Rs9 million. Tea prices early in the year were already disappointing and were further depressed by reduced buying from the United States and Iraq. Ceylon's bumper crop in the second quarter, coming on top of over-production in other countries, added to the world surplus of plain teas and contributed to a further drop in prices. Some improvement became apparent during the last quarter of the year as prices became firm, partly due to improved quality from July onwards and to the fact that stocks in the United Kingdom, which had slowed exports to that country, became depleted. But the major contribution to future improvement was the confirmation, by the world's major tea exporters meeting in Rome in January 1970, of the provisional agreement of four months' earlier to cut back exports by a combined 90 million lb, or about 7 per cent in 1970.

In contrast to tea, Ceylon's second major export, rubber, rose by over 30 per cent. The average f.o.b. export price for rubber rose from Rs0·95 (Ceylon currency) per pound over the first 9 months of 1968 to Rs1·34 per pound for the similar period of 1969. The volume of rubber exported in this period of 1969 amounted to 236·7 million lb, a 4·3 per cent decline on the year-ago level, which was more than offset by the price increase. Fairly early in the year, the already steadied rubber prices rose sharply on a wave of buying, prompted by an increase in American synthetic rubber prices and by the decision of United States General Services Administration to halt sales from its natural rubber stockpile. The rise was given a further thrust by the internal situation in Kuala Lumpur with resultant short covering and reduced buying because of uncertainty of shipments from Malaysian ports. But the sharpest jump came after the French devaluation, and on August 11th the Singapore quotation rose to an eight year high and the London price to a nine year peak. However, prices soon declined from these levels and fell steadily in the third quarter.

Export receipts from copra, coconut and desiccated coconut fell by Rs69·3 million in the January-September period of 1969 compared with the corresponding period in 1968. This was mainly as a result of a 16·5 per cent contraction in the volume exported, but this was accentuated by a 10·6 per cent fall in their average export price.

Exports from Ceylon

Rs million

	Tea	*Rubber*	*Coconut products*
1965	1,210	304	325
1966	1,027	337	234
1967	1,060	282	212
1968	1,161	331	382
Jan.–Sept.			
1968	885	237	228
1969	876	312	159

For the first 9 months of the year exports to the United Kingdom fell by some 20 per cent, and although exports to India and Pakistan expanded by 22 per

TABLE 22

EXPORTS FROM CEYLON

Rs million

	1965	1966	1967	1968	1969*a*
Australia..	101	74	93	101	85
Canada	64	47	53	62	50
India	44	20	19	24	26
Pakistan	33	42	31	39	49
New Zealand	41	34	35	40	36
United Kingdom	506	417	474	489	402
Other Commonwealth	33	39	31	23	84
West Germany	63	47	52	83	81
Italy	37	30	31	41	35
Netherlands	42	33	38	46	37
Poland	25	25	13	27	29
Soviet Union	97	82	57	94	96
China	172	177	153	195	231
Egypt	18	7	27	35	49
Iraq	98	105	55	91	65
Iran	41	27	18	26	*b*
Japan	39	42	42	55	45
South Africa	92	81	84	99	89
United States	147	135	138	139	159
Other countries	227	216	193	267	320
Total all countries.. ..	1,920	1,680	1,637	1,976	1,968
Of which:					
Commonwealth	822	673	736	778	732
E.E.C.	164	129	140	195	176
EFTA (Continental) ..	12	10	9	15	8*c*
Eastern Europe	167	151	102	154	171

a Annual rates based on latest data.

b Included, if any, in "Other countries".

c Incomplete.

cent and 41 per cent respectively, those to the Commonwealth as a whole fell by some 11 per cent compared with the similar period of 1968. As well as the fall in exports to the United Kingdom, substantial falls occurred in exports to Australia, Canada, and New Zealand. In contrast, exports to the United States and the Soviet Union rose by 7 per cent and 23 per cent respectively, while those to China moved up by 24 per cent. Expansion of trade to the last-mentioned country was assisted by an agreement reached in January 1969, whereby China was to take 62,000 metric tons of rubber and a number of industrial products from Ceylon, while Ceylon would import 200,000 metric tons of rice from China.

Imports into Ceylon rose in the January-October period by over 18 per cent. One improvement, however, was a fall in the amount of food imported; this was the result of a sharp increase in food output during the first half of 1969. The fall in food imports was due to a lower intake of rice, as flour and sugar imports rose. Imports of machinery and transport equipment more than doubled during this period, one contributing factor being the lifting of the ban imposed on lorry chassis in January when these imports were placed under open general licence.

Imports into Ceylon

Rs million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	597	111	120	177	462
1966 ..	957	110	136	263	551
1967 ..	785	119	123	251	452
1968 ..	991	131	201	272	568
Jan.–Oct.					
1968 ..	880	105	154	230	463
1969 ..	842	157	156	498	520

During the 9 month period imports from the Commonwealth rose by over 30 per cent, with rises in respect of the United Kingdom, India and Pakistan more than offsetting the falls from Australia and Canada. Imports from the United States also expanded strongly—by 39 per cent. In contrast to expanded exports to the Soviet Union and China, imports from the former fell by some 55 per cent and those from the latter remained at around the year-ago level.

TABLE 23

IMPORTS INTO CEYLON

Rs million

	1965	1966	1967	1968	1969*a*
Australia..	94	99	111	125	110
India	134	135	123	152	223
Pakistan	46	85	34	45	78
United Kingdom	263	339	272	316	450
Other Commonwealth	50	72	74	117	178
France	41	37	51	45	77
West Germany	47	74	94	115	159
Italy	26	38	70	46	38
Netherlands	47	55	41	35	36
East Germany	14	5	5	1	93
Poland	34	32	10	34	24
Soviet Union	100	116	110	97	43
Burma	74	175	63	60	29
China	114	217	185	245	279
Iran	20	29	24	52	44
Japan	111	123	97	116	182
Thailand	29	80	56	93	31
United States	56	80	108	172	223
Other countries	172	233	206	302	317
Total all countries ..	1,472	2,024	1,734	2,168	2,614
Of which:					
Commonwealth	587	730	614	755	1,039
E.E.C.	179	220	267	257	336
EFTA (Continental) ..	30	42	40	36	24*b*
Eastern Europe	173	200	156	176	196

a Annual rates based on latest data.

b Incomplete.

CYPRUS

The balance of merchandise trade continued to show a growing deficit in 1969 when it reached £43·5 million—substantially in excess of the value of total exports. Efforts were made to curb this by imposing a measure of domestic restraint involving credit restrictions and higher excise and import duties on tobacco, alcohol, cars and television sets. However, despite the large deficit on merchandise trade, the balance of payments was consistently in surplus due to a substantial contribution to the economy from tourism, migrant remittances, repatriation of capital and spending by the United Nations and British military establishments in the country. The latter was by far the greatest, having amounted to around £27 million in 1969.

The uncertainty of the above sources of foreign exchange has given rise to steps towards strengthening the infrastructure. The mining industry is the second most important sector of production in which, however, reserves of copper are being exhausted and no new resources of importance have been found. Consequently the government has made the development of agriculture, which accounts for over half of visible exports, the core of the Second Five Year Plan 1967–1971, with a target of 50 per cent increase in production. Apart from £10·5 million direct government investment in agriculture, a further £8·6 million is to be spent on water development, pumping, irrigation and the building of new dams. The new land consolidation law is intended to reduce fragmentation.

Exports from Cyprus

£ million

	Beverages	*Fruit and vegetables*	*Iron pyrites*	*Copper concentrates cupreous pyrites and cement copper*
1965	1·6	8·5	1·8	6·6
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	6·4

TABLE 24

EXPORTS FROM CYPRUS

£ million

	1965	1966	1967	1968	1969
United Kingdom	7·7	9·4	11·8	13·7	16·0
Other Commonwealth	0·6	0·4	0·3	0·5	0·5
West Germany	4·7	5·8	2·9	7·0	6·3
Italy	1·2	1·0	1·6	1·9	2·7
Netherlands	1·5	1·5	1·4	2·0	1·6
Spain	2·0	2·6	1·4	1·9	1·0
Soviet Union	1·1	1·7	1·7	1·8	2·4
Other countries	6·1	6·4	8·1	7·5	8·8
Total all countries.. ..	24·9	28·8	29·2	36·3	39·3
Of which:					
Commonwealth	8·3	9·8	12·1	14·2	16·5
E.E.C.	8·0	9·2	7·0	12·3	12·0
EFTA (Continental) ..	0·7	0·6	0·8	1·0	1·3
Eastern Europe	2·6	3·1	3·5	3·7	4·3

In July 1969, the Independent Tourist Authority was set up and given the powers to organise and promote tourism through the development of the island's tourist potentialities. An agreement has been signed for the lease of the Famagusta Golden Sands complex, which is the largest single tourist development project undertaken in the country. It envisaged expenditure of around £3 million and was expected to be completed in two years time; in addition, work is being undertaken on improvements to sea and air ports. In 1969, the estimated income from tourism was £7 million, an increase of over a fifth compared with 1968.

In 1969, the value of exports continued to expand, but not at the same high rate as in 1968—the first year following devaluation. Unlike 1968, the weather was favourable during the year under review and wheat and barley production especially showed an improvement. Citrus fruit and potatoes each registered crop increases of 8 per cent. The chief market of these products was the United Kingdom, which took almost the whole of the export surplus of potatoes. Following the trade agreement with the Soviet Union, brandy alcohol exports to that country again reached the high level of the preceding year, at £1·3 million. This put the U.S.S.R. ahead of the United Kingdom as the main

Imports into Cyprus

£ million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	7·7	4·7	3·6	12·6	21·3
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

TABLE 25

IMPORTS INTO CYPRUS

£ million

	1965	1966	1967	1968	1969
United Kingdom	16·2	16·6	17·9	23·9	26·0
Other Commonwealth	3·0	3·2	2·3	2·7	3·0
Belgium	1·2	1·4	1·5	1·6	1·8
France	3·1	2·6	2·8	3·1	3·9
West Germany	3·9	4·8	5·1	5·4	6·9
Italy	5·0	5·1	5·7	7·6	8·4
Netherlands	1·7	1·7	1·9	2·2	3·0
Greece	1·6	2·0	2·3	2·9	4·1
Japan	1·6	1·9	2·1	2·2	3·1
Soviet Union	1·6	1·5	1·3	1·6	2·3
United States	1·5	2·5	3·0	3·5	4·1
Other countries	9·6	10·6	12·2	12·4	16·2
Total all countries.. ..	50·0	53·9	58·1	69·1	82·8
Of which:					
Commonwealth	19·2	19·8	20·2	26·6	29·0
E.E.C.	14·9	15·6	17·0	19·9	24·0
EFTA (Continental) ..	3·6	3·6	3·8	5·1	4·8
Eastern Europe	3·4	3·3	4·1	4·4	5·7

purchaser of alcoholic beverages. In 1968, the value of copper exports had gone up largely as a result of the leap in prices following the United States copper strike, but in the succeeding year the price levelled off and exports were reduced by a fifth.

Imports in 1969 went up at a slightly higher rate than in 1968 despite the effects of earlier devaluation. The United Kingdom was again the main source of supply. Machinery and transport equipment, and manufactures, were the chief categories. Motor vehicles and parts amounted to £6·7 million, a rise of almost 40 per cent. As already mentioned, measures were taken to curb the high rate of growth of imports of a number of items including cars.

THE GAMBIA

The 1968–69 groundnut crop not far short of 124,000 tons improved the fortunes of the Gambian economy considerably. The crop was the second best recorded and was sold at favourable world market prices. As a result producer incomes, government revenues, foreign exchange earnings and foreign trade all became buoyant.

The Budget for 1969–70 noted the successes of the economy in fiscal 1968–69, while recognizing the need for continued and increased development aid. Various tax changes were made, some with a bearing on trade. The import duties on cigarettes and some alcoholic drinks were raised, while the differential between the preferential and the general tariff was reduced to 5 per cent from 15 per cent, the former being raised to 25 per cent. With the downward trend in the world price of rice, the import duty of 5s per 100 lb was reintroduced after its removal in July 1968, but the controlled price of rice to the consumer was to remain at the earlier level.

The present Development Programme ends in June 1971 and the Government is currently engaged in preparing a new Development Plan which will come into operation thereafter. As with other West African countries, great emphasis has been placed on the development of agriculture, both to lower imports of foodstuffs and to provide alternative export crops for reducing dependence on one major commodity—groundnuts in this case. Steady progress has been made with several commodities, probably the most important of which is rice. Help has been received from a group of experts from Taiwan and the World Bank has agreed to provide finance for plans to increase production, so that no further imports would be necessary.

Trials on cotton production have been going ahead and encouraging results have engendered hopes of a second export crop in the not-too-distant future. Cassava production has been doing well too, and exports of gari (made from cassava) to Britain have been increasing. The Government has granted a five year loan to the industry of £7,500 for the purchase of cassava processing plant

Exports from The Gambia

£ million

	Total (f.o.b.)	*Oilseeds, oil nuts and oil kernels*	*Vegetable oils*	*Animal feeding stuffs*
1965 ..	4·7	2·5	1·5	0·7
1966 ..	5·6	2·6	1·7	1·1
1967 ..	6·4	2·4	2·6	1·2
1968 ..	5·3	1·9	2·1	1·2
1969*a* ..	6·0	3·5	1·6	0·9

a Estimates.

TABLE 26

EXPORTS FROM THE GAMBIA

£ million

	1965	1966	1967	1968	1969a
United Kingdom	2·4	3·9	4·0	3·3	2·4
Italy	1·0	0·4	0·5	0·1	0·2
Netherlands	0·5	—	—	0·5	0·9
France	—	—	—	0·3	0·8
Portugal	0·5	1·3	1·3	0·2	1·0
Other countries	0·3	—	0·6	0·9	0·6
Total all countries	4·7	5·6	6·4	5·3	6·0
Of which:					
Commonwealth	2·5	3·9	4·0	3·4	2·5
E.E.C.	1·5	0·4	0·5	0·9	1·9

a Estimates

and machinery. The potential of hides and skins was also investigated and a centralised buying centre for quality hides and skins was later established in Bathurst for bulk shipments to Britain.

During the year, exports of groundnuts rose by over 80 per cent. A period of drought in August 1968 led to fears that the 1968–69 groundnut crop would be adversely affected. However, later rains in September led to an improved outlook and throughout the season an inflow of groundnuts from Senegal, where the recorded crop was low, boosted The Gambia Oilseeds Marketing Board's purchases. When the 1968–69 season officially closed at the end of March 1969 total purchases, at 123,827 tons, far exceeded original expectations.

The widespread reduction in exports of groundnuts and oil from the main primary producers had let to an upsurge in prices. Since the crushing industry in The Gambia buys its nuts at world market prices for producing oil and cake, it became more advantageous to sell groundnuts than to process them at this high cost; hence exports of vegetable oils fell by nearly a quarter and animal feeding stuffs by a similar proportion.

A fall of nearly 28 per cent in exports of groundnut oil accounted for the decline in exports to Britain, while increased groundnut exports caused the upsurge in the value of sales to the Netherlands, France and Portugal. Exports to the Netherlands were further boosted by a contract entered into by the G.O.M.B. with a Dutch firm to sell some 1,000 tons of hand-picked and selected nuts at a price about £20 a ton higher than the world market price for decorticated groundnuts.

Imports into The Gambia

£ million

	Total (c.i.f.)	*Food*	*Machinery and transport equipment*	*Other manufactures*
1965	5·8	1·0	1·1	3·1
1966	6·3	0·9	1·2	3·3
1967	7·0	1·3	1·3	3·2
1968	8·7	1·3	1·7	4·6
1969	8·0*a*	..	..	..

a Estimate.

TABLE 27

IMPORTS INTO THE GAMBIA

£ million

	1965	1966	1967	1968	1969a
United Kingdom	2·4	2·5	2·5	3·4	2·7
Japan	1·0	1·1	1·2	1·5	0·9
Other countries	2·4	2·7	3·3	3·8	4·4
Total all countries	5·8	6·3	7·0	8·7	8·0
Of which:					
Commonwealth	3·0	3·3	3·2	4·1	3·4
E.E.C.	0·5	0·5	0·8	1·1	..
Eastern Europe	0·3	0·4	0·4	0·4	..

a Estimates.

The sharp drop in imports registered in the July-November 1969 period was attributable to a large carry-over of stocks mainly resulting from the measures taken by the Senegal authorities in respect of the traditional border trade. Discussions took place during the year between the two countries and it was agreed in principle to achieve a customs union on the lines envisaged in a U.N. report, but The Gambia made it clear that it would only participate in a customs union " . . . . if it is satisfied beyond doubt that this is in the interests of The Gambia and its people."

GHANA

Despite lower receipts from cocoa exports during the first eight months of the year, the balance on merchandise trade by the year's end, plus exports of gold, recorded a surplus of N¢39·0 million, compared with N¢24·8 million in 1968. Foreign exchange reserves equivalent to the import bill for three months at rates current at the end of 1969, began to rise in the first few months of 1970—at the height of the cocoa season—but the burden of debt-servicing proved onerous in spite of previous rescheduling.

One of the primary aims of the two-year development plan, running from mid-1968 to mid-1970, was to expand the agricultural sector of the economy and so reduce reliance on cocoa. Guaranteed minimum prices for both maize and rice were raised during 1969. The introduction of guaranteed prices was part of a diversification campaign which aimed at expanding the production of cotton, sugar cane and oil palm—thereby saving foreign exchange. The rate of growth of total imports in the first eight months of the year indicated that the level for the year as a whole would be above that anticipated as a minimum at the Paris Aid meeting in May 1970.

The 1969–70 Budget set aside N¢12·3 million for agricultural development and introduced several tax measures to help the farmer. These included exemption from payment of income tax for a period of five years for agricultural enterprises, and an exemption from a 5 per cent duty imposed on machinery for agriculture, horticulture and water supplies. A Grains Development Board was established in June with responsibility for promoting the production of grains and legumes, while measures were taken to expand the fishing industry, both to create domestic self-sufficiency and a surplus for export. During the year a loan from the International Development Agency, of about N₵1·3 million, was obtained to enable the Ghana Boat Yards Corporation to build many more of the medium-sized boats suitable for operation by local fishermen, and to carry out harbour studies for future fishing port development. In addition an allocation was made in the budget to enable the Agricultural Development Bank to grant credits to the larger-scale fishing enterprises, so that they could purchase trawlers and other necessary equipment. Help was also given in the budget to timber, in order to encourage greater use of timber resources for export outside the normal range of species currently exploited.

During the year Ghana signed several aid agreements with various countries. One with the United States for N₵17·4 million was for the supply of agricultural commodities required for use by a number of industries and also for general consumption. Aid from Canada took the form of the supply of 25,000 tons of wheat to the value of $2 million, while Britain added £1·65 million to its loan to Ghana for the purchase of British goods and services, and also as a contribution

Exports from Ghana

New Cedi million

	Cocoa	*Timber*	*Bauxite*	*Manganese ore*	*Diamonds*
1965	149	25	2	9	13
1966	117	21	2	12	11
1967	156	22	2	9	13
1968	186	29	1	11	17
Jan.–July					
1968	170	18	1·2	6·2	10·5
1969	140	22	0·9	4·4	8·2

TABLE 28

EXPORTS FROM GHANA

New Cedi million

	1965	1966	1967	1968	1969*a*
Australia..	3	3	4	6	10
Canada	7	5	4	10	6
United Kingdom	27	29	46	66	96
Other Commonwealth	4	3	5	6	6
Belgium	7	8	5	5	8
West Germany	22	14	17	34	48
Italy	9	7	5	10	10
Netherlands	23	12	18	38	40
Poland	6	3	6	5	6
Soviet Union	22	18	19	12	5
Japan	5	9	17	23	36
United States	35	27	39	60	46
Yugoslavia	7	5	5	10	9
Other countries	29	29	28	28	46
Total all countries ..	206	172	218	313	372
Of which:					
Commonwealth	41	40	59	88	118
E.E.C.	63	42	48	88	111
EFTA (Continental) ..	7	7	10	11	14
Eastern Europe	37	31	32	20	15

a Estimated.

towards the cost of development projects to be agreed upon by the two governments. In addition to aid received during the year, the economy was helped by further debt rescheduling following the major efforts undertaken in 1968. Such agreements took place with Israel and the Netherlands.

Domestic exports, excluding gold, declined by 6 per cent to N₵249 million in the first eight months of 1969, compared with the corresponding period of 1968. This was due primarily to lower exports of cocoa, which fell by nearly a fifth. The total of the main crop of cocoa for 1968–69, at 297,908 tons, was well below that achieved for 1967–68, amounting to 389,686 tons. However, the total for the mid-crop improved considerably, being some 45 per cent above the unofficial figure of 24,506 tons given for 1967–68. Prices for Ghana cocoa were high during the year and the spot Ghana price on the London market averaged 422s 2d in 1969, compared with 324s 8d in 1968. Exports of cocoa by weight from Ghana declined from 311,530 tons in the first ten months of 1968 to 241,962 tons in the corresponding period of 1969. Shipments to the United Kingdom and Australia rose very slightly while those to New Zealand dropped by about a third. Outside the Commonwealth, shipments to the United States declined slightly and those to the E.E.C. fell substantially—particularly those to the Netherlands, which were more than halved, and to West Germany. An even more drastic decline occurred in sales to the Soviet Union which fell from 25,000 tons to just over 7,000 tons.

An expansion in exports of logs and sawn timber, particularly of the former, went some way towards offsetting the decline in the case of cocoa. In the first eight month period, export values of logs rose by nearly a third, and those for sawn timber by some 13 per cent. World demand for timber products remained high through most of 1969, and production of logs was well above the year earlier figure despite transport difficulties and port congestion. A falling off in demand was reported following the devaluation of the franc, which made the French-speaking West African territories more competitive than before. However, it was not until the very end of the year that demand for logs began to fall and prices to ease, as European stocks became high: even so the demand for prime species remained good and a firm market appeared to be developing in Australia and New Zealand. Exports of bauxite fell by some 12 per cent partly due to transport difficulties, and steps are now being taken to aid the development of this industry. Manganese ore exports declined by over a third but this development was foreseen as manganese production came closer to exhaustion point.

The geographical distribution of exports showed rises to most Commonwealth markets with the exception of Canada. Outside this area, exports to the E.E.C. were maintained at roughly the same level as in the first eight months of 1968, with increased timber sales offsetting cocoa declines, but exports to the Soviet Union and the United States fell dramatically, the first due to low cocoa shipments and the second partly because of lower diamond exports.

Imports into Ghana

New Cedi million

	Food	*Basic materials and base metals*	*Mineral fuels*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	35	23	13	106	135
1966 ..	39	17	11	82	97
1967 ..	43	15	15	70	112
1968 ..	51	10*a*	21	86	139*b*
Jan.-July					
1968 ..	28	5*a*	12	48	79*b*
1969 ..	30	7*a*	14	52	86*b*

a Basic materials only. *b* Includes base metals.

TABLE 29

IMPORTS INTO GHANA

New Cedi million

	1965	1966	1967	1968	1969a
Canada	6	2	5	7	8
United Kingdom	80	72	78	87	95
Other Commonwealth	12	9	12	10	20
France	8	11	8	6	8
West Germany	32	18	25	36	39
Italy	11	8	6	7	10
Netherlands	16	12	13	13	17
Czechoslovakia	11	3	3	4	5
Poland	14	5	3	3	3
Soviet Union	22	14	8	7	16
China	11	6	1	2	5
Japan	14	13	16	17	19
Upper Volta	3	3	3	2	3
United States	27	42	43	60	63
Yugoslavia	9	5	2	3	4
Other countries	42	28	35	50	43
Total all countries.. ..	318	251	261	314	358
Of which:					
Commonwealth	98	83	95	104	123
E.E.C.	68	53	53	64	76
EFTA (Continental) ..	7	5	8	13	18
Eastern Europe	64	28	19	19	29

a Annual rates based on latest data.

Imports in the first seven months advanced by some 12 per cent, with all categories showing substantial rises. By August food imports had increased by over 12 per cent, and the urgency of this problem has already been mentioned. From January 1969 liberalization of import controls was announced, and a significant group of imports previously requiring specific licences was moved into the schedule covered by open general licence. With effect from 13 February 1969, however, a 5 per cent special surcharge was imposed on goods imported under open general licence.

As might have been expected with the various aid agreements entered into during the year, imports from most sources showed a steady rise. The Soviet Union recorded a substantial rise, and this trend is likely to continue as the result of a trade pact made in 1969. Under this, Ghana will import from the Soviet Union sugar, crude oil, machinery and spare parts, and export cocoa beans, cocoa, butter and timber.

GUYANA

Demand and supply conditions for major exports were favourable throughout the year. Sugar production rose by 14 per cent; production of bauxite increased by a fifth; and although rice output was low, the quality of the crop improved, thus commanding higher prices in world markets.

Exports in the first nine months of 1969 were just above the level prevailing in the corresponding period of 1968, with sugar more than compensating for the lower returns from other commodities, in particular from rice.

The expectation of somewhat lower rice exports in 1969, because of crop damage by inclement weather, had been a factor in the request for a stand-by from the I.M.F. in the early part of the year. The arrangement authorized the purchase of up to $4 million in foreign currencies over the following twelve months. By the end of December the external assets of the Bank of Guyana stood at some $G34 million compared with over $G46 million a year earlier.

Sugar exports from Guyana rose by some 50 per cent in the first 9 months of the year as production soared towards the all time record of 364,000 tons by the year's end. This was in complete contrast to other West Indian producing countries where production fell to low levels as a result of insufficient rainfall. Sugar exports rose to some $G80 million for the year as a whole. The value gained from higher production was increased by the larger quantity shipped to the United States. As a result of lower sales from other producers, sales to this more profitable market amounted to 100,000 tons in 1969 compared with about 60,000 tons in recent years. At the same time sugar sold to Canada, at world market prices plus preference, yielded better returns in 1969 than in any year since 1964—an effect of the new International Sugar Agreement. The average London daily price in 1969, however, was still just below the minimum range of £34–£53 a ton c.i.f. prescribed by the I.S.A.; and the net returns from sales of sugar to Canada, even with the benefit of preference, still only amounted to about £30 a ton compared with £45 from sales to Britain and some £60 from sales to the United States.

Rice exports diminished by over a third in the first 9 months of the year. Unfavourable weather conditions produced a spring crop substantially lower than in 1968 and this, coupled with the poor 1968 autumn crop, depressed exports in the 9 month period. The average export price was about 4 per cent higher than in the previous year: 39,000 tons were shipped to the Caribbean and 5,000 tons to the rest of the world, compared with 34,000 tons and 41,000 tons respectively in 1968. The autumn crop in 1969, however, exceeded that of 1968 probably by some 15 per cent.

At the Regional Rice Conference held at the beginning of 1969, it was agreed that the purchasing territories of the Caribbean would buy more rice from Guyana at a price increased by 1·25 cents a lb for all grades. With the shortfall in production, difficulty was experienced by Guyana in meeting the ensuing commitments. The industry received substantial aid from the U.S. Agency for International Development in the form of a $G25·8 million loan for modernisation. Plans went ahead for reorganising and expansion of packaging and processing facilities.

Exports of both alumina and bauxite were slightly below the year-ago level in the first 9 months of 1969. However, the trend of increasing production of dried and calcined bauxite, begun with the completion of the $G50 million expansion in bauxite producing facilities, continued through the year. By the end of 1969 dried bauxite sales stood at 1,182,000 tons, compared with 1,021,000 in 1968;

Exports from Guyana

$G million

	Rice	*Sugar*	*Alumina*	*Bauxite*	*Manganese ore*
1965	23	46	30	37	5
1966	25	51	32	43	5
1967	25	59	31	46	5
1968	26	64	33	58	3
Jan.–Sept.					
1968	22	34	27	42	2
1969	14	51	23	40	..

TABLE 30

EXPORTS FROM GUYANA

$G million

	1965	1966	1967	1968	1969*a*
Canada	38	40	36	43	42
Trinidad & Tobago	15	15	17	17	15
United Kingdom	41	41	48	46	50
Other Commonwealth	12	15	15	17	13
Netherlands	3	5	2	4	3
Norway	8	11	10	9	9
United States	31	41	46	56	45
Other countries	19	18	23	24	23
Total all countries	167	186	197	216	200
Of which:					
Commonwealth	106	111	116*b*	123*b*	120*b*
E.E.C.	8	10	6	9	8
EFTA (Continental)	9	12	14	13	11
Eastern Europe	—	..	..	..	..

a Annual rates based on latest data.
b Sterling area plus Canada.

calcined bauxite at 585,000 tons (523,000 in 1968); and alumina at 295,000 tons (265,000 in 1968). Manganese ore exports ceased with the finish of production at the end of the third quarter of 1968. Of the other exports, diamond production and exports fell by a third in the 9 month period while those of rum and molasses were marginally lower.

Imports into Guyana in the 9 month period rose by nearly 4 per cent. All the major categories except "other manufactures" were running at a similar level to 1968. A saving in this category is expected to be made when the proposed manufacture of calcium fertiliser from shell deposits in the northwest district gets under way. It is hoped that production of this fertiliser will replace imports amounting to $G5 million annually. Higher import duties in the 1969 Budget on some foodstuffs probably helped to keep the growth of this group at a low level. The Budget also imposed a 3 per cent defence levy on all imports other than those currently exempt from customs duties; while higher excise duties were imposed on consumer durables, including refrigerators and radiogramophones, to offset the impact of reduced tariffs resulting from the operation of the CARIFTA Agreement.

Imports into Guyana

$G million

	Food	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965	31	16	47	73
1966	33	16	60	80
1967	34	18	77	82
1968	36	21	62	88
Jan.-Sept.				
1968	26	14	45	69
1969	27	13	45	74

TABLE 31

IMPORTS INTO GUYANA

$G million

	1965	1966	1967	1968	1969*a*
Canada	14	18	25	20	18
Hong Kong	3	2	*b*	3	3
Trinidad & Tobago	20	21	22	26	26
United Kingdom	55	66	58	64	72
Other Commonwealth	10	10	13	14	12
West Germany	5	6	13	6	8
Netherlands	8	7	8	9	9
Japan	5	7	8	7	8
United States	44	46	62	52	48
Other countries	15	19	16	18	17
Total all countries	179	202	225	219	221
Of which:					
Commonwealth	102	117	118*c*	127*c*	131*c*
E.E.C.	17	21	28	24	23
EFTA (Continental)	3	4	4	4	4
Eastern Europe	4	3	1	1	1

a Annual rates based on latest data.
b Included, if any, in "Other Commonwealth".
c Sterling area plus Canada.

HONG KONG

Recent estimates have shown that Hong Kong's per capita income is £275 p.a. and that its growth rate is the highest in Asia. The foundation of this impressive economic performance is foreign trade, which has been expanding at a remarkable rate in recent years. Total exports, including re-exports, rose by 24 per cent during 1969 while domestic exports rose even more. Increased exports have stimulated a rapid increase in industrial production and virtually all sectors of the economy, especially the relatively new industries, were experiencing a high rate of expansion. The rate of economic expansion has been described as the outstanding feature of the year and of the decade.

Textiles and clothing have for long been Hong Kong's mainstay, accounting for half the Colony's exports and employing 40 per cent of the industrial workforce. The year 1969 was a good one for the industry as a whole despite sluggish business in pure cotton cloth. The prospect of restrictions on sales to the United States presents the industry with one of its major problems for the future, but Hong Kong manufacturers are not slow to diversify into new products and markets, and promising new outlets have been found in garment manufacturing. The major proportion of U.S. imports of women's knitted outerwear (sweaters etc.) already comes from Hong Kong, in the face of keen competition from other low-cost producing countries such as South Korea and Taiwan.

Boom conditions in industry, increased domestic exports and a substantial growth of re-exports produced a very satisfactory set of trade figures. The gross merchandise trade deficit was reduced from $HK1,902 million in 1968 to $HK1,696 million in 1969. This does not, of course, allow for the very substantial invisible earnings of the Colony.

Exports from Hong Kong

$HK million

	Exports (f.o.b.) Total	*of which re-exports*	*Domestic exports (f.o.b.) Total*	*Textiles*	*Clothing*	*Other manufactures*
1965 ..	6,530	1,503	5,027	834	1,773	2,086
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

TABLE 32

EXPORTS FROM HONG KONG

$HK million

	1965	1966	1967	1968	1969
Australia..	171	166	240	292	336
Canada	153	193	238	307	377
Malaysia	248	206	168	172	203
New Zealand	76	69	77	95	98
Nigeria	58	44	97	67	77
Singapore	349	366	364	444	546
United Kingdom	908	1,017	1,178	1,407	1,537
Other Commonwealth	230	260	258	318	363
Belgium	70	89	96	93	147
West Germany	391	434	386	517	787
Italy	62	61	51	50	75
Netherlands	94	131	116	128	178
Sweden	88	90	141	155	217
Switzerland	35	52	69	84	135
China	72	69	48	45	37
Indonesia	186	445	630	442	378
Japan	388	440	504	584	857
Macao	85	90	78	82	86
Philippines	64	77	114	124	103
South Africa	78	57	78	94	122
Taiwan	86	97	131	165	212
Thailand	138	134	142	156	155
United States	1,805	2,141	2,633	3,623	4,637
South Vietnam	45	111	129	129	228
Other countries	650	724	815	997	1,306
Total all countries ..	6,530	7,563	8,781	10,570	13,197
Of which:					
Commonwealth	2,193	2,321	2,620	3,102	3,537
E.E.C.	644	758	695	827	1,243
EFTA (Continental) ..	200	239	346	367	545
Eastern Europe	1	—	1	1	8

Exports of clothing, Hong Kong's dominant source of foreign exchange earnings, accounted in 1969 for 28 per cent of the total value of exports, with plastics products taking second place before textiles. In 1968 exports of plastics as a whole earned the Colony $HK1,363 million. A 20 per cent increase on this figure was projected for 1969. The principal item in plastics exports, accounting for about half, is toys. In the first ten months of 1969, the recorded exports of toys amounted to nearly $HK650 million.

Hong Kong's electronics industry is only about ten years old. Its origins can be traced back to 1959 when two factories began to assemble transistor radios. In the first ten months of 1969 the value of exports of electronic products was about $HK630 million. The industry, however, which achieved the most striking growth was the wig industry, with foreign exchange earnings of over $HK500 million during 1969.

Exports to the U.S.A. continued their upward trend in 1969, with a 28 per cent rise. In that year, 35 per cent of the Colony's total exports went to the U.S.A. as compared with 34 per cent in 1968. The U.S. was Hong Kong's biggest market

Imports into Hong Kong

$HK million

	Total (c.i.f.)	*Food*	*Machinery and transport equipment*	*Textile fibres and manufactures*	*Metals and metal manufactures*
1965 ..	8,965	2,042	1,177	1,843	578
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

TABLE 33

IMPORTS INTO HONG KONG

$HK million

	1965	1966	1967	1968	1969
Australia..	199	209	261	312	357
Canada	92	86	85	101	103
India	54	49	50	72	92
Malaysia	64	62	59	72	86
Pakistan	115	139	190	301	231
Singapore	238	200	233	266	282
Tanzania..	67	99	79	106	78
United Kingdom	962	1,011	984	1,083	1,201
Other Commonwealth	83	90	103	86	114
Belgium	145	190	165	209	263
France	73	73	92	115	173
West Germany	276	269	316	402	544
Italy	152	123	127	148	170
Netherlands	123	137	146	162	162
Switzerland	188	202	247	266	412
Brazil	100	109	49	66	183
Cambodia	47	31	86	51	58
China	2,322	2,769	2,282	2,429	2,700
Indonesia	89	135	105	96	121
Japan	1,551	1,839	1,995	2,717	3,484
Taiwan	154	169	260	413	502
Thailand	239	267	329	269	350
United States	994	1,090	1,411	1,727	2,002
Other countries	638	749	795	1,003	1,225
Total all countries.. ..	8,965	10,097	10,449	12,472	14,893
Of which:					
Commonwealth	1,874	1,945	2,044	2,399	2,544
E.E.C.	768	791	849	1,036	1,312
EFTA (Continental) ..	267	275	342	376	546
Eastern Europe	29	32	26	56	61

for textiles, plastics and electronic products. Sales to West Germany and Japan rose by more than 50 per cent while those to Australia, Canada, New Zealand, Netherlands, Belgium and Sweden rose substantially. Exports to the U.K. during 1969 also increased in absolute terms but the U.K. share of Hong Kong exports continued to decline.

Imports from China and Japan, Hong Kong's main suppliers, rose in 1969. About half of Hong Kong's foodstuffs are imported from China and about half of all imports from China are foodstuffs. The replacement of China by Japan as the Colony's main supplier is primarily due to the growth of manufacturing and tourism in Hong Kong. About 60 per cent of imports from Japan are raw or semi-processed materials, chiefly textile yarn and fabrics, while 23 per cent represent consumer goods. The rest consists of imports of capital equipment.

INDIA

In April 1969 the draft of India's Fourth Five Year Plan, 1969–74, which had been approved by the National Development Council the previous month, was published. Among its main features it includes a target rate of 5 to 5·5 per cent in overall economic growth; an estimated 5 per cent annual growth in agricultural output; a net growth rate of 3 per cent in industrial output; a projected increase of 7 per cent in the growth of exports, and a decrease in the growth of imports.

According to the official Economic Survey 1969–70, published in February 1970, there was every indication of the target growth rate of 5 to 5·5 per cent being achieved in 1969–70, the first year of the Fourth Plan. Industrial production during April–December 1969 registered an increase of 7·5 per cent over the corresponding period of 1968. Significant rises were also predicted in the production of food grains, commercial crops (such as raw cotton and oil seeds), jute and sugar cane. In general the process of recovery after the disastrous years of 1965 and 1966 continued in 1969, and a much more optimistic picture appeared.

The situation in agriculture, in particular, provided a sharp contrast with the situation prevailing only a few years ago. For an increasing number of commentators, the prospect of food self-sufficiency in India is a very real one. It was expected that the 1969 harvest would produce a record harvest of food grains and commercial crops, and official planners predicted that in five years production would reach 130 million metric tons which, other things being equal, may transform India into a net exporter of food grains.

After two years of industrial recession, during which the annual rate of growth fell to less than 1 per cent, Indian industry attained an 8 per cent growth rate in 1968–69 and the process of recovery continued during the remainder of 1969. There seemed to be every likelihood that the 9 per cent growth rate projected in the Fourth Plan would be achieved in 1969–70.

Despite the favourable investment climate there was no significant increase in investment expenditure in the calendar year 1969 compared with 1968. It was, however, reported in the Economic Survey 1969–70 that, on the basis of available information such as applications for industrial licences and investment plans, industrial investment would probably increase.

The improvement in India's balance of payments continued in 1969. The merchandise trade gap for 1968–69 had been reduced to $669 million, which is about half the size of the trade gap of two years earlier. Also, foreign exchange reserves increased by $118 million (excluding a $15 million refund to the World Bank), to a new record level. During the first nine months of 1969 (up to the end of September) India's trade deficit was further reduced to an annual rate of under $250 million. Foreign exchange reserves rose during the first nine months of 1969, from $682 million to $890 million. The allocation of $126 million of Special Drawing Rights on 1 January 1970 benefited India's reserves position.

Exports from India

Rs million

	Tea	*Sugar*	*Hides skins and leather*	*Raw cotton*	*Cotton fabrics*	*Jute goods*	*Animal feeding stuffs*	*Unmanufactured tobacco*	*Iron ore*
1965–66	1,148	119	381	131	633	1,810	360	196	421
1966–67	1,584	182	786	175	756	2,490	523	215	702
1967–68	1,802	165	608	194	794	2,335	469	348	748
1968–69	1,565	105	773	157	880	2,169	514	332	884
Apr.–Dec.									
1968	1,335	92	577	119	663	1,596	375	271	625
1969	975	59	692	125	643	1,571	299	273	620

TABLE 34

EXPORTS FROM INDIA *a*

Rs million

	1965-66	1966-67	1967-68	1968-69	1969-70*b*
Australia..	175	261	280	255	235
Canada	203	309	297	297	277
Ceylon	128	185	148	233	244
Hong Kong	56	81	83	114	132
Kenya	49	73	60	81	73
Singapore	*c*	93	87	134	136
Tanzania..	38	42	40	49	40
Uganda	10	19	14	22	25
United Kingdom	1,451	2,020	2,287	2,010	1,677
Other Commonwealth	351	342	264	271	276
Belgium	95	175	207	315	266
France	110	181	154	200	218
West Germany	179	259	219	262	282
Italy	83	153	177	179	138
Netherlands	79	118	130	153	106
Czechoslovakia	158	286	292	318	308
East Germany	137	194	203	198	203
Poland	91	135	220	249	212
Soviet Union	930	1,234	1,217	1,482	1,737
Burma	36	37	38	119	170
Egypt	270	250	212	218	335
Japan	571	1,073	1,356	1,583	1,626
Sudan	82	146	207	185	164
United States	1,473	2,197	2,069	2,340	2,424
Yugoslavia	112	189	116	188	343
Other countries	1,148	1,476	1,570	2,117	2,170
Total all countries.. ..	8,015	11,528	11,947	13,572	13,817
Of which:					
Commonwealth	2 461	3,425	3,560	3,466	3,115
E.E.C.	547	886	887	1,109	1,010
EFTA (Continental) ..	99	131	138	155	180
Eastern Europe	1,452	2,067	2,142	2,474	2,687

a Years ended March 31st.

b Annual rates based on latest data.

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

These significant improvements were the result of the continuing strength of exports and a substantial reduction in imports. Total exports during 1968–69 increased by 14 per cent while total imports declined by 10 per cent. Preliminary estimates based on data for the first eleven months of 1969–70 show that exports rose by over 3 per cent while imports fell by about a sixth. According to the Indian Ministry of Foreign Trade exports for the whole of 1969–70 went up by 3·8 per cent (barely half the value of the Fourth Plan target) but as a result of the very substantial fall in imports the crude trade gap fell to its lowest level in the past fourteen years.

A substantial part of the increase in exports during 1968–69 was due to a rise in non-traditional exports. During that year exports of engineering goods doubled, exports of chemicals rose by 61 per cent, iron and steel by 44 per cent, and iron ore by 18 per cent—all compared with the previous fiscal year. Some traditional exports like leather goods, textiles and oil cakes also contributed to the export performance. Exports of jute manufactures, however, which are by far India's largest single source of foreign revenue, had declined slightly during 1968–69 and a similar decline occurred during the first nine months of 1969–70. Exports of tea, which together with jute goods account for about a third of Indian exports, had also fallen during 1968–69. During April–December 1969, however, exports of tea fell more sharply, by something like 25 per cent over the corresponding 1968 level. This decline was attributed partly to increased competition, particularly from East African countries, partly to a fall in unit value realised, and also to a higher level of domestic offtake resulting from the improvement of rural incomes over the past two years. To assist exports the Indian government in 1969 removed the export duty on tea; this move was accompanied by an upward adjustment in the excise duty.

Indian exports to the United Kingdom, which had declined during 1968–69, were expected to show a further reduction during 1969–70 mainly because of reduced offtake and unit value of tea and the depressed textile market. Imports into India from the United Kingdom were also expected to fall during 1969–70. Indian exports to the E.E.C., which had been on the increase over the past few years, were expected to decrease slightly during 1969–70; imports were expected to show a reduction of greater magnitude, in continuation of a trend established since 1966–67, when aid shipments to ameliorate the economic effects of drought reached high proportions.

India's exports to the E.C.A.F.E. countries, the African continent and the U.S.A. maintained their growing trend. Exports to E.C.A.F.E. countries during April 1969–February 1970 rose by some 8 per cent with reference to the corresponding period of 1968–69, and those to the U.S.A., at Rs2,198 million during the same period, represented an improvement of 3·5 per cent. Exports to Africa (other than North Africa) for the same period recorded an even higher increase of about 20 per cent at the figure of Rs808 million.

Imports into India

Rs million

	Food	*Basic Materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965–66 ..	3,541	3,034	684	4,921	1,733
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	3,843	842	5,164	3,811
Apr.–Dec.					
1968 ..	3,115	2,872	680	3,940	3,070
1969 ..	2,450	2,668	484	2,990	2,171

Table 35

IMPORTS INTO INDIA *a*

Rs million

	1965-66	1966-67	1967-68	1968-69	1969-70*b*
Australia..	241	588	648	256	312
Canada ..	305	914	980	987	694
Ceylon ..	39	26	31	19	36
Kenya ..	45	59	76	67	41
Malaysia	126	124	93	77	90
Singapore		150	33	[illegible]2	18
Pakistan ..	56	14	21	—	—
Tanzania..	71	138	115	174	159
Uganda ..	12	16	26	43	52
United Kingdom	1,490	1,630	1,484	1,233	1,006
Zambia ..	2	5	27	82	158
Other Commonwealth ..	70	45	45	78	62
France ..	177	345	331	355	239
West Germany ..	1,364	1,605	1,424	1,183	789
Italy	194	411	342	495	451
Soviet Union	829	1,018	1,070	1,172	1,161
Burma ..	97	402	92	165	245
Egypt ..	200	203	269	414	253
Iran ..	341	305	329	357	455
Japan ..	757	995	1,053	1,094	588
Saudi Arabia	87	61	228	195	9
United States	5,318	7,790	7,719	5,727	4,671
Other countries	2,140	3,455	3,251	3,487	2,923
Total all countries..	13,961	20,299	19,687	17,752	14,412
Of which:					
Commonwealth	2,457	3,709	3,579	3,108	2,628
E.E.C.	2,046	2,945	2,530	2,311	1,728
EFTA (Continental)	319	425	447	417	273
Eastern Europe	1,442	1,959	1,952	2,231	2,184

a Years ended March 31st.

b Annual rates based on latest data.

Exports to the Soviet Union, which in 1968–69 reached the record level of Rs1,482 million, were expected to increase further during 1969–70: preliminary estimates indicated that the value of Indian exports to the Soviet Union could have reached Rs1,700 million. Imports from the Soviet Union were expected to total Rs1,161 million in 1969–70, thus widening still further the favourable balance in India's commercial account with the Soviet Union. This surplus, however, is not sufficient fully to counterbalance India's deficit with the Soviet Union arising from outstanding liabilities due to earlier purchases of defence equipment, industrial plant etc. In the autumn of 1969, a new five-year trade and payments agreement between India and the Soviet Union was signed.

Exports to other East European countries, Yugoslavia in particular, were also expected to continue their upward trend in 1969–70, like exports to the U.A.R. In October 1969, a protocol to the India-U.A.R.-Yugoslavia agreement came into force, providing for special tariff concessions in respect of 57 items additional to the 77 already included. The new list includes medicines, plastics, paper, cotton yarn, fabrics, copper and aluminium manufactures, rail wagons and motor vehicles.

JAMAICA

The performance of the Jamaican economy during the first nine months of 1969 showed considerable improvement over the corresponding period of 1968. Output of some of the major commodities expanded to a much higher level than in the corresponding period of 1968, with the exception of sugar, bananas and textiles. Sugar production amounted to 353,700 tons, a decline of 84,000 tons from the corresponding 1968 level. Bauxite production rose by 21·6 per cent to 7·9 million tons, while output of alumina increased by 23·5 per cent to 809,800 tons.

Exports from Jamaica during the first six months of 1969 increased by 12 per cent over the corresponding 1968 level. The increase in exports was primarily due to increased shipments of bauxite and alumina. Exports of the main agricultural products showed some weaknesses.

Sugar provides about a fifth of Jamaica's foreign exchange earnings. During the year, however, a combination of adverse weather conditions and labour strikes resulted in a sharp reduction of output. The year's crop was more than 100,000 tons below the estimate at the start of the crop. The gravity of the situation was recognised by the Jamaican government when in November 1969 it introduced special emergency measures of assistance for the industry. These included substantial increases in the prices of local sugar, the price of direct-consumption white sugar being raised to £109 a ton.

Exports from Jamaica

£ million

	Sugar	*Bananas*	*Bauxite*	*Alumina*
1965	15·6	6·1	17·8	17·4
1966	17·5	6·4	18·4	19·3
1967	15·1	6·6	19·0	20·9
1968	17·0	6·9	19·0	25·4
Jan.–June				
1968	13·0	3·0	8·9	11·9
1969	11·3	3·2	11·4	15·4

TABLE 36

EXPORTS FROM JAMAICA

£ million

	1965	1966	1967	1968	1969*a*
Canada	12·0	12·3	11·2	13·0	17·1
United Kingdom	20·8	21·6	21·6	21·8	26·4
Other Commonwealth	3·8	4·8	4·3	5·1	7·3
Norway	5·3	5·4	6·8	7·7	11·4
United States	29·3	30·9	32·6	35·7	40·9
Other countries	5·4	6·4	5·1	8·0	6·5
Total all countries.. ..	76·6	81·5	81·6	91·3	109·6
Of which:					
Commonwealth	36·6	38·7	37·1	39·9	50·8
E.E.C.	1·4	1·7	1·2	1·6	1·6
EFTA (Continental) ..	7·0	7·2	8·5	10·9*b*	13·9*b*
Eastern Europe	0·5	0·2	0·5	..	..

a Estimates.

b Includes Finland.

Bananas are Jamaica's third biggest export, after bauxite and sugar, and some 70,000 workers are employed in the industry. During the first six months of 1969 exports of bananas increased only marginally. In recent years output of bananas in Jamaica had been declining and during January–June 1969 it failed to register any significant increase. In December 1969 the major group marketing Jamaican bananas terminated the contract which bound it to sell only Jamaican fruit in the U.K. in return for sole rights to market 77·5 per cent of the country's banana crop. Jamaica instituted a crash programme to restore banana production to 200,000 tons a year by 1971. Towards the end of February 1970, official talks on West Indies banana marketing were held in London, as a result of which a concilliator was appointed. Difficulties still remained to be resolved some months later, and in the meanwhile some 25,000 tons of bananas had been imported into Britain from the Ivory Coast.

Total imports into Jamaica increased by 15 per cent during the first six months of 1969. The biggest increase in imports was in machinery and transport equipment. Food imports declined slightly.

Imports into Jamaica
£ million

	Food	Basic materials and base metals	Mineral fuels and lubricants	Machinery and transport equipment	Other manufactures
1965 ..	20·4	10·5	9·0	22·8	38·8
1966 ..	22·6	11·5	9·5	28·4	43·0
1967 ..	24·3	12·5	10·2	31·7	45·7
1968 ..	28·6	15·8	11·3	45·0	56·0
Jan.–June					
1968 ..	14·8	6·8	6·0	22·2	27·9
1969 ..	14·6	8·1	6·6	31·9	30·3

TABLE 37

IMPORTS INTO JAMAICA

£ million

	1965	1966	1967	1968	1969*a*
Canada	11·6	12·7	14·4	15·3	16·1
New Zealand	1·8	2·4	2·1	2·9	2·6
Trinidad	0·7	0·5	0·7	1·0	1·7
United Kingdom	25·3	25·9	25·1	32·6	35·7
Other Commonwealth	5·4	5·1	6·0	5·7	5·7
West Germany	3·2	3·9	3·7	5·8	5·8
Netherlands	1·6	1·7	1·8	2·2	2·1
Japan	3·5	2·0	2·9	6·0	3·8
Netherlands West Indies ..	2·1	2·2	1·9	2·9	1·8
United States	32·5	42·6	49·3	61·6	82·4
Venezuela	7·9	7·0	6·8	7·1	10·3
Other countries	7·6	10·7	11·4	16·3	17·7
Total all countries ..	103·2	116·7	126·1	159·4	185·7
Of which:					
Commonwealth	44·8	46·6	48·3	57·5	61·8
E.E.C.	8·8	10·7	10·4	15·3	14·4
EFTA (Continental) ..	2·3	2·3	2·5	4·3*b*	5·3*b*
Eastern Europe	0·1	0·1	0·1	..	..

a Estimates.
b Includes Finland.

KENYA

The real gross domestic product rose by 5·9 per cent in 1968 but, mainly owing to the setback caused to agricultural production by inadequate rainfall in the first half of 1969, it was not expected that this rate of growth would be maintained during the year under review. At the end of June foreign exchange reserves climbed to a record level of £K45·9 million. The estimated trade deficit of £K29 million for the whole of 1969 compared favourably with £K42 million in 1968 and was expected to be covered by tourist receipts (which in 1968 had amounted to £K16·4 million, approximately 18 per cent of all income) and a net capital inflow plus invisible earnings, particularly on freight passing through Kenya to Uganda. Preliminary data suggested that tourist earnings for 1969 would be higher than in the previous year. Prospects for the future are especially encouraging as tourism is seen as the fastest growing single industry and is expected to produce a net £K37 million by 1974.

Exports from Kenya a

	Exports (f.o.b.) £K million	Domestic exports b £K million Total	Coffee	Tea	Sisal	Petroleum products
1965 ..	78	74	14	6	4	7
1966 ..	87	84	19	9	3	8
1967 ..	79	74	16	7	2	7
1968 ..	84	79	13	10	2	6
Jan.-Aug.						
1968 ..	59	56	8	7	1	4
1969 ..	62	59	11	8	1	3

a See Notes on Statistics.

b Domestic exports for individual commodities for Jan.-Aug. 1968 and 1969 exclude inter-territorial trade.

TABLE 38

EXPORTS FROM KENYA

£K million

	1965	1966	1967	1968	1969*a*
India	2	2	2	2	2
Tanzania..	15	14	12	13	13
Uganda	15	16	15	13	16
United Kingdom	11	13	14	16	17
Other Commonwealth	6	6	8	8	9
West Germany	7	9	5	6	7
Italy	1	2	1	1	2
Netherlands	2	3	2	3	2
Japan	2	2	1	2	1
United States	3	5	4	4	5
Other countries	14	15	15	16	18
Total all countries ..	78	87	79	84	92
Of which:					
Commonwealth	49	51	51	52	57
E.E.C.	12	14	10	12	13
EFTA (Continental) ..	2	2	3	2	3
Eastern Europe	1	2	1	1	1

a Annual rates based on latest data.

For the year 1969 there was a favourable balance of trade with Uganda and Tanzania of £K18 million as compared with £K13 million for 1968. This was the result almost entirely of an increase of 24 per cent in exports to Uganda and a drop of 22 per cent in imports from that country. However, transfer taxes imposed by these two countries on Kenyan textiles have adversely affected their exports. Import licencing restrictions have been imposed on woven jute fabrics (including hessian and sacking), jute and sisal bags and sacks, bags and sacks of mixed fibres and crown corks.

In September 1969, the revised Arusha Agreement was signed between the East African Community, of which Kenya is a member, and the European Economic Community, giving special trade concessions to the signatories on a basis of reciprocity. This is now awaiting ratification. Under this, the E.E.C. agreed to a tariff-free quota of East African coffee of 56,000 tons a year and an earlier quota restriction on tinned pineapples was eased. The E.E.C. also agreed to give more favourable treatment to other agricultural products and in return the Partner States will give tariff concessions on 58 products originating from E.E.C. member countries.

In the first eight months of 1969, domestic exports of Kenya showed an increase of 5 per cent. Tea prices in 1968 had been the lowest for 15 years, though 3·5d. above the average prices at the London auctions in 1969. In order to bring prices up to the 1968 level details of "interim" measures agreed at the Mauritius Conference were released. These involved an export quota for Kenya set at 76 million lb, which is higher than current exports. Coffee output made a strong recovery from the effects of coffee berry disease, and deliveries in 1969 were running above the previous season's level. The growth in coffee exports from £K8 million in January–August 1968 to £K11 million in the comparable period of 1969 was achieved notwithstanding a fall in prices in the first half of the year, and reflected a still larger rise in the volume exported. In the third quarter prices took an upturn, and in the fourth quarter there was a spectacular leap, with prices reaching their highest peak for approximately ten years. Pyrethrum production dropped but exports were maintained by dipping into reserve stocks. There was also a reduction in exports of maize from £K3·9 million to £K2·8 million.

Imports showed a drop in 1969, reflecting the fall of 22 per cent in imports from Uganda. There was also a slight decrease in supplies from the United States. Outside the East African Community the main categories of imports changed little. Transport equipment including motor cars and buses, railway track material and machinery other than electric, all showed increases, but they were partly offset by a fall in supplies of petroleum and petroleum products and electric machinery.

Net imports into Kenya a

£K million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	13	12	11	23	36
1966 ..	14	12	12	36	42
1967 ..	8	12	13	42	41
1968 ..	9	13	14	37	47
Jan.–Aug. *b*					
1968 ..	..	4	8	26	20
1969 ..	..	4	8	27	19

a See Notes on Statistics.

b Principal commodities only. Excluding inter-territorial trade.

TABLE 39

NET IMPORTS INTO KENYA *a*

£K million

	1965	1966	1967	1968	1969*b*
Hong Kong	1	2	1	2	1
India	2	4	3	3	3
Tanzania	5	4	3	4	4
Uganda	7	7	10	9	7
United Kingdom	25	38	35	36	36
Other Commonwealth	4	4	6	5	6
France	2	4	4	4	4
West Germany	6	8	11	9	9
Italy	2	4	4	5	5
Netherlands	2	3	3	3	4
Iran	4	8	9	9	8
Japan	9	3	6	8	8
United States	9	11	8	8	7
Other countries	23	23	16	21	19
Total all countries	101	123	119	126	121
Of which:					
Commonwealth	44	59	58	59	57
E.E.C.	15	21	23	24	24
EFTA (Continental)	3	4	4	4	5
Eastern Europe	1	3	2	2	2

a See Notes on Statistics.
b Annual rates based on latest data.

LESOTHO

The greater part of the population of Lesotho is to be found in the western part of the country and here the main crops, wheat, maize and kaffircorn are grown. Cattle, sheep and angora goats are grazed in the mountain areas and wool and mohair are the most important exports.

In recent years the development of diamond mining in the Maluti mountains and the establishment of small industries in the west have slightly reduced the relative importance of agriculture and livestock in the economy.

Since independence, progress has been made in improving all sectors of the economy. The establishment of the National Development Corporation was a major step forward to assist in the development of new industrial undertakings. Under the Pioneer Industries Act passed early in 1969, investors in manufacturing and processing operations may receive various tax incentives. The Industrial Licensing Act (1969) grants exclusive protection to a manufacturer producing one or more specified products in Lesotho for a period of up to five years.

The National Development Corporation announced plans for a big industrial and commercial development scheme for the Ficksburg Bridge area. The scheme is to run concurrently with a large-scale agricultural development project planned for the area, involving more than R3 million, and will be a major contribution to the Five-Year-Plan.

A R1·2 million holiday inn and casino in the capital is expected to be opened before September 1970 as part of a programme to give stimulus to the tourist industry.

Exports from Lesotho

R million

	Total	Wool and Mohair	Cattle	Diamonds
1964	..	..	..	0·2
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	..	1·0*a*	..	1·2

a Mohair only.

Britain offered to give development aid of up to £1·2 million during the financial year 1969–70 and a budgetary grant, if required, of up to £2·8 million. In the terms of the 1966 agreement, financial aid ceased after March 1970. Other major credit items are customs receipts due from the customs union with South Africa, Botswana and Swaziland, and remittances from workers in South Africa. In 1969 Mine Labour Organisations Ltd. paid out through its offices in Lesotho a total of R3·5 million.

Lesotho has a considerable adverse trade balance, which amounted to R20·5 million in 1968 compared with R19·6 million in the previous year. Imports were only slightly up on 1967 but exports dropped from R4·2 million to R3·4 million. The main contributor to this reduction was diamonds which fell temporarily but had fully recovered in 1969 and reached the highest exports yet at R1·2 million.

The value of the 1968 mohair clip was only R871,000 even though its weight exceeded that of 1969 by 7,000 lb. The higher value attained in 1969 was the result of a rise in demand and a consequent increase in price. All the hair was sold in East London and Port Elizabeth where prices averaged 38 cents per lb and 42 cents per lb respectively.

Imports in 1968 were only slightly up on 1967. Imports of maize advanced from R0·9 million to R1·2 million and clothing increased from R2·7 million to R3·3 million while petrol, aviation spirit and diesel fuel fell from R0·9 million to R0·7 million.

Imports into Lesotho

R million

	Total	Food	Basic materials	Mineral fuels and lubricants	Machinery and transport equipment	Other manufactures
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

The new Customs Union Agreement between Lesotho, Botswana, Swaziland and South Africa was signed in December 1969. It includes, among other things, provision for the levying of uniform customs, excise and sales duties, the free interchange of duty-paid goods imported from outside the common customs area, the imposition of additional duties for protective purposes by Botswana, Lesotho and Swaziland and a revised method of calculating the division of the revenue. This agreement came into effect on 1 March 1970, but arrangements for the division of revenue were made effective as from 1 April 1969.

MALAWI

Malawi's economy depends primarily on agriculture. The contribution made by this sector to the monetary Gross Domestic Product, which grew by nearly 15 per cent in 1969, understates its real importance, for subsistence production accounts for about a third of the total G.D.P. Nevertheless, production in the manufacturing sector has grown significantly since 1964 and non-agricultural production (including the service industries) has increased its share of total output.

Good weather conditions in 1969 and better techniques resulted in an improvement in agriculture generally compared with the poor season experienced in the previous year. Notably higher yields were obtained for groundnuts, cotton and general produce although crop yields for maize, as well as dark-fired and sun/air-cured tobacco were lower. Agricultural output increased from £27 million in 1964 to £32 million in 1968 and was expected to record further expansion in 1969.

In the year under review there was a deficit on visible trade of £8 million compared with one of £9 million for 1968. However, in the first half of the year the deficit widened: it was therefore announced that the operative provisions of the Control of Goods Act would come into effect on 1 July 1969. This placed an obligation on all firms and individuals proposing to import and export goods to register under the provisions of the Act. In addition the Malawi Exchange Control Authorities had advised that with effect from 1 May 1969 travellers would be permitted to take only £10 Malawi currency out of the country. Foreign exchange reserves at the end of 1969 amounted to £7·5 million compared with £7·2 million a year earlier.

Production of dark fired and sun/air cured tobacco in 1969 was affected by climatic conditions, by difficulties with the quota system and by the tendency

Domestic Exports from Malawi

£ million

	Tea	*Tobacco*	*Groundnuts*	*Cotton lint*	*Maize*	*Other*
1965	3·8	5·1	1·6	1·1	—	1·9
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	4·6	6·6	3·0	0·8	1·4	2·2

TABLE 40

EXPORTS FROM MALAWI

£ million

	1965	1966	1967	1968	1969
United Kingdom	7	8	11	10	8
Other Commonwealth	4	3	4	3	4
South Africa	1	—	1	1	1
Other countries	2	5	6	6	9
Total all countries.. ..	14	17	20	20	22
Of which:					
Commonwealth	10	11	15	13	12
E.E.C.	1	2	2	2	2

of many growers to switch to other crops because of the low prices prevailing in earlier years. A special bonus of 25 per cent was made to registered tobacco growers in an attempt to increase output in the future. Despite the lower crop yield, higher average prices in 1969 resulted in an increase in the value of exports of unmanufactured tobacco by one-quarter over the previous year. Britain was the main purchaser.

Production of tea rose from 35 million lb in 1968 to 37 million lb in 1969. There was a downward trend in prices for most of the year but the London auction market improved slightly towards the end of 1969, when agreement was reached for the introduction of quotas. Malawi's tea quota for 1970 under the agreement is 36·2 million lb.

Imports into Malawi

£ million

	Food	*Basic materials*	*Mineral fuels*	*Machinery and transport equipment*	*Other manufactures*
1965	2	1	1	4	11
1966	2	1	1	7	12
1967	2	2	1	6	11
1968	2	2	2	9	12
1969	..	..	..	..	..

TABLE 41

IMPORTS INTO MALAWI

£ million f.o.b.

	1965	1966	1967	1968	1969
United Kingdom	5	8	7	9	8
Zambia	—	3	2	1	2
Other Commonwealth ..	9	8	7	8	7
Japan	1	1	2	1	2
South Africa	1	2	2	3	5
Other countries	3	4	5	7	6
Total all countries.. ..	20	27	26	29	30
Of which:					
Commonwealth	15	19	17	18	17
E.E.C.	1	2	2	2	2

MALAYSIA

Nineteen sixty-nine was a boom year for the Malaysian economy with a growth in G.D.P. of some 10 per cent. For the first nine months, exports were about a quarter above the level prevailing in the similar period of 1968. Imports however were nearly 2 per cent lower, so that the balance on merchandise trade climbed upwards by more than a fifth. A first figure given in the 1970 budget put exports of goods and services for 1969 almost 17 per cent above the 1968 figure. This movement towards higher exports and lower imports strengthened the balance of payments position on current account which had begun to recover during 1968. A large surplus emerged during 1969 and official estimates in January 1970 indicated that this would be over $M700 million compared with

$M144 million in 1968 and a small deficit in 1967. The overall balance of payments position as reflected in net foreign assets was extremely strong in 1969. Total foreign reserves were estimated to have risen by about $M550 million to a level close to $M2½ billion ($U.S.700 million), one of the highest levels reached.

Further measures were taken during 1969 to facilitate the development of the economy and the movement away from over reliance on rubber and tin, which is a fundamental aim of the First Malaysian Plan due to be completed in 1970. Since May 1969 the granting of certificates under the Investment Incentives Act (which became operative in January 1968) has been accelerated by the establishment of a Capital Investment Committee to promote investment and industrialsation. An attempt has also been made to encourage the commercial banks into granting more credit for industrial development. To further the same end, an Investment Incentives Bill was passed in February 1969 to extend the period of tax relief for pioneer companies from five to eight years, while industry was more widely defined to include any kind of commercial undertaking rather than just manufacturing. Other notable changes introduced in the Bill included capital allowances, payroll tax exemption, investment tax credits for companies unable to qualify for pioneer status, export incentives and accelerated depreciation allowances. In September 1969 a further step was taken aimed at encouraging domestic industry by imposing higher rates of duty on imports of a wide range of goods. The products restricted were those which it was considered Malaysia could produce for itself.

Rubber, the chief export, benefited in 1969 from a rise in prices following an increase in world demand which outstripped supply, and the suspension of sales from the U.S. rubber stockpile. Rubber prices were already rising strongly at the beginning of the year and continued to do so apart from a break in the second quarter at the time of the disturbances. In August there was some speculative buying of rubber as a hedge against world monetary uncertainties, and following the devaluation of the French franc, rubber prices reached their peak of 85·4 cents a pound for R.S.S. No. 1 on August 12th, the highest price for rubber since October 1961. Prices started to decline steadily thereafter when overseas demand began to slacken in September especially from the Soviet Union and China.

The export of Standard Malaysian Rubber from January to September 1969 exceeded sales for the whole of 1968, and exports by the end of the year had risen by some 40 per cent over the 1968 amount according to figures so far available. The increase in rubber exports was largely responsible for the rises in Malaysian sales to most destinations in the first nine months of the year. The United States, which suspended stockpile rubber disposals, purchased a total of 123,100 tons during this period and was the largest single buyer, followed by the Soviet Union, the United Kingdom and China.

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*
1965 ..	1,464	866	126	161	360	243	33	56
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
Jan.-Sept.								
1968 ..	952	604	128	95	513	..	16·8*a*	..
1969 ..	1,486	693	118	98	579	..	16·8*a*	..

a Copra and palm kernels only.

Exports of Malaysia's other main commodities, tin, palm oil and timber, also increased during the year.

Earnings from tin benefited from a rise in prices, but it was thought that this might reflect only a short-term scarcity in the absence of any sales plan for the American tin stockpile. Exports for the year probably grew by some 7 per cent. Over the first nine months they expanded at about twice that rate. This was due to increases in export volume and even more to higher prices. For the first nine months of the year, Straits Tin prices averaged \$M611·8 per picul, 9·7 per cent higher than in the corresponding period of 1968. Following this upward surge in prices, the International Tin Council raised the export quota by 750 tons to 39,500 tons for the six producing countries for the period July 1st to September 30th 1969. Due to strong overseas demand and the recurrence of international monetary uncertainties following the French devaluation, tin prices remained at a high level. Straits Tin prices rose from an average of \$M625·7 per picul in July to \$M643·4 per picul in August, but fell slightly to \$M636·6 per picul in September.

TABLE 42

EXPORTS FROM MALAYSIA

\$ (Malaysian) million

	1965	1966	1967	1968	1969*a*
Australia	105	84	116	125	136
Brunei	8	11	15	21	*c*
Canada	87	81	65	83	95
Hong Kong	33	39	33	39	54
India	64	46	37	24	22
New Zealand	25	21	19	16	*c*
Pakistan	7	12	6	6	*c*
Singapore	896	940	839	840	1,030
United Kingdom	272	266	234	265	274
Other Commonwealth	8	6	18	17	94
Belgium	20	26	25	20	25
France	85	91	76	68	113
West Germany	116	85	76	86	123
Italy	109	120	104	113	144
Netherlands	61	74	57	99	94
Denmark	5	4	4	5	*d*
Sweden	18	15	19	17	*d*
Poland	38	35	30	41	*d*
Soviet Union	226	248	196	202	230
China	4	4	20	76	146
Japan	591	696	755	774	970
Philippines	80	54	67	66	*d*
Thailand	34	39	33	39	33
United States	557	481	520	643	736
Other countries	300	331	331	390	700
Total all countries	3,749	3,809	3,695	4,075	5,019
Of which:					
Commonwealth	1,505	1,506	1,382	1,436	1,705*b*
E.E.C.	391	395	337	387	500
EFTA (Continental)	30	27	31	29	43
Eastern Europe	271	295	233	268	359

a Annual rates based on latest data.

b Sterling area plus Canada.

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

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

For the first nine-month period of 1969, exports of saw logs and sawn timber were some 14 per cent and 7 per cent higher than those in the corresponding period of 1968. This was due mainly to increases in export volume as prices tended to decline during the period. For the year as a whole it would appear that

Imports into Malaysia

$ (Malaysian) million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	750	421	388	729	873
1966 ..	748	357	437	800	871
1967 ..	764	369	446	727	849
1968 ..	765	476	499	804	866
Jan.–Sept.					
1968 ..	586	208*a*	381	592	757*b*
1969 ..	525	223*a*	368	595	755*b*

a Basic materials only. *b* Includes base metals.

TABLE 43

IMPORTS INTO MALAYSIA

$ (Malaysian) million

	1965	1966	1967	1968	1969*a*
Australia..	183	188	216	256	225
Brunei	193	215	239	271	*c*
Canada	14	29	29	30	30
Hong Kong	134	107	101	82	86
India	57	58	49	43	47
New Zealand	16	25	31	35	*c*
Singapore	370	389	314	295	290
United Kingdom	656	630	491	497	466
Other Commonwealth	45	44	24	31	402
Belgium	31	27	24	19	22
France	38	40	41	42	52
West Germany	140	142	153	153	153
Italy	31	41	44	39	38
Netherlands	63	58	40	47	44
Denmark	16	19	17	16	*d*
Switzerland	11	14	12	15	*d*
China	229	240	266	243	230
Japan	344	406	431	484	523
Indonesia	11	20	53	188	*d*
Thailand	302	208	208	206	176
United States	196	206	215	227	215
Other countries	267	262	314	329	447
Total all countries.. ..	3,347	3,368	3,312	3,548	3,446
Of which:					
Commonwealth	1,668	1,685	1,494	1,540	1,546*b*
E.E.C.	303	307	303	301	309
EFTA (Continental) ..	54	67	66	76	77
Eastern Europe	15	14	17	21	20

a Annual rates based on latest data.

b Sterling area plus Canada.

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

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

exports of timber rose to $M760 million from $M670 million in 1968. An increase of 4 per cent in export earnings of palm oil over the nine month period was primarily due to increased volume, but palm oil prices benefited from the shortage of tallow and other marine and vegetable oils for which it is a substitute. Increased values of iron ore exports were also due mainly to an expansion in volume along with an improvement in prices.

During the first quarter, there was a sharp drop in imports brought about by significant falls in the import of food, inedible crude materials (especially tin for re-export) machinery and transport equipment and manufactured goods. In contrast, there was a rise in most categories in the second quarter. But for the first three quarters, imports were down nearly 2 per cent on the corresponding period of 1968, with falls in food and mineral fuels and lubricants more than offsetting rises in other categories.

MALTA

Despite the growth of total exports, the deficit on visible trade increased still further during 1969. The great bulk of this was covered by the surplus on invisibles, particularly sales of bunker fuel, tourism and investment. The continued rise in imports was due mainly to large consignments of manufactured and capital goods, especially machinery and transport equipment. Britain was again the principal supplier. Due to the withdrawal of British troops over a five-year period the economy is necessarily being transformed and put on to a civilian basis, with emphasis on the expansion of tourism and on the forging of links with the European Economic Community.

It was stated in the Budget for 1969–70 that special efforts would be made to attract in substantial numbers tourists from Scandinavia and Germany. Financial assistance to farmers and fishermen would be continued while the programme to provide water, electricity and telephone facilities to industry would be emphasised along with schemes to improve ports, upgrade roads and extend airport facilities.

The expansion of tourism, which is earning about £9 million annually, nets more foreign exchange than the Malta drydocks and the agricultural industry put together. It has been growing rapidly, but despite efforts to encourage visitors from elsewhere, four-fifths still came from Britain in 1969. This proportion would no doubt have been influenced by the British restrictions on travel expenditure outside the sterling area: the £50 personal travel allowance which did not, of course, apply to Malta, was substantially raised in 1970.

With the upsurge in tourism and manufacturing came a property boom and a heavy demand for labour. Registrants for employment were reduced from 5,078 in October 1967 to 4,488 and 3,622 in the corresponding months of 1968 and 1969 respectively.

Exports from Malta

£ million

	Textiles	*Clothing*	*Fruit and vegetables*	*Beverages*	*Metal scrap*
1965 ..	2·4	0·6	0·4	0·3	0·4
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
Jan.–June					
1968 ..	1·0	1·1	0·6	0·2	0·2
1969 ..	1·1	1·7	0·6	0·3	0·3

TABLE 44

EXPORTS FROM MALTA

£ million

	1965	1966	1967	1968	1969*a*
United Kingdom	2·2	2·8	3·0	4·8	5·4
Other Commonwealth	0·4	0·4	0·6	0·7	0·9
Italy	0·7	0·6	0·9	1·5	1·8
Netherlands	0·3	0·4	0·3	0·3	0·5
Libya	0·6	0·8	0·8	0·9	1·0
United States	0·4	1·0	0·7	0·7	0·8
Other countries	2·3	2·5	1·8	2·8	3·6
Total all countries	6·9	8·5	8·1	11·7	14·0
Of which:					
Commonwealth	2·6	3·2	3·6	5·5	6·3
E.E.C.	1·4	1·6	1·5	2·8	4·4

a Annual rates based on latest data.

The development of the dry docks from an efficient naval dockyard to a first class commercial ship-repairing yard has been a feature of the changing industrial pattern and has been largely successful. However, the closing of the Suez Canal in 1967 has affected the type and pattern of the repair work that could be undertaken. It was recently announced that it is intended to start assembling ships there, rather than just repairing them.

The Malta Development Corporation has encouraged investment and the setting up of new industries by grants and loans, aided by various official duty and tax concessions. It is also intended to lessen trading dependence upon Britain by widening markets to include countries in the Mediterranean basin and the European Economic Community.

In April 1970 the European Commission and the representatives of the Maltese Government held a first round of negotiations aimed at concluding an agreement in two five-year stages, with the purpose of forming a customs union.

There were increases in some of the most important categories of domestic exports in 1969, especially clothing, textiles and food. In the first half of the year the value of exports of potatoes went up, although compared with 1968 supplies to Britain, the main market, declined. Exports of light vessels, dredgers and similar craft showed a considerable rise over the same period of the previous year, almost all going to France. During the six months sales of metal waste and scrap rose, Italy again being the chief destination.

Imports into Malta

£ million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965	10·3	3·5	2·2	5·5	11·5
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
Jan.–June					
1968	6·6	2·3	1·5	4·6	8·7
1969	6·6	2·9	1·5	6·4	10·9

TABLE 45

IMPORTS INTO MALTA

£ million

	1965	1966	1967	1968	1969*a*
Australia..	1·4	1·3	1·6	1·6	1·8
United Kingdom	12·7	14·4	15·6	22·3	25·9
Other Commonwealth	1·7	2·0	1·3	1·6	1·8
France	1·5	1·1	1·3	1·7	2·6
Italy	4·1	5·2	6·4	8·0	10·0
West Germany	1·1	1·5	1·5	2·0	2·4
Netherlands	2·0	2·0	1·8	1·6	1·8
United States	0·8	1·6	1·3	1·2	1·5
Other countries	8·9	8·7	9·3	11·1	14·5
Total all countries ..	34·2	37·8	40·1	51·1	62·3
Of which:					
Commonwealth	15·8	17·7	18·5	25·5	29·5
E.E.C.	9·1	10·4	11·6	14·4	18·5

a Annual rates based on latest data.

Imports in 1969 continued their upward trend largely as a result of the industrialisation programme and the continued expansion of the tourist industry. Britain's share of the total was £25·9 million—just over 40 per cent. There were increases in arrivals of most categories including textile fibres and yarns, machinery and motor vehicles, however, the greatest advance was in imports of animal and vegetable oils and fats, which in the first ten months of the year amounted to £203 million—95 per cent more than in the corresponding months of 1968.

MAURITIUS

The economy of Mauritius depends almost completely on the sugar crop, over 90 per cent of exports and 30 per cent of the national income being attributable to this source. However, tea is of increasing importance and in 1969 amounted to 4 per cent of exports, replacing molasses as the second most important item. Production is expected to show an increase of the order of two thirds in 1970. Funds for expanding production of tea, for export, for the expansion of food crops (including potatoes) for home consumption, and for the further development of labour-intensive secondary industries, were provided in the public sector development programme 1966–70.

The rate of increase of the population, which has almost doubled since 1931, is the most important socio-economic problem. The density of the population is exceptionally high for an agricultural country, and Mauritius has little hope of being self-supporting in food, much of which is imported. There is considerable unemployment and any method of reducing costs in the sugar industry by more economic means of production, such as reducing the existing number of factories to crush cane, or adopting modern methods of loading in bulk, could aggravate the already acute unemployment problem.

Changes in the infrastructure have taken place partly as a result of agricultural diversification and partly of rapid industrialisation. As a practical encouragement for import substitution a five-year tax free period has been declared for

Exports from Mauritius

Rs million

	Total	*Sugar a*	*Molasses*	*Tea*
1965	313·2	283·4	5·0	5·9
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*b*	363·0	325·8	10·0	14·6

a Including quota certificates.
b Provisional.

TABLE 46

EXPORTS FROM MAURITIUS

Rs million

	1965	1966	1967	1968	1969*a*
Canada	28	31	9	44	50
United Kingdom	239	268	267	271	267
Other Commonwealth	9	4	2	2	2
United States	14	16	16	22	33
Other countries	23	18	11	13	11
Total all countries ..	313	337	305	352	363
Of which:					
Commonwealth	276	303	278	317	319
E.E.C.	1	1	4	2	2

a Estimates.

new companies. Great care is taken in the implementation of diversification plans not to tamper with the sugar cane, spread over 45 per cent of the available land. Modern equipment for sugar refining has been received by one of the leading factories with a view to producing refined sugar in 1970.

The Bank of Mauritius reported that the Gross National Product in 1969 increased by approximately 7 per cent as compared with the previous year. The main factor contributing to this increase was the better price obtained for sugar during the 1969 season, following the conclusion of the International Sugar Agreement and the renewal of the Commonwealth Sugar Agreement. In that year also Mauritius obtained a supplementary quota of sugar of 33,000 metric tons from the Hardship Relief Committee of the International Sugar Organisation. This new allotment was additional to the total export allocation of 550,000 metric tons and was valid for 1969 only. Sugar production for 1969 was 658,142 long tons, which was the best since the record 1963 crop. The yield of sugar per acre amounted to an all time record of 3·35 tons.

At the Tea Conference held in Mauritius in July–August 1969, delegates from fourteen tea producing and exporting countries, representing 95 per cent of world production, recommended reductions in the volume of tea exported in 1970 in an endeavour to improve price levels. The production quota allotted to Mauritius was increased from 3 million lb in 1969 to 9 million lb in 1970.

The adverse visible trade balance was sharply reduced from Rs69 million in 1968 to Rs2 million in 1969. This was due to an increase in the value of exports of sugar and tea and a marked fall in the estimated figure for imports. In the six months January–June, there were reductions in all import categories. This follows the intensive programme of agricultural diversification, import substitution and the encouragement given to the development of new light industries.

The closure of the Suez Canal and the more intensive use of the Cape sea route has brought increased shipping to the harbour of Port Louis. The number of vessels docking rose from 493 in 1963 to 1,269 in 1968, and bunkering and repair installations are busy.

Only four months after commencing operations, the Mauritius Oil Refineries were able to produce 80 per cent of the estimated total sales of edible oil in Mauritius. Unrefined oil has been imported for this purpose but it is expected that, in due course, the refinery will be able to use locally grown groundnuts.

Imports into Mauritius

Rs million

	Total	*Food*	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	367·3	108·0	35·5	17·7	56·3	142·7
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
Jan.–June						
1968 ..	206·8	67·9	19·6	16·4	31·2	69·0
1969 ..	182·3	65·5	16·1	14·0	23·4	60·9

TABLE 47

IMPORTS INTO MAURITIUS

Rs million

	1965	1966	1967	1968	1969*a*
Australia..	24	24	28	26	23
Hong Kong	10	9	10	11	8
India	11	10	9	11	11
Kenya	12	10	12	12	11
United Kingdom	98	79	78	100	78
Other Commonwealth	16	16	18	24	16
France	21	20	20	24	25
West Germany	15	20	26	28	14
Italy	7	11	7	8	5
Burma	23	23	27	42	15
Iran	11	11	18	13	16
Japan	14	14	17	14	12
South Africa	35	27	31	31	31
Thailand	17	14	16	11	37
Other countries	53	45	54	66	63
Total all countries ..	367	333	371	421	365
Of which:					
Commonwealth	171	148	155	184	147
E.E.C.	48	61	66	72	50
EFTA (Continental) ..	11	8	10	8	10

a Annual rates based on latest data.

NEW ZEALAND

The visible trade balance continued to show a marked improvement in 1968–69, the first full year since devaluation. Receipts for exports in the twelve months ending 30 June rose partly as a result of increased demand in overseas markets and the running down of stocks and partly as a result of higher average prices for meat and wool. Another favourable trend was the expansion of the export trade in forest products. During the year the New Zealand Wool Commission sold around 30 per cent of wool from its stockpile in contrast with the previous year when wool was bought in because of the downturn in prices. Imports expanded in value by nearly 30 per cent in 1968–69, reflecting higher prices expressed in New Zealand currency following devaluation of the latter in November 1967. The economic position had so improved that the special standby credit arrangement made with the International Monetary Fund for $US87 million for one year, which expired on 24 October 1968, had unexercised drawing rights amounting to $US27 million and a further renewal was not requested.

A favourable development of trade with Australia following the Australia-New Zealand Free Trade Agreement has been the narrowing of the trade gap, which is in Australia's favour, from a ratio of 4 to 1 to one of 2 to 1 during the past two years and is expected to be still further reduced as the scope of the Trade Agreement is extended.

The Government pressed on with its programme of development and diversification of the predominantly agricultural and pastoral economy. To that end, the second plenary session of the National Development Conference, held in May 1969, recommended that adequate protection should be given to domestic industry at tariff levels conducive to competition, efficiency and reasonable prices. The Targets Committee of the Conference stressed the need to encourage an increased rate of savings to finance capital formation, and much of the Budget of 1969–70 was devoted to incentives with this end in view. In addition, the Government announced further steps in the liberalisation of trade by replacing import quotas with tariffs; 55 per cent of all private imports are now free of import licensing.

The year 1968–69 saw the continuation of the marketing problems which affected the dairy industry in 1967–68. In the main these derived from unfavourable world conditions for the major dairy products created by the continuing rapid growth of surplus stocks in Europe, particularly in the E.E.C. As a result there was a reduction in prices, and stocks rose. In addition, newly developed markets in Asia were reduced because of supplies from other countries at subsidised price levels.

Because of difficulties in marketing increased quantities of milk products the Government introduced, early in the 1969–70 season, a dairy beef incentive scheme to divert a portion of the dairy industry's increasing production capacity into beef production. This scheme, introduced early in the 1969–70 season,

Exports from New Zealand

$NZ million

	Wool	*Meat*	*Dairy produce*
1965–66 ..	232	197	175
1966–67 ..	174	205	187
1967–68 ..	158	261	192
1968–69 ..	213	309	183
July–Dec.			
1968 ..	72	130	90
1969 ..	86	175	101

TABLE 48

EXPORTS FROM NEW ZEALAND

$ NZ million

	1965–66	1966–67	1967–68	1968–69	July–Dec. 1968	July–Dec. 1969
Australia	36	35	58	69	37	39
Canada	9	11	11	16	8	26
United Kingdom	339	315	352	379	143	174
Other Commonwealth	34	33	41	46	21	30
Belgium	22	12	11	19	5	8
France	40	25	27	37	11	12
West Germany	26	21	21	28	9	15
Italy	20	15	16	21	6	11
Japan	57	64	68	88	41	51
United States	107	114	138	168	85	86
Other countries	72	75	70	90	43	51
Total all countries	762	720	813	961	409	503
Of which:						
Commonwealth	418	394	462	510	209	269*a*
E.E.C.	120	84	86	119	37	55
EFTA (Continental)	8	8	7	8	3	3*b*
Eastern Europe	10	15	10	16	6	7*c*

a Sterling area excluding South Africa, plus Canada.
b Denmark, Portugal and Sweden only.
c Czechoslovakia, Poland and the Soviet Union only.

enables farmers to apply for advances from the Dairy Board at a concessional rate of interest to assist them during the transitional period when the beef cattle are not earning an income. There is also a grant of $NZ10 per calf provided that the farmers carry the animals on their farms through the winter and dairy season following birth.

On 20 June 1969 the United Kingdom Government announced details of a scheme of voluntary restraints agreed to by producer countries, which limited imports of cheddar cheese into the United Kingdom to 271,200 tons for the two-year period 1 April 1968 to 31 March 1970. New Zealand's allocation was 150,100 tons. Trade can thus continue at about the same level as previously.

Receipts from exports of dairy produce fell by 4 per cent in the year under review. There was a corresponding fall in exports of such produce to the United Kingdom, which took around 78 per cent of the total for both years. Exports of butter to Japan, after falling substantially in the previous year, were practically eliminated in the prevailing conditions of world surplus.

Compared with 1967–68 there was a fall of 21 per cent in exports of all forms of powdered, skimmed and condensed milk in 1968–69. The country showing the biggest drop was Japan, exports to which went down by 53 per cent. Those to the United States declined by 32 per cent.

New Zealand exports of meat and meat preparations in the year ended June 1969 increased by 24 per cent, with both lamb and beef showing rises. In the United Kingdom prices for New Zealand lamb showed a steady increase at Smithfield and at the end of June stood at 33d per lb compared with 26d per lb a year earlier. These favourable conditions were the result of high prices for beef, the shortage of domestic lamb and the ban on supplies of bone-in beef and sheep meats from South American countries imposed after the 1967 outbreak of foot and mouth disease.

Meat returns from the United States were up partly because beef prices in New Zealand currency terms were, on average, about 20 per cent above those for 1967–68. There were increased exports of mutton to the Japanese market, which made a valuable contribution to total meat receipts.

The average price for greasy wool sold in New Zealand in 1968–69 was 28·06 cents per lb compared with 22·87 cents per lb a year ago. Greater demand, higher prices and the previous year's devaluation of the currency, all contributed to larger export earnings.

The New Zealand Wool Commission sold some 206,000 bales of stockpiled wool in contrast to the previous season when the Commission increased its holdings. It was announced that for 1969–70 the Commission would again be releasing stockpile wool in quantities appropriate to prevailing market conditions.

In the past two years special export advances have been made to manufacturers in an effort to promote new secondary industries and diversify the economy. Devaluation also provided the manufacturing industries with a stimulus to export, helped by the cutback in local demand. Further, the New Zealand-Australia Free Trade Agreement has done much to foster trade, especially in New Zealand forest products.

Developments in July–December 1969

During the first half of 1969–70 a notable feature was the increased shipments of the main commodities *viz.* wool, meat and dairy produce. Compared with the same months of 1968 there was a drop in the average price of wool; however, due to the increase in quantity sold the value of exports of this commodity increased. Meat prices were generally higher and stocks reduced. Exports of dairy produce, which had fallen in the year 1968–69, showed an upward turn in the six months under review. The increased rate of sales of New Zealand butter in London continued to reflect an improved butter market where non-traditional supplies had been substantially reduced under the 1969–70 British butter quotas. Similarly cheese sales in Britain improved following the voluntary scheme limiting cheese imports into Britain.

Imports for the period under review were up by $NZ44 million when compared with the same months of the previous year. Road motor vehicles and parts, and textile yarns and fabrics in particular showed increases.

In the first six months of 1969–70 there was a balance of trade surplus of $NZ46 million in contrast to a deficit of $NZ4 million in the same months of 1968. At the end of December 1969 overseas reserves amounted to $NZ257·6 million compared with $NZ204·0 million a year earlier.

Imports into New Zealand
$NZ million (f.o.b.)

	Food	*Basic materials and base metals*	*Petroleum and petroleum products*	*Machinery and transport equipment*	*Other manufactures*
1965–66	37	124	40	263	256
1966–67	31	124	45	291	248
1967–68	32	106	48	196	229
1968–69	34	142	56	253	298
July–Dec.					
1968	18	74	27	128	158
1969	23	81	28	141	177

TABLE 49

IMPORTS INTO NEW ZEALAND

$ NZ million f.o.b.

	1965–66	1966–67	1967–68	1968–69	July–Dec. 1968	July–Dec. 1969
Australia	135	143	133	157	87	94
Canada	30	30	30	30	15	20
Ceylon	5	4	4	5	3	2
India	11	7	6	9	5	5
Malaysia	6	6	7	7	4	3
Singapore	1	3	2	3	1	*a*
United Kingdom	278	275	188	243	122	137
Other Commonwealth ..	26	25	28	34	19	34
West Germany	22	27	21	34	18	18
Netherlands	10	9	7	8	4	5
Indonesia	2	2	1	1	—	1
Japan	45	44	51	64	32	38
United States	84	97	68	99	53	56
Other countries	74	80	77	103	50	44
Total all countries ..	729	752	623	797	413	457
Of which:						
Commonwealth ..	492	493	398	488	256	295*b*
E.E.C.	48	56	44	64	33	35
EFTA (Continental) ..	18	19	19	24	13	9*c*
Eastern Europe.. ..	2	3	2	3	1	..

a Included, if any, in Other Commonwealth.
b Sterling area excluding South Africa, plus Canada.
c Norway, Sweden and Switzerland only.

NIGERIA

Despite the difficulties that Nigeria continued to experience in 1969, the year proved to be one during which the surplus on merchandise trade expanded spectacularly. Reserves, after dipping earlier in the year, finished up at £N54·5 million compared with £N48·9 million at the end of December 1968. Most categories of exports succeeded in growing during the first ten months of the year, though a shortage of shipping space slowed this movement particularly in the latter part. The main gain was achieved in the petroleum and petroleum products category as output, which had begun to pick up at the end of 1968, surged forward. Crude petroleum output during the first six months of 1969 was about 700 per cent higher than in the first half of 1968. The growth in manufacturing production continued and by June 1969 it had returned to the pre-1967 level from which it continued to expand. In December, it was forecast that the country would soon be self-sufficient in textiles, sugar, beverages, confectionery, enamelware and "certain categories of stationery supplies". The real boost to manufacturing came as a result of the restrictions placed on imports of consumer goods in 1968 and further such measures taken in 1969, which had also the effect of producing an acute shortage of consumer goods by the year's end.

In February 1969 the I.B.R.D. granted a loan of $6 million to the Nigerian Industrial Development Bank to help finance private enterprises. International loans were also forthcoming from Britain and the United States. A loan of £N10 million was negotiated with the Import/Export Bank of Tokyo to help with the importation of Japanese goods and at the end of 1969, the availability of this loan was extended by four years to November 1973. In June an agreement was reached with the Soviet Union for the establishment of an iron and steel complex. During 1969 new industries were established throughout the country including a new meat company, the first paper mill, which is expected to save £N1 million in foreign exchange a year, a cement factory, a tarpaulin industry and three textile factories.

Exports in the first ten months of 1969 gained over 50 per cent on the year ago level, due primarily to petroleum and petroleum products, exports of which increased fivefold. Production from former "war zone" areas was supplemented by the steady increase in off-shore production of crude oil. This had already increased from 85,000 barrels a day in June 1968 to some 200,000 barrels a day early in 1969. By March 1970 total oil production had risen to 927,235 barrels a day compared with 574,478 in March 1969. Exports of tin rose by some 9 per cent. Both rubber and timber exports made good gains, the former by some

Exports from Nigeria

£N million

	Cocoa	*Rubber*	*Cotton*	*Oils and oilseeds a*	*Timber*	*Tin*	*Petroleum and petroleum products*
1965	43	11	6	88	6	15	68
1966	28	11	3	84	6	15	92
1967	55	6	4	50	4	13	72
1968	52	6	3	58	4	14	37
Jan.–Oct.							
1968	46	5	3	41*b*	3	11	18
1969	46	8	3	40*b*	4	12	111

a Palm kernels, groundnuts, palm oil and groundnut oil.
b Excluding groundnut oil.

TABLE 50

EXPORTS FROM NIGERIA

£N million

	1965	1966	1967	1968	1969*a*
United Kingdom	101	109	72	62	92
Other Commonwealth	6	10	11	7	12
Belgium	8	7	3	6	5
France	18	26	22	12	32
West Germany	28	28	25	18	20
Italy	11	14	14	13	15
Netherlands	32	26	31	27	41
United States	26	22	19	17	40
Other countries	39	42	45	49	67
Total all countries.. ..	268	284	242	211	324
Of which:					
Commonwealth	107	119	83	69	104
E.E.C.	96	101	96	75	113
EFTA (Continental) ..	12	12*b*	9*b*	7*b*	11*b*
Eastern Europe	10	..	..	..	..

a Annual rates based on latest data.
b Estimated on the basis of data for trading partners.

60 per cent and the latter by a third. However, both commodities suffered particularly towards the end of the year as a result of an acute shortage of shipping space. The rubber industry, buoyant in 1968, remained so for most of 1969 with prices firm, and early in 1969 a programme was launched to improve the quality as well as the quantity of rubber being produced. Towards the end of the year exports of rubber dropped slightly as shipping problems were added to by difficulty in obtaining firm contracts, and the 5 per cent increase in rubber export duty included in the budget was withdrawn to ease the situation.

Imports into Nigeria

£N million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965	23	29	17	92	108
1966	20	26	4	95	104
1967	21	..	9	72	..
1968	14	..	15	60	..
Jan.–Nov.					
1968	13	..	13	53	..
1969	19	..	15	66	..

TABLE 51

IMPORTS INTO NIGERIA

£N million

	1965	1966	1967	1968	1969*a*
Hong Kong	4	2	3	2	2
India	4	3	3	2	2
United Kingdom	85	76	65	60	86
Other Commonwealth	7	12	7	8	8
France	12	14	9	7	9
West Germany	30	27	25	21	25
Italy	13	13	11	14	14
Netherlands	10	9	9	8	12
Norway	6	7	5	2	2
Japan	26	14	19	7	8
United States	33	42	28	22	30
Other countries	45	37	40	40	51
Total all countries ..	275	256	224	193	249
Of which:					
Commonwealth	100	93	78	72	98
E.E.C.	68	68	58	53	63
EFTA (Continental) ..	14	11*b*	10*b*	9*b*	10*b*
Eastern Europe	6	..	..	..	..

a Annual rates based on latest data.

b Estimated on the basis of data for trading partners.

Cotton production fared very well during 1969, but more of it was diverted to Nigerian textile mills in conformity with development policy. The total purchase of seed cotton during 1968–69 was put at 165,000 tons, double the outturn of the previous season. Cocoa production dropped severely as a result of abnormally heavy rains in August and September 1968, and the year-ago export value was only maintained as a result of high prices. The total estimated purchases for the 1968–69 season were put at 195,000 tons compared with 231,000 tons in 1967–68. At the end of the season the producer price for Grade 1 cocoa was increased from £N100 to £N150 a ton. Total groundnut purchases were higher than in the 1967–68 season. Output from the groundnut oil crushing mills suffered badly early in 1969 as a result of power cuts, and palm oil and palm kernel exports were hampered by the lack of shipping space.

PAKISTAN

The rate of economic growth in Pakistan slowed down during 1968–69 to an estimated 5·2 per cent in GNP from the 7·5 per cent of the preceding year. The fourth year of the third five-year plan proved to be a difficult one for the country in view of a number of factors, including floods and cyclones in East Pakistan. It now seems probable that total investment during the third plan period will be about a fifth lower, and the rate of industrial growth considerably smaller than had been originally forecast. Growth in the industrial sector was hampered during the year on account, among other things, of the reduced availability of raw materials, both imported and domestic. In large scale industry the growth rate declined slightly from 7·8 per cent in 1967 to7·4 per cent in 1968–69. Even so, the contribution of manufacturing to GNP had risen to 11·8 per cent in 1968–69 compared with 5·8 per cent in 1949–50. Under Pakistan's fourth five-year plan, due to begin in July 1970, expansion of industry is to be given the priority which in earlier plans had been accorded to agriculture. There was a slight increase in the merchandise trade gap in 1968–69 due to the low level of exports, but over recent years a policy of restricting imports and expanding exports has succeeded in substantially reducing the deficit. This, together with inflows of foreign funds, has led to a strengthening in the gold and foreign exchange reserves which in July 1969 stood at $301 million, $118 million more than a year earlier.

Total exports from Pakistan fell slightly as a result of a fall in re-exports. The declines came in mineral fuels and lubricants, manufactured goods and machinery and transport equipment. On the other hand, domestic exports rose by nearly 4 per cent with declines in raw cotton and raw jute being offset by rises in other categories, particularly in cotton fabrics and jute manufactures. Exports of raw cotton fell by some 20 per cent, after the spectacular rise of the previous year, as cotton consumption in Pakistan rose by 9 per cent and the production of cotton manufactures continued to increase. The output of jute declined partly as a result of the floods, but the drop in quantity of some 14 per cent was offset to some extent by high prices, as there was a world shortage of jute and the value fell by not quite 4 per cent. Another reason for the decline in raw jute exports was the increased needs for raw jute of the expanding jute processing and weaving industry. The number of looms increased by some 15 per cent and mill consumption was increasing at something like 16 per cent a year. It has been estimated that annual production of raw jute will need to be raised by over 60 per cent if domestic and export demands are to be met by 1974. Encouragement was given to the industry in the budget through a progressive scale of excise rebates in return for higher productivity. For 1968–69 exports of jute manufactures rose by about 9 per cent.

As rice production improved a larger surplus for export became available, and the value of exports began to turn upwards after the sharp fall of 1967–68. Fish exports, too, reversed the 1967–68 trends and rose by a third. Hides and skins exports, already diminished considerably due to the lack of bonus voucher entitlement, continued their downward trend, while exports of wool expanded slightly.

Exports from Pakistan

Rs. million

	Fish	*Rice*	*Hides and skins*	*Wool*	*Raw cotton*	*Raw jute*	*Cotton yarn and thread*	*Cotton fabrics*	*Jute manufactures*
1964–65 ..	87	123	35	70	287	845	142	134	301
1965–66 ..	52	133	31	72	278	863	105	149	573
1966–67 ..	69	176	10	42	291	898	118	159	620
1967–68 ..	57	149	7	43	442	759	216	200	620
1968–69 ..	76	155	4	48	347	731	215	244	674
July–October									
1968 ..	26	46	2	14	62	230	73	74	226
1969 ..	30	26	2	8	12	175	92	100	272

TABLE 52

EXPORTS FROM PAKISTAN *a*

Rs million

	1964–65	1965–66	1966–67	1967–68	1968–69
Australia..	55	81	90	75	86
Canada	22	23	18	24	32
Ceylon	55	45	59	31	50
Hong Kong	114	110	130	208	190
India	220	18	1	1	—
Kenya	26	28	19	29	22
Singapore	*b*	11	100	78	177
United Kingdom	307	354	352	399	388
Other Commonwealth	76	115	111	94	111
Belgium	92	156	99	113	108
France	77	105	77	104	84
West Germany	71	102	112	126	119
Italy	34	59	68	88	92
Netherlands	34	49	54	61	61
Soviet Union	12	80	130	90	109
Burma	96	42	63	30	18
China	181	155	212	107	108
Japan	131	137	118	253	176
South Africa	48	7	—	—	—
United States	191	296	288	475	385
Other countries	578	745	812	962	989
Total all countries.. ..	2,420	2,718	2,913	3,348	3,305
Of which:					
Commonwealth	875	785	880	939	1,056
E.E.C.	308	472	410	492	465
EFTA (Continental) ..	50	53	58	71	69
Eastern Europe	62	150	262	233	302

a Years ended June 30th.

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

Exports to the United Kingdom fell by some 3 per cent, but those to the United States registered a sharper decline—by 19 per cent—so that the United Kingdom resumed its place as Pakistan's largest export market. Wool exports to the United Kingdom by weight fell 15 per cent while those to the United States fell by twice as much. Shipments of raw jute to the United States were halved while those to Britain fell by around 23 per cent, but shipments to the Commonwealth as a whole rose by 23 per cent. Shipment of raw jute to

Singapore rose spectacularly from only 4,000 tons in 1967–68 to some 52,000 tons in 1968–69. The increase in exports to Australia was partly due to a rise of 55 per cent in shipments of wool, while increases of this commodity to the Soviet Union and Eastern Europe accounted for some of the increases in exports to that bloc. Exports to the Soviet Union continued to expand under the three year trade agreement signed in February 1968, and the trade agreement with Hungary is expected to expand exports to Eastern Europe further. A tripartite trade agreement signed in September 1968 by Pakistan, Iran and Turkey and providing for most-favoured-nation treatment with regard to Customs, and rules and regulations relating to imports and exports, was intended further to facilitate trade between the three members of R.C.D.

Total imports increased by some 5 per cent over 1967–68, a fall of 23 per cent in food imports being off-set by rises in the other categories. Food imports seem likely to fall even further as Pakistan achieves self-sufficiency in this sphere. PL480 shipments to East Pakistan are being replaced by shipments of surplus stocks from West Pakistan as the food production programme in the eastern part of the country was affected by flood damage. The share of consumer goods in imports is following a declining trend while that of capital goods and of industrial raw materials is increasing. In 1967–68 the share of consumer goods was about 21·5 per cent, while during the first 9 months of 1968–69 it was slightly over 16 per cent. The share will show a further substantial fall during 1969–70 as the Government intends to stop imports of all food grains at present imported under PL480.

In the import policy for 1968–69 the licensable list was expanded from 25 items to 31. It included items of consumer interest and those needed by agriculture and industry. During the year the cash-cum-bonus list was enlarged from 74 items to 95 items. The bonus import list was increased from 242 to 261 items in the July–December 1968 period and held at 260 items from January to July 1969. The import policy maintained East Pakistan's favourable position in relation to West Pakistan.

Imports from the United Kingdom fell by some 14 per cent while those from the United States, Pakistan's largest supplier, declined slightly by 2 per cent. The expansion of trade with the Sino-Soviet bloc was clearly illustrated as increased imports from Eastern Europe and China more than offset the small drop in those from the Soviet Union.

Developments in July–December 1969

Aid difficulties were again threatening plans to continue development in industry and agriculture during 1969–70. $500 million was requested from the World Bank Aid—Pakistan Consortium but only $450 million was expected. Among loans already provided was a $16 million credit from the I.D.A. to improve the country's telecommunications services, two interest-free loans from

Imports into Pakistan
Rs million

	Food	*Basic materials and base metals*	*Mineral fuels*	*Machinery and transport equipment*	*Other manufactures*
1964–65	838	1,350	202	1,801	1,155
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
July–September					
1968	146	248	75	452	328
1969	28	209	71	578	330

TABLE 53

IMPORTS INTO PAKISTAN *a*

Rs million

	1964–65	1965–66	1966–67	1967–68	1968–69
Australia..	50	33	292	53	46
Canada ..	129	92	168	114	102
India ..	128	26	2	3	—
United Kingdom ..	735	637	681	647	555
Other Commonwealth ..	110	78	107	71	78
Belgium ..	69	44	47	39	43
France ..	73	63	109	142	188
West Germany ..	731	505	457	454	451
Italy ..	126	186	202	183	191
Netherlands ..	60	69	83	80	55
Soviet Union ..	63	68	179	146	141
Afghanistan ..	43	62	99	94	89
China ..	97	97	159	131	159
Iran ..	67	29	124	157	124
Japan ..	484	378	453	422	586
United States ..	2,073	1,448	1,528	1,462	1,422
Other countries ..	335	393	502	456	639
Total all countries..	5,373	4,208	5,192	4,654	4,869
Of which:					
Commonwealth ..	1,152	866	1,250	888	781
E.E.C. ..	1,059	867	899	899	929
EFTA (Continental) ..	115	168	146	123	122
Eastern Europe ..	141	148	319	296	449

a Years ended June 30th.

Britain totalling £2·5 million, part of which is for helping to finance the Tarbela Dam, and a $8 million loan from the World Bank to expand gas transmission systems. Despite another World Bank loan of $40 million to finance half the foreign exchange requirements of private industry until mid-1970, investment in the sector has fallen short of targets.

From the figures so far available the continued improvement in agricultural production was reflected in a further dramatic fall in imports of food. In the first three months of 1969–70 imports of wheat and rice were negligible while those of sugar and honey were greatly reduced, although earlier in 1968–69 sugar production fell considerably and sharply rising prices necessitated the imposition of rationing. Jute and cotton manufactures continued to do well during the first half of 1969–70. Exports from Pakistan jute mills were kept high by the backlog of unsatisfied demand left by strikes at Indian mills in August, while exports of cotton goods continued to benefit from the fall in world output accompanied by heavy buying from North Korea, Bulgaria, the Soviet Union and China.

Towards the end of the January–June 1969 import policy period, industrial units and commercial importers were authorised to obtain repeat licenses under the cash-cum-bonus scheme of up to 100 per cent of import entitlement for a wide range of commodities. This new facility will mitigate the high cost to those importers who were resorting to 100 per cent bonus transactions in order to obtain urgent additional imports over initial entitlement. After the rise in imports in 1968–69 the budget for 1969–70 set out to control this movement, and import duties on capital goods were increased from 35 to 50 per cent in West Pakistan and from 25 to 30 per cent in East Pakistan, while other duties were also raised. At the same time customs duty was reduced on various items of industrial raw materials and components and abolished on parts for motor cycles, scooters and autorickshaws imported in C.K.D. condition. Another measure contained in the budget and designed to help East Pakistan was the continuation unchanged of tax holidays in that area, while from the end of June 1970 tax holidays in the developed areas of West Pakistan will be abolished for new industries and a reduction of the holiday in the present 'four years' areas to three years will take place.

SIERRA LEONE

The year 1969 proved to be another year of economic recovery and progress. Exports grew by nearly 10 per cent according to provisional figures, and imports rose by some 16 per cent, so that the surplus on merchandise trade of some Le4 million, achieved in 1968, was converted into a deficit of about Le0·5 million in 1969. However, international reserves rose considerably during the course of the year. In January 1969 the total external reserves of the Bank of Sierra Leone amounted to Le22·9 million: by the end they had risen to Le29·4 million. During the same period the net foreign exchange assets of the banking system, including the I.M.F. position, improved from Le15·8 million to Le25 million.

The regulations approved during the State of Emergency at the end of November 1968 were revoked at the end of February 1969, and in March the I.M.F. approved a standby of $2·5 million to consolidate recent economic gains. As the economy continued to improve and expand, the Government was able to consider repayment of Le4·7 million to the I.M.F. on its 1966–67 drawing. As a result of the continually improving position the I.M.F. announced plans to terminate its standby arrangements in March 1970.

The Sierra Leone Produce Marketing Board was able to pay higher prices to producers of palm kernels, cocoa and coffee. The Budget statement of June 1969 stressed the high priority which the Government attached to agricultural development: the aim was to achieve self-sufficiency in the production of foodstuffs and to increase the volume and value of agricultural exports. Out of the Le11·8 million set aside for development, Le800,000, double the 1968–69 figure, was to be spent on agricultural development.

In the field of rice production steady progress was recorded and the hope is that rice imports would be eliminated in about two years time. The emphasis would continue to be on the growth of high yielding varieties and on the more extensive use of fertilisers. Every effort would also be made to increase cocoa growing and to encourage production of maize, groundnuts, sorghums and benniseed for food and the expansion of the livestock industry. At a conference held in Monrovia in September 1969, Sierra Leone pledged its support for the proposed West African Rice Development Association. Financial and technical support was promised for this venture by France, the United States, the Netherlands and Britain.

Emphasis was laid during the year on the need for Sierra Leone to have greater participation in the mining sphere. In December the Prime Minister declared that the Government would acquire a majority share-holding in all mining companies operating in Sierra Leone, ultimately purchasing a 51 per cent interest.

With the exception of palm kernels, there was a strong expansion in all the major exports from Sierra Leone during the first six months of 1969, compared with the first half of 1968. Total diamond exports grew by a fifth in this period, *Exports from Sierra Leone*

Leones million

	Total (*f.o.b.*)	*Diamonds*	*Iron ore*	*Palm kernels*	*Coffee*
1965 ..	59·1	37·0	10·9	5·7	1·3
1966 ..	53·4	31·2	9·6	5·1	3·9
1967 ..	45·5	29·7	9·0	1·1	0·5
1968 ..	79·7	45·6	10·2	8·6	0·6
Jan.–June					
1968 ..	39·2	17·5	5·6	5·6	0·4
1969 ..	38·4	21·2	6·3	2·7	1·9

TABLE 54

EXPORTS FROM SIERRA LEONE

Leones million

	1965	1966	1967	1968	1969a
United Kingdom	43·9	36·4	32·3	53·2	57·5
West Germany	4·3	3·6	2·4	6·3	5·2
Netherlands	6·3	6·7	5·6	9·1	9·7
Other countries	4·6	6·7	5·2	11·1	15·0
Total all countries ..	59·1	53·4	45·5	79·7	87·4
Of which:					
Commonwealth	44·3	36·8	32·5	53·5	58·1
E.E.C.	13·6	12·0	10·1	15·4*b*	14·9*b*
EFTA (Continental) ..	—	0·6	0·2	..	..
Eastern Europe	—	—	—	..	..

a Annual rates based on latest data.
b Incomplete.

and the 1969 purchases of diamonds by the Government Diamond Office reached an all-time record of 1,102,978 carats, with an export value of Le33,724,961, compared with 863,804 carats valued at Le25,434,982 in 1968. This raised the duty collected on G.D.O. exports from Le1·9 million in 1968 to Le2·6 million in 1969. Following an agreement for two years with the Diamond Corporation of West Africa Ltd. early in 1969, Sierra Leone will receive some Le500,000 more in revenue from this source.

Palm kernels fared badly during the year, with heavy rainfall disrupting the transportation of supplies. Exports of this commodity fell by over one-half in the six month period, and lower world market prices exacerbated the situation. Total purchases of palm kernels by the Produce Marketing Board in 1969 were some 52,000 tons compared with 55,000 tons in 1968.

Coffee exports forged ahead during the six months, more than trebling the figure for the whole of 1968. The producer price of coffee was raised by 1 cent per lb to 14 cents per lb at the end of January 1969. Considerable quantities of coffee had been stored in anticipation of this and by the end of the season in June, 1968–69 purchases amounted to 8,000 tons as against the disappointing 4,026 tons in 1967–68. Cocoa also did well during the year, with higher producer prices and buoyant world prices.

Exports of iron ore expanded during the period as the effects of the supply contract with three Japanese mills were felt. Bauxite exports maintained the year-ago level in the January–June period of 1969 and by the end of the year production was estimated to have reached the hoped for target of 445,000 metric tons.

Imports rose much faster than exports during the six month period. Steps being taken on the agricultural side are expected to reduce this pace. Imports of mineral fuels were already falling in the first half of 1969 as the Sierra Leone Oil Refinery got into its stride following the arrival of crude oil from Gabon.

Imports into Sierra Leone

Leones million

	Total (c.i.f.)	Food	Basic materials and base metals	Mineral fuels and lubricants	Machinery and transport equipment	Other manufactures
1965 ..	77·0	11·3	4·7	6·8	22·7	28·3
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 ..	75·5	13·2	1·8*a*	5·7	16·5	35·1*b*
Jan.–June						
1968 ..	34·0	6·1	1·0*a*	2·5	8·7	14·2*b*
1969 ..	41·7	6·3	1·1*a*	1·7	10·5	20·4*b*

a Basic materials only. *b* Includes base metals.

TABLE 55

IMPORTS INTO SIERRA LEONE

Leones million

	1965	1966	1967	1968	1969*a*
United Kingdom	25·2	20·0	18·3	21·2	29·3
Other Commonwealth	8·2	7·3	5·5	5·5	7·5
France	4·4	5·3	4·8	4·2	4·0
West Germany	3·3	4·4	3·3	4·0	4·8
Italy	2·9	2·2	1·7	2·2	2·5
Netherlands	5·0	4·5	3·1	3·0	2·9
Japan	6·4	7·4	7·2	9·2	9·1
United States	11·4	4·4	6·9	7·2	6·2
Other countries	10·2	15·5	14·5	19·0	21·6
Total all countries.. ..	77·0	71·0	65·3	75·5	87·9
Of which:					
Commonwealth	33·4	27·3	23·8	26·7	36·8
E.E.C.	16·2	16·8	13·7	13·4	14·2
EFTA (Continental) ..	1·4	1·4	1·7	..	..
Eastern Europe	3·4	4·1	4·1	4·9	..

a Annual rates based on latest data.

SINGAPORE

During 1969 industrial development continued actively, and output in manufacturing increased by almost a half, with a third of the industry's sales being reflected in exports. The electronics industry, in particular, grew rapidly during 1969, and several international oil companies are using Singapore as a centre for offshore oil drilling in Indonesia, Malaysia and Thailand. In July 1969 Singapore's first fully-integrated textile mill, which began production in October 1968, was officially opened.

Although the emphasis has been on industrialisation, trade continues to be of paramount importance for the economy of Singapore. The domestic market being small, the success of the industrial programme itself depends to a considerable extent on expansion of overseas markets. At present the export of locally manufactured goods constitutes a very small proportion of total exports, over 60 per cent of which consisted of re-exports in 1968. Moreover, the imposition of quota restrictions and protective tariffs has created a conflict between the

Exports from Singapore

$ (Singapore) million

	Food	*Crude rubber*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965	436	677	431	315	619
1966	463	769	594	320	650
1967	519	765	677	271	635
1968	502	877	810	253	685
Jan.–Sept.					
1968	372	611	604	190	492
1969	385	1,033	677	245	558

TABLE 56

EXPORTS FROM SINGAPORE

$ (Singapore) million

	1965	1966	1967	1968	1969*a*
Australia..	84	63	65	74	100
Canada	27	34	34	48	60
Hong Kong	122	111	110	134	129
India	20	21	16	10	26
Malaysia	1,215	1,190	1,092	1,007	1,048
New Zealand	31	28	29	14	30
United Kingdom	141	128	152	179	191
Other Commonwealth	100	144	134	139	147
France	43	59	51	55	85
West Germany	55	46	47	73	97
Italy	40	38	51	42	56
Netherlands	18	35	43	61	40
Sweden	8	7	8	6	8
Poland	9	9	6	12	23
Soviet Union	125	109	87	106	114
China	22	137	96	81	177
Japan	97	107	138	254	296
Philippines	13	15	16	13	17
South Africa	45	45	45	48	..
South Vietnam	110	256	305	350	482
United States	110	146	226	312	470
Other countries *b*	357	419	471	546	707
Total all countries *b* ..	2,792	3,147	3,222	3,564	4,303
Of which:					
Commonwealth	1,740	1,719	1,632	1,605	1,731
E.E.C.	163	186	221	247	304
EFTA (Continental) ..	17	17	21	17	27
Eastern Europe	169	147	122	144	179

a Annual rates based on latest data.

b Excluding Indonesia.

need, on the one hand, to allow entrepot trade to continue to expand, and the objective of protecting infant manufacturing industries on the other hand. In order to resolve this conflict two free-trade zones were established in September 1969, taking in the whole of the wharf area from Telok Ayer to Jurong.

Preliminary estimates based on data for the first nine months suggest that Singapore's total exports went up by 20 per cent in 1969. The deficit on visible trade declined slightly during the first nine months of 1969 compared with the corresponding period in 1968, and the overall surplus in the balance of payments enabled the Government to maintain its substantial foreign exchange reserves.

Imports into Singapore

$ (Singapore) million

	Food	*Crude rubber*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965	743	556	508	550	1,095
1966	770	586	621	556	1,154
1967	812	457	739	579	1,417
1968	889	395	875	747	1,719
Jan.–Sept.					
1968	693	279	669	556	1,252
1969	680	481	712	767	1,447

TABLE 57

IMPORTS INTO SINGAPORE

$ (Singapore) million

	1965	1966	1967	1968	1969*a*
Australia..	162	186	193	208	219
Hong Kong	109	111	124	142	156
India	57	55	53	53	58
Malaysia	1,104	1,162	1,065	1,039	1,359
United Kingdom	393	382	337	364	395
Other Commonwealth	72	69	111	153	92
France	39	35	41	43	70
West Germany	103	110	127	127	191
Italy	35	33	43	55	66
Netherlands	49	76	76	75	65
Switzerland	47	43	63	54	64
China	224	272	386	460	425
Japan	418	462	546	690	900
Thailand	147	161	145	165	165
United States	188	207	242	340	452
Other countries *b*	608	650	807	1,034	1,228
Total all countries *b* ..	3,755	4,014	4,359	5,002	5,905
Of which:					
Commonwealth	1,897	1,965	1,883	1,959	2,279
E.E.C.	247	271	305	321	411
EFTA (Continental) ..	91	87	145	113	150
Eastern Europe	21	19	38	55	57

a Annual rates based on latest data.

b Excluding Indonesia.

The major factor accounting for the considerable increase in exports was the revival, after a period of decline, of imports from West Malaysia for re-export. Higher rubber prices in 1969 resulted in the recorded value of imports of this commodity increasing in value to a total for the first nine months exceeding the annual totals of the two preceding years. Another factor, moreover, for increasing trade was the resurgence in entrepot trade with Indonesia. The recorded increase in imports and exports does not cover trade with Indonesia, for which no official figures are available. It has been stated, however, that imports from Indonesia increased by 50 per cent or more during 1969.

SWAZILAND

Swaziland is primarily an agricultural country, with potential for development in the mineral and industrial fields. Progress has been made in forestry, irrigation and the agricultural processing industries; in recent years the exploitation of mineral wealth, chiefly asbestos, iron-ore and coal, has added greatly to the gross domestic product. Determined efforts are being made by the Government to establish new industries and to attract foreign investment by offering incentives and granting special rights to new industries in their early years. In 1969 the Government of Swaziland launched a R23·1 million Post Independence Development Plan for the years 1969–74. Road development is allocated the largest single amount under the plan, which provides for continued development of the economic infrastructure generally, while looking to the private sector to co-operate with the Government in training the indigenous population for skilled jobs and management posts in industry. The plan made it clear that more government initiative was needed in agriculture than in other sectors, particularly in marketing measures and development of cattle holding grounds. Attention was given to the expansion of education. An active part for the Government was also envisaged in planning the use of land, and land development and settlement schemes.

Exports from Swaziland

R million

	Total	*Sugar*	*Forest products*	*Iron ore*	*Asbestos*
1964 ..	22·7	7·6	5·8	0·3	5·2
1965 ..	30·8	8·6	7·8	5·5	5·8
1966 ..	38·4	10·2	8·2	8·5	5·0
1967 ..	41·6	9·7	6·9	10·0	5·9
1968 ..	42·1	7·8	6·9	9·0	..
1969 ..	44·0 (est.)	10·5	8·5 (est.)	9·6	..

Swaziland's most valuable export crop is sugar. It is grown in irrigated areas, partly on the estates owned by the milling companies and partly by small-scale farmers. Under the Commonwealth Sugar Agreement, Swaziland has a quota of 85,000 long tons of sugar which is exported to Britain at a negotiated price: in addition, it has a quota of 55,000 long tons under the new International Sugar Agreement, signed in October 1969. The other main agricultural products are citrus fruit, cotton and timber.

Exports from Swaziland until recently went almost entirely to South Africa and Britain, but progress has been made in establishing trade relations with other countries in Africa and agreements have been signed with Uganda, Kenya, Tanzania and Malawi. The renegotiation of the Customs Union Agreement with Botswana, Lesotho and the Republic of South Africa has increased Swaziland's share of the common customs revenue pool considerably

TABLE 58

EXPORTS FROM SWAZILAND

R million

	1964	1965	1966	1967	1968
United Kingdom	6·6	10·7	15·2	13·8	10·2
Japan	0·3	5·0	8·5	10·0	11·8
South Africa	8·1	5·1	6·7	6·3	8·4
Other countries	7·7	10·0	8·0	11·5	11·7
Total all countries ..	22·7	30·8	38·4	41·6	42·1

and the country has benefited from higher revenues which accrued from April 1969 although the agreement itself came into force in March 1970. Exports to Britain (mainly sugar and asbestos) have doubled since 1961 but Britain's percentage of the total has fallen during this period. South Africa's share has also declined from 53 per cent to 20 per cent, but the Republic even now provides 91 per cent of Swaziland's imports. The largest single export outside Africa is iron-ore to Japan, which in 1969 was valued at about R10 million.

Imports into Swaziland

R million

	Total	*Food*	*Basic materials and base metals*	*Minerals fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1964 ..	19·0	..	..	..	..	..
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	3·0	2·9	10·0	11·7

TANZANIA

Drought conditions prevailed over many parts of the country in the first half of 1969 and the production of some crops fell. However, of the export crops only coffee was affected and this had fully recovered by the second half of the year. Thus in 1969 there was an improvement in the trade balance, with an estimated surplus of £T2 million in contrast to a deficit of £T7 million in 1968. In 1968 there had been increased earnings from invisible trade, especially from freight arising out of the transit trade with Zambia, as well as passenger transportation, and from tourist and other travel. This trend in invisibles was expected to continue in 1969 and consequently to strengthen the current account surplus. The trade balance with the other members of the East African Community changed little in that year.

There was a marked decline in imports during the course of 1969. So far as the fall in investment goods was concerned this was due to the fact that several large development projects had been completed in the second half of 1968 and implementation of some large new ones had not started at the beginning of 1969. Of special significance was the marked reduction in the import of consumer goods which was at least partly the result of import substitution following an increase in the domestic production of certain consumer goods.

	Exports (f.o.b.) £T million	Exports from Tanzania a Domestic Exports b £T million Total	Coffee	Cotton	Sisal	Diamonds	Petroleum products
1965	69	67	9	12	14	7	—
1966	88	83	15	18	12	9	—
1967	83	81	12	13	10	11	7
1968	85	83	13	14	8	7	8
Jan.–Aug.							
1968	54	52	9	8	5	5	5
1969	58	57	9	5	5	7	4

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

TABLE 59

EXPORTS FROM TANZANIA *a*

£T million

	1965	1966	1967	1968	1969*b*
Hong Kong	5	7	6	6	3
India	5	6	5	6	8
Kenya	5	4	3	4	4
United Kingdom	18	22	24	19	22
Zambia	—	4	7	9	6
Other Commonwealth	7	7	5	5	6
Belgium	2	2	2	1	1
West Germany	5	6	4	4	3
Netherlands	3	3	3	3	2
China	4	3	3	3	3
Japan	2	5	3	6	3
United States	4	6	4	5	6
Other countries	9	13	14	14	18
Total all countries.. ..	69	88	83	85	85
Of which:					
Commonwealth	40	50	50	49	49
E.E.C.	12	13	12	11	9
EFTA (Continental).. ..	2	2	2	2	1
Eastern Europe	1	2	2	1	2

a Tanganyika only for years 1965–1967.
b Annual rates based on latest data.

Foreign exchange reserves continued to show a rising trend in 1969, and stood at £T39 million at the end of June—£T5 million higher than one year earlier.

A treaty was signed in September between the East African Community, which includes Tanzania, and the European Economic Community, giving special trade concessions to the signatories upon ratification. Under the Agreement annual quotas will be applied to East African exports of coffee (56,000 tons) and cloves (100 tons) and favourable treatment will be given to other agricultural products. In return the East African Community will give tariff concessions on 58 E.E.C. products.

In the first ten months of the year under review, though overseas sales had increased, coffee exports by value were slightly less than in the same months of 1968. In the third quarter of the year, however, following adverse reports on Brazilian coffee production and the fixing of a relatively low global export quota for 1969–70 under the International Coffee Agreement, prices showed a sharp upward movement and by the fourth quarter had jumped to their highest level for ten years.

Though there was a sharp fall in exports of cotton due to the small size of carryover stocks from 1968, this was offset by a substantial leap in prices for cloves. This buoyant market continued throughout 1969 and, whereas prices of 3s 2½d per lb in January 1968 had risen to 8s 6d in December of that year, they rose further to 15s 11d by October 1969. This resulted in an export figure for this commodity of £T7·1 million in January–October 1969, as against £T2·7 million in the comparable period of 1968.

Sisal, of which Tanzania is the leading producer and exporter, has been facing substitution in its traditional uses such as twine, rope and nets, and world demand has been falling. The Study Group of F.A.O. meeting in April 1969

Net Imports into Tanzania a

£T million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	6	5	4	16	32
1966 ..	8	5	5	21	37
1967 ..	7	7	7	24	31
1968 ..	8	7	8	23	39
Jan.-Aug. *b*					
1958 ..	2	3	4	18	14
1969 ..	1	2	5	16	13

a Tanganyika only: Zanzibar included from January 1968. See Notes on Statistics.
b Principal commodities only. Excluding inter-territorial trade.

TABLE 60

NET IMPORTS INTO TANZANIA *a*

£T million

	1965	1966	1967	1968	1969 *b*
India	3	3	2	3	2
Kenya	14	13	11	13	13
Uganda	3	3	2	2	2
United Kingdom	16	19	19	21	19
Other Commonwealth	3	6	6	5	4
West Germany	4	5	4	5	5
Netherlands	2	3	3	4	3
China	2	4	3	4	3
Iran	1	2	4	5	6
Japan	5	4	3	7	6
United States	3	4	5	4	5
Other countries	11	14	17	19	15
Total all countries.. ..	67	80	79	92	83
Of which:					
Commonwealth	39	44	40	44	40
E.E.C.	12	14	17	19	16
EFTA (Continental) ..	2	2	2	2	3
Eastern Europe	1	1	2	2	2

a Tanganyika only for years 1965–67. See Notes on Statistics.
b Annual rates based on latest data.

agreed to a 9·2 per cent reduction in quotas for 1969 to 581,000 tons; Tanzania's share was fixed at 185,000 tons compared with 205,000 tons in the previous year. It also fixed minimum prices for differentials for East African and Brazilian sisal. This resulted in a temporary rise in prices which, however, soon reverted to the F.A.O. minimum level.

Mainly due to variation in the composition of crude oil received, production at the oil refinery was lower and overseas shipments dropped from £T7·1 million by the end of October 1968 to £T4·3 million in the first ten months of 1969.

A notable feature of 1969 trade was the reduction of imports and the consequent improvement in the balance of trade. As mentioned earlier this was partly due to the ending of some large scale developments in 1968. Commodities particulary affected were motor vehicles and other transport equipment and machinery and apparatus including electric machinery.

TRINIDAD & TOBAGO

Exports from Trinidad and Tobago for the first eleven months of 1969 were lower than for the similar period of 1968, mainly due to a fall in exports of petroleum and petroleum products. By the end of the year a further decline in output of crude oil was expected for 1970, following the 15 per cent drop in 1969.

Falling production of crude oil was largely responsible for the slower movement of the economy in 1969, though the level of G.D.P was maintained owing to vigorous growth in the manufacturing sector. Production of crude oil is being affected by the growth of refineries in other parts of the western hemisphere, as well as the proposed revision of United States policy on imports. A fall in the price of residual fuels in the United States has added to the difficulties as 80 per cent of Trinidad exports to that country are of this category, while anti-pollution laws have militated against Trinidad oil which has a high sulphur content.

Although no significant change in crude oil production was expected in the immediate future the long-term outlook appeared much brighter as a result of important oil and gas discoveries made off the east coast of Trinidad during 1969, particularly since the oil would appear to have a low sulphur content. Intensive investment in preparatory activity in the oil industry is expected during 1970 in anticipation of the start of production from the new discoveries, and the Government and private enterprise are to conduct studies into the uses of natural gas and the development of heavy industries based on gas.

The budget for 1969 outlined a Development Programme for the year which was to herald the commencement of the third Five-Year Plan. The Programme was to give high priority to agriculture, industry and tourism. A new major objective was included as an important part of the Plan, that of economic

Exports from Trinidad & Tobago

$TT million

	Total	*Petroleum and petroleum products* (*a*)	*Chemicals*	*Sugar*	*Cocoa*
1965	644	521	36	42	4
1966	688	539	57	38	4
1967	720	554	78	38	6
1968	876	673	83	49	8
Jan.–Nov.					
1968	813	619	79	47	8
1969	805	509	81	51	6

a Excluding ship's bunkers.

TABLE 61

EXPORTS FROM TRINIDAD & TOBAGO

$TT million

	1965	1966	1967	1968	1969*a*
Barbados	7	8	8	9	13
Canada	31	30	34	40	30
Guyana	16	18	19	23	30
Jamaica	4	3	3	6	10
United Kingdom	113	102	97	99	92
Other Commonwealth	33	28	32	35	36
France	20	2	1	—	—
Netherlands	35	46	29	16	14
Sweden	42	44	48	71	53
Brazil	4	5	5	15	19
United States	232	272	326	431	433
Other countries	107	130	118	131	148
Total all countries ..	644	688	720	876	878
Of which:					
Commonwealth	204	189	193	212	211
E.E.C.	68	68	43	28	26
EFTA (Continental) ..	46	52	57*b*	88*b*	57*b*
Eastern Europe	—	—	—	—	—

a Annual rates based on the latest data.
b Includes Finland.

independence. Under the new Plan, emphasis is to be placed on expansion of exports rather than on substitution of imports. The Plan projects an annual growth rate of 4·2 per cent for G.D.P., based on an assumption that in the immediate future crude oil production will remain at approximately the 1968 level of 67 million barrels. Hence the rest of the economy will have to grow by 5·5 per cent a year. It is expected that receipts from tourism will more than double by 1973.

Over the first eleven months of the year exports to the United States increased despite the difficulties with crude oil exports; this was partly due to an increase of nearly 40 per cent in shipments of sugar. In contrast to sugar, cocoa production fell for the crop year 1968–69, and shipments during the first half of 1969 were down on the similar period of 1968. This was due to adverse weather conditions and also to the fact that the Ghana crop turned out to be better than had been expected. Exports to both the United Kingdom and Canada fell, lower sugar shipments being partly responsible. Exports to Guyana, Barbados and Jamaica showed significant gains as trade began to expand in the framework of CARIFTA. Exports of chemicals increased slightly over the eleven month period.

Imports into Trinidad & Tobago

$TT million

	Food	*Mineral fuels and lubricants*	*Machinery and transport equipment*
1965	88	401	127
1966	90	391	103
1967	86	356	86
1968	88	453	103
Jan.-Nov.			
1968	81	414	89
1969	96	448	101

TABLE 62

IMPORTS INTO TRINIDAD & TOBAGO

$TT million

	1965	1966	1967	1968	1969*a*
Canada	42	43	38	35	41
Guyana	11	10	10	10	12
New Zealand	9	11	9	9	13
United Kingdom	135	126	105	125	128
Other Commonwealth	24	22	22	23	39
West Germany	8	8	9	9	12
Netherlands	9	8	8	8	8
Colombia	52	37	30	8	14
Japan	9	10	12	12	20
Saudi Arabia	134	104	4	24	47
United States	138	109	118	124	138
Venezuela	209	237	284	368	343
Other countries	35	49	72	81	116
Total all countries.. ..	815	774	721	836	931
Of which:					
Commonwealth	221	212	184	202	233
E.E.C.	28	29	30	29	36
EFTA (Continental) ..	9	10	11*b*	12*b*	13*b*
Eastern Europe	3	2	..	..	..

a Annual rates based on the latest data.
b Includes Finland.

Imports into Trinidad and Tobago rose by around 12 per cent over the first eleven months of 1969. Early in 1969 import duties were raised on a number of items to 25 per cent ad valorem for Commonwealth and 35 per cent for other nations. Among the items were cooked meat, meat extracts, fish products, and frozen fruit and vegetables. But even with this measure food imports had risen by almost 19 per cent by the end of November. Imports of mineral fuels and lubricants rose by 8 per cent over this period. Imports of oil from Venezuela dropped somewhat, while those from Nigeria began to increase as that country's petroleum industry got under way again. Imports from the United States rose by over 13 per cent.

UGANDA

Agricultural production, which accounts for the bulk of Uganda's revenue, was expected to rise by nearly 13 per cent in 1969. A feature of the country's exports is the continued dominance of coffee and cotton, which in 1968 accounted for no less than 68 per cent of the total by value, with coffee alone responsible for 48 per cent—a position little changed in the first eight months of 1969. Cotton now provides livelihood for almost a third of the population. To ease the country's dependence on these two crops the Government has undertaken a policy of crop diversification under which output of tea, sugar and tobacco has been improved.

The growth of gross domestic product at constant prices was held down by drought to 3·4 per cent in 1968, but the official estimate for 1969 forecasts that it could grow by as much as 8 per cent, mainly as a result of substantial increases in production of coffee and cotton. Figures for 1969 show a reduced external surplus on visible trade, as a result of a marked deficit in the trade balance with Kenya which rose from £U3 million in 1968 to £U8 million in 1969. In the absence of an offsetting inflow of capital aid, this helped to produce a sharp contraction in the foreign exchange reserves to $37·3 million at the end of September from $43 million at the end of June and $49 million at the end of 1968. Trade with Tanzania, the third member of the East African Community, was little affected.

Tourist income rose by 24 per cent in 1968 to £U4·6 million, and that rate of increase was surpassed in the first quarter of 1969. It was expected that 100,000 tourists would visit Uganda during 1969, and if this trend continues it would make tourism the third largest source of foreign exchange after coffee and cotton.

In September a new agreement was entered into by the East African Community, of which Uganda is a member, and the European Economic Community, on bilateral trade and tariff regulations. Under this agreement the E.E.C. tariff-free quota of East African coffee was raised to 56,000 tons a year and the East African Community will enjoy more favourable treatment regarding its agricultural products. In return the East African States will give tariff concessions on 58 products originating in E.E.C. countries.

Coffee exports for the ten months ended October 1969 amounted to £U32·2 million compared with £U31·7 million for the same period in 1968. There was also an increase in volume. Sales of coffee to Britain rose to £U9·3 million from £U8·7 million. The value of overseas shipments went up despite a drop in prices in the first half of the year. However, reported frost damage to the Brazilian crop in July 1969 was followed by a relatively low global export quota for 1969–70, fixed at 46 million bags under the International Coffee Agreement, and prices for coffee advanced in the third quarter of 1969 to reach their highest point for ten years in the last quarter of that year.

Due to an increase in United States production, together with a lessening of demand in the second half of the year, cotton exports in the first ten months of 1969 were down both in terms of value and volume.

In 1969, following the Commonwealth Sugar Agreement under which the East African countries' quota had increased from 10,000 tons to 21,000 tons, sugar from Uganda was exported in bulk for the first time from East Africa. In January–October exports of sugar amounted to £U778,000 compared with £U4,619 in the same period of 1968.

At the Mauritius Tea Conference in 1969 "interim" tea export quotas for 1970 were agreed upon. The measures were designed to help the tea industry until a full scale international tea agreement could be worked out. The quota for Uganda was set at 54·1 million lb, an amount higher than current exports. It was hoped that this would bring prices as near as possible to the 1968 level.

Exports from Uganda a

	Exports (f.o.b.) £U million	*Domestic exports b* £U million				
		Total	*Coffee*	*Tea*	*Cotton*	*Copper*
1965 ..	74	72	30	2	17	8
1966 ..	77	76	35	3	15	6
1967 ..	78	77	35	3	15	5
1968 ..	77	76	36	4	15	6
Jan.–Aug.						
1968 ..	57	56	26	3	12	4
1969 ..	53	53	25	3	10	4

a See Notes on Statistics.

b Domestic exports for individual commodities for Jan.–Aug. 1968 and 1969 exclude inter-territorial trade.

TABLE 63

EXPORTS FROM UGANDA

£U million

	1965	1966	1967	1968	1969*a*
India	4	2	3	3	3
Kenya	7	7	10	9	7
Tanzania..	3	3	2	2	2
United Kingdom	11	12	15	15	16
Other Commonwealth	5	8	7	8	10
West Germany	2	3	2	3	2
China	6	1	1	2	—
Japan	2	3	6	8	9
United States	14	17	14	16	15
Other countries	20	21	18	11	15
Total all countries ..	74	77	78	77	79
Of which:					
Commonwealth	30	32	37	37	38
E.E.C.	12	8	7	6	6
EFTA (Continental) ..	1	2	1	1	1
Eastern Europe	1	3	—	1	4

a Annual rates based on latest data.

Sales of tea to Britain during 1969 were valued at £U2·6 million as against £U1·6 in 1968.

The industrial sector continued to direct its main efforts towards import substitution and efforts were made to protect infant industries. An order was issued prohibiting the import of a wide range of textiles; the sales tax had already been raised to 30 per cent in the 1969–70 Budget for such items as synthetic and woollen fabrics and outerwear.

In the period January–October 1969, imports of motor vehicles of all kinds amounted to £U4·2 million compared with £U3·4 million for the same months of 1968. There has been spectacular progress in the dairy industry. In 1970, after the completion of a new plant, imports of dairy products from Kenya are likely to end. Milk imports have already fallen from £U852,000 in 1967 to £U37,000 in 1968.

It was announced in the 1969–70 Budget speech that 75 per cent of Uganda's overseas imports would be required to be consigned direct to Uganda. Licences

Net imports into Uganda a

£U million

	Food	*Basic materials and base metals*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Textiles and clothing*	*Other manufactures*
1965 ..	6	3	3	15	10	15
1966 ..	6	4	3	16	8	18
1967 ..	6	4	3	17	5	19
1968 ..	4	5	4	16	7	13
Jan.–Aug. *b*						
1968 ..	..	1	..	10	3	6
1969 ..	..	2	..	11	3	7

a See Notes on Statistics.

b Principal commodities only. Excluding inter-territorial trade.

TABLE 64

NET IMPORTS INTO UGANDA *a*

£U million

	1965	1966	1967	1968	1969*b*
Kenya	15	16	15	13	16
United Kingdom	16	15	14	14	16
Other Commonwealth	6	6	4	6	6
West Germany	4	5	5	5	4
Japan	4	2	3	5	6
Other countries	13	15	16	15	14
Total all countries ..	58	59	57	58	62
Of which:					
Commonwealth	37	37	33	33	38
E.E.C.	9	11	11	11	10
EFTA (Continental) ..	2	2	2	2	2
Eastern Europe	1	1	2	1	1

a See Notes on Statistics.
b Annual rates based on latest data.

were already required for a considerable number of import items and increases in transfer taxes levied on a number of articles coming into Uganda had been imposed.

In the President's May Day message of 1970 it was announced that all manufacturing industry in Uganda would come under government control and all export and import trade would be conducted by state corporations. The Government's intention, it was reported, was to acquire 60 per cent shareholdings in private companies, including oil companies, banks and insurance companies, and the Uganda Development Corporation would raise its holding in Kilembe Mines, the Ugandan copper producer, to 60 per cent also.

UNITED KINGDOM

Britain experienced a major improvement in its net external reserves position during 1969. The basic balance of payments turnround derived from a sharp improvement in each of its three components—trade, invisibles and long-term capital. For the full year the trade deficit (on a balance of payments basis) was reduced to about £200 million, i.e. about £475 million less than the shortfall in 1968. Britain's competitive position finally reflected the benefits of the 1967 devaluation; exports rose 14 per cent while imports increased only 5 per cent. Furthermore, fiscal and monetary measures held domestic growth to about 1½ per cent in real terms—encouraging a shift of resources to industry and reducing import demand. Exports also benefited from the expansion in world trade, while imports were discouraged by the import deposit requirement. The November 1969 legislation provided for the retention of these deposits for a further year, at the lower level of 40 per cent compared with the previous 50 per cent.

It was the improvement in the balance of visible trade which accounted for the largest part of the turnround of the current account. Of the total improvement in the visible balance, some £50 million was due to the fall in payments for military equipment imported from the United States.

Exports from the United Kingdom

£ million

	Fuels and lubricants	*Chemicals*	*Textiles*	*Metals and metal manufactures*	*Machinery other than electric*	*Electric machinery and apparatus*	*Road vehicles and parts*	*Other manufactures*
1965 ..	133	442	274	558	932	331	566	895
1966 ..	134	469	261	562	1,044	345	576	1,021
1967 ..	129	492	250	591	1,036	345	523	1,036
1968 ..	166	600	299	721	1,270	410	660	1,326
1969 ..	171	685	347	812	1,418	466	791	1,575

TABLE 65

EXPORTS FROM THE UNITED KINGDOM

£ million

	1965	1966	1967	1968	1969
Australia..	284	258	256	319	321
Canada	208	224	220	266	309
Ceylon	19	23	21	23	29
Ghana	41	31	31	33	37
Hong Kong	66	66	62	78	89
India	116	97	83	73	66
Jamaica	24	24	24	29	36
Kenya	35	44	48	47	50
Malawi	4	6	6	7	8
Malaysia	94	51	43	48	47
Singapore		40	36	40	50
New Zealand	126	128	100	104	121
Nigeria	73	67	59	59	79
Pakistan	52	53	51	47	54
Trinidad & Tobago	25	24	20	24	25
Zambia	15	26	26	36	35
Other Commonwealth	153	135	133	161	187
Belgium	175	187	184	243	291
France	193	213	218	253	312
West Germany	285	289	277	363	414
Italy	123	148	158	178	210
Netherlands	203	207	206	255	295
Denmark	127	137	146	163	196
Norway	88	109	130	127	145
Sweden	226	236	225	263	301
Switzerland	95	111	117	137	184
Finland	73	77	73	80	101
Soviet Union	47	50	64	105	97
Argentina	27	23	25	34	47
China	26	34	39	29	54
Irish Republic	186	189	197	273	330
Japan	53	69	87	98	129
South Africa	265	247	261	265	291
Spain	86	102	92	99	119
United States	521	652	639	910	906
Venezuela	25	24	22	33	32
Other countries	742	840	835	1,100	1,301
Total all countries ..	4,901	5,241	5,214	6,402	7,298
Of which:					
Commonwealth	1,335	1,297	1,219	1,394	1,543
E.E.C.	982	1,045	1,042	1,292	1,522
EFTA (Continental) ..	613	684	706	803	973
Eastern Europe	117	151	174	229	231

The terms of trade were more favourable in the early part of 1969 than they had been in 1968, but thereafter they worsened slightly from quarter to quarter and for the year as a whole showed a marginal deterioration. About three quarters of the increase in the value of imports of goods, arithmetically, can be accounted for by the rise in import prices. The total volume was more or less stationary during the year. As for exports, the balance was the other way round, with volumes up by more than twice the increase in unit values.

No less important in the swing to surplus of the basic balance of payments was the improvement in both the invisibles and long-term capital accounts. Net invisible earnings were estimated at £575 million in 1969, a rise of about 40 per cent over the figure of £412 million recorded for 1968. This was largely because of the increase in private-sector services and earnings on overseas investments, as well as a moderate decline in Government outlay overseas. The long-term capital account also improved from a deficit of £142 million in 1968 to only a small deficit in 1969.

Although world trade boomed for the second year in succession, the British share fell by a small amount. On a balance of payments basis, and in real terms, the volume of goods and services exported grew by about 8 per cent while there was a very notable slackening in the rate of growth in the volume of goods and services imported in 1969. On customs clearance basis the biggest increase in exports went to industrial countries other than the United States—especially to Japan, France and the EFTA countries; but there were also large rises in exports to the Irish Republic (now U.K.'s third largest market) and to China. Exports to Eastern Europe and Australia flattened out and there was actually a fall in exports to the United States, attributable probably to the American dock strike, anticipation of which drew exports in 1968 which would otherwise have been recorded in 1969. The commodity classification shows a particularly large proportion of rises in exports on road motor vehicles and miscellaneous manufactures.

On a customs clearance basis there was a narrowing of the gap on visible trade, from —£1,488 million in 1968 to —£1,017 million in 1969. There was an overall increase of 11 per cent in shipments to the Commonwealth, whose share of British exports to all destinations, at 21 per cent, was slightly less than in 1968. Australia, the leading market, showed little change in most commodities, while exports to Canada went up by 16 per cent. This marked upward trend to Canada was probably due to the effects of the United States dock strikes in January and February and the possible diversions of supplies to that country through Canada. The commodities mainly affected were machinery and road motor vehicles. The increase in deliveries to New Zealand was in part due to the rise in exports of ships. Supplies to India again fell.

The rate of increase in imports slowed down during 1969, partly helped by the import deposit scheme introduced in November 1968. It is difficult to assess the scheme in isolation though it has affected the level of stock-building and contributed to the slower development in the volume of imports. The rate

Imports into the United Kingdom

£ million

	Food	*Beverages and tobacco*	*Basic materials and base metals*	*Petroleum and petroleum products*	*Machinery and transport equipment*	*Other manufactures*
1965 ..	1,571	137	1,554	599	606	1,202
1966 ..	1,572	139	1,569	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 ..	1,750	184	2,037	890	1,319	2,035

TABLE 66

IMPORTS INTO THE UNITED KINGDOM

£ million

	1965	1966	1967	1968	1969
Australia..	219	208	174	211	237
Canada	458	425	456	513	505
Ceylon	42	36	40	40	33
Ghana	17	18	24	35	43
Hong Kong	70	81	90	115	125
India	128	119	126	135	107
Jamaica	28	29	29	26	26
Malawi	7	9	9	11	11
Malaysia	49	32	28	36	34
Singapore		16	18	26	31
New Zealand	208	187	186	197	216
Nigeria	113	113	79	70	104
Pakistan	27	32	33	40	40
Trinidad & Tobago	24	22	23	22	22
Zambia	76	80	71	90	106
Other Commonwealth	207	183	188	223	234
Belgium	123	132	146	174	187
France	191	212	255	312	324
West Germany	265	302	339	436	466
Italy	145	166	195	236	223
Netherlands	271	291	329	393	409
Denmark	195	206	217	239	245
Norway	106	120	127	162	180
Sweden	215	217	247	314	333
Switzerland	85	98	121	151	174
Finland	116	123	130	161	174
Soviet Union	119	125	123	158	197
Argentina	71	71	72	52	79
Brazil	28	32	27	38	51
China	27	34	30	34	38
Kuwait	89	93	74	151	172
Iran	41	38	137	91	74
Iraq	70	66	24	28	31
Irish Republic	170	186	224	269	294
Japan	78	77	91	115	104
South Africa	181	191	220	272	302
Spain	57	62	74	99	99
United States	672	723	812	1,064	1,129
Venezuela	73	58	68	73	57
Other countries	690	734	778	1,078	1,099
Total all countries.. ..	5,751	5,947	6,434	7,890	8,315
Of which:					
Commonwealth	1,673	1,590	1,574	1,790	1,874
E.E.C.	995	1,104	1,264	1,551	1,610
EFTA (Continental) ..	665	716	811	999	1,072
Eastern Europe	220	241	254	303	332

of growth in the economy, the devaluation of sterling and the general restraint on credit would have all helped to reduce the rise in imports. Nevertheless it seems likely that the import deposit scheme was a factor in the below-average increase in imports in 1969.

The rise in imports in 1969 reflected a further upturn in food prices, partly offset by a fall in the volume of arrivals. Beverages, food and tobacco rose only slightly while the dock strikes in the United States were largely responsible for the variation in the pattern of supplies from that country. Meat and live animals accounted for about three quarters of the increase of food and feeding stuffs, largely because imports of beef in 1968 were curtailed on account of the foot and mouth epidemic. Beef imports rose by a third with arrivals from South America more than double their value in 1968. Imports of cocoa beans from Nigeria and Ghana increased by 80 per cent in value. Imports of animal feeding stuffs, sugar and vegetables all rose. Against these were reductions in tea, dairy products and fish. Tobacco imports were a little lower than in 1968. The increase in imports of industrial materials in 1969, especially of semi-manufactures, accounted for 60 per cent of the rise in total imports.

While imports from the Commonwealth increased by 5 per cent, their share of total imports into the U.K. remained the same at 23 per cent. Australia was a major supplier with a slight rise on 1968; metalliferous ores increased, but wool, the main product, showed a decline. Imports from Canada were a little lower though newsprint showed a marked increase compared with wheat, which dropped by 15 per cent. Nigerian deliveries of petroleum jumped by 209 per cent to £37 million.

ZAMBIA

The Zambian copper belt is the world's third largest, with nearly a quarter of the world's proven reserves. In 1968 copper metal accounted for approximately 95 per cent of Zambian exports, 44 per cent of the net domestic product and 60 per cent of government revenue. In a far-reaching economic programme announced in August 1969, the Government proposed to take over majority control of the mine operating companies of the two large copper producers. The firms were asked to offer the Government at least 51 per cent of equity. Fair compensation was promised to the companies, based on book value; remuneration was expected to come from future earnings which would provide the Zambian Government with 51 per cent of the companies' profits. This announcement extended the measures of the Mulungushi Declaration of April 1968, by which the Government secured a 51 per cent holding in 26 major foreign-owned companies. The Government was to take control of the mines on 1 January 1970, through the State-owned Industrial Development Corporation.

At the same time mineral rights formerly granted in perpetuity became the property of the Zambian Government, and it was stated that they would be leased to mining interests for 25 year periods. At the beginning of 1970 an amendment to the Copper Export Tax was issued, making it applicable to the metal content of copper concentrates going out of the country, and providing for exemption from liability to pay export tax in respect of the refined product.

Zambia's foreign exchange position was satisfactory in 1969 and at the end of December, official reserves amounted to K170 million compared with K95 million at the end of 1968. There was also a surplus on merchandise trade of K403 million compared with K219 million in 1968.

Exports from Zambia

K million

	Copper	*Zinc*	*Tobacco*	*Cobalt*
1965	343	10	5	4
1966	461	8	5	4
1967	432	8	4	6
1968	516	9	3	3
Jan.–Oct.				
1968	424	7·7	2·2	3·0
1969	584	9·2	3·2	3·2

TABLE 67

EXPORTS FROM ZAMBIA

K million

	1965	1966	1967	1968	1969a
United Kingdom	143	160	128	160	191
Other Commonwealth	16	12	11	10	22
France	28	43	35	43	58
West Germany	50	69	43	71	90
Italy	32	44	41	55	75
Japan	46	69	96	115	169
South Africa	25	28	25	12	7
United States	2	—	24	11	8
Other countries	38	68	67	67	93
Total all countries	380	493	470	544	713
Of which:					
Commonwealth	159	172	139	170	213
E.E.C.	113	168	125	174	233
EFTA (Continental)	16	27	27	31	39
Eastern Europe	9	10	7	5	6

a Annual rates based on latest data.

At 824,017 short tons, copper production in 1969 rose to a new level; it was 97,000 short tons higher than in 1968 and 68,000 short tons above the previous record set in 1965. The high output was partly the result of companies cutting into stockpiles of concentrate accumulated, following transport and fuel problems earlier. The year 1969 saw sharp rises in both the values and tonnages of copper sold. Cash wire bars which were quoted on the London Metal Exchange at £510/ton in December 1968 had risen to £725/ton by the end of the following year, mainly as a result of the world-wide shortage of the metal following strikes in Chile and U.S.A.

Zambia has continued to make substantial progress in building up its infrastructure. Achievement was particularly marked in the improvement of communications both internal and external. Work on the proposed Zambia-Tanzania railway, to be built by China, was expected to commence during 1970.

In the period January–October 1969 there was a reduction in imports, especially of capital goods, compared with the same period of 1968. In an effort to reduce imports the government cut spending on large public works and imposed restrictions on local borrowing.

Imports of agricultural produce showed strong growth, reflecting the apparent failure of local production to keep up with rapidly expanding demand. Early in

Imports into Zambia

K million

	Food	*Basic materials*	*Mineral fuels and lubricants*	*Machinery and transport equipment*	*Other manufactures (incl. base metals)*
1965	17	5	21	70	96
1966	20	7	20	98	98
1967	21	7	31	126	115
1968	24	6	33	134	121
Jan.–Oct.					
1968	20	5	27	117	103
1969	26	6	30	102	90

TABLE 68

IMPORTS INTO ZAMBIA

K million f.o.b.

	1965	1966	1967	1968	1969*a*
United Kingdom	42	54	63	76	69
Other Commonwealth	82	62	63	50	56
West Germany	6	8	12	14	12
Japan	8	9	19	18	24
South Africa	41	58	72	76	71
United States	13	27	33	33	29
Other countries	19	28	44	58	49
Total all countries ..	211	246	306	325	310
Of which:					
Commonwealth	124	116	126	126	125
E.E.C.	16	20	37	41	30
EFTA (Continental) ..	4	6	8	10	10
Eastern Europe	—	—	2	3	2

a Annual rates based on latest data.

1970 it was announced that the National Agricultural Marketing Board would cease importing South African and Rhodesian fruit and vegetables with immediate effect. Imports still necessary would come from elsewhere, particularly East Africa. By the end of 1969, 40 per cent by value and 30 per cent by quantity of foods which entered Zambia came from the north. This compared with 4 per cent and 11 per cent respectively 12 months earlier. It has recently been announced that Zambia's imports of her coal requirements from Rhodesia will cease with effect from 1970.

The Zambian Government in 1969 enacted a substantially revised and simplified tariff structure which sharply raised duties on many consumer goods. There are now three basic duty rates for consumer imports. The increases in import and excise duties have been aimed at absorbing expenditure and at reducing foreign exchange outflow.

Appendix

TABLE 1

TOTAL TRADE OF COMMONWEALTH COUNTRIES

£ million

	1965	1966	1967	1968	1969*a*
Exports and re-exports from:					
Australia	1,037	1,089	1,175	1,421	1,655
Canada	2,895	3,411	3,770	5,244	5,731
Ceylon	144	126	123	138	138
Ghana	103	86	91	128	152
Hong Kong	408	473	549	727	907
India	599	562	545	729	765
Jamaica	77	81	82	91	110
Kenya	78	87	79	97	107
Malawi	14	17	20	20	22
Malaysia	437	444	431	555	683
New Zealand	363	387	359	425	492
Nigeria	268	284	242	246	378
Pakistan	189	215	208	334	288
Singapore	326	367	376	485	586
Tanzania	69*c*	88*c*	83*c*	99	99
Trinidad & Tobago	134	143	150	182	183
Uganda	74	77	78	90	93
United Kingdom	4,901	5,241	5,214	6,402	7,298
Zambia	190	247	235	318	416
Others	407	360	367	440	456
Total Commonwealth exports	12,713	13,785	14,177	18,171	20,559
Imports into:					
Australia	1,153	1,107	1,198	1,563	1,621
Canada	2,852	3,259	3,659	4,763	5,474
Ceylon	110	152	130	152	183
Ghana	159	126	109	128	146
Hong Kong	560	631	653	857	1,024
India	1,026	930	983	1,014	832
Jamaica	103	117	126	159	186
Kenya *b*	101	123	119	148	141
Malawi	20	27	26	29	30
Malaysia	392	393	386	483	469
New Zealand	354	362	321	350	392
Nigeria	275	256	224	225	290
Pakistan	373	321	393	424	426
Singapore	438	468	509	681	804
Tanzania *b*	67*c*	80*c*	79*c*	107	97
Trinidad & Tobago	170	161	150	174	194
Uganda *b*	58	59	57	67	72
United Kingdom	5,751	5,947	6,434	7,890	8,315
Zambia	105	123	183	190	181
Others	518	498	568	684	728
Total Commonwealth imports	14,585	15,140	16,307	20,088	21,605

a Actuals, or annual rates based on latest data.

b Net imports. See Notes on Statistics.

c Tanganyika only.

Table II

INTRA-COMMONWEALTH TRADE

Exports to other Commonwealth countries

£ million

	1965	1966	1967	1968	1969*a*
Australia	371	385	399	462	512
Canada	529	528	574	675	628
Ceylon	62	50	55	54	51
Ghana	20	12	25	36	48
Hong Kong	137	145	164	213	243
India	192	137	166	180	171
Jamaica	37	39	37	40	51
Kenya	49	51	51	60	66
Malawi	10	11	15	13	12
Malaysia	176	176	161	196	232
New Zealand	212	258	204	233	266
Nigeria	107	120	83	81	118
Pakistan	62	65	61	80	107
Singapore	203	201	190	218	236
Tanzania	39*b*	49*b*	50*b*	58	57
Trinidad & Tobago	42	39	40	44	44
Uganda	30	32	38	43	44
United Kingdom	1,335	1,297	1,219	1,394	1,543
Zambia	80	86	70	99	124
Others	265	220	217	264	273
Total	3,958	3,901	3,819	4,443	4,826

a Actuals, or annual rates based on the latest data.
b Tanganyika only.

Table III

INTRA-COMMONWEALTH TRADE

Exports to other Commonwealth countries as percentage of each country's total exports

	1965	1966	1967	1968	1969
Australia	38	36	34	33	31
Canada	18	15	15	13	11
Ceylon	44	41	45	39	37
Ghana	20	23	27	28	32
Hong Kong	34	31	30	29	27
India	33	30	30	25	22
Jamaica	48	47	45	44	46
Kenya	64	58	64	62	62
Malawi	71	65	72	67	54
Malaysia	40	41	37	35	34
New Zealand	58	56	57	55	54
Nigeria	40	40	34	33	31
Pakistan	33	30	29	24	37
Singapore	63	51	51	45	40
Tanzania	58*a*	60*a*	61*a*	58	58
Trinidad & Tobago	32	28	27	24	24
Uganda	41	41	48	47	47
United Kingdom	28	25	23	22	21
Zambia	42	35	30	31	30
Others	65	59	59	60	60
Total	31	28	27	24	23

a Tanganyika only.

TABLE IV

INTRA-COMMONWEALTH TRADE

Imports from other Commonwealth countries

£ million

	1965	1966	1967	1968	1969*a*
Australia	441	401	428	559	573
Canada	315	338	351	422	497
Ceylon	44	55	46	53	73
Ghana	49	42	40	43	50
Hong Kong	117	122	128	165	175
India	191	162	189	169	156
Jamaica	45	47	48	58	62
Kenya	44	59	58	69	67
Malawi	15	19	17	18	17
Malaysia	195	197	174	210	210
New Zealand	240	244	209	220	246
Nigeria	100	93	78	84	111
Pakistan	80	73	88	72	73
Singapore	221	229	220	267	310
Tanzania	39*b*	44*b*	40*b*	51	47
Trinidad & Tobago	46	44	38	42	48
Uganda	37	37	33	39	45
United Kingdom	1,673	1,590	1,574	1,790	1,874
Zambia	62	58	63	74	73
Others	256	229	234	282	303
Total	4,210	4,083	4,056	4,687	5,010

a Actuals, or annual rates based on the latest data.
b Tanganyika only.

TABLE V

INTRA-COMMONWEALTH TRADE

Imports from other Commonwealth countries as percentage of each country's total imports

	1965	1966	1967	1968	1969
Australia	38	36	36	36	35
Canada	11	10	10	9	9
Ceylon	40	37	35	35	40
Ghana	31	29	36	33	34
Hong Kong	21	19	20	19	17
India	19	17	19	17	19
Jamaica	43	40	38	36	33
Kenya	44	43	48	47	48
Malawi	73	81	66	61	56
Malaysia	50	50	45	43	45
New Zealand	68	67	65	63	63
Nigeria	36	34	35	37	38
Pakistan	21	22	22	17	17
Singapore	51	53	43	39	39
Tanzania	59*a*	55*a*	50*a*	48	48
Trinidad & Tobago	27	28	26	24	25
Uganda	65	64	59	58	62
United Kingdom	29	27	24	23	23
Zambia	59	47	34	39	40
Others	44	46	41	41	42
Total	29	27	25	23	23

a Tanganyika only.

Table VI

TRADE WITH UNITED KINGDOM

Exports of other Commonwealth countries to the United Kingdom

£ million

	1965	1966	1967	1968	1969*a*
Australia..	184	172	156	200	204
Canada	392	374	389	472	429
Ceylon	38	31	36	34	28
Ghana	14	14	19	27	39
Hong Kong	57	64	74	97	106
India	110	94	107	118	90
Malawi	7	8	11	10	8
Malaysia	32	31	27	36	37
New Zealand	175	219	161	170	191
Nigeria	101	109	72	72	106
Pakistan	25	25	27	40	32
Singapore	16	15	18	24	26
Zambia	72	80	64	93	111
Others	212	195	198	227	243
Total	1,435	1,431	1,359	1,620	1,650

a Actuals, or annual rates based on the latest data.

Table VII

TRADE WITH UNITED KINGDOM

Proportion of each country's total exports sent to United Kingdom

per cent

	1965	1966	1967	1968	1969
Australia..	18	16	13	14	12
Canada	14	11	10	9	7
Ceylon	26	25	29	25	20
Ghana	13	17	21	21	26
Hong Kong	14	14	13	13	12
India	18	17	20	16	12
Malawi	50	49	52	49	36
Malaysia	7	7	6	7	5
New Zealand	48	42	45	40	39
Nigeria	38	38	30	29	28
Pakistan	13	12	13	12	11
Singapore	5	4	5	5	4
Zambia	38	32	27	29	27
Others	26	23	24	23	23
Total	18	17	15	14	13

Table VIII

TRADE WITH UNITED KINGDOM

Imports of other Commonwealth countries from the United Kingdom

£ million

	1965	1966	1967	1968	1969*a*
Australia..	301	276	269	348	357
Canada	205	213	222	268	305
Ceylon	20	25	20	22	32
Ghana	40	36	33	35	39
Hong Kong	60	63	61	74	83
India	118	80	76	67	59
Malawi	5	8	7	9	8
Malaysia	77	74	57	68	63
New Zealand	130	134	104	109	121
Nigeria	85	76	65	70	100
Pakistan	55	48	51	52	52
Singapore	46	45	39	50	54
Zambia	21	27	31	44	40
Others	256	244	229	284	297
Total	1,419	1,349	1,264	1,500	1,610

a Actuals, or annual rates based on the latest data.

Table IX

TRADE WITH UNITED KINGDOM

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

per cent

	1965	1966	1967	1968	1969
Australia..	26	25	22	22	22
Canada	7	7	6	6	6
Ceylon	18	16	16	15	17
Ghana	25	29	30	28	27
Hong Kong	11	10	9	9	8
India	11	9	8	7	7
Malawi	25	33	28	31	26
Malaysia	20	19	15	14	13
New Zealand	37	37	32	31	31
Nigeria	31	30	29	31	34
Pakistan	15	15	13	12	12
Singapore	10	10	8	7	7
Zambia	20	22	17	23	22
Others	22	23	21	21	21
Total	16	15	13	12	12

TABLE X

UNITED KINGDOM IMPORTS BY MAJOR COMMODITY CLASSES

£ million

	1965	1966	1967	1968	1969
Food, beverages and tobacco	1,708	1,712	1,762	1,900	1,934
of which:					
Meat	368	374	372	398	432
Dairy products	208	195	208	200	184
Grain	232	222	222	232	252
Fruit and vegetables ..	288	313	325	347	358
Sugar	103	106	103	104	113
Coffee, cocoa, tea, spices ..	156	160	171	192	183
Tobacco	84	85	89	117	115
Basic materials	1,109	1,061	1,012	1,207	1,254
of which:					
Hides and skins	56	67	51	63	78
Oilseeds, oilnuts and kernels	49	45	37	41	39
Rubber	47	46	44	48	61
Wood	220	194	192	231	218
Pulp and waste paper ..	139	134	126	155	165
Wool	131	124	112	114	119
Cotton	54	54	43	58	50
Metal ores and scrap ..	202	189	203	266	291
Animal and vegetable oils and fats	64	63	63	68	73
Fuels and lubricants	609	625	729	902	910
Manufactured goods	2,253	2,471	2,844	3,772	4,137
of which:					
Chemicals	283	294	329	415	463
Wood manufactures ..	70	66	81	96	90
Paper and manufactures ..	123	133	155	185	204
Textiles	152	159	182	231	239
Iron and steel	78	88	120	155	174
Non-ferrous metals	367	421	380	567	609
Machinery	497	580	696	869	947
Transport equipment ..	109	101	172	319	372
Total value of imports ..	5,751	5,947	6,434	7,890	8,315

Table XI

PROPORTION OF UNITED KINGDOM IMPORTS SUPPLIED BY COMMONWEALTH COUNTRIES

per cent

	1965	1966	1967	1968	1969
Food, beverages and tobacco	43	39	38	37	38
Meat	36	31	25	29	29
Dairy products	55	51	49	50	54
Grain	41	36	32	30	35
Fruit and vegetables ..	28	26	26	26	26
Sugar	88	85	84	86	86
Coffee, cocoa, tea, spices ..	79	78	80	74	73
Tobacco	52	33	38	34	36
Basic materials	35	34	33	32	29
Hides and skins	20	18	15	17	17
Oilseeds, oilnuts and kernels	73	68	61	59	52
Rubber	67	63	62	64	63
Wood	30	26	27	22	19
Pulp and waste paper ..	11	11	11	11	11
Wool	57	54	55	51	52
Cotton	5	9	8	8	8
Metal ores and scrap ..	34	32	34	36	30
Animal and vegetable oils and fats	49	55	48	55	48
Fuels and lubricants	11	9	6	3	6
Manufactured goods	21	20	18	17	17
Chemicals	10	10	11	9	11
Wood manufactures ..	20	22	23	23	24
Paper and manufactures ..	25	24	23	23	22
Textiles	32	31	29	29	26
Iron and steel	8	9	8	7	7
Non-ferrous metals	54	48	51	45	44
Machinery	5	5	5	4	4
Transport equipment ..	3	5	2	2	2
Total	29	27	24	23	23

TABLE XII

UNITED STATES IMPORTS FROM THE COMMONWEALTH *a*

$U.S. million

	1965	1966	1967	1968	1969
Meat and meat products ..	205	290	305	345	423
from Australia	113	178	191	206	253
from New Zealand	38	61	73	89	114
Fish and fish products	197	218	209	257	293
from Canada	139	146	135	162	179
Cocoa or cocoa beans	75	52	68	73	73
from Ghana	43	26	40	48	58
from Nigeria	27	22	23	19	11
Whisky	294	322	360	395	436
from United Kingdom ..	185	201	230	247	263
Rubber, crude and latex ..	76	86	99	119	194
from Malaysia	66*b*	56	67	77	137
Wood, unmanufactured ..	374	395	388	557	614
from Canada	361	379	375	541	593
Wood pulp	369	392	366	405	483
from Canada	369	392	366	405	483
Wool, unmanufactured	152	153	104	111	101
from Australia	73	74	57	55	51
from New Zealand	45	50	27	32	31
Iron and steel making raw materials	297	320	316	345	260
from Canada	296	305	310	339	252
Chemical and related products	306	355	404	466	541
from Canada	221	253	270	291	309
Newsprint paper	762	859	832	829	904
from Canada	762	859	832	829	904
Cotton manufactures c	121	127	124	146	175
from Hong Kong *c*	74	79	83	100	111
Wool manufactures c	89	84	87	109	146
from United Kingdom *c* ..	47	40	38	42	41
Jute and manufactures	182	200	183	197	219
from India	157	161	149	151	171
Steel mill products	183	207	204	348	276
from Canada	91	104	102	192	147
Non-ferrous metals, including ores and manufactures					
Copper	80	167	222	290	145
from Canada	61	116	174	199	119
Nickel	168	187	214	238	227
from Canada	166	183	209	233	221
Aluminium	258	283	290	374	325
from Canada	146	168	172	243	202
from Jamaica	94	97	101	92	110
Tin	136	104	106	140	138
from Malaysia	124*b*	95	101	132	128
Agricultural machinery and implements	181	226	243	205	225
from Canada	163	205	221	185	203
Electrical machinery and apparatus	164	267	311	399	488
from United Kingdom ..	40	64	71	71	78
Other machinery	348	556	622	777	945
from United Kingdom ..	166	239	243	272	328
New automobiles	150	485	921	1,473	1,964
from United Kingdom ..	90	115	103	125	137
from Canada	60	370	818	1,349	1,827
Total imports of all commodities					
from the Commonwealth ..	7,940	10,065	10,859	13,140	15,053
from all countries	20,844	24,786	25,992	32,162	34,931

a Imports for domestic consumption.

b Includes Singapore.

c Including made-up articles and clothing.

NOTES ON STATISTICS

General

1. *Symbols used in tables*

.. not available

— nil or negligible

2. *Sources of Statistics*

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

3. *Definition of area headings*

Commonwealth. Self-governing members of the Commonwealth and associated and dependent territories, as at December 1969. External trade of the constituent parts is defined by the political boundaries; as far as possible the trade of Malaysia is shown net of intra-Malaysian trade, trade of the East African Customs Area is grossed up to give the trade of Kenya, Uganda and Tanzania separately.

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

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

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

4. *Definitions of commodity headings*

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

5. *Period of trade*

Calendar years unless otherwise stated. Statistics for certain countries have been adjusted as necessary from financial to calendar years where the figures are included in Commonwealth totals for calendar years. All 1969 data are provisional.

6. *System of trade*

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

7. *Valuation of trade*

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

8. *Coverage of trade*

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

9. *Rates of exchange*

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

	Before devaluation	*After devaluation*
Ass. States of Eastern Caribbean	£1=$EC4·8	£1=$EC4·8
Australia, Papua-New Guinea, British Solomon Island, Nauru	£1=$A2·5	£1=$A2·1429
Bahamas	£1=$B2·8571	£1=$B2·4490
Barbados	£1=$EC4·8	£1=$EC4·8
Botswana	£1=R2	£1=R1·7143
British Honduras ..	£1=$BH4·0	£1=$BH4·0
Brunei *a*	£1=$B8·5714	£1=$B7·3469
Canada	£1=$C3·0270	£1=$C2·5946
Ceylon	£1=Rs13·3333	£1=Rs14·2857
Cyprus	£1=£C1	£1=£C1
Fiji *b*	£1=£F1·11	£1=£F1·045
The Gambia	£1=£G1	£1=£G1
Ghana *c*	£1=New Ce2·8571	£1=New Ce2·4490
Guyana	£1=$G4·8	£1=$G4·8
Hong Kong *d*	£1=$HK16·0	£1=$HK14·5455
India	£1=Rs21·0	£1=Rs18·0
Jamaica *e*	£1=£J1	£1=£J1
Kenya	£1=20 shg. K	£1=17·1429 shg. K
Lesotho	£1=R2	£1=R1·7143
Malawi	£1=£M1	£1=£M1
Malta	£1=£M1	£1=£M1
Malaysia *a*	£1=$M8·5714	£1=$M7·3469
Mauritius	£1=Rs13·3333	£1=Rs13·3333
New Zealand *f*	£1=$NZ2·0137	£1=$NZ2·1429
Nigeria	£1=£N1	£1=£N0·8571
Pakistan	£1=Rs13·3333	£1=Rs11·1885

	Before devaluation	After devaluation
Seychelles	£1 = Rs13·3333	£1 = Rs13·3333
Sierra Leone	£1 = Le2	£1 = Le2
Singapore *a*	£1 = \$S8·5714	£1 = \$S7·3469
Swaziland	£1 = R2	£1 = R1·7143
Tanzania	£1 = 20 shg. T	£1 = 17·1429 shg. T
Trinidad & Tobago . .	£1 = \$TT4·8	£1 = \$TT4·8
Uganda	£1 = 20 shg. U	£1 = 17·1429 shg. U
Zambia *g*	£1 = £Z1	£1 = £Z0·8571

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

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

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

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

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

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

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

Australia

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

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

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

Britain

Exports exclude:

(1) used clothing and household goods exported by charitable organisations;

(2) aircraft, other than newly constructed.

Imports exclude:

(1) materials such as uranium ore and concentrates;

(2) aircraft, other than newly constructed. Progress payments for U.S. military aircraft are published in lieu of the value of actual imports.

Canada

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

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

Imports exclude:

(1) ships of British construction and registry for use in Canada;

(2) ships purchased for use in foreign trade.

Ghana

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

Kenya, Tanzania, Uganda

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

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

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

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

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

Before 1968 the East African Customs Area excluded Zanzibar.

Malawi

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

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

Pakistan

Exports and imports exclude:

(1) silver coin and bullion;

(2) letter and parcel post.

New Zealand

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

Exports exclude:

(1) goods shipped overseas by relief organisations;

(2) ships on their own bottoms.

Zambia

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

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

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