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Hollis B. Cheney papers - McNamara Discussions 1981 (Jan-June)

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Hollis B. Cheney Papers - McNamara discussions / notebooks / memoranda - 1981
(January - June)

Table 4A:

MIDDLE INCOME OIL IMPORTERS contd

	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>							
Portugal	86.3	83.3	96.1	88.7	86.0	80.5	73.2
Turkey	86.5	82.9	84.9	81.2	85.3	82.6	80.3
Yugoslavia	69.7	72.8	73.9	71.8	72.1	73.2	70.1
<u>North Africa & Middle East</u>							
Jordan	n.a.	n.a.	133.5	119.6	117.5	109.0	107.2
Morocco	88.5	87.3	84.4	87.8	89.3	84.0	81.1

OIL EXPORTERS

Nigeria	83.7	84.8	72.5	74.3	73.9	85.4	84.1
Indonesia	93.8	89.4	79.1	77.7	77.4	82.7	86.1
Malaysia	77.3	75.5	76.2	69.4	67.2	71.2	73.0
Ecuador	87.3	82.0	75.2	74.7	80.0	82.6	82.1
Mexico	79.2	79.6	79.0	75.3	77.7	78.2	79.4
Venezuela	66.0	66.8	60.6	69.0	74.4	83.2	88.6
Algeria	76.9	62.7	61.6	61.4	63.1	69.7	71.8
Egypt	86.1	90.2	95.2	85.8	93.2	95.3	93.4
Tunisia	85.5	84.8	75.5	80.7	80.0	85.4	89.9

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COUNTRY EXERCISE

TABLE 4B: HISTORICAL & PROJECTED RATIOS OF INVESTMENT TO GDP
(percentages at constant 1978 prices)

	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>LOW INCOME OIL IMPORTERS</u>							
<u>Africa South of Sahara</u>							
Ethiopia	13.3	11.5	10.5	8.7	10.6	12.2	14.0
Kenya	14.4	24.4	18.2	29.7	18.2	20.8	20.6
Madagascar	10.2	15.6	12.8	14.2	14.8	15.5	15.8
Tanzania	14.6	22.5	21.1	19.7	21.1	21.1	22.2
<u>South Asia</u>							
Bangladesh	11.5	11.3	7.0	12.2	14.6	16.2	18.1
India	18.4	18.2	22.5	23.0	21.9	23.4	23.8
Pakistan	21.5	15.8	16.2	17.6	18.1	18.6	19.2
Sri Lanka	12.0	18.9	15.7	20.4	26.6	27.5	27.7
<u>MIDDLE INCOME OIL IMPORTERS</u>							
<u>Africa South of Sahara</u>							
Cameroon	13.4	17.0	21.5	23.7	27.4	27.0	26.7
Ghana	17.9	14.2	12.7	5.6	3.7	7.3	10.5
Ivory Coast	19.0	22.1	22.4	30.9	26.6	22.1	21.5
Senegal	11.9	15.7	17.8	23.2	19.2	20.3	20.4
Sudan	9.1	10.3	17.5	15.7	16.2	18.2	18.2
Zambia	26.0	28.4	40.5	28.8	26.6	28.0	29.0
<u>East Asia & Pacific</u>							
Korea	15.1	27.0	29.4	31.0	31.0	30.2	29.0
Philippines	20.8	21.2	31.1	28.7	28.6	28.7	28.6
Thailand	20.2	26.2	25.4	26.5	26.0	24.3	22.5
<u>Latin America & Caribbean</u>							
Argentina	19.2	20.4	22.1	25.1	24.5	25.0	25.8
Brazil	18.4	22.3	25.4	22.5	22.6	23.3	23.6
Chile	17.3	20.1	17.8	15.9	11.9	16.2	20.3
Colombia	17.7	22.0	17.8	23.0	23.9	27.9	28.2
Dominican Republic	9.1	19.1	24.5	21.2	26.7	29.6	31.5
Guatemala	13.3	12.8	16.1	22.1	20.9	18.8	18.3
Uruguay	10.7	11.2	13.2	14.3	16.1	16.5	16.7

MIDDLE INCOME OIL IMPORTERS contd:

	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>							
Portugal	18.8	23.5	16.3	23.2	21.6	26.6	28.6
Turkey	14.9	19.8	23.7	22.8	18.9	19.5	19.5
Yugoslavia	30.0	32.3	33.3	35.0	32.1	27.3	27.4
<u>North Africa & Middle East</u>							
Jordan	n.a.	n.a.	31.9	41.0	47.9	44.9	37.7
Morocco	10.3	16.8	26.5	23.5	18.8	20.5	20.9

OIL EXPORTERS

Nigeria	18.3	14.9	26.0	31.2	31.2	29.4	29.8
Indonesia	6.7	13.6	20.3	21.3	23.6	22.5	21.5
Malaysia	18.2	19.9	23.4	25.2	26.8	28.0	29.0
Ecuador	12.3	22.5	28.4	26.3	28.5	27.4	27.3
Mexico	21.7	22.4	24.2	25.3	28.8	31.5	32.3
Venezuela	23.6	27.9	30.7	40.7	35.5	36.3	35.1
Algeria	22.3	42.7	50.3	52.1	49.3	47.6	46.3
Egypt	17.7	13.9	26.4	27.9	27.6	29.1	32.0
Tunisia	27.6	19.7	29.3	29.2	28.8	22.7	17.7

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Country Exercise

TABLE 5A: HISTORICAL AND PROJECTED GROWTH RATES OF EXPORTS OF GOODS AND NFS^{a/}
(percent per annum at constant prices)

<u>LOW INCOME OIL IMPORTERS</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>Africa South of Sahara</u>	*			
Ethiopia	3.0	-2.4	3.0	3.5
Kenya	7.1	0.1	6.6	6.4
Madagascar	4.0	0.8	5.4	5.5
Tanzania	5.3	-4.1	5.1	5.5
<u>South Asia</u>				
Bangladesh	2.5	6.0	3.5	3.7
India	3.2	5.7	3.7	7.0
Pakistan	8.6	-2.1	6.0	6.5
Sri Lanka	0.9	-0.7	6.0	6.1
<u>MIDDLE INCOME OIL IMPORTERS</u>				
<u>Africa South of Sahara</u>				
Cameroon	4.8	2.1	4.5	2.1
Ghana	-4.6	0.2	3.2	3.2
Ivory Coast	7.9	4.9	9.5	3.1
Senegal	2.7	3.5	9.1	4.7
Sudan	9.9	-0.1	8.6	5.7
Zambia	3.9	2.4	4.1	2.4
<u>East Asia & Pacific</u>				
Korea	34.5	25.4	9.6	8.6
Philippines	-1.5	6.0	10.0	10.4
Thailand	7.7	7.0	8.7	7.9
<u>Latin America & Caribbean</u>				
Argentina	4.8	6.7	5.3	6.7
Brazil	10.1	8.4	8.7	8.0
Chile	3.8	9.3	8.3	6.4
Colombia	5.0	4.4	4.5	5.0
Dominican Republic	7.1	9.4	6.3	3.8
Guatemala	7.6	6.3	5.1	4.0
Uruguay	0.9	10.7	6.5	6.8

^{a/} Estimated by least squares time trends.

Table 5A:

MIDDLE INCOME OIL IMPORTERS contd	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>Southern Europe</u>				
Portugal	2.5	-1.0	8.7	10.4
Turkey	6.5	4.4	9.9	9.5
Yugoslavia	8.9	2.9	8.0	8.0
<u>North Africa & Middle East</u>				
Jordan	n.a.	21.3	10.6	7.7
Morocco	6.0	2.1	7.2	7.9
<u>OIL EXPORTERS</u>				
Nigeria	7.0	3.0	-0.1	1.5
Indonesia	8.1	9.7	3.5	5.7
Malaysia	8.0	8.0	6.1	6.7
Ecuador	2.7	8.9	2.7	4.8
Mexico	4.9	5.9	7.7	7.8
Venezuela	2.7	-6.3	-1.8	1.3
Algeria	5.8	1.5	2.5	4.3
Egypt	-1.3	6.4	4.0	5.1
Tunisia	7.5	7.7	8.1	4.3

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COUNTRY EXERCISE

TABLE 5B: HISTORICAL AND PROJECTED GROWTH RATES OF IMPORTS OF GOODS AND NFS ^{a/}
(percent per annum at constant 1978 prices)

<u>LOW INCOME OIL IMPORTERS</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>Africa South of Sahara</u>				
Ethiopia	1.0	5.6	3.0	3.1
Kenya	7.6	0.1	1.8	3.7
Madagascar	3.7	-6.3	1.1	2.3
Tanzania	8.3	-0.6	3.8	3.8
<u>South Asia</u>				
Bangladesh	6.2	-0.1	0.1	4.2
India	-3.4	5.8	3.0	3.5
Pakistan	5.2	-3.0	2.4	4.9
Sri Lanka	-2.2	-2.6	4.3	4.7
<u>MIDDLE INCOME OIL IMPORTERS</u>				
<u>Africa South of Sahara</u>				
Cameroon	3.7	3.6	2.9	4.6
Ghana	-4.5	-1.7	2.8	2.5
Ivory Coast	11.4	11.0	4.1	4.7
Senegal	-0.4	3.5	2.9	3.8
Sudan	-3.3	12.0	3.1	4.8
Zambia	7.8	-7.2	3.9	3.4
<u>East Asia & Pacific</u>				
Korea	32.7	17.9	6.9	7.4
Philippines	6.5	6.7	6.5	7.7
Thailand	14.3	5.4	5.7	5.8
<u>Latin America & Caribbean</u>				
Argentina	6.3	-1.4	3.8	4.1
Brazil	18.0	9.7	3.4	3.8
Chile	9.2	0.8	6.5	6.8
Colombia	8.3	4.4	5.5	4.7
Dominican Republic	12.6	8.2	4.5	4.3
Guatemala	3.8	7.2	4.7	4.8
Uruguay	10.2	2.7	6.3	4.1

^{a/} Estimated by least squares time trends.

MIDDLE INCOME OIL IMPORTERS contd:

	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>Southern Europe</u>				
Portugal	9.3	1.1	7.7	6.9
Turkey	8.2	12.6	3.6	4.0
Yugoslavia	12.6	4.0	3.6	5.4
<u>North Africa & Middle East</u>				
Jordan	n.a.	17.5	5.3	5.0
Morocco	12.7	10.9	4.2	5.3

OIL EXPORTERS

Nigeria	5.6	23.4	8.7	2.7
Indonesia	13.6	20.2	8.2	8.2
Malaysia	3.9	8.3	8.3	8.0
Ecuador	10.9	10.0	5.2	4.9
Mexico	7.3	6.5	10.6	9.6
Venezuela	5.0	11.0	5.5	5.5
Algeria	10.4	16.2	6.8	6.0
Egypt	3.4	12.7	6.7	5.9
Tunisia	0.3	12.9	6.8	4.3

COUNTRY EXERCISE

TABLE 6A: HISTORICAL AND PROJECTED RATIOS OF RESOURCE BALANCES TO GDP
(percentages, at current prices)

<u>LOW INCOME OIL IMPORTERS</u>	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Africa South of Sahara</u>					
Ethiopia	- 1.8	- 5.8	- 5.1	- 6.1	- 5.7
Kenya	- 3.2	-11.2	-11.5	- 5.7	- 2.7
Madagascar	- 1.3	- 6.6	-10.3	- 6.0	- 2.2
Tanzania	- 3.5	-13.7	- 9.7	- 9.2	- 7.7
 <u>South Asia</u>					
Bangladesh	- 2.4	-13.0	-18.1	-14.4	-15.6
India	- 0.6	- 0.6	- 2.0	- 2.4	- 1.8
Pakistan	- 3.8	-11.7	-12.3	- 8.8	- 8.6
Sri Lanka	- 2.3	- 4.8	-24.5	-16.0	- 9.5
 <u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon	- 3.2	- 2.9	- 4.2	1.9	- 2.1
Ghana	- 1.2	- 2.5	- 1.4	- 1.5	- 4.0
Ivory Coast	0.8	- 1.1	- 4.5	6.1	2.1
Senegal	- 4.0	-22.3	-28.2	- 8.6	- 6.7
Sudan	- 1.0	- 2.2	-12.5	- 8.0	- 7.1
Zambia	18.8	- 1.3	- 5.9	0.0	- 0.5
 <u>East Asia & Pacific</u>					
Korea	- 9.3	- 1.9	- 7.1	- 3.6	- 2.3
Philippines	- 0.5	- 5.6	- 6.8	- 4.6	- 2.2
Thailand	- 4.9	- 4.4	- 5.9	- 2.8	- 0.9
 <u>Latin America & Caribbean</u>					
Argentina	0.2	4.3	- 3.3	- 1.8	0.2
Brazil	- 0.5	- 1.5	- 2.1	- 0.7	1.4
Chile	1.2	- 3.3	- 1.5	0.4	0.1
Colombia	- 2.2	1.4	0.0	- 1.0	- 0.3
Dominican Republic	- 7.2	- 6.9	- 8.4	- 6.0	- 6.8
Guatemala	0.7	- 5.9	- 4.4	- 3.5	- 3.4
Uruguay	- 2.9	- 3.9	- 2.2	- 1.4	- 0.2

<u>MIDDLE INCOME OIL IMPORTERS contd</u>	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>					
Portugal	-	-10.0	-10.7	-10.5	- 6.5
Turkey	- 2.5	- 3.9	- 2.6	- 0.6	- 0.2
Yugoslavia	- 5.3	- 6.6	- 6.6	- 3.2	- 1.3
<u>North Africa & Middle East</u>					
Jordan	-30.8	-54.7	-67.3	-52.2	-44.2
Morocco	- 4.1	-18.2	- 9.6	- 5.4	- 3.1
<u>OIL EXPORTERS</u>					
Nigeria	0.3	- 7.0	7.2	- 0.9	- 0.6
Indonesia	- 4.0	0.9	4.8	0.8	- 1.0
Malaysia	4.6	6.2	12.5	5.7	0.1
Ecuador	- 6.1	- 6.4	- 2.5	- 4.3	- 5.1
Mexico	- 2.0	- 0.3	- 1.6	- 1.5	- 1.7
Venezuela	4.7	-13.8	9.7	0.1	- 3.6
Algeria	- 4.0	-10.5	4.1	4.1	1.6
Egypt	- 5.8	-21.4	-13.0	-11.5	- 8.4
Tunisia	- 5.3	- 8.9	- 6.1	- 6.1	- 9.3

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COUNTRY EXERCISE

TABLE 6B: HISTORICAL & PROJECTED RATIOS OF CURRENT ACCOUNT ^{a/} BALANCES TO GDP
(percentages, at current prices)

	1970	1978	1980	1985	1990
<u>LOW INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Ethiopia	-2.4	-5.0	-4.4	-6.5	-6.6
Kenya	-4.8	-13.3	-12.4	-8.2	-5.2
Madagascar	-3.7	-6.6	-11.4	-9.0	-5.3
Tanzania	-2.9	-13.3	-9.6	-9.3	-8.3
<u>South Asia</u>					
Bangladesh	-1.2	-11.7	-16.7	-14.3	-16.1
India	-0.9	0.6	-1.1	-1.8	-1.7
Pakistan	-4.1	-4.7	-6.3	-3.0	-3.1
Sri Lanka	-3.6	-4.6	-22.0	-14.9	-8.6
<u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon	-4.2	-5.1	-7.6	-0.2	-3.6
Ghana	-2.2	-3.6	-1.5	-2.0	-4.7
Ivory Coast	-4.6	-10.2	-15.4	-4.6	-6.4
Senegal	-6.7	-23.1	-30.3	-10.9	-7.1
Sudan	-1.6	-1.8	-10.7	-6.1	-5.2
Zambia	7.2	-8.1	-11.3	-5.9	-4.9
<u>East Asia & Pacific</u>					
Korea	-8.2	-2.3	-8.7	-5.3	-3.5
Philippines	-1.1	-5.0	-6.8	-5.2	-2.4
Thailand	-4.5	-5.1	-7.7	-5.3	-3.5
<u>Latin America & Caribbean</u>					
Argentina	-0.6	3.2	-4.3	-3.5	-1.7
Brazil	-1.9	-3.7	-4.7	-3.0	-0.2
Chile	-1.2	-5.9	-3.6	-0.4	-0.2
Colombia	-4.6	0.6	-0.3	-1.6	-0.7
Dominican Republic	-6.9	-6.9	-10.4	-8.9	-10.5
Guatemala	-0.4	-4.2	-2.7	-3.4	-3.7
Uruguay	-4.0	-5.4	-4.0	-1.7	-0.4

^{a/} Current Account Balance excluding Official Transfers

Table 6B:

MIDDLE INCOME OIL IMPORTERS contd

	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>					
Portugal	-	-2.7	-1.7	-5.1	-3.8
Turkey	-0.7	-2.5	-2.0	-0.3	0.0
Tugoslavia	-2.5	-1.9	-3.9	-2.0	-0.4
<u>North Africa & Middle East</u>					
Jordan	-22.5	-26.0	-48.0	-32.7	-27.4
Morocco	-3.3	-11.0	-5.4	-2.5	-1.0
<u>OIL EXPORTERS</u>					
Nigeria	-5.2	-8.0	6.2	-0.7	-0.8
Indonesia	-5.4	-3.0	1.7	-1.1	-2.9
Malaysia	0.1	1.4	6.0	1.6	-2.1
Ecuador	-7.5	-9.8	-6.5	-8.7	-9.7
Mexico	-3.2	-2.8	-4.2	-3.1	-3.2
Venezuela	-0.9	-14.6	4.8	-1.3	-4.2
Algeria	-2.5	-14.3	2.0	2.3	0.4
Egypt	-1.9	-9.4	-8.4	-8.1	-5.9
Tunisia	-4.6	-8.9	-6.1	-6.8	-11.9

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COUNTRY EXERCISE

TABLE 7: HISTORICAL AND PROJECTED DEBT SERVICE RATIOS^{a/}
(percentages)

<u>LOW INCOME OIL IMPORTERS</u>	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Africa South of Sahara</u>					
Ethiopia	11.4	6.5	5.0	18.8	29.0
Kenya	5.3	13.4	8.3	19.8	24.7
Madagascar	3.5	3.4	6.8	27.8	32.5
Tanzania	4.9	8.7	9.5	18.3	21.9
<u>South Asia</u>					
Bangladesh	-	11.8	9.4	23.2	33.3
India	20.9	9.9	6.9	10.7	17.0
Pakistan	39.3	12.4	10.0	8.8	10.0
Sri Lanka	10.3	9.2	7.1	12.7	11.8
<u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon	3.2	7.4	10.9	12.1	8.7
Ghana	-	5.2	4.3	6.5	10.8
Ivory Coast	6.8	18.4	25.4	26.0	28.4
Senegal	2.7	14.5	17.9	19.2	12.2
Sudan	10.7	9.4	40.4	35.1	17.9
Zambia	-	-	21.1	15.4	15.8
<u>East Asia & Pacific</u>					
Korea	19.4	11.3	13.7	16.9	17.9
Philippines	7.5	26.5	15.5	21.9	20.5
Thailand	3.3	15.8	12.2	23.9	28.6
<u>Latin America & Caribbean</u>					
Argentina	21.5	35.4	26.5	30.4	37.0
Brazil	12.3	56.0	54.2	46.9	40.2
Chile	18.9	46.3	34.1	22.0	16.0
Colombia	11.6	11.8	12.0	14.7	23.4
Dominican Republic	4.5	20.4	21.4	20.5	26.6
Guatemala	7.4	4.1	4.6	12.6	16.5
Uruguay	25.2	60.6	31.8	25.2	27.9

^{a/} 1970 and 1978 figures represent debt service actually paid. Figures for 1980, 1985 and 1990 are for debt service owed. In some cases the amounts paid may be less due to rescheduling, deferral of payments or accumulation of arrears.

<u>MIDDLE INCOME OIL IMPORTERS contd</u>	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>					
Portugal	-	10.7	12.4	22.6	21.9
Turkey	16.3	13.6	25.7	38.2	31.1
Yugoslavia	8.3	-	22.4	21.1	20.0
<u>North Africa & Middle East</u>					
Jordan	3.6	4.1	8.1	10.5	16.7
Morocco	7.7	21.8	31.2	23.7	18.7
<u>OIL EXPORTERS</u>					
Nigeria	4.2	1.7	1.8	4.6	4.3
Indonesia	-	16.7	10.4	8.4	11.1
Malaysia	3.6	9.3	4.1	3.9	1.8
Ecuador	9.1	13.2	17.0	19.9	25.7
Mexico	23.6	64.3	33.3	24.2	24.5
Venezuela	2.9	9.2	12.1	7.8	11.4
Algeria	3.2	20.4	19.3	11.0	4.4
Egypt	28.7	22.3	15.3	13.3	13.9
Tunisia	18.5	13.8	13.7	17.1	31.3

COUNTRY EXERCISE

TABLE 8: HISTORICAL AND PROJECTED NET OIL IMPORT COST RATIOS^{a/}
(percentages at current prices)

	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>LOW INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Ethiopia	6.4	15.3	25.3	31.4	34.1
Kenya	3.7	8.5	37.1	37.0	36.6
Madagascar	3.6	12.3	22.9	22.8	23.7
Tanzania	2.3	12.6	20.8	21.5	22.6
<u>South Asia</u>					
Bangladesh	-	23.4	49.2	59.7	70.1
India	6.1	17.8	39.6	50.7	52.6
Pakistan	13.9	17.5	47.1	46.1	47.6
Sri Lanka	2.7	11.0	39.6	34.8	32.1
<u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon ^{b/}	4.9	3.6	-16.9	-33.6	-15.2
Ghana	5.1	9.1	13.0	16.4	23.0
Ivory Coast ^{b/}	2.8	4.4	8.8	- 5.2	- 5.1
Senegal	2.0	23.0	36.1	27.0	26.9
Sudan	11.8	23.6	26.5	21.0	18.6
Zambia	5.2	10.5	16.1	16.1	18.3
<u>East Asia & Pacific</u>					
Korea	9.2	14.1	20.1	20.3	21.7
Philippines	9.7	22.3	33.8	31.5	28.4
Thailand	9.2	21.9	28.3	26.0	25.1
<u>Latin America & Caribbean</u>					
Argentina	3.4	5.4	7.8	3.9	3.2
Brazil	10.8	32.6	43.9	45.3	35.6
Chile	6.3	12.9	24.5	21.8	25.0
Colombia	- 6.7	1.3	8.4	15.5	11.1
Dominican Republic	7.4	23.4	38.1	37.4	41.5
Guatemala	1.8	13.3	14.2	12.8	9.7
Uruguay	13.2	20.3	28.5	28.1	24.0

^{a/} Based on SITC - 3 category for fuels.

^{b/} Becomes net oil exporter during projection period.

Table 8:

<u>MIDDLE INCOME OIL IMPORTERS contd</u>	<u>1970</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Southern Europe</u>					
Portugal	-	14.0	22.1	23.9	22.8
Turkey	6.0	36.2	50.1	43.9	40.4
Yugoslavia	4.0	11.0	21.5	18.3	17.3
<u>North Africa & Middle East</u>					
Jordan	8.5	10.9	15.3	14.3	14.8
Morocco	4.6	13.9	21.3	20.6	19.4
<u>OIL EXPORTERS</u>					
<u>Africa South of Sahara</u>					
Nigeria	-51.0	-71.5	-80.9	-78.5	-79.9
Indonesia	-31.0	-62.0	-45.3	-39.7	-36.4 ^{a/}
Malaysia	2.6	- 4.6	-11.0	- 4.3	4.6 ^{a/}
Ecuador	-	-38.7	-50.8	-50.0	-39.1
Mexico	1.3	-12.8	-39.5	-55.2	-46.8
Venezuela	-85.5	-82.1	-90.5	-88.5	-88.4
Algeria	-51.2	-80.7	-82.4	-84.2	-80.0
Egypt	3.8	-13.5	-34.8	-33.8	-32.0 ^{a/}
Tunisia	-10.2	-10.5	-17.2	- 8.8	13.2 ^{a/}

^{a/} Assumes constant level of production and no new reserves discovered.

FEB 26 1981

R. Chambers - i

FEB 25 1981

Dear Mr. Minister:

Thank you for your letter of November 11, 1980 and for drawing my attention to the large discrepancy between the figures of UAE's official development assistance for 1979 shown in the World Development Report and the figures cited in your letter. Your Government has, for many years, been in the forefront of providing development assistance, and I would like to ensure that publications of the Bank accurately reflect that excellent record.

In the past, the Bank has obtained the data on official development assistance from OECD, which collects such data from all donor countries and presents them on a comparable and homogeneous basis. However, to do justice to the major increase in the aid efforts of OPEC countries in recent years and to improve the amount of information available to us, the Bank staff would also find it useful to collect relevant data on development assistance directly from your Government. It would be very helpful for this purpose if you could designate an institution in your Government that might act as a point of contact with our staff and take the responsibility for providing the information on an accurate and timely basis. In this connection, I have asked Mr. Qureshi, Senior Vice President, Finance, to arrange for one of his associates to travel to the UAE within the next few weeks to discuss these issues in detail with your officials and set up the necessary arrangements.

I hope these arrangements will be agreeable to you and will avoid any future misreporting of UAE development assistance.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Shaikh Hamdan bin Rashid Al-Maktoum
Minister of Finance and Industry
P.O. Box 1565
Dubai
United Arab Emirates

Copy to Mr. El Naggar
cc: Messrs. Qureshi, Chenery, Wood/Applegarth
Mardalan/MAQureshi/PApplegarth:gmb
February 24, 1981



Record Removal Notice



File Title Hollis B. Chenery Papers - McNamara discussions / notebooks / memoranda - 1981 (January - June)		Barcode No. 30211207		
Document Date Feb. 5 & 17, 1981	Document Type Memorandum			
Correspondents / Participants From: Hollis Chenery and S. Shahid Husain To: Robert McNamara and Heribert Golsong				
Subject / Title Treatment of Taiwan in Bank Documents Taiwan in the World Bank Atlas				
Exception(s) Prerogative to Restrict				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
THRU: Mr. Hollis B. Chenery, VPD
FROM: Shankar Acharya, VPD
SUBJECT: Research Report

DATE: February 5, 1981

1. As requested by you last week, Messrs. Gabriel, Please, and I have held a number of meetings, to implement your suggestions for redrafting. Mr. van der Tak (or his representative) was also included in these discussions.

2. Based on these discussions I attach the following:

- (i) a redraft of the final sub-paragraph on p. 5;
- (ii) a redraft of para 2.7 (on p. 7);
- (iii) a complete redraft of Chapter III; and
- (iv) a final new paragraph 6.30 along the lines you suggested.

The first three items have been cleared in substance with Messrs. Gabriel, Please and van der Tak (or his representative).

3. I am returning your marked-up copy of the report for easy reference.

4. If we can have your approval of the proposed changes by Monday, February 9, the present Board schedule of March 17 can be met.

5. I should add that a number of further minor editorial improvements are being made to the draft. All numbers are also being rechecked.

cc w/attachments: Messrs. Gabriel (PBPVP)
Please (VPO)
van der Tak/Garg (CPSVP)
Lafourcade (EXC)

SA:aa

Bank Research

What is termed research by the Bank includes: (i) relatively large studies which are reviewed by the Bank-wide Research Committee, and financially supported through the External Research Budget under its control (henceforth "centrally-approved" research); and (ii) smaller studies, often of an exploratory or state-of-the-art kind, undertaken wholly at the discretion of individual departments with their own resources ("departmental research"). This definition of Bank research, which is used for budgetary purposes, excludes some original work undertaken within the framework of country economic work, sectoral policy papers and in the preparation of a document like the WDR.^{1/}

^{1/} This narrow definition of research also explicitly excludes three other activities of potential interest: (a) the Bank's monitoring and evaluation of investment projects; (b) participation by the Bank in technical research consortia such as the Consultative Group on International Agricultural Research (CGIAR); (c) research provided for under loans and credits, paid for by borrowers, and therefore under their ultimate control.

2.7 The initial exploratory stages of a research effort are usually conducted at the initiative of the main research producing departments, often in consultation with potential collaborators and clients. Preparation of a major research project typically takes three to six months of professional staff time and may require up to a year. The advice of specialists from outside the Bank is frequently sought at the preparatory stage. Once a research proposal has been fully worked out, it is submitted to the Research Committee along with estimates of departmental staff time necessary to execute the proposal as well as the funds requested from the External Research Budget to finance outside consultants, travel and data processing. Sometimes the initial exploratory work does not lead to a full-fledged research proposal. At other times it may lead to a small study, which can be wholly undertaken by the staff and other resources at the command of individual departments ("departmental studies"). In either of these latter cases no approval is sought from the Research Committee. Finally some small, short-gestation research studies are conducted by the departments, usually in support of policy papers, with no review by the Research Committee. Most of the discussion in this report is addressed to the centrally-approved part of the research program.

III. DIMENSIONS OF THE RESEARCH PROGRAM

A. Total Research Effort in FY79 and FY80

3.1 Total resources devoted to research amounted to approximately \$10.3 million in FY79 and \$11.4 million in FY80 (in current dollars).^{1/} A comparison with other categories of analysis is presented below:

	Research			Economic and Sector Work			Operational Review and Policy Work			Total Analytical Work		
	<u>FY75</u>	<u>FY79</u>	<u>FY80</u>	<u>FY75</u>	<u>FY79</u>	<u>FY80</u>	<u>FY75</u>	<u>FY79</u>	<u>FY80</u>	<u>FY75</u>	<u>FY79</u>	<u>FY80</u>
\$million:	7.5	10.3	11.4	17.8	28.5	34.7	7.9	17.1	21.8	33.2	55.9	67.9
% of total:	22.6	18.4	16.8	53.6	51.0	51.1	23.8	30.6	32.1	100	100	100

The share of research in total analytical work has declined from 22.6 percent in FY75 to 16.8 percent in FY80.

3.2 As Table III.1 indicates centrally-approved research projects accounted for about \$7.8 million in FY80, or about 69 percent of the total resources spent on research. Of the \$7.8 million, about \$2.7 million was financed from the External Research Budget, while the remaining \$5.2 million is the imputed cost of about 39 staffyears devoted to Research Committee approved projects. Preparatory work on research proposals, most of which will be submitted to the Research Committee, accounted for about \$1.0 million in FY80 (or 9 percent of total research expenditures). The remaining \$2.5 million (or 22

^{1/} These totals exclude routine commodity analysis and projections and expenditures on the Living Standards Measurement Study (LSMS). Expenditure on LSMS amounted to about \$0.35 million in FY80, including the imputed cost of staff time.

Table III.1: RESOURCES DEVOTED TO RESEARCH, BY DEPARTMENT, FY 79 AND FY 80
(current US\$ '000)

Department	Projects Approved by Research Committee						Research Preparation		Departmental Studies		Total Research	
	External Research Budget		Staff Time Costs ^{a/}		Total Expenditure on Centrally Approved Projects		Staff Time Costs ^{a/}		Staff Time Costs ^{a/}		Total Costs	
	Expenditure		FY79 FY80		FY79 FY80		FY79 FY80		FY79 FY80		FY79 FY80	
	FY79	FY80	FY79	FY80	FY79	FY80	FY79	FY80	FY79	FY80	FY79	FY80
<u>Development Policy Staff</u>												
Development Research Center	322.5	216.0	932.0	1,204.1	1,254.5	1,420.1	93.2	307.7	198.1	80.3	1,545.8	1,808.1
Economic Analysis and Projections ^{b/}	479.5	509.9	81.6	93.6	561.1	603.5	174.9	120.4	93.2	307.7	829.2	1,031.6
Development Economics Office of the Vice President, Development Policy	993.9	992.3	2,272.4	2,889.8	3,266.3	3,882.1	407.9	615.4	431.3	347.8	4,105.5	4,845.3
Policy Planning and Program Review	353.2 ^{c/}	38.0	35.0	13.4	388.2	51.4	11.6	-	11.6	38.4	411.4	89.8
	-	-	23.3	-	23.3	-	23.3	-	-	-	46.6	-
Total DPS	2,149.1	1,756.2	3,344.3	4,200.9	5,493.4	5,957.1	710.9	1,043.5	734.2	774.2	6,938.5	7,774.8
<u>Central Projects Staff ^{d/}</u>												
Agricultural and Rural Dev.	85.4	56.2	265.5	92.9	350.9	149.1			420.3	371.8	771.2	520.9
Transportation, Water and Telecommunications	162.9	160.5	447.9	428.1	610.8	588.6			106.2	199.2	717.0	787.8
Urban Projects	4.9	-	11.1	-	16.0	-			17.3	26.6	33.3	26.6
Energy	4.4	87.5	49.8	66.4	54.2	153.9			325.2	212.5	379.4	366.4
Education	58.9	60.1	33.2	26.6	92.1	86.7			232.3	305.5	324.4	392.2
Industrial Projects	-	-	11.1	-	11.1	-			137.7	79.7	148.8	79.7
Industrial Development and Finance	-	-	-	-	-	-			55.3	39.8	55.3	39.8
Population, Health and Nutrition	-	-	-	-	-	-			27.7	144.8	27.7	144.8
Office of the Vice President, Projects Staff	40.9	-	-	-	40.9	-			44.2	66.4	85.1	66.4
Total CPS	357.4	364.3	818.6	614.0	1,176.0	978.3			1,366.2	1,446.3	2,542.2	2,424.6
Regions	390.4	547.4	191.1	349.0	581.5	896.4			111.1	199.5	692.6	1,095.9
Other ^{e/}	-	-	54.6	-	54.6	-			44.5	130.0	99.1	130.0
TOTAL	2,896.9	2,667.9	4,408.6	5,163.9	7,305.5	7,831.8	710.9	1,043.5	2,256.0	2,550.0	10,272.4	11,425.3

^{a/} Data on staff time are taken from the Bank's time reporting system.

^{b/} ^{QS} Excluding routine work on commodity analysis and projections (approximately 9 staff-years).

^{c/} Includes expenditures on the General Research Advisory Panel, and the specialized external research advisory panels, of \$335,800.

^{d/} In CPS Departments, the time reporting system does not permit the costs of research preparation to be distinguished from those of other departmental research. The former account for an estimated 15% of the costs shown under "Departmental Studies."

^{e/} Office of the Senior Vice President, Operations; Young Professionals Program; and research done under collaborative arrangements with U.N. organizations.

N

percent of the total) reflected departmental studies carried out in DPS and CPS, mainly in the latter. Such studies usually involved less than 20 staff-weeks of professional staff effort each.^{1/} There has been a noteworthy trend of decline in the relative share of departmental studies and research preparation. Their share has fallen from 46 percent in FY75 to 32 percent in FY80, indicating increasing review and control by the Research Committee of the Bank's research expenditures.

B. Allocation of Research by Departments and Subject Categories

3.3 Table III.1 shows the breakdown of Bank research by departments. In FY80 the DPS was responsible for about 68 percent of Bank research and CPS for about 21 percent, with the Regional Offices accounting for 10 percent. In departmental terms Bank research is concentrated in two DPS units, the Development Economics Department, and the Development Research Center, which together account for over half of the Bank's research program.

3.4 Table III.2 disaggregates Bank research by subject category. In the last two fiscal years the leading categories for research expenditure have been Development Policy and Planning, Population and Human Resources, Agriculture and Rural Development, and Industry.

^{1/} In FY80 about 29 staffyears were spent on research preparation and departmental studies. When added to the 39 staffyears allocated to centrally-approved research projects, this gives a total of about 68 staffyears devoted by the Bank to research in FY80.

Table III.2: DISTRIBUTION OF RESOURCES DEVOTED TO RESEARCH, BY SUBJECT CATEGORY, FY 79 AND FY 80
(current US\$'000)

	Projects Approved by Research Committee						Staff Time Costs of Research Preparation & Departmental Studies ^{a/}		Total	
	External Research Expenditure		Staff Time Costs ^{a/}		Total Costs		1979	1980	1979	1980
	1979	1980	1979	1980	1979	1980				
I. Development Policy and Planning										
A. Income Distribution	36.3	11.5	172.8	183.8	209.1	195.3	56.8	122.2	265.9	317.5
B. Planning/Growth/Country Economic Analysis	592.9	593.5	448.8	512.0	1,041.7	1,105.5	124.8	325.9	1,166.5	1,431.4
Total	<u>629.2</u>	<u>605.0</u>	<u>621.6</u>	<u>695.8</u>	<u>1,250.8</u>	<u>1,300.8</u>	<u>181.6</u>	<u>448.1</u>	<u>1,432.4</u>	<u>1,748.9</u>
II. International Finance and Trade	277.0	45.2	218.7	236.3	495.7	281.5	68.1	54.3	563.8	335.8
III. Agriculture and Rural Development	239.8	273.7	644.6	1,063.5	884.4	1,337.2	647.6	549.3	1,532.0	1,886.5
IV. Industry	265.8	263.8	759.6	1,011.0	1,025.4	1,274.8	334.5	255.9	1,359.9	1,530.7
V. Transportation	71.3	74.9	356.7	515.9	428.0	590.8	45.4	194.8	473.4	785.6
VI. Energy, Water and Telecommunications	74.9	104.0	172.8	131.3	247.7	235.3	315.5	259.0	563.2	494.3
VII. Urbanization and Regional Development	344.6	272.9	414.4	78.8	759.0	351.7	67.6	122.2	826.6	473.9
VIII. Population and Human Resources										
A. Education	235.9	300.9	333.8	288.9	569.7	589.8	525.1	682.7	1,094.8	1,272.5
B. Labor and Employment	187.6	367.6	495.1	551.5	682.7	919.1	113.5	258.1	796.2	1,177.2
C. Population, Nutrition and Health	217.6	359.9	195.8	590.9	413.4	950.8	178.0	372.6	591.4	1,323.4
Total	<u>641.1</u>	<u>1,028.4</u>	<u>1,024.7</u>	<u>1,431.3</u>	<u>1,665.8</u>	<u>2,459.7</u>	<u>816.6</u>	<u>1,313.4</u>	<u>2,482.4</u>	<u>3,773.1</u>
IX. Other ^{b/}	<u>353.2</u>	-	<u>195.8</u>	-	<u>549.0</u>	-	<u>490.0</u>	<u>396.5</u>	<u>1,039.0</u>	<u>396.5</u>
Total	<u>2,896.9</u>	<u>2,667.9</u>	<u>4,408.9</u>	<u>5,163.9</u>	<u>7,305.8</u>	<u>7,831.8</u>	<u>2,966.9</u>	<u>3,593.5</u>	<u>10,272.7</u>	<u>11,425.3</u>

^{a/} Data on staff time are taken from the Bank's time reporting system.

^{b/} Research projects and studies which do not fit the above categories, and staff time equivalents for which the time reporting system does not clearly identify the subject.

^{c/} Includes expenditures on the General Research Advisory Panel, and the specialized external research advisory panels, of \$335,800.

3.5 In the first research report to the Board in 1973, informal guidelines were set out for the allocation of the External Research Budget by subject.^{1/} Table III.3 compares these guidelines with the actual expenditures over the period FY75 to FY80. The allocation of research projects among the various categories is inevitably somewhat arbitrary. Nonetheless, the correspondence between guidelines and actual expenditure, which was not intended to be exact in the first place, is fairly close.

^{1/} "Bank Group Research Program", R73-257, November 12, 1973.

Table III.3: PERCENTAGE DISTRIBUTION OF EXTERNAL RESEARCH EXPENDITURES,
BY SUBJECT CATEGORY, FY 75-80

Subject Category	1973 Guidelines	Actual
I. <u>Development Policy and Planning</u>		
A. Income Distribution	14.0	7.1
B. Planning/Growth/Country Economic Analysis	11.0	16.1
Total	<u>25.0</u>	<u>23.2</u>
II. International Finance and Trade	4.0	6.2
III. Agriculture and Rural Development	20.0	14.6
IV. Industry	10.0	7.6
V. Transportation	10.0	7.6
VI. Energy, Water and Telecommunications	5.0	6.6
VII. Urbanization and Regional Development	10.0	9.1
VIII. <u>Population and Human Resources</u>		
A. Education	5.0	6.6
B. Labor and Employment	5.0	8.4
C. Population, Nutrition and Health	5.0	6.8
Total	<u>15.0</u>	<u>21.8</u>
IX. Other	<u>1.0</u>	<u>3.3</u>
Total	<u>100.0</u>	<u>100.0</u>

Size and Organization

6.30 The need for research on the process of development is great. In relation to that need the efforts now underway, in the Bank and outside, are inadequate. Much more also needs to be done to strengthen the research capacity of institutions in developing countries. Looking to the future, the Bank has a clear responsibility to assume an expanded role in both doing research and undertaking programs to strengthen developing country research organizations. At some point in the future these issues will need to be actively considered. To seriously pursue these objectives it may be desirable to support a very substantial increase in the resources devoted to research, perhaps building up to \$25-50 million a year, in three or four years time. Such an expansion in the program may require major organizational changes, including, perhaps, the launching of a research subsidiary financed out of Bank profits.



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Correspondents / Participants From: Robert McNamara To: President's Council				
Subject / Title References to the People's Republic of China and Taiwan				
Exception(s) Prerogative to Restrict				
Additional Comments 		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
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OFFICE MEMORANDUM

DATE January 28, 1981

TO: Mr. Robert McNamara
 ROUGH: Mr. Hollis B. Chenery, VPD
 FROM: Helen Hughes, Director, EPD

SUBJECT: Development Review - April Issue

1. An outline of the April issue of the Development Review, together with a tentative timetable, is attached for your comments and approval. The text (with text tables and charts) will run to twelve printed pages. This will be followed by eight pages of executive summary tables and graphs showing quarterly data.

2. The discussion of item II (i) in the attached outline dealing with the short-term global outlook will be largely based on the work done in the OECD, Project Link and the IMF, whereas the discussion of items II (ii)-(vi) will be based on EPD work. EPD forecasts cover medium- to long-term developments, and if short-term forecasting were to be made a regular feature of the Department's work, the capability for such a task would have to be created.

3. Section IV - the special feature of each Review - will vary, depending on current issues and the completion of policy relevant research work in DPS or elsewhere in the Bank.

Attachment

cc: Messrs. Stern, SVPO
 Qureshi, SVPFI
 Benjenk, VPE
 Merriam, IPA
 Waide, VPD

SSingh/ph

DEVELOPMENT REVIEW -- APRIL 15, 1981 ISSUE

Tentative Outline

	<u>Approximate Printed Pages</u>
I. Summary -- (S. Singh/P. Muncie)	1
II. Recent Developments	3
(i) Growth and Inflation (P. Miovic)	
(ii) Capital Flows (J. Katz)	
(iii) Commodities (R. Duncan)	
(iv) Petroleum (P. Pollak/A. Lambertini)	
(v) Trade (R. Duncan)	
(vi) Debt (External Debt Division)	
III. Short-term economic outlook	3
IV. Penetration of Industrial Country Markets by Exports of Manufactures from Developing Countries, 1970-79. (H. Hughes/V. Panoutsopoulos)	5
V. Executive summary tables. (A. Kundu/R. Fok)	8

Proposed Timetable

1st Draft	-- February 9-16 -- to Messrs. Singh/Muncie
2nd Draft	-- February 27 -- to Chief Economists
3rd Draft	-- March 18 to Messrs. Chenery/Benjenk
Final changes	-- March 27
Clearance with Mr. McNamara	-- March 27-31
To Typesetter/Printer	-- March 31
Distribution to Bank senior staff--	April 15

OFFICE MEMORANDUM

TO: Mr. Robert McNamara
 OUGH: Mr. Hollis B. Chenery, VPD ~~Signed Hollis B. Chenery~~
 FROM: Helen Hughes, Director, EPD ~~M~~

DATE January 28, 1981

SUBJECT: Development Review - April Issue

1. An outline of the April issue of the Development Review, together with a tentative timetable, is attached for your comments and approval. The text (with text tables and charts) will run to twelve printed pages. This will be followed by eight pages of executive summary tables and graphs showing quarterly data.

2. The discussion of item II (i) in the attached outline dealing with the short-term global outlook will be largely based on the work done in the OECD, Project Link and the IMF, whereas the discussion of items II (ii)-(vi) will be based on EPD work. EPD forecasts cover medium- to long-term developments, and if short-term forecasting were to be made a regular feature of the Department's work, the capability for such a task would have to be created.

3. Section ^{IV}~~III~~ - the special feature of each Review - will vary, depending on current issues and the completion of policy relevant research work in DPS or elsewhere in the Bank.

Attachment

cc: Messrs. Stern, SVPO
 Qureshi, SVPFI
 Benjenk, VPE
 Merriam, IPA
 Waide, VPD

SSingh/ph

DEVELOPMENT REVIEW -- APRIL 15, 1981 ISSUE

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Distribution to Bank senior staff--	April 15

Mr. Robert S. McNamara

January 16, 1981

Hollis B. Chenery, VPD Signed Hollis B. ~~Chenery~~

Report on the World Bank Research Program

1. Attached for your approval is a draft of the Report on the Research Program. This is a more comprehensive report than usual because it comes after a gap of three years and is the first report since the various external advisory panels presented their findings.

2. The report is currently scheduled to be distributed to the Board at the end of this month, for discussion on February 24.

3. Looking beyond the Board discussion, I recommend that we seek the Board's approval for turning the report into a public document, since there is considerable outside demand for a comprehensive statement on our research program.

Attachment.

cc - Mr. Acharya

SA:HBC:jm

m'n

OFFICE MEMORANDUM

DATE: January 13, 1981

TO: Mr. Robert S. McNamara
THRU: Hollis B. Chenery HBZ
FROM: R. H. Cassen (m)

SUBJECT: Suggested Agenda for January 15 Meeting
of WDR Steering Group

1) Discussion of modelling work and sensitivity analysis

Notes attached: -- Revised High and Low Case Guidelines
-- Preliminary balance of payments results from
Low Case of Global Model (already sent) 1/

2) Country analysis

Mr. Cassen to give verbal report.

3) Timetable for successive drafts of Report

Draft 1 to Mr. McNamara	March 27
Draft 2 to Mr. McNamara	May 1
Draft 2 to Printers	May 15
Board receives printed version	June 1
Board discussion	June 25

4) Program for February meeting of Steering Group

5) Data issues

Memorandum of Mr. Chander dated January 12, 1981 (already sent).

1/ Memo from Mr. Chenery dated December 31 forwarding
Mr. Colaco's note of December 19.

cc: WDR Steering Group

Summary Table: AVERAGE ANNUAL INCREASE IN SELECTED GLOBAL INDICATORS

(percent per annum)

	1978-80	WDR IV						WDR III (High Case)		
		1980-85		1985-90		1980-90		1980-85	85-90	1980-90
		High	Low	High	Low	High	Low			
GDP of Industrialized Countries <u>a/</u>	2.3	3.3	2.6	4.0	3.0	3.7	2.8	3.3	4.0	3.7
US\$ GDP Deflator of Industrialized Countries	9.6	8.0	8.0	6.0	6.0	7.0	7.0	7.4	6.0	6.7
World Trade <u>a/</u>	4.3	4.8	3.6	5.9	3.9	5.3	3.8	5.4	5.8	5.6
Exports of Developing Countries <u>a/</u>	2.5	5.6	3.7	6.7	4.2	6.1	3.9	5.6	6.7	6.1
Price of Energy	53.7	11.5	11.5	9.4	9.4	10.4	10.4	10.3	9.4	9.8
Price Index of all Trade Goods and Services	20.7	8.8	8.8	6.5	6.6	7.6	7.7	8.2	6.4	7.4
Supply of External Capital <u>b/</u> (based on current US\$s)	12.4 ^{c/}	11.3	7.3	10.7	8.2	11.0	7.8	8.0	10.2	9.1

a/ Goods and NFS; Rates of growth based on 1978 US\$'s.

b/ Defined as the sum of net ODA, net MLT loans at market terms and net direct private investment.

c/ The rate refers to the 1977-80 period.

Economic Analysis & Projections Dept.
January 13, 1981

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OFFICE MEMORANDUM

TO Mr. Hollis B. Chenery, VPD

DATE December 19, 1980

FROM: Francis X. Colaço, Chief, EPDIT

SUBJECT Tables for Mr. McNamara

Attached are two sets of tables which had been requested by Mr. McNamara.

In the first set are the following four tables with data for 1978:

Table 1: Gross National Product and Population by Regions and Countries, 1978

Table 2: Shares by Region of Gross National Product and Population in Total Developing Countries, 1978

Table 3: Shares of Sample Panel Countries in Gross National Product, Population and GNP Per Capita of Groups of Developing Countries, 1978

Table 4: Shares of Sample Panel Countries in Exports and Imports of Merchandise of Groups of Developing Countries, 1978

Please note that while the sample panel countries represent a high coverage of GNP, population and per capita GNP, the coverage of exports and imports is low in some cases (see Tables 3 and 4). This is because of the exclusion from the sample panel of such countries as Hong Kong, Singapore, Taiwan, Trinidad & Tobago etc., which have trade flows which are disproportionate to their size. Adjustments will be made in "residual" regions to account for this.

The second set of four tables represents a preliminary allocation of the Low Case balance of payments numbers of the "Guidelines for Global Analysis", dated November 4, 1980, between oil-importers (low-income and middle-income) and oil-exporters. The tables follow the format of Tables SA.6 and SA.7 of the World Development Report, 1980. We have excluded some debt service indicators from the tables, since these will be available only when the models have been run. The numbers in these tables are preliminary, and could be expected to be modified as the models are run.

Attachments

cc: Mrs. Hughes (o/r), Mr. Baneth, Mr. Cassen

FXColaço:ps

Table 1: GROSS NATIONAL PRODUCT AND POPULATION BY REGIONS AND COUNTRIES, 1978

Page 1

Region/Country	GNP (mil. US\$)	% Share	Population (mil.)	% Share
Low Income Countries (Oil Importers)				
Africa South of Sahara	36,807.0	100.0	164,900.0	100.0
Ethiopia	3,477.0	9.4	30,982.0	18.8
Kenya	5,311.0	14.3	14,720.0	8.9
Madagascar	2,006.0	5.5	8,289.0	5.0
Niger	1,201.0	3.3	5,001.0	3.0
Tanzania	4,355.0	11.8	16,955.0	10.3
Zaire	6,480.0	17.6	26,770.0	16.2
Others	13,977.0	38.0	62,183.0	37.7
South Asia	157,242.0	100.0	880,800.0	100.0
Bangladesh	7,328.0	4.7	84,655.0	9.6
India	117,085.0	74.5	643,896.0	73.1
Pakistan	18,433.0	11.7	76,078.0	8.6
Sri Lanka	2,676.0	1.7	14,346.0	1.6
Others	11,720.0	7.5	61,825.0	7.0
Middle Income Countries (Oil Importers)				
Lower Middle Africa South of Sahara	35,895.0	100.0	82,100.0	100.0
Cameroon	3,859.0	10.8	8,058.0	9.8
Ghana	4,160.0	11.6	10,969.0	13.4
Ivory Coast	7,424.0	20.7	7,836.0	9.5
Senegal	1,973.0	5.5	5,380.0	6.6
Sudan	5,730.0	16.0	17,376.0	21.2
Zambia	2,707.0	7.5	5,291.0	6.4
Others	10,042.0	28.0	27,190.0	33.1
Upper Middle Africa South of Sahara	46,068.0	100.0	28,528.0	100.0
Others	46,068.0	100.0	28,528.0	100.0
East Asia and Pacific	149,166.0	100.0	155,903.0	100.0
Korea, Republic of	47,350.0	31.7	36,648.0	23.5
Philippines	23,834.0	16.0	45,639.0	29.3
Thailand	23,289.0	15.6	44,517.0	28.6
Others	54,693.0	36.7	29,099.0	18.7
Lower Middle Latin America and Caribbean	65,524.0	100.0	71,730.0	100.0
Chile	15,127.0	23.1	10,734.0	15.0
Colombia	22,530.0	34.4	25,573.0	35.7
Costa Rica	3,420.0	5.2	2,111.0	2.9
Dominican Republic	4,587.0	7.0	5,128.0	7.2
El Salvador	3,035.0	4.6	4,283.0	6.0
Guatemala	6,208.0	9.5	6,621.0	9.2
Others	10,617.0	16.2	17,280.0	24.1
Upper Middle Latin America and Caribbean	265,272.0	100.0	155,901.0	100.0
Argentina	56,452.0	21.3	26,386.0	16.9
Brazil	185,056.0	69.8	119,461.0	76.6
Uruguay	4,874.0	1.8	2,885.0	1.9
Others	18,890.0	7.1	7,169.0	4.6
Southern Europe	317,765.0	100.0	126,119.0	100.0
Portugal	18,864.0	5.9	9,798.0	7.8
Turkey	53,072.0	16.7	43,144.0	34.2
Yugoslavia	55,538.0	17.5	21,963.0	17.4
Others	190,291.0	59.9	51,214.0	40.6
North Africa and Middle East	22,803.0	100.0	32,308.0	100.0
Jordan	2,313.0	10.1	2,984.0	9.2
Morocco	12,828.0	56.2	18,914.0	58.5
Others	7,662.0	33.6	10,410.0	32.2

Table 1 (Contd.): GROSS NATIONAL PRODUCT AND POPULATION BY REGIONS AND COUNTRIES, 1978

Page 2

Region/Country	GNP (mil. US\$)	% Share	Population (mil.)	% Share
Middle Income Countries (Oil Exporters)				
Africa South of Sahara	52,282.0	100.0	89,388.0	100.0
Nigeria	46,334.0	88.6	80,563.0	90.1
Others	5,948.0	11.4	8,825.0	9.9
Lower Middle East Asia and Pacific	47,692.0	100.0	135,993.0	100.0
Indonesia	47,692.0	100.0	135,993.0	100.0
Upper Middle East Asia and Pacific	17,141.0	100.0	13,500.0	100.0
Malaysia	15,151.0	88.4	13,300.0	98.5
Others	1,990.0	11.6	200.0	1.5
Latin America and Caribbean	153,636.0	100.0	110,471.0	100.0
Ecuador	7,281.0	4.7	7,814.0	7.1
Mexico	89,925.0	58.5	65,442.0	59.2
Venezuela	39,107.0	25.4	13,973.0	12.6
Others	17,323.0	11.3	23,242.0	21.0
Lower Middle North Africa and Middle East	56,379.0	100.0	72,973.0	100.0
Algeria	24,988.0	44.3	17,734.0	24.3
Egypt	15,926.0	28.2	39,855.0	54.6
Tunisia	5,955.0	10.6	6,075.0	8.3
Others	9,510.0	16.9	9,309.0	12.8
Upper Middle North Africa & Middle East	76,044.0	100.0	35,831.0	100.0
Others	76,044.0	100.0	35,831.0	100.0

Source: Economic Analysis and Projections Department.

December 19, 1980

**Table 2: SHARES BY REGION OF GROSS NATIONAL PRODUCT AND POPULATION IN
TOTAL DEVELOPING COUNTRIES, 1978**

Regions	GNP (bil.US\$)	% Share	Population (mil.)	% Share
Low Income Countries (Oil Importers)	<u>194.0</u>	<u>12.9</u>	<u>1,045.7</u>	<u>48.5</u>
Africa South of Sahara	36.8	2.4	164.9	7.6
South Asia	157.2	10.5	880.8	40.9
Middle Income Countries	<u>1,305.7</u>	<u>87.1</u>	<u>1,110.8</u>	<u>51.5</u>
Oil Importers	902.5	60.2	652.6	30.3
Oil Exporters	403.2	26.9	458.2	21.2
Oil Importing Developing Countries	1,096.5	73.1	1,698.3	78.8
All Developing Countries	1,499.7	100.0	2,156.5	100.0

Source: Economic Analysis and Projections Department.

December 19, 1980

Table 3: SHARES OF SAMPLE PANEL COUNTRIES IN GROSS NATIONAL PRODUCT, POPULATION AND GNP PER CAPITA OF GROUPS OF DEVELOPING COUNTRIES, 1978

Regions	Regional Totals			Sample Panel Countries			Sample Panel Countries as % of Regional Totals		
	GNP (bil.USS)	Popula- tion (mil.)	GNP per capita (US\$)	GNP (bil.USS)	Popula- tion (mil.)	GNP per capita (US\$)	GNP	Popula- tion	GNP per capita
Low Income Countries (Oil Importers)	194.0	1,045.7	185.0	168.3	921.7	183.0	86.8	88.1	98.9
Africa South of Sahara	36.8	164.9	223.0	22.8	102.7	222.0	62.0	62.3	99.6
South Asia	157.2	880.8	179.0	145.5	819.0	178.0	92.6	93.0	99.4
Middle Income Countries	1,305.7	1,110.8	1,175.0	856.6	862.4	993.0	65.6	77.6	84.5
Oil Importers	902.5	652.6	1,383.0	564.2	481.7	1,171.0	62.5	73.8	84.7
Oil Exporters	403.2	458.2	880.0	292.4	380.7	768.0	72.5	83.1	87.3
Oil Importing Developing Countries	1,096.5	1,698.3	646.0	732.5	1,403.4	522.0	66.8	82.6	80.8
All Developing Countries	1,499.7	2,156.5	695.0	1,024.9	1,784.1	574.0	68.3	82.7	82.6

Source: Economic Analysis and Projections Department.

December 19, 1980

Table 4: SHARES OF SAMPLE PANEL COUNTRIES IN EXPORTS AND IMPORTS OF MERCHANDISE OF GROUPS OF DEVELOPING COUNTRIES, 1978

	<u>Regional Totals</u>		<u>Sample Panel Countries</u>		<u>Sample Panel Countries</u>	
	<u>Exports</u> (mil.USS)	<u>Imports</u> (mil.USS)	<u>Exports</u> (mil.USS)	<u>Imports</u> (mil.USS)	<u>as % of Regional Total</u> Exports	<u>Imports</u>
Low Income Countries (Oil Importers)	<u>14,849</u>	<u>22,194</u>	<u>12,792</u>	<u>17,285</u>	<u>86.1</u>	<u>77.9</u>
Africa South of Sahara	4,729	7,061	3,304	3,894	69.9	55.1
South Asia	10,120	15,133	9,488	13,391	93.8	88.5
Middle Income Countries	<u>237,265</u>	<u>287,907</u>	<u>122,521</u>	<u>151,028</u>	<u>51.6</u>	<u>52.5</u>
Oil Importers	148,044	192,953	67,113	85,858	45.3	44.5
Oil Exporters	89,221	94,954	55,408	65,170	62.1	68.6
Oil Importing Developing Countries	<u>162,893</u>	<u>215,147</u>	<u>79,905</u>	<u>103,143</u>	<u>49.1</u>	<u>47.9</u>
All Developing Countries	<u>252,114</u>	<u>310,101</u>	<u>135,313</u>	<u>168,313</u>	<u>53.7</u>	<u>54.3</u>

Source: Economic Analysis and Projections Department.

December 19, 1980

Table 1: LOW CASE: PRELIMINARY CAPITAL FLOWS AND DEBT OF THE OIL-IMPORTING DEVELOPING COUNTRIES, 1975-90
(billions of current \$)

	1975	1976	1977	1978	Est. 1980	Projection	
						1985	1990
Current account deficit before interest payments <u>a/</u>	32.1	19.8	14.2	13.4	43.2	33.3	45.9
Interest payments	6.6	7.0	8.7	12.2	21.1	41.0	59.0
Changes in reserves and short-term debt	-9.3	6.8	12.4	21.2	-7.7	5.2	11.1
Total to be financed	29.3	33.5	35.3	46.7	56.6	79.6	116.0
Financed by medium and long-term capital							
From public sources	12.0	12.7	12.7	15.5	23.5	39.9	62.2
From private sources	17.4	20.9	22.6	31.2	33.1	39.6	53.9
Private direct investment	3.3	3.4	3.9	4.8	5.6	9.3	13.5
Private loans	14.1	17.5	18.8	26.4	27.5	30.3	40.4
Total net capital flows							
Current dollars	29.3	33.5	35.3	46.7	56.6	79.6	116.0
Constant 1978 dollars	37.8	42.0	40.8	46.7	47.1	45.1	49.1
Outstanding medium- and long-term debt							
Public sources	56.2	65.3	75.4	89.1	114.4	217.7	379.6
Private sources	69.9	86.6	107.0	137.3	192.0	337.9	518.6
Total debt							
Current dollars	126.1	151.9	182.4	226.4	306.4	555.6	898.2
Constant 1978 dollars	162.7	190.4	110.3	226.4	255.1	314.8	380.3
Price deflator	77.5	79.8	86.7	100.0	120.1	176.5	236.2

a/ Excludes official transfers

Source: Economic Analysis & Projections Department

December 19, 1980

Table 2: LOW CASE: PRELIMINARY CAPITAL FLOWS AND DEBT OF THE LOW-INCOME OIL-IMPORTING DEVELOPING COUNTRIES, 1975-90
(billions of current\$)

	1975	1976	1977	1978	Est. 1980	Projection	
						1985	1990
Current account deficit before interest payments <u>a/</u>	4.8	1.7	0.8	4.2	9.3	14.6	25.9
Interest payments	0.6	0.7	0.7	0.9	1.3	2.6	5.0
Changes in reserves and short-term debt	0.5	3.0	3.8	1.1	-2.4	1.4	1.0
Total to be financed	6.0	5.3	5.4	6.2	8.2	18.6	31.9
Financed by medium and long-term capital							
From public sources	5.3	4.6	4.6	5.4	7.4	17.6	30.5
From private sources	0.7	0.8	0.8	0.8	0.7	1.0	1.3
Private direct investment	0.3	0.4	0.3	0.2	0.2	0.4	0.6
Private loans	0.4	0.4	0.5	0.6	0.5	0.6	0.8
Total net capital flows							
Current dollars	6.0	5.3	5.4	6.2	8.2	18.6	31.9
Constant 1978 dollars	7.7	6.7	6.2	6.2	6.8	10.5	13.5
Outstanding medium- and long-term debt							
Public sources	24.2	27.8	31.6	35.5	41.7	80.0	150.3
Private sources	3.3	3.5	4.2	4.9	6.0	8.8	12.2
Total debt							
Current dollars	27.5	31.3	35.7	40.4	47.7	88.8	162.5
Constant 1978 dollars	35.5	39.2	41.2	40.4	39.7	50.3	68.8
Price deflator	77.5	79.8	86.7	100.0	120.1	176.5	236.2

a/ Excludes official transfers

Source: Economic Analysis & Projections Department

December 19, 1980

Table 3: LOW CASE: PRELIMINARY CAPITAL FLOWS AND DEBT OF THE MIDDLE-INCOME OIL-IMPORTING DEVELOPING COUNTRIES, 1975-1990
(billions of current\$)

	1975	1976	1977	1978	Est. 1980	Projected	
						1985	1990
Current account deficit before interest payments <u>a/</u>	27.3	18.1	13.3	9.1	33.9	18.7	20.0
Interest payments	6.0	6.3	8.0	11.2	19.9	38.4	54.0
Changes in reserves and short-term debt	-9.9	3.8	8.6	20.1	-5.3	3.9	10.2
Total to be financed	23.3	28.2	30.0	40.5	48.4	61.0	84.2
Financed by medium and long-term capital							
From public sources	6.6	8.1	8.1	10.1	16.0	22.3	31.6
From private sources	16.7	20.1	21.8	30.4	32.4	38.7	52.5
Private direct investment	3.0	3.0	3.6	4.6	5.4	8.9	12.9
Private loans	13.7	17.1	18.2	25.7	27.0	29.7	39.6
Total net capital flows							
Current dollars	23.3	28.2	30.0	40.5	48.4	61.0	84.2
Constant 1978 dollars	30.1	35.3	34.5	40.5	40.3	34.5	35.6
Outstanding medium- and long-term debt							
Public sources	32.0	37.5	43.8	53.6	72.7	137.6	229.4
Private sources	66.6	83.1	102.8	132.3	186.0	329.2	506.4
Total debt							
Current dollars	98.6	120.6	146.7	186.0	258.7	466.8	735.7
Constant 1978 dollars	127.2	151.2	169.2	186.0	215.4	264.5	311.5
Price deflator	77.5	79.8	86.7	100.0	120.1	176.5	236.2

a/ Excludes official transfers

Source: Economic Analysis & Projections Department

December 19, 1980

Table 4: LOW CASE: PRELIMINARY CAPITAL FLOWS AND DEBT OF THE OIL-EXPORTING DEVELOPING COUNTRIES, 1975-90
(billions of current \$)

	1975	1976	1977	1978	Est. 1980	Projected	
						1985	1990
Current account deficit before interest payments <u>a/</u>	-0.2	-3.2	1.0	11.6	-15.2	0.5	11.9
Interest payments	2.7	3.5	4.5	6.0	11.0	16.2	21.0
Changes in reserves and short-term debt	14.1	15.9	16.9	4.7	23.2	7.8	5.4
Total to be financed	16.6	16.2	22.4	22.3	19.0	24.4	38.3
Financed by medium and long-term capital							
From public sources	6.1	4.4	6.8	5.3	8.0	11.0	17.0
From private sources	10.5	11.7	15.6	17.0	11.0	13.5	21.3
Private direct investment	3.4	2.1	3.1	2.4	3.2	4.7	6.5
Private loans	7.1	9.6	12.4	14.6	7.8	8.8	14.8
Total net capital flows							
Current dollars	16.6	16.2	22.4	22.3	19.0	24.4	38.3
Constant 1978 dollars	21.4	20.3	25.8	22.3	15.8	13.9	16.2
Outstanding medium- and long-term debt							
Public sources	20.9	24.2	30.4	35.8	41.8	77.9	131.3
Private sources	32.2	42.6	56.0	72.5	85.2	127.0	187.8
Total debt							
Current dollars	53.1	66.8	86.4	108.3	127.1	204.9	319.0
Constant 1978 dollars	68.5	83.7	99.6	108.3	105.8	116.1	135.1
Price deflator	77.5	79.8	86.7	100.0	120.1	176.5	236.2

a/ Excludes official transfers

Source: Economic Analysis & Projections Department

December 19, 1980

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President
(through Mr. Hollis B. Chenery, VPD) *HBC*
FROM: Helen Hughes, EPDDR *M*

DATE: January 9, 1981

SUBJECT: Survey of recent events and short-run prospects in developing countriesSummary

1. The desirability of the Bank's publishing a periodic Survey of economic trends and prospects was agreed in principle at the President's Council meeting of December 10, 1979. While the necessary budget could not be appropriated in FY81, the arguments listed last year remain valid. Issues particularly relevant to development should be kept in the forefront to inform public officials and journalists. No such publication seems to exist now. The Bank has a comparative advantage in filling this gap by gathering, analysing, and presenting the necessary information in a consistent framework. The mock up of such a Survey (attached) indicates how an executive summary of development statistics would be combined with a verbal analysis of recent events and short-run prospects. While a published document must exclude some information of interest to management, that could be remedied by also preparing a short internal supplement to the published Survey. The main issue yet to be resolved is that of budgetary resources.

Existing reviews

2. Many international organizations regularly review world economic developments, but publications specializing on short-term issues are mainly statistical (e.g. the IMF, the IFS and the U.N. Monthly Bulletin of Statistics). They do not contain analytical summary tables, and do not focus on developing country problems. While the WDR constitutes a comprehensive annual report on development problems, its focus is on the long-term. Only in the "World Economic and Social Indicators" does the Bank attempt to produce, in a single document, an executive summary of statistical information on developing countries, and of interest to them. Because additional resources could not be made available for it, this document and particularly the accompanying verbal discussion have remained limited. Yet, the Bank continues to accumulate knowledge between WDRs about developing countries and development issues, not only through the centrally managed data systems, but also through the findings and perceptions of country economists and others. Compiling such information regularly in coherent form would not only serve an existing need of the Bank management itself (now served partly by outside publications), but could also be important in keeping development issues in the forefront. The cost of this operation would be marginal to the cost of obtaining the information, which the Bank is incurring in any case; the benefits of disseminating it could be considerable.

Characteristics of the proposed Survey

3. It has been agreed that the past and future time horizons of a proposed Survey should be kept short, both to avoid duplicating WDR and because long-run prospects will not generally change markedly over a few months. The content should include verbal description and analysis, which could focus on particular aspects of development problems, and an executive summary of statistical indicators, including graphs. The analysis should not be based solely on the centrally collected statistics, but systematically draw upon the experience, perception and views of operational and finance staff, and fit them into a consistent framework.

4. The Survey should fit into the annual cycle of WDR, which carries the brunt of the Bank's message about development trends and prospects. There will be an inverse relationship (if repetitiousness is to be avoided) between frequency of publication and extent of coverage. However, unlike the financial and monetary data most relevant to the IMF and to commercial banks, most statistics in the Bank's field of comparative advantage cannot be updated very frequently, and the Survey should be limited to three issues a year, the fourth quarter being covered by the WDR.

Budgetary implications

5. The argument in favor of such a Survey is the comparative advantage the Bank derives from already possessing the necessary information. Nevertheless, additional staff effort is required to assemble the information at a single point, analyze it, ensure its consistency and present it in a suitable form. As indicated in my memorandum of December 26, 1979, (attached) the cost of producing a quarterly Survey has been estimated at \$380,000 (FY80 prices), distributed as shown below:

IPA \$200,000

EPD \$180,000

Full-time economist 1 man-year \$135,000

Programmer 1/2 man-year \$ 20,000

Statistical assistant 1/2 man-year \$ 15,000

Secretary 1/2 man-year \$ 10,000

6. The final decision about the Survey will have to be made in light of the possibility of obtaining these resources without affecting more important activities.

cc: Messrs. Qureshi, Benjenk, Waide, LaFourcade

Attachments

JBaneth/HHughes:mf

WORLD Economic and Social INDICATORS

Volume 1

March 1979

Number 1

WORLD BANK REVIEWS 1978, PREVIEWS 1979

As had been expected, real growth in 1978 of the economies of the industrial countries appears to be slightly lower than the 3.7 percent rate achieved in 1977. Forecasts for growth in 1979 have now been adjusted to perhaps half a point less than that of 1978, as growth in the United States is widely expected to be no more than about 2 percent. Growth in Western Europe will probably continue to accelerate.

The World Bank's index of commodity prices (excluding petroleum) finished the year virtually unchanged from its level at year end 1977, but its average was 9 percent below that of last year. The lower average implies a considerable loss of purchasing power, in real terms, of the revenue of most commodity exports in 1978. Prices of most commodity groups, however, started to rise in the latter part of the year, and exports of developing countries grew at a steady pace in the second quarter of 1978. Export performance is expected to strengthen further, although it is unlikely to match the 14 percent rate of the year before.

Borrowings contracted by developing countries in international capital markets rose 58 percent in 1978 over 1977 and the conditions in the credit markets remained favorable to borrowers. The rise in borrowings may be attributed to increased refinancing activity, wider current account deficits, and continued borrowing to finance reserve accumulation. Through October 1978, the reserves of nonoil developing countries had risen by about \$16,000 million, as compared to \$12,600 million in the previous year, while oil-exporting countries continued to have declining reserves.

Growth and Employment in the Industrial Countries

Recent estimates by the Organisation for Economic Co-operation and Development (OECD) place the real growth of Gross National Product (GNP) of the industrial countries in 1978 at around 3.5 percent, slightly below the 3.7 percent achieved in 1977. Preliminary figures show that the economic performance of the United States in the fourth quarter of 1978 was stronger than expected; this may narrow the differential in growth between 1977 and 1978. On balance, GNP seems to have grown at a faster clip in the second semester of last year, reflecting a relative strengthening also in the

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Federal Republic of Germany and the smaller OECD countries. Elsewhere, especially in Japan, a rather marked weakening seems to have occurred.

Outlook for 1979

The outlook for 1979, at this stage, is for a decline of perhaps a point in the overall real growth rate of the industrial countries, as a result of the lower growth prospects for the United States in light of a tighter monetary and fiscal posture. The latest official US forecast is for a real growth rate of 2.2 percent in 1979 and 3.2 percent in 1980. This assumes that there will not be a technical recession—that is, that real Gross Domestic Product (GDP) will not decline in two successive quarters. Other views hold that consumer spending and residential investment in the United States may be reduced and that at least a mild recession is likely.

In Japan, the official growth target for the next fiscal year has been set at 6.3 percent, but most independent observers expect actual growth of GNP in that country to be closer to 5 percent. The reasons for the lower growth rate are that business in Japan is expected to

remain rather cautious in its investment decisions. As a result of the combined impact of the appreciation of the yen and slow growth in the United States in 1978, exports will most likely continue to stagnate.

In contrast, in the other industrial countries continued growth in domestic demand is expected to lead to a further, though slight, strengthening of the foreign sector, except in the United Kingdom.

On the whole, an aura of rather cautious optimism surrounds the 1979 forecasts, however uncertain and modest they may be. The optimism stems from the prospects of a more balanced pattern of international payments in combination with adjustments that were made last year as a result of the changes in exchange rates.

Employment, in 1979, may slow down to some extent. It grew very strongly in 1978—particularly in the United States where it is estimated to have been 4 percent or almost double the growth rate since the mid-1960s. Productivity, which grew at an exceptionally low rate in the United States, is also expected to pick up, although remaining below its long-term trend (see Table 1 for short-term forecasts of real growth of GNP in industrial countries). An econometric analysis by the OECD suggests that between one-third and one-half of the slowdown in the growth of productivity in industrial countries since 1974 cannot be explained by cyclical factors. There is a feeling that this may be due to structural shifts. Unemployment rates have remained largely unchanged since the October Survey.

Table 1

Short-term Forecasts of Real Growth of Gross National Product (GNP) of Industrial Countries (Percentages)

	Actual real growth	Forecasts						
				1978		1979		
		1977	1978	1979	I	II	I	II
OECD: December 1978 ¹								
United States	5.0	3.8	2.0	2.8	4.5	1.2	1.0	
Japan	5.2	5.8	4.8	7.8	4.0	5.2	4.2	
Germany	2.5	3.0	4.0	2.8	4.0	5.2	3.2	
TOTAL OECD	3.8	3.5	3.0	3.5	3.8	2.8	2.5	
<i>idem</i> : July 1978 ²	3.5	3.5	n.a.	3.2	4.0	3.2	n.a.	
IMF: December 1978 ³								
United States	4.9	3.9	3.0					
Japan	5.2	6.0	5.0					
Germany	2.6	3.2	3.5					
All Industrial Countries	3.8	3.7	3.5					
<i>idem</i> : September 1978 ⁴	3.7	3.7	n.a.	3.6	4.5	3.8	n.a.	
World Bank: OECD North ⁵								
WDR I ⁶ (February 1978)	3.5	3.8	4.1					
WDR II ⁷ (January 1979)	3.7	3.6	3.2					

¹ OECD, *Economic Outlook*, No. 24, December 1978.

² OECD, *Economic Outlook*, No. 23, July 1978.

³ IMF, ID/78/6, December 1, 1978; half years not available.

⁴ IMF, ID/78/5, Correction 1, September 26, 1978.

⁵ Half years not available.

⁶ WDR I—World Development Report, 1st edition.

⁷ WDR II—World Development Report, 2nd edition.

n.a.—Not available.

Inflation

Inflation in 1978, measured in national-currency consumer price indices, went different ways in the major industrial countries. In North America and in France, inflation speeded up. This is particularly true for the United States, where the Consumer Price Index (CPI) rose 9 percent in the year preceding December 1978. Elsewhere, inflation has continued to slow down. These varying trends reflect developments in real wages which went up in some countries and remained stable in real terms in others, and in the terms of trade.

At this point, consumer price indices, in 1979, are expected to moderate only slightly, if at all, from the 7 percent rate in 1978; but divergent tendencies will continue. In the United States, nominal compensation may increasingly be under upward pressure, despite the voluntary anti-inflation program, as a result of higher minimum wages and social security payments and a heavy labor-contract bargaining schedule. In Europe, the favorable impact of import prices on the 1978 consumer price indices is likely to be eroded as oil prices and prices of other commodities continue to adjust (with a lag) to changes in exchange rates. But increased productivity is expected to contribute to a moderation of increases in unit labor costs, except in the United Kingdom.

The inflation figures discussed here are based on prices expressed in national currencies. Converting these indices to US dollars results in figures for 1978 that are more heavily affected by exchange-rate developments—notably the large decline of the dollar relative to other major currencies—than by developments in national prices (see Table 2). The measure based on national currencies is the least affected by exchange-rate phenomena and, therefore, reflects best the price developments in the domestic economies of the countries concerned.

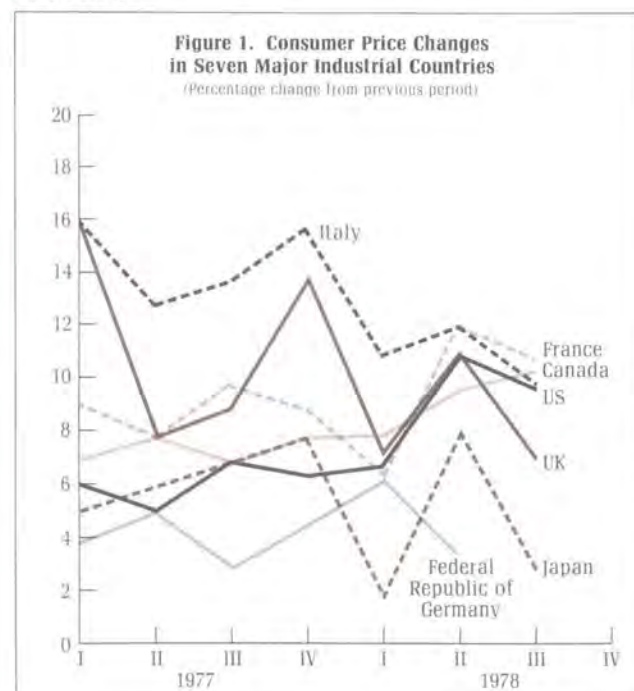


Table 2

Consumer Price Changes in Seven Major Industrial Countries
(Percentage change from previous period)¹

	1976	1977	1978 Quarters		
			I	II	III
Canada	7.5	8.0	7.9	9.8	10.6
France	9.2	9.5	6.3	12.0	11.0
Germany, Federal Republic of	4.5	3.9	5.2	3.7	0.0
Italy	16.8	17.0	11.1	12.8	10.2
Japan	9.3	8.1	1.7	8.2	3.0
United Kingdom	16.5	15.9	7.1	11.5	7.0
United States	5.8	6.5	6.8	11.0	9.7
TOTALS:					
in national currency ²	7.6	8.4	6.1	9.9	7.5
in US dollars ³	3.5	9.2	14.3	13.8	20.5
in SDRs ⁴	8.8	8.0	1.8	11.6	6.6

¹ Annual rate, not seasonally adjusted.

² Weighted by constant (1975) US dollar GDP shares of current or latest available year. *

³ The figure was arrived at by converting aggregate national currency indices by comparably weighted period average exchange rate index.

⁴ Appropriate period average US\$/SDR index applied to derived US\$ index (see footnote¹).

Source: International Monetary Fund (IMF), *International Financial Statistics*, January 1979.

Exchange Rates

The third quarter of 1978 was a period of turbulence in the foreign-exchange markets, as is indicated in Table 3. The decline of the US dollar vis-à-vis the currencies of all the major OECD countries, except Canada, accelerated in October. The decline ended in early November in response to the package of measures taken in defense of the dollar by the US government.¹ The subsequent rally lasted until mid-December. Since then, with the

announcement of the oil-price rise and the trickle of rather poor news on the US inflation front, the downward pressures on the US dollar have revived.

At its meeting in early December, the European Economic Community (EEC) formally agreed to establish a European Monetary System (EMS). Implementation has now been delayed beyond the target date of January 1, 1979, because of disputes over agricultural support policies, which are under review. The agreement establishes a joint float of EEC currencies, allowing them to fluctuate narrowly around a trade-weighted moving average of all EEC currencies. Intervention is compulsory. Existing credit mechanisms are to be expanded pending the establishment of a European Monetary Fund in two years. The United Kingdom has declined to join.

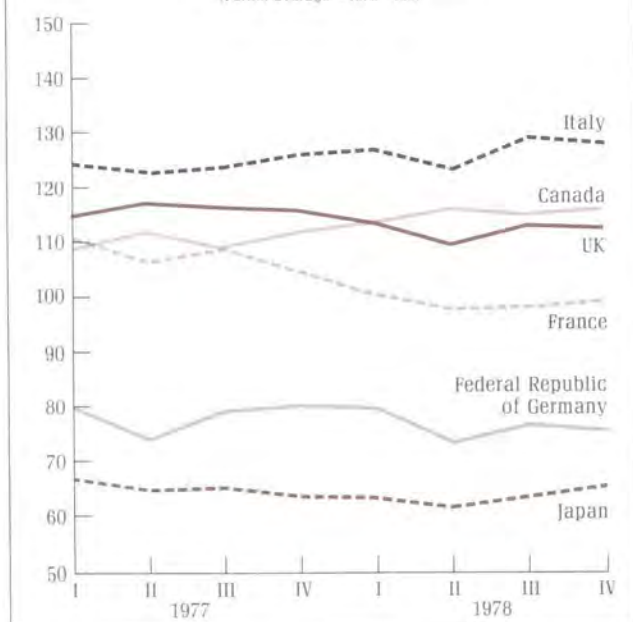
Table 3

Exchange-rate Indices
(Period average, 1975 = 100)

	1976	1977	1978	1978			
				Sept.	Oct.	Nov.	Dec.
Canada	96.9	104.5	112.1	114.7	116.3	115.3	116.0
France	111.5	114.6	105.3	101.8	98.5	101.8	100.8
Germany, Federal Republic of	102.3	94.4	81.6	80.1	74.9	77.1	76.5
Italy	127.5	135.2	130.0	127.1	124.3	129.3	129.0
Japan	99.9	90.4	70.9	64.1	62.0	64.5	66.1
United Kingdom	123.1	127.1	116.0	113.5	110.7	113.2	112.1
SDR	105.2	104.0	(96.82)	95.3	91.6	94.5	(93.2)

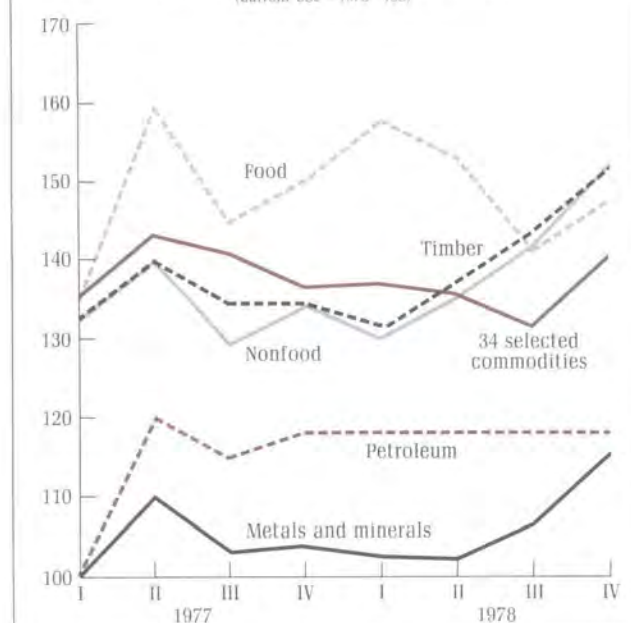
Note: The indices are national currency units (or SDRs) per US dollar; period average rates.
Source: IMF, *International Financial Statistics*, January 1979.

Figure 2. Exchange-rate Indices
(Period average—1975=100)



¹ The main items included a doubling of swap lines with Germany, Japan, and Switzerland; a doubling of the US Treasury's monthly gold sales; and decisions to issue foreign-currency denominated securities, to draw on the IMF, and to raise the Federal Reserve discount rate by one full point to 9.5 percent.

Figure 3. Index of Commodity Prices
(Current US\$ = 1975 = 100)



Commodity Prices

The index of 34 primary commodity prices (excluding petroleum) stabilized during 1978, as measured in

current US dollars. This is illustrated in Table 4. Although the average price level during 1978 was 9 percent below the 1977 average, the index ended the year virtually unchanged from a year earlier. Having bottomed out with the 1975 recession, the index rose sharply until mid-1977, led by the record prices of coffee, cocoa, and tea. As beverage prices dropped, so did the overall index. It had fallen steadily from mid-1977 until late summer 1978, when prices firmed considerably; the downward trend seems now to have reversed and prices are rising in almost all commodity groups.

The reason for the considerable fall in the real price or purchasing power of most commodities in 1978 was inflation in the industrial countries. How large the price erosion has been is difficult to measure. Price performance among commodities varies, national inflation rates differ widely among industrial countries, exchange rates shift, and imports from and exports to developing countries are unevenly distributed among OECD countries. The SDR deflator of 6.6% is being used widely as a proxy.

Table 4

	Index of Commodity Prices (Current US\$: 1975 = 100)			1978 Quarters			
	1976	1977	1978	I	II	III	IV
Agriculture							
Food	126.0	180.3	150.2	158.0	153.2	141.1	148.4
Nonfood	128.3	129.2	140.7	130.7	135.8	142.6	153.5
Timber	136.8	139.3	141.5	132.7	137.1	143.9	152.4
Metals and minerals ¹	100.6	103.9	107.6	103.9	102.0	107.9	116.4
34 selected commodities ¹	119.4	149.3	136.1	137.4	135.2	131.8	140.0
Memo:							
Petroleum	107.4	115.7	118.5	118.5	118.5	118.5	118.5

¹ Excluding petroleum.

Food

On average, food prices in terms of current US dollars rose 5 percent during the fourth quarter of 1978, with gains in beverages (5 percent), fats and oils (8 percent), and sugar (16 percent). Taking the fourth quarter as a whole, the price of sugar, which reached its lowest point in a decade in July 1978, showed some recovery. However, after approaching 20 cents per kilogram in October, it dropped to less than 18 cents per kilogram in the final months of the year. Uncertainty over the future of the International Sugar Agreement, which entered into force in 1977 but has yet to be ratified by the United States, continued to plague the sugar market.

The frost in Brazil made the size of the coffee harvest uncertain, but the decline in beverage prices has reversed since August. Speculative activity in the cocoa market reflected the market's nervousness in light of political unrest in Ghana; unfavorable weather conditions also played a role, leading to rising prices. The price index for beverages in the fourth quarter of 1978 had fallen by 40 percent from its peak in the second quarter of 1977, but beverage prices remain relatively high and a further weakening is possible.

The movements of other food prices have been more mixed. In the fats and oils group, prices of coconut oil and copra increased approximately 20 percent in the last quarter, due primarily to the sharp decline in Philippine exports of those commodities as a result of a recent drought. The rise in beef prices in the second half of 1978 reflects the low slaughter rates as the trough of the cattle cycle nears; further increases in beef prices seem likely during 1979. Wheat prices have shown some strength of late, as the market has adjusted to large purchases of wheat by China and production cutbacks in the United States.

Nonfood Agricultural Goods

The index for nonfood agricultural goods rose 23 percent during the period December 1977-78. The trend in this index continued upward in the fourth quarter, reflecting higher prices for cotton and rubber. World stocks of natural rubber declined by 75,000 tons in 1978. This is the fifth consecutive year in which natural rubber inventories have had small declines. Increasing usage of natural rubber in radial tires, coupled with expansion of its traditional markets in truck and off-the-road tires are the main reason for buoyant rubber prices. While prices for jute, sisal, and wool stabilized in the fourth quarter of 1978, cotton prices rose nearly 7 percent. Timber prices, which had fallen during 1977, rose steadily over the past ten months increasing by 6 percent in the fourth quarter; sawnwood prices (not in the index) have shown great strength, rising over 40 percent during the last quarter of 1978.

Metals and Materials

The metals and materials price index changed direction during the second quarter of 1978: it rose 6 percent and 8 percent, respectively, in the last two quarters. The improvement has been led by tin (up 14 percent in the fourth quarter), copper (up 8 percent), lead (31 percent), and zinc (12 percent). Tin prices have continued to rise as inventories are at low levels and the US Congress failed to act on releases from the strategic stockpiles. A combination of factors have contributed to the buoyant lead prices: uncertainty over environmental controls in the early 1970s led to a slowdown in investment; the new, longer-lived batteries cannot use scrap; several major refiners have had temporary shutdowns. Nonetheless, in constant US dollar terms, the prices of metals and minerals hardly changed during the December 1977-78 period; copper, especially, remained very weak, as stocks were huge and production capacity excessive.

Petroleum

At their annual meeting in December, the Organization of Petroleum Exporting Countries (OPEC) announced a series of price increases for 1979 which will amount to 14.5 percent. The increases will be phased in during the year to reflect an average price increase per barrel of 10 percent over 1978. At current levels of imports, the increases imply an increased cost of almost \$12,000 million to industrialized countries and \$1,600 million to oil-importing developing countries. This correction leaves the constant US dollar price of petroleum

about 5 percent below its 1974 level. World oil supply is currently tight (owing to the situation in Iran); it is, therefore, unlikely that OPEC will cut production back to back up the price increase. If exports from Iran are not resumed in the next few months, further price increases could occur.

Trade Trends

Imports of industrialized countries, in nominal terms, appear to be growing at about the same rate as in 1977. Exports of these countries appear to be accelerating somewhat. This is indicated by preliminary data for the first three quarters of 1978 and is in line with earlier expectations, reflecting, to some extent, the gains in the terms of trade mentioned above. Exports of oil exporters declined in 1978, but the growth of their imports also have slowed from their exceedingly rapid pace of recent years. Data for developing countries show that their exports grew at a slower pace during the first half of the year, while data on imports do not show a clear trend at this point. These trends are reflected in Table 5.

Table 5

Merchandise Trade by Country Group
(Percentage changes, annual rates)

	1976/75	1977/76	1978/77 Quarters		
			I	II	III
Industrialized countries					
Exports	11.0	13.6	14.4	18.6	19.6
Imports	15.2	13.4	10.5	13.5	16.0
Capital-surplus oil exporters					
Exports	27.3	11.2	-9.0	-8.6	-5.3
Imports	46.0	71.3	12.1	14.4	n.a.
Developing countries					
Exports	20.2	13.5	1.5	4.3	n.a.
Imports	7.4	14.1	15.0	-2.0	n.a.

Source: Table 1.1 and IMF, *International Financial Statistics*
n.a. — Not available.

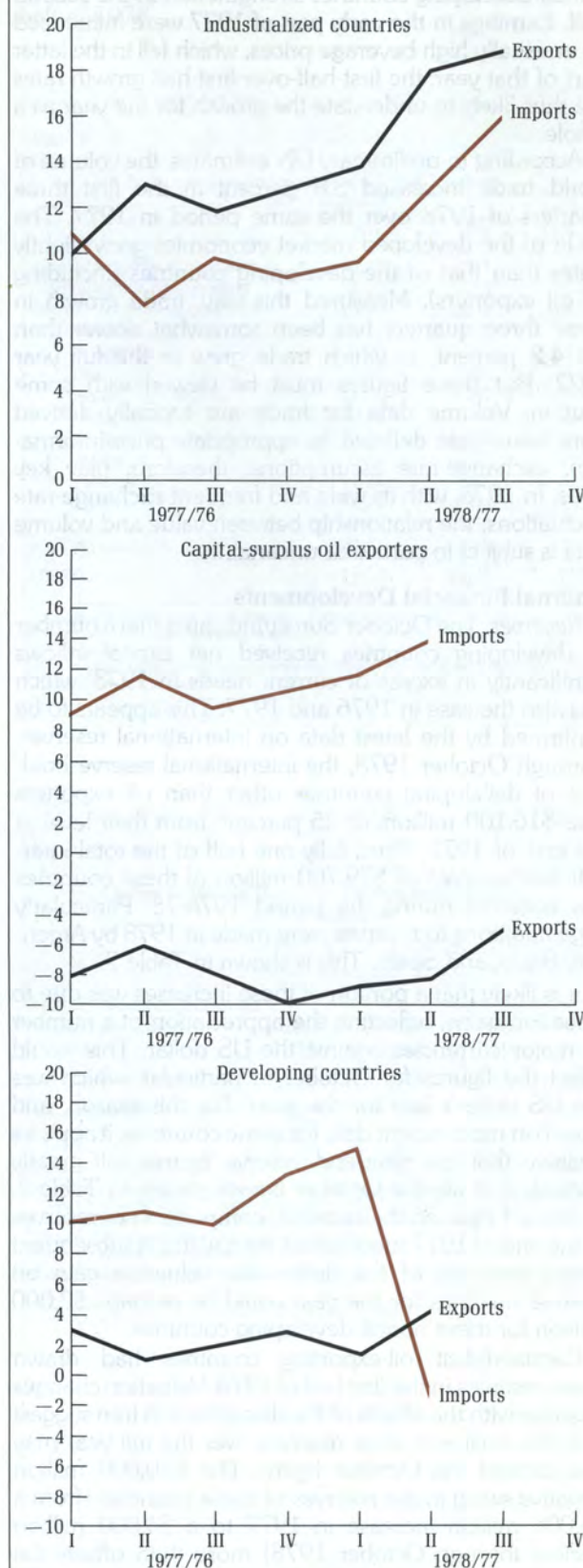
Table 6

Exports of Developing Countries
(Percentage changes at annual rate)

	1976/75	1977/76	1978/77	
			1st half	most recent
Capital-deficit oil exporters	16.2	8.1	-4.4	
Nonoil developing countries	22.3	16.2	6.4	
Southern Europe	15.6	11.3	12.2	
Others	23.6	17.1	5.4	
of which —				
Brazil	16.9	19.7	-5.8	3.3 (Nov.)
India	23.2	18.6	-22.0	-16.7 (Sept.)
Korea, Republic of	51.8	39.9	26.3	26.3 (Sept.)
Malaysia	38.2	15.0	8.5	21.5 (Aug.)
Mexico	17.7	21.9	13.0	25.1 (Sept.)
Pakistan	10.9	0.7	25.9	32.2 (Sept.)
Philippines	11.0	23.0	1.8	9.2 (Oct.)
TOTAL	20.2	13.5	2.9	

Some additional details of developments in the exports of developing countries in 1978 are provided in Table 6. The influence of depressed oil earnings is evident. Exports of Southern European countries appear, as expected, to have more than kept up with "other"

Figure 4. Merchandise Trade
(Percentage changes)



developing countries (in contrast to the previous two years). Judging by a number of countries for which more recent data are available, growth of exports of other nonoil developing countries strengthened in the second half. Earnings in the early part of 1977 were influenced by unusually high beverage prices, which fell in the latter part of that year: the first-half-over-first-half growth rates are thus likely to understate the growth for the year as a whole.

According to preliminary UN estimates, the volume of world trade increased 3.8 percent in the first three quarters of 1978 over the same period in 1977. The trade of the developed market economies grew slightly faster than that of the developing countries (including all oil exporters). Measured this way, trade growth in these three quarters has been somewhat slower than the 4.2 percent, at which trade grew in the full year 1977. But these figures must be viewed with some caution. Volume data for trade are typically derived from value data deflated by appropriate price information; exchange-rate assumptions, therefore, play key roles. In 1978, with its wide and frequent exchange-rate fluctuations, the relationship between value and volume data is subject to particular uncertainty.

External Financial Developments

Reserves. The October Survey indicated that a number of developing countries received net capital inflows significantly in excess of current needs in 1978, which was also the case in 1976 and 1977. This appears to be confirmed by the latest data on international reserves. Through October 1978, the international reserve holdings of developing countries other than oil exporters rose \$16,100 million, or 25 percent, from their level at the end of 1977. Thus, fully one half of the total international reserves of \$79,700 million of these countries was acquired during the period 1976-78. Particularly large additions to reserves were made in 1978 by Argentina, Brazil, and Spain. This is shown in Table 7.

It is likely that a portion of these increases was due to valuation gains, reflecting the appreciation of a number of major currencies against the US dollar. This would affect the figures for October in particular, which was the US dollar's low for the year. For this reason, and based on more recent data for some countries, it appears unlikely that the year-end reserve figures will greatly exceed, if at all, the October figures shown in Table 7. Published data on the currency composition of reserves at the end of 1977 suggest that, even with the subsequent partial recovery of the dollar, the valuation gain on reserve holdings for the year could be perhaps \$2,000 million for these nonoil developing countries.

Capital-deficit oil-exporting countries had drawn down reserves in the first half of 1978. Valuation changes together with the effects of the disruptions in Iran suggest that the decline in their reserves over the full year may well exceed the October figure. The \$10,000 million negative swing in the reserves of these countries (from a \$6,000 million increase in 1977 to a \$4,000 million decline through October 1978) more than offsets the higher reserve accumulation of nonoil countries. Con-

Table 7

International Reserves of Developing Countries

	Change in level				Level
	1975	1976	1977	1978 ¹	October ² 1978
(US\$000 millions)					
Capital-deficit					
oil exporters	1.6	3.3	6.2	-4.0	35.2
Nonoil developing					
countries	-4.2	11.2	12.6	16.1	79.7
Middle income	-3.8	8.4	8.8	14.3	67.2
Low income	0.4	2.8	3.8	1.8	12.5
TOTAL	-2.6	14.5	18.8	12.1	114.9
(US\$ millions)					
Selected countries					
Algeria	-337	635	-70	-412	1,505*
Iran	514	-64	3,433	-316	11,951
Nigeria	-17	-406	-944	-2,640	1,619*
Venezuela	2,348	-283	-364	-1,688	6,526*
Argentina	-863	1,156	1,723	2,009	5,340*
Brazil	-1,238	2,507	715	3,774	10,030**
Chile	6	351	24	628	1,112*
Colombia	72	637	1,147	500	2,321*
Korea, Republic of	504	1,189	998	-514	2,459*
Malaysia	-94	948	386	472	3,330
Mexico	136	-280	470	55	1,778**
Spain	-395	-806	1,306	3,542	10,132*
Yugoslavia	-276	1,178	59	320	2,428
India	48	1,701	2,110	1,338	6,522**
Kenya	-20	103	247	-174	349*

Notes: Minus sign indicates decrease. The figures in this table refer to holdings of international reserve assets only, as reported by the IMF. Reserve movements, defined in the balance of payments, include changes in both reserve assets and liabilities. Data on reserve movements are not available for 1978. Excluding capital-surplus oil exporters.

¹ January-October, unless otherwise noted for individual countries.

² Partly estimated.

* November.

** September.

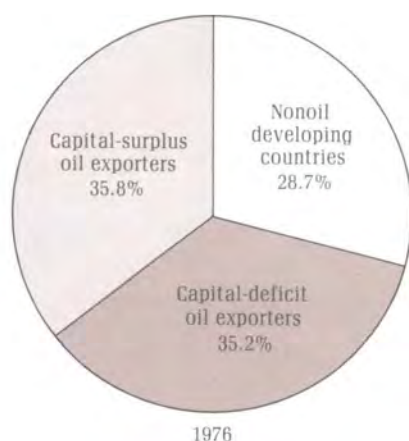
sequently, all developing countries taken together may be expected to show a smaller reserve increase in 1978 as compared to 1977.

Borrowing

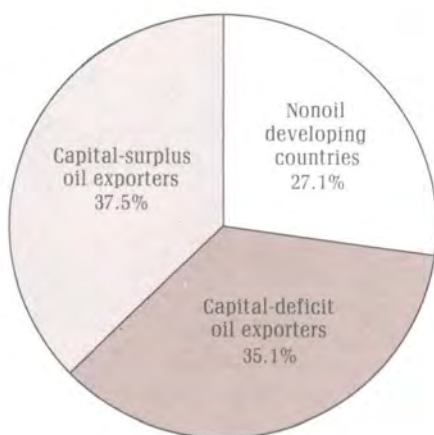
Gross publicized borrowing by developing countries in international markets maintained its strong pace in the last quarter of 1978. The preliminary total for the year was \$39,500 million, or 58 percent above 1977 and twice the 1976 level, as brought out in Table 8. The favorable conditions for borrowers in the Eurocurrency credit market, described in the October Survey, persist. In the first three quarters of 1978, 60 percent of credit commitments (compared with 12 percent in 1977) had maturities of more than seven years. In the most recent quarter, 60 percent of commitments had interest rate spreads of less than 1 percent, compared to 20 percent in 1977. Although some observers see the movement toward longer maturities at lower spreads nearing an end, few see any real prospect of a hardening of terms before the second half of 1979, if then.

A portion of the rise in gross commitments may be attributed to the refinancing of increased loan repayments, including in some cases, prepayments of earlier loans. But the rise appears large enough to imply an expansion, sometimes a substantial one, of net borrowing. Some of this borrowing is showing up as reserve accumulations. Data released by the Bank for Inter-

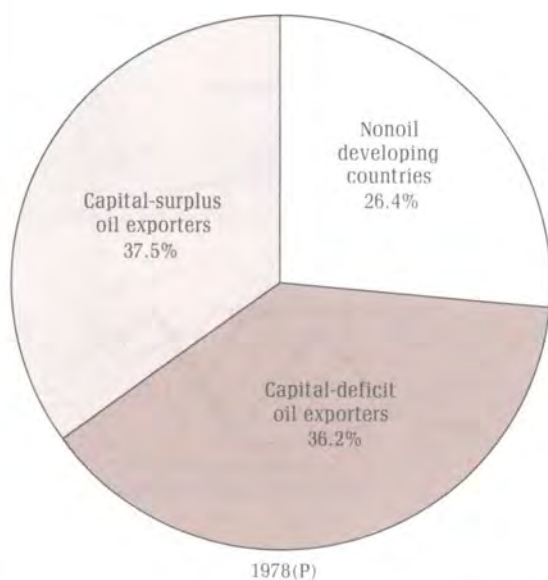
Figure 5. Borrowing in International Capital Markets



1976



1977



1978(P)

(P) Preliminary

national Settlements (BIS) in December, shown in Table 9, indicate that bank claims (including short-term claims) on developing countries, especially on nonoil countries outside Europe, indeed rose smartly during the first half of 1978.

Table 8

Borrowing in International Capital Markets
(US\$000 millions)

	1976	1977	1978(P)
Capital-surplus oil exporters	0.24	1.61	1.37
Capital-deficit oil exporters	3.62	5.34	10.21
Nonoil developing countries	15.65	18.01	10.21
of which —			
Argentina	0.90	0.87	1.66
Brazil	3.48	3.20	4.84
Korea, Republic of	1.05	0.87	1.28
Malaysia	0.21	0.17	1.22
Mexico	2.57	4.24	5.64
Morocco	0.45	0.73	0.71
Philippines	1.24	0.83	2.15
Spain	2.27	2.41	2.31
Yugoslavia	0.17	0.50	0.74
All others	3.31	4.19	7.34
TOTAL	19.51	24.96	39.47

Note: Borrowings are gross commitments in the form of publicized Eurocurrency bank credits and foreign and international bond issues.

(P) Preliminary.

Source: World Bank, *Borrowing in International Capital Markets*, Table II (Report 181/783); and preliminary tabulations.

Table 9

Claims of Private Banks on Developing Countries
(US\$000 millions)

	Outstanding June, 1978	Changes in outstanding		
		1976	1977	1978 ¹
Nonoil developing countries				
Southern Europe	26.3	4.5	5.8	5.0
Other	103.1	18.1	10.6	14.0
Subtotal	129.4	22.6	16.4	19.0
Oil exporters ²	44.1	9.8	11.3	10.0
TOTAL	173.5	32.4	27.7	29.0

Note: Claims represent external assets of banks in industrial countries and branches of US banks in offshore centers. Figures on changes in 1976-77 exclude the positions of banks in Austria, Denmark, and Ireland because of a change in statistical coverage.

¹ January-June at annual rate, not seasonally adjusted.

² Includes capital-surplus oil exporters.

Source: Bank for International Settlements (BIS).

I. CURRENT STATISTICS

Table I-1. External Trade — Exports and Trade Balances

Indicator	Annual data				Quarterly data (unadjusted estimates)								
	1974	1975	1976	1977(E)	1977				1978				
					I	II	III	IV	I	II	III		
Exports					(US\$000 millions)								
Industrialized countries	534.3	569.3	632.0	717.7	169.2	180.9	172.7	194.5	193.6	214.9	206.6		
Developing countries ¹													
High income	33.3	32.7	37.3	41.3	10.2	10.1	10.1	11.1	10.7	11.0	..		
Upper middle income	67.2	66.1	78.2	86.2	20.7	22.1	21.3	22.2	20.3	23.0	..		
Intermediate middle income	37.4	36.2	46.9	54.6	12.7	14.0	13.2	14.6	14.1	14.9	..		
Lower middle income	23.3	20.5	24.9	28.2	7.1	7.5	6.8	6.6	6.3	6.9	..		
Low income	20.3	19.5	23.2	28.3	7.0	7.4	7.0	7.0	7.3	7.8	..		
TOTAL	181.5	175.0	210.3	238.7	57.8	61.1	58.4	61.4	58.7	63.7	..		
Capital-surplus oil exporters	56.4	51.2	65.2	72.5	17.5	17.8	18.1	19.0	16.0	16.3	17.2		
Exports					(Annual growth rates in %)								
Industrialized countries	33.2	6.6	11.0	13.6	15.6	14.6	12.3	12.0	14.4	18.8	19.6		
Developing countries ¹													
High income	75.3	-2.1	13.9	10.8	16.1	17.2	8.6	6.2	4.9	8.9	..		
Upper middle income	87.7	-1.4	18.0	10.3	18.1	17.2	7.4	0.9	-1.9	4.1	..		
Intermediate middle income	50.3	-3.2	30.2	16.6	21.3	21.7	10.1	12.1	11.0	6.4	..		
Lower middle income	78.6	-12.2	21.5	13.6	24.4	20.7	11.1	-3.6	-11.3	-8.0	..		
Low income	55.5	-4.2	19.5	21.7	34.2	28.1	21.9	18.2	4.3	5.4	..		
TOTAL	70.8	-3.6	20.2	13.5	21.0	19.9	10.2	5.6	1.6	4.2	..		
Capital-surplus oil exporters	231.3	-9.2	27.4	11.3	17.9	13.7	11.0	4.0	-8.6	-8.4	-5.0		
Trade balances²					(US\$000 millions)								
United States	-9.5	4.2	-14.6	-36.5	-7.9	-8.8	-10.7	-9.1	-12.2	-8.9	-10.7		
European Economic Community (EEC) ³	-18.9	-3.5	-17.0	-7.6	-5.5	-3.2	-0.7	1.8	-2.6	0.5	-0.8		
Industrialized countries	-45.1	-10.4	-35.9	-39.7	-15.7	-10.8	-9.9	-3.3	-10.6	-2.7	-5.2		
Developing countries ¹													
High income	-12.3	-17.1	-17.8	-19.9	-3.7	-5.7	-5.1	-5.3	-5.0	-3.7	..		
Upper middle income	5.3	-2.1	4.9	4.1	1.9	1.8	0.3	0.2	-2.3	2.5	..		
Intermediate middle income	-10.5	-15.3	-8.8	-9.9	-1.5	-2.6	-3.0	-2.8	-1.5	-0.7	..		
Lower middle income	5.4	-2.7	-0.7	-2.1	0.3	-0.1	-1.0	-1.4	-1.7	-0.9	..		
Low income	-2.1	-6.9	-2.4	-1.5	0.3	0.4	-0.3	-1.7	-0.5	0.5	..		
TOTAL	-14.2	-44.1	-24.9	-29.3	-2.8	-6.2	-9.2	-11.0	-11.0	-2.4	..		
Capital-surplus oil exporters	47.3	37.9	45.8	39.3	9.9	9.4	10.2	9.8	7.4	6.6	..		
Developing countries by area													
Europe	-20.7	-21.8	-21.6	-24.7	-5.3	-6.9	-6.8	-5.7	-4.9	-4.1	..		
Latin America and the Caribbean	-7.1	-13.7	-9.9	-7.3	-0.3	-0.7	-3.1	-3.4	-3.0	-1.4	..		
North Africa and Middle East	62.5	40.5	52.6	41.0	11.9	10.1	10.4	8.8	6.5	8.4	..		
Africa South of the Sahara	6.1	-0.8	2.2	1.4	0.8	0.5	0.2	0.3	-1.3	-0.7	..		
South Asia	-2.8	-4.3	-1.6	-1.7	-0.2	-0.2	-0.7	-0.8	-0.9	-0.8	..		
East Asia and Pacific	-4.9	-6.7	-1.1	1.3	0.1	0.2	1.0	-0.1	-0.1	2.8	..		

(E) Estimate.

¹ Excluding capital-surplus oil exporters.

² Exports FOB less imports CIF.

³ EEC includes Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Luxembourg, Netherlands, United Kingdom.

Source: International Monetary Fund (IMF), *International Financial Statistics*.

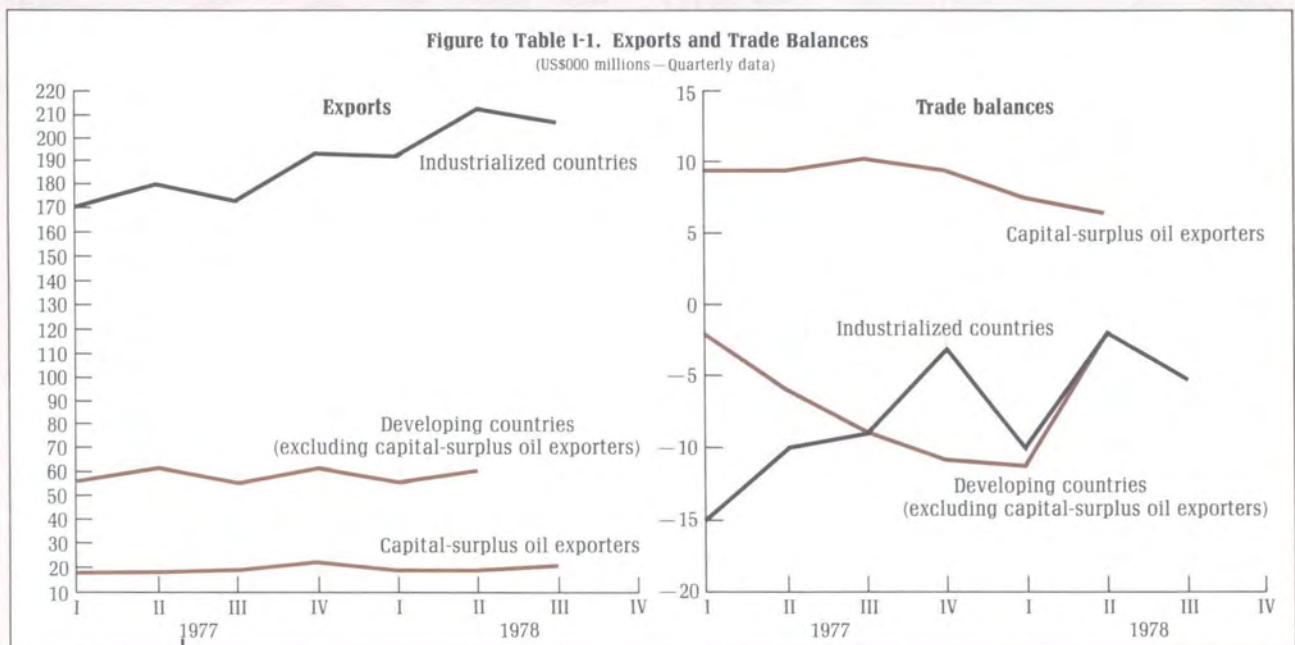


Table I-2. External Trade — Export Prices and Terms of Trade

Indicator	Annual data				Quarterly data					
	1974	1975	1976	1977	1974			1978		
					II	III	IV	I	II	III
Industrialized countries — exports¹										
Food	107	100	99	100	101	97	102	110	112	113
Agricultural nonfood	113	100	108	119	128	114	112	116	122	124
Minerals	82	100	102	107	106	107	109	107	106	108
Total Primary Commodities	103	100	102	106	108	103	105	111	113	115
Nonferrous base metals	123	100	108	117	117	115	118	120	120	125
Manufactured goods	89	100	101	109	108	110	114	119	121	126
Developing countries — exports¹										
Food	119	100	117	165	183	158	151	147	141	133
Agricultural nonfood	130	100	118	132	141	126	126	133	140	147
Minerals	99	100	105	115	114	117	116	116	116	116
Total Primary Commodities	104	100	108	123	126	123	122	121	121	121
Nonferrous base metals	150	100	112	117	117	112	117	116	119	126
All countries — exports¹										
Food	111	100	105	120	127	116	117	122	121	120
Meat	92	100	105	111	110	111	118	131	131	135
Dairy products	85	100	100	110	106	110	117	124	123	129
Cereals	118	100	90 ²	82	81	79	87	98	102	100
Beverage crops	105	100	177	321	367	310	282	250	234	215
Fruits	77	100	91	108	109	125	113	118	122	125
Animal feed	122	100	134	159	196	132	138	143	145	140
Agricultural nonfood	120	100	112	124	133	118	117	122	129	133
Oilseed, oils and fats	145	100	98	119	148	103	104	115	130	128
Forest products	101	100	113	124	124	127	123	125	126	129
Textile fibers	121	100	121	122	128	114	110	116	120	124
Minerals	96	100	105	114	113	115	115	115	114	115
Iron ore	80	100	96	92	92	91	91	83	85	87
Fuels	97	100	105	116	115	115	117	117	117	117
Total Primary Commodities	103	100	106	117	120	116	116	118	118	118
Nonferrous base metals	131	100	109	117	117	114	117	119	120	125
Terms of trade of developing countries²										
All countries	156	140	146	149	152	149	146	142	141	137
Excluding capital-surplus oil exporters	97	88	87	..	..	..	..	..	..	..
Ocean freight rates³	157	69	71	58	58	56	60	62	82	80

¹ Export price index: 1975 = 100.² Index: 1970 = 100.³ Index.

Sources: UN Monthly Bulletin of Statistics and World Bank.

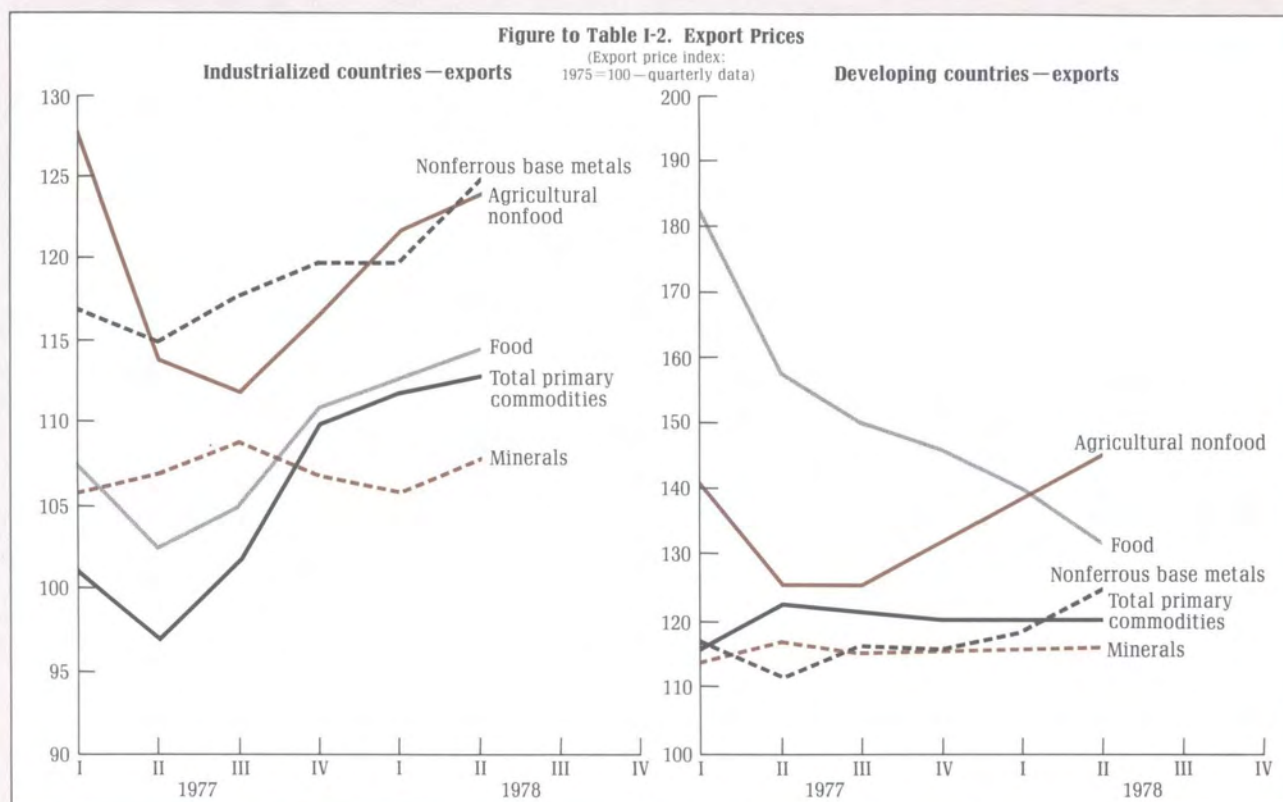


Table I-3. Borrowing in International Capital Markets
(US\$ millions)

Indicator	Annual data				Quarterly data					
	1974	1975	1976	1977	1977			1978		
					II	III	IV	I	II	III
Foreign and international bonds										
Public offerings										
Industrialized countries	2,612.6	10,030.6	14,175.5	15,186.1	4,983.9	3,779.0	3,075.5	4,491.3	5,379.7	2,665.6
Developing countries	385.3	664.0	1,799.1	3,631.5	929.8	793.0	1,356.4	966.2	889.7	724.5
Centrally planned countries ¹	40.0	40.5	47.0	93.5	..	..	44.6	..	30.0	..
International organizations	982.4	3,139.0	4,395.1	4,516.0	1,846.6	1,599.0	707.4	1,125.7	450.0	1,808.0
Others	54.5	255.3	277.3	759.8	..	29.5	569.7	125.1	59.9	68.5
TOTAL	4,074.8	14,129.4	20,694.0	24,186.9	7,760.3	6,200.5	5,753.6	6,708.3	6,809.3	5,266.6
Private placements										
Industrialized countries	3,160.9	6,025.4	9,039.2	7,489.8	1,383.1	1,899.2	2,240.3	1,542.1	2,217.2	1,962.3
Developing countries	546.9	343.9	452.6	1,091.1	362.0	194.8	321.2	721.0	527.7	331.5
Centrally planned countries ¹	..	60.0	25.0	162.0	..	6.3	100.0	..	..	..
International organizations	4,408.0	2,190.5	3,860.7	2,644.0	230.6	734.7	752.3	549.5	415.4	2,007.7
Others	43.9	71.1	239.6	370.4	28.5	8.6	..	..	25.8	36.1
TOTAL	8,159.7	8,690.9	13,617.1	11,757.3	2,004.2	2,843.6	3,413.8	2,812.6	3,186.1	4,337.6
Eurocurrency credits										
Industrialized countries	17,270.4	5,069.3	8,307.3	11,055.1	2,293.4	1,581.7	3,243.6	6,113.7	7,984.2	6,248.9
Developing countries	9,723.3	12,463.5	17,259.0	20,237.0	3,726.3	5,279.6	6,730.2	8,999.7	8,736.1	8,236.0
Centrally planned countries ¹	1,114.8	2,657.3	2,371.4	2,566.0	549.0	600.0	1,117.0	1,221.6	801.8	600.0
International organizations	14.0	65.0	377.0	197.0	..	..	175.0	..	31.7	..
Others	397.8	298.5	388.6	97.0	50.0	..	32.0	95.0	140.0	25.0
TOTAL	28,520.3	20,553.6	28,703.3	34,152.1	6,618.7	7,461.3	11,297.8	16,430.0	17,693.8	15,109.9
Total borrowings										
Industrialized countries	23,043.9	21,125.3	31,522.0	33,731.0	8,660.4	7,259.9	8,559.4	12,147.1	15,581.1	10,876.8
Developing countries	10,655.5	13,471.4	19,510.7	24,959.6	5,018.1	6,267.4	8,407.8	10,686.9	10,153.5	9,292.0
Centrally planned countries ¹	1,154.8	2,757.8	2,443.4	2,821.5	549.0	606.3	1,261.6	1,221.6	831.8	600.0
International organizations	5,404.4	5,394.5	8,632.8	7,357.0	2,077.2	2,333.7	1,634.7	1,675.2	897.1	3,815.7
Others	496.2	624.9	905.5	1,227.2	78.5	38.1	601.7	220.1	225.7	129.6
TOTAL	40,754.8	43,373.9	63,014.4	70,096.3	16,383.2	16,505.4	20,465.2	25,950.9	27,689.2	24,714.1

¹ Includes International Bank for Economic Cooperation and International Investment Bank.
Source: World Bank.

Table I-4. International Reserves — by Income Group
(US\$000 millions, end of period)

Indicator	Annual data					Quarterly data				Monthly data	
	1970	1974	1975	1976	1977	1977	1978			1978	
						III	I	II	III	Aug.	Oct. (E)
Industrialized countries											
Foreign exchange	28.7	74.1	75.5	81.4	115.8	98.3	124.9	125.7	134.2	132.2	141.6
Other reserves	41.3	53.8	53.3	57.4	60.2	57.8	60.3	59.2	60.8	60.5	62.8
TOTAL	70.0	127.9	128.8	138.8	176.0	156.1	185.2	184.8	195.0	192.7	204.4
Ratio to imports (%)	26.3	19.4	19.2	18.2	20.4	..	..	..	..	..	..
Developing countries¹											
High income											
Foreign exchange	3.4	16.0	18.0	17.4	19.1	18.0	20.1	20.5	22.3	22.0	22.9
Other reserves	1.3	2.3	2.5	2.6	2.6	2.6	2.8	2.8	2.8	2.8	3.0
TOTAL	4.8	18.3	20.5	20.0	21.8	20.6	22.9	23.3	25.1	24.8	25.9
Ratio to imports (%)	31.9	40.7	41.3	36.5	35.3	..	..	..	..	..	..
Upper middle income											
Foreign exchange	3.0	21.5	18.4	25.5	35.0	30.0	36.5	37.6	40.3	40.3	40.7
Other reserves	2.4	3.7	4.1	4.2	4.3	4.1	4.3	4.4	4.5	4.6	4.8
TOTAL	5.4	25.2	22.5	29.8	39.3	34.1	40.8	42.0	44.8	44.9	45.5
Ratio to imports (%)	31.6	42.5	32.6	47.8	56.1	..	..	..	..	..	..
Intermediate middle income											
Foreign exchange	4.0	10.3	10.0	14.1	17.3	16.7	17.7	17.3	18.0	17.9	18.1
Other reserves	1.3	1.9	1.6	1.3	1.5	1.5	1.6	1.8	1.8	1.6	1.8
TOTAL	5.3	12.2	11.6	15.4	18.8	18.2	19.3	19.1	19.8	19.5	19.9
Ratio to imports (%)	28.1	23.0	19.7	23.7	25.0	..	..	..	..	..	..
Lower middle income											
Foreign exchange	2.0	9.8	9.4	9.5	8.8	9.4	8.9	7.1	6.9	7.3	7.0
Other reserves	0.3	0.6	0.8	0.9	0.9	0.9	0.9	1.1	1.0	1.0	1.2
TOTAL	2.3	10.4	10.2	10.4	9.7	10.3	9.8	8.2	7.9	8.3	8.2
Ratio to imports (%)	30.9	52.4	38.5	35.5	30.8	..	..	..	..	..	..
Low income											
Foreign exchange	2.2	4.7	3.7	7.4	12.1	11.0	12.6	13.0	13.3	13.5	13.8
Other reserves	0.8	1.3	1.0	1.0	1.1	1.0	1.1	1.4	1.4	1.4	1.6
TOTAL	3.0	6.0	4.7	8.4	13.2	12.0	13.7	14.4	14.7	14.9	15.4
Ratio to imports (%)	23.3	22.4	15.1	26.5	37.4	..	..	..	..	..	..
Developing countries¹											
Foreign exchange	14.6	62.3	59.5	73.9	92.3	85.1	95.8	95.5	100.8	101.0	102.5
Other reserves	6.2	9.8	10.0	10.1	10.5	10.1	10.7	11.5	11.5	11.4	12.4
TOTAL	20.8	72.1	69.5	84.0	102.8	95.2	106.5	107.0	112.3	112.4	114.9
Ratio to imports (%)	27.4	34.9	29.4	34.2	37.8	..	..	..	..	..	..

(continued)

Table I-4. International Reserves—by Income Group (continued)
(US\$000 millions, end of period)

Indicator	Annual data					Quarterly data				Monthly data	
	1970	1974	1975	1976	1977	1977	1978			1978	
						III	I	II	III	Aug.	Oct. (E)
Capital-surplus oil exporters											
Foreign exchange	2.1	18.3	25.2	30.2	34.8	33.2	33.5	25.7	24.8	23.4	26.4
Other reserves	0.3	1.5	3.1	4.1	4.1	4.1	4.1	4.1	4.0	4.2	4.1
TOTAL	2.5	19.8	28.3	34.2	38.9	37.3	37.6	29.8	28.8	27.6	30.5
Ratio to imports (%)	82.4	136.6	125.8	107.0	88.0	..	..	..	..	..	..
All countries											
Foreign exchange	45.4	154.7	160.2	185.5	242.9	216.6	254.2	246.9	259.8	256.6	270.5
Other reserves	47.8	65.1	66.4	71.5	74.8	72.0	75.1	74.7	76.3	76.1	79.3
TOTAL	93.2	219.8	226.6	257.0	317.7	288.6	329.3	321.6	336.1	332.7	349.8
Ratio to imports (%)	27.0	24.7	24.2	23.7	28.0	..	..	..	..	..	..

(E) Estimate.

¹ Excluding capital-surplus oil exporters.

Sources: IMF, *International Financial Statistics* and *Balance of Payments Yearbook*, and World Bank.

Table I-5. International Reserves—by Geographic Area
(Developing countries¹ — US\$000 millions, end of period)

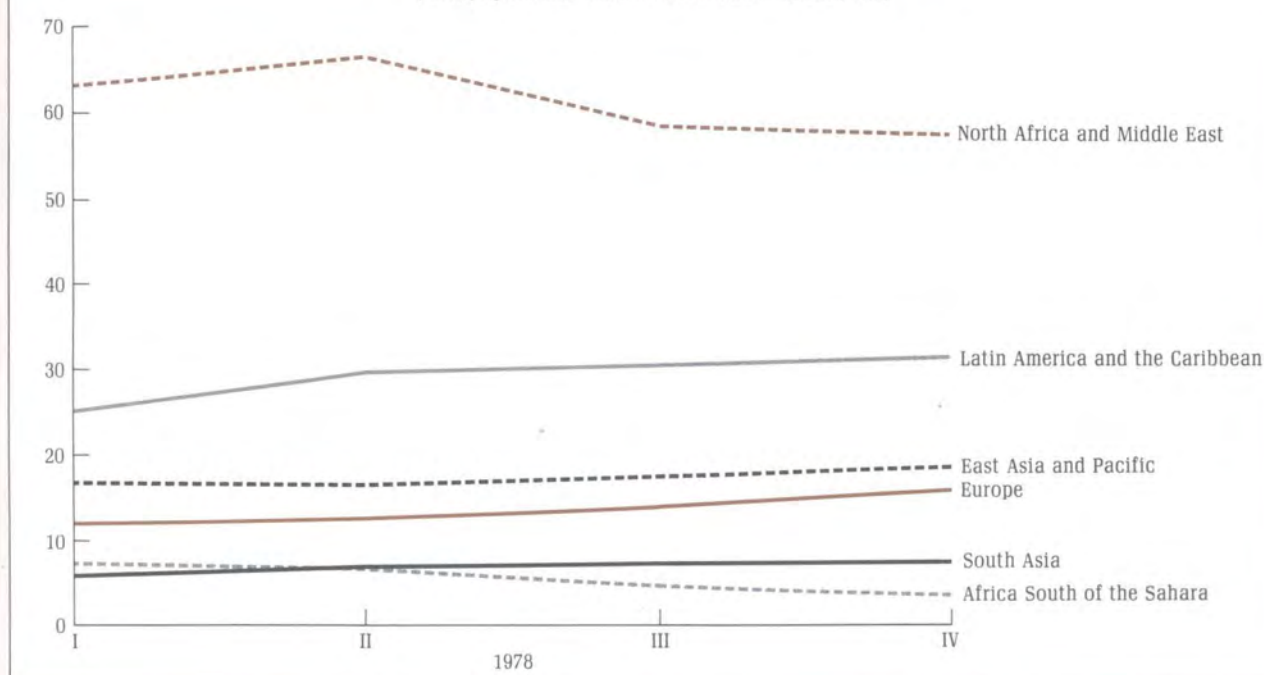
Indicator	Annual data					Quarterly data				Monthly data	
	1970	1974	1975	1976	1977	1977	1978			1978	
						III	I	II	III	Aug.	Oct. (E)
Europe											
Foreign exchange	2.7	10.7	8.8	9.3	10.8	9.9	11.5	12.5	15.2	14.8	15.7
Other reserves	1.9	2.8	2.4	2.3	2.2	2.1	2.3	2.4	2.6	2.6	2.7
TOTAL	4.6	13.5	11.2	11.6	12.9	12.0	13.8	14.9	17.8	17.4	18.4
Ratio to imports (%)	26.1	33.4	26.6	27.3	27.4	..	..	..	..	..	..
Latin America and the Caribbean											
Foreign exchange	3.6	15.5	15.7	20.7	25.1	22.3	27.0	27.6	29.4	29.3	29.6
Other reserves	1.9	3.0	3.2	3.1	3.4	3.3	3.4	3.5	3.5	3.6	3.8
TOTAL	5.5	18.4	18.9	23.8	28.5	25.6	30.5	31.1	32.9	32.9	33.4
Ratio to imports (%)	27.0	32.8	31.6	38.4	41.5	..	..	..	..	..	..
North Africa and Middle East											
Foreign exchange	3.8	35.1	41.4	49.5	61.8	57.3	60.6	52.0	51.6	50.3	53.4
Other reserves	1.3	3.6	5.8	6.8	7.0	6.9	7.0	7.0	6.8	7.0	7.2
TOTAL	5.1	38.7	47.2	56.3	68.8	64.2	67.6	59.0	58.4	57.3	60.6
Ratio to imports (%)	40.6	87.0	69.5	65.7	63.6	..	..	..	..	..	..
Africa South of the Sahara											
Foreign exchange	1.7	7.3	7.0	6.6	6.3	6.8	6.3	4.7	3.6	4.0	3.7
Other reserves	0.3	0.4	0.6	0.7	0.7	0.7	0.8	0.9	1.0	1.0	1.0
TOTAL	2.0	7.7	7.6	7.3	7.0	7.5	7.0	5.6	4.6	5.0	4.7
Ratio to imports (%)	25.5	42.5	31.7	30.6	30.0	..	..	..	..	..	..
South Asia											
Foreign exchange	1.0	1.6	1.6	3.7	6.1	5.4	6.8	7.2	7.6	7.5	7.6
Other reserves	0.5	0.8	0.7	0.7	0.7	0.7	0.7	0.9	1.0	1.0	1.0
TOTAL	1.5	2.4	2.4	4.4	6.8	6.1	7.6	8.1	8.6	8.5	8.6
Ratio to imports (%)	28.9	23.0	19.3	23.7	57.6	..	..	..	..	..	..
East Asia and Pacific											
Foreign exchange	4.0	10.4	10.0	14.4	17.0	16.6	17.2	17.5	18.3	18.4	18.9
Other reserves	0.5	0.7	0.5	0.4	0.7	0.6	0.6	0.8	0.8	0.7	0.8
TOTAL	4.5	11.1	10.5	14.8	17.7	17.2	17.8	18.3	19.1	19.1	19.7
Ratio to imports (%)	34.9	26.5	25.1	27.5	30.1	..	..	..	..	..	..

(E) Estimate.

¹ Including capital-surplus oil exporters.

Sources: IMF, *International Financial Statistics* and *Balance of Payments Yearbook*, and World Bank.

(Developing countries—Totals in US\$000 millions—Quarterly data)



Indicator	Unit	1975	(Price indices: 1975 = 100)																	
			Current prices			Annual data		Quarterly data				Monthly data								
			1978			1977	1978	1978				1978								
			Oct.	Nov.	Dec.			I	II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.				
Selected commodity prices																				
Food																				
Wheat	\$/MT	181.3	140.5	146.6	149.1	64	75	65	69	74	75	80	74	76	78	82				
Rice	\$/MT	363.1	360.0	315.0	295.0	75	101	82	101	112	103	89	101	102	99	87				
Maize	\$/MT	119.6	95.9	100.5	98.5	80	84	76	84	92	78	82	77	76	80	82				
Sugar	€/KG	45.0	19.8	17.7	17.7	39	39	37	41	36	36	41	35	40	44	39				
Coffee	€/KG	144.0	340.2	326.2	303.7	369	254	310	299	270	223	225	212	240	236	227				
Cocoa	€/KG	124.6	382.7	403.0	394.8	304	273	278	246	256	275	316	270	301	307	323				
Tea	€/KG	138.5	219.0	215.3	220.9	194	158	154	172	155	149	157	142	150	158	155				
Beef	€/KG	78.5	94.4	94.4	94.4	121	119	123	123	114	120	120	116	126	120	120				
Copra	\$/MT	256.3	551.8	574.0	595.0	157	184	140	158	166	186	224	178	205	215	224				
Palm oil	\$/MT	434.2	620.8	604.0	604.0	122	138	107	128	145	140	140	135	142	143	139				
Nonfood																				
Cotton	€/KG	123.2	167.0	173.2	171.2	132	131	114	124	131	129	139	129	132	136	139				
Jute	\$/MT	370.9	441.3	422.0	426.0	87	118	93	125	118	113	116	110	114	119	114				
Rubber	€/KG	65.9	128.2	129.2	122.8	139	168	146	149	155	175	192	175	184	195	196				
Logs	\$/MT	80.0	119.6	121.1	125.0	140	142	134	133	137	144	152	145	145	150	151				
Metals and minerals																				
Petroleum	\$/BBL	10.7	12.7	12.7	12.7	116	119	119	119	119	119	119	119	119	119	119				
Coal	\$/MT	54.3	54.3	56.7	56.7	101	103	103	105	103	99	103	99	98	100	104				
Copper	€/KG	123.5	150.6	148.1	153.3	106	111	99	101	106	113	122	115	117	122	120				
Iron ore	\$/MT	22.8	21.0	20.4	20.6	95	89	95	100	82	84	91	85	86	92	90				
Tin	€/KG	686.1	1,522.8	1,535.3	1,418.7	157	188	183	173	170	191	218	190	203	222	224				
Lead	€/KG	41.7	83.0	82.4</																

\$/MT = US\$ per metric ton.
¢/KG = US\$ cents per kilogram.
\$/BBL = US\$ per barrel.
¹ Excluding petroleum.
Source: World Bank.

Table I-7. Consumer Prices

Indicator	Annual data				Quarterly data						Monthly data				
	1974	1975	1976	1977	1977			1978			1978				
					II	III	IV	I	II	III	June	July	Aug.	Sept.	Oct.
Price change (annual rate in %)															
Selected industrialized countries															
France	13.7	11.7	9.2	9.5	9.8	10.0	9.2	9.2	8.9	9.2	9.0	9.3	9.4	9.2	9.3
Germany, Federal Republic of	7.0	5.9	4.5	3.9	3.8	4.1	3.8	3.2	2.7	2.4	2.5	2.7	2.4	2.3	2.1
Italy	19.1	17.0	16.8	17.0	17.4	18.5	15.1	12.8	12.1	12.0	12.0	12.1	11.6	12.0	11.5
Japan	24.3	11.9	9.3	8.1	8.7	7.9	6.2	4.3	3.6	4.0	3.5	4.1	4.2	3.7	3.3
United Kingdom	16.0	24.2	16.5	15.9	17.4	16.5	13.0	9.4	7.7	7.9	7.4	7.8	8.0	7.8	7.8
United States	10.9	9.2	5.8	6.5	6.8	6.7	6.7	6.6	7.0	8.0	7.4	7.7	7.9	8.3	8.8
Selected developing countries															
Brazil	27.6	28.9	41.9	43.7	44.4	43.1	43.0	38.9	36.8	40.1	38.0	39.7	40.4	40.1	39.7
Colombia	24.2	25.8	17.4	30.0	38.6	32.7	23.2	23.1	16.8	..	14.3	10.6	13.1	..	..
Egypt, Arab Republic of	10.8	9.8	10.3	12.7	10.7	15.8	13.3	13.2	14.8	..	11.9	9.5	..	..	..
India	27.8	5.6	-7.8	8.5	9.4	9.8	8.2	3.8	2.1	1.2	2.2	1.6	1.2	1.6	..
Indonesia	40.7	19.0	19.8	11.0	11.8	9.9	10.4	10.2	9.0	6.8	7.4	7.5	8.1	5.1	5.5
Iran	14.3	12.7	11.3	27.3	29.2	30.1	23.8	18.4	12.5	..	10.2	8.2	7.8	..	..
Ivory Coast	17.3	11.5	12.0	27.5	34.4	35.0	24.9	20.5	8.5	8.3	8.0	7.3	4.2	13.6	15.0
Kenya	12.0	19.0	11.4	15.9	13.5	19.3	21.1	23.6	18.8	12.8	17.0	16.8	16.0	14.3	8.0
Korea, Republic of	23.8	26.3	15.4	10.3	9.6	10.1	10.8	12.5	13.3	14.5	14.8	14.6	13.6	15.5	17.0
Malaysia	17.4	4.5	2.6	4.8	4.1	5.0	5.7	4.3	5.3	5.5	6.2	5.3	5.5	5.2	5.1
Mexico	22.5	16.8	16.1	26.4	27.3	30.0	22.6	18.5	17.4	16.7	17.1	17.9	16.5	15.4	15.1
Nigeria	12.5	33.7	22.0	21.5	19.8	26.3	27.7	29.3	30.0	..	27.9	..	..	..	..
Pakistan	26.6	20.9	7.2	10.1	10.6	10.5	7.2	4.5	5.6	8.2	7.1	8.5	8.1	8.1	..
Philippines	33.5	8.2	6.1	7.9	6.5	7.7	9.7	7.3	7.0	7.4	7.0	6.3	7.9	8.0	8.9
Thailand	23.4	4.1	5.0	8.4	8.3	10.9	9.2	9.0	9.1	9.4	9.8	9.7	9.1	9.5	10.5
Turkey	15.9	19.2	17.3	27.2	17.5	31.8	42.7	48.4	51.8	..	51.6	54.9	48.6	..	..
Industrialized countries															
	14.2	12.0	9.1	8.9	9.3	9.2	8.2	7.3	6.9	6.6	6.9	6.6	6.6	6.6	6.3
Developing countries by area															
Europe	18.6	18.3	15.3	22.2	19.3	24.8	26.8	26.4	27.1	..	27.1	27.7	25.5	..	..
Latin America and the Caribbean	44.2	38.2	47.1	41.0	41.7	41.0	38.0	35.3	37.3	..	37.7	38.2	39.5	..	..
North Africa and Middle East	18.6	6.7	11.4	22.4	15.2	21.6	34.1	31.0	..	..	..	..	..	..	..
Africa South of the Sahara	17.6	23.0	22.8	19.7	19.5	20.8	21.1	21.3	22.6	..	18.5	18.0	..	..	..
South Asia	23.0	8.3	-4.8	6.6	7.9	8.0	6.6	4.0	2.5	..	2.7	1.7	1.0	..	..
East Asia and Pacific	33.8	14.3	12.8	9.4	9.3	9.4	9.8	9.3	9.0	..	8.4	8.2	..	..	..
All developing countries	26.2	15.8	10.7	15.6	15.7	16.4	16.2	15.4	..	..	..	..	..	..	..
Price index (1970 = 100)															
Industrialized countries	137	154	168	183	182	184	187	189	194	196	195	195	196	197	196
Developing countries by area															
Europe	168	199	229	280	270	287	308	323	342	..	346	354	356	..	..
Latin America and the Caribbean	236	326	480	677	653	700	751	810	903	..	923	940	968	..	..
North Africa and Middle East	246	262	292	357	333	376	410	480	..	..	..	..	..	..	..
Africa South of the Sahara	144	177	218	261	256	271	278	287	313	..	320	310	..	..	..
South Asia	173	187	178	190	187	193	194	191	192	195	194	195	196	..	..
East Asia and Pacific	207	236	266	291	287	296	301	307	290	..	295	290	..	..	..
All developing countries	186	216	239	276	270	283	291	284	..	..	..	..	..	..	..

Sources: IMF, International Financial Statistics, and World Bank.

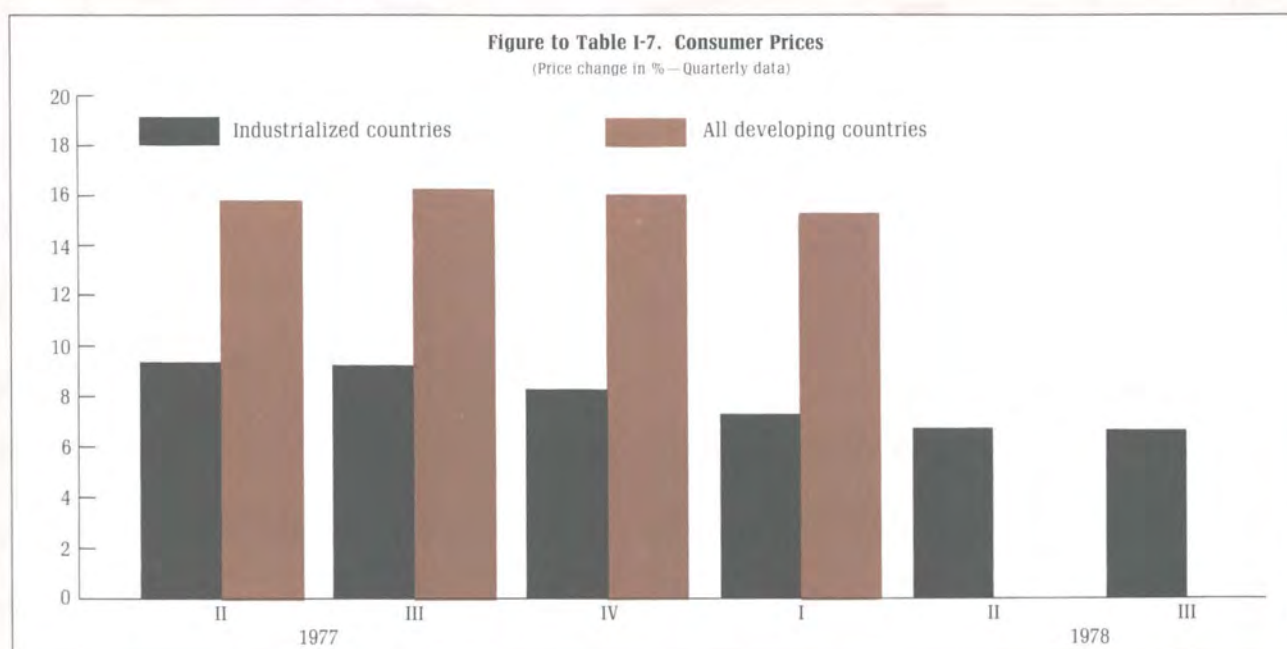
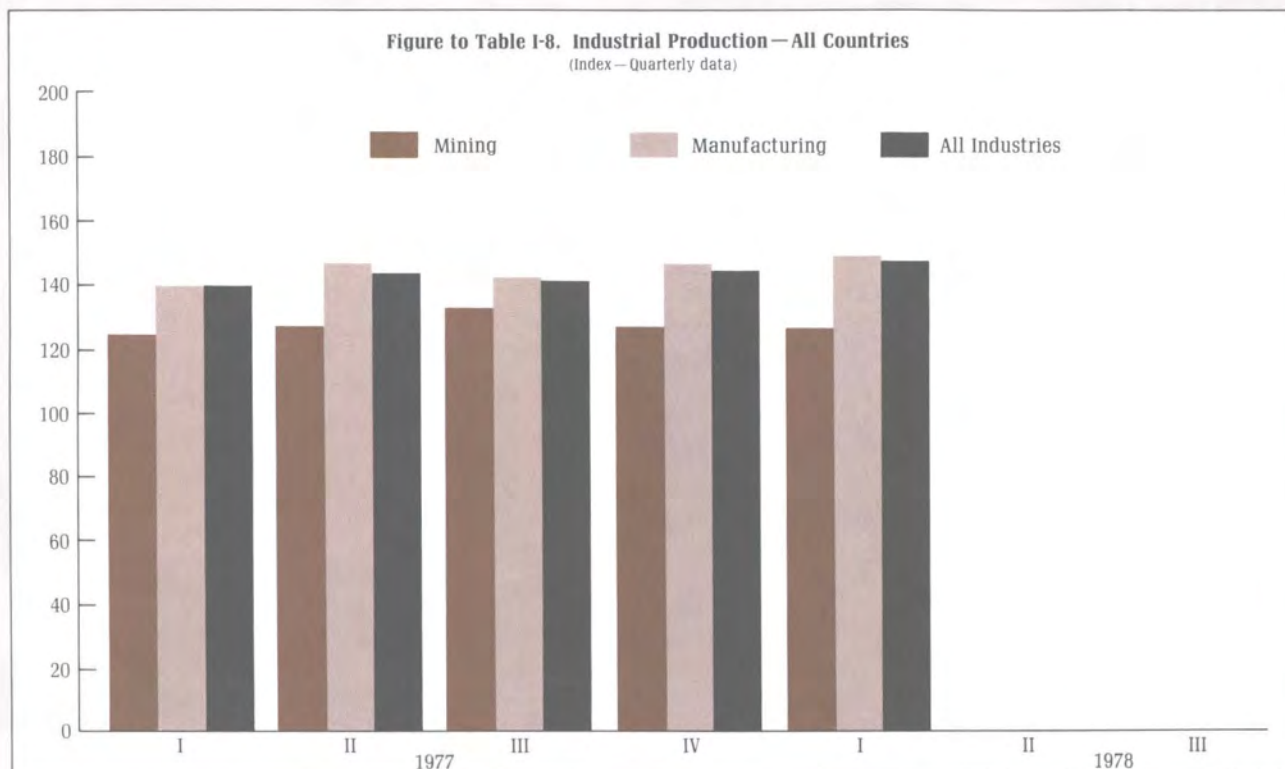


Table I-8. Industrial Production

Indicator	Annual data					Quarterly data							
	1970	1974	1975	1976	1977	1977 (unadjusted)				1978			
						I	II	III	IV	I	II	III	
Production of all countries						(Index)							
Mining	100	116	114	120	124	123	125	132	124	124	..	..
Manufacturing	100	128	126	136	143	140	145	141	145	147	..	..
All industries	100	127	125	135	142	140	143	140	144	146	..	..
Selected countries—industrial production						(Annual growth rate in %)							
France	6.4	2.9	-6.5	7.0	1.9	4.8	1.9	0.0	-1.8	0.0	0.9	..	
Germany, Federal Republic of	6.5	-2.3	-6.5	7.3	2.9	5.0	1.9	1.6	1.8	0.1	1.6	3.9	
Japan	13.8	-4.0	-12.3	11.1	4.1	8.3	4.3	2.0	2.1	4.0	6.1	..	
United Kingdom	0.2	-4.2	-4.9	2.0	3.8	5.6	3.6	4.7	1.5	1.4	5.0	..	
United States	-3.1	-0.4	-8.9	10.2	5.6	4.9	5.9	5.8	5.9	4.5	5.1	6.1	
Argentina	6.4	7.4	-3.1	-3.9	4.2	0.0	3.1	9.2	3.0	..	..	..
India	4.8	2.0	4.4	10.1	5.6	8.4	4.9	4.3	3.3	3.4	8.1	..	
Korea, Republic of	11.1	27.3	19.0	30.0	19.2	18.3	21.6	17.8	21.6	24.6	23.7	22.6	
Malaysia	7.9	11.2	0.0	15.4	8.7	14.4	8.2	5.5	7.1	6.2	..	..
Pakistan	13.9	7.4	-6.3	-0.5	0.1	-5.2	2.0	7.1	4.1	..	..	..
Tunisia	8.6	8.2	2.7	2.5	9.6	9.0	12.9	7.6	8.6	8.5	11.4	..	
Zambia	-3.2	8.4	-7.5	6.4	-2.7	-2.8	0.2	-5.8	-2.4	..	..	..
Selected commodities—world production													
Copper	4.7	1.9	-4.5	4.7	4.9	3.4	4.5	4.2	7.3	3.1	0.5	..	
Iron ore	9.6	4.2	2.3	3.9	-1.4	0.0	0.0	-1.6	-4.0	0.0	-0.8	..	
Tin	0.5	-2.7	-1.7	2.3	-0.5	4.9	-2.2	-4.2	-0.1	4.4	..	..
Lead	2.0	1.9	-4.6	-1.1	4.1	-1.9	-1.9	13.3	4.5	3.8	3.8	..	
Zinc	-3.7	0.6	-8.2	1.2	-0.9	-2.9	-3.7	-0.9	4.3	0.4	1.3	..	
Aluminum	7.8	9.0	-8.4	-2.2	5.5	8.1	6.5	6.8	4.9	4.2	3.9	..	
Steel	3.2	1.5	-9.2	5.4	3.5	8.3	4.9	1.2	1.8	1.3	5.6	..	
Cement	5.3	-0.3	5.6	1.3	-0.2	-1.1	1.1	-1.1	0.6	0.0	0.0	..	
Nitrogenous fertilizers	9.4	7.1	4.9	3.3	4.8	..	..	..	..	..	..	..
Motor vehicles	-1.5	-12.7	-3.9	14.9	-4.2	-8.5	-14.4	-2.1	6.1	23.6	4.6	..	
Cellulosic fibers	-3.4	1.5	-9.8	11.0	1.1	2.2	0.6	0.2	1.6	2.9	2.1	..	
Noncellulosic fibers	12.4	-2.4	-32.3	26.4	0.1	-2.8	0.1	1.3	1.9	2.2	2.0	..	
Electricity	7.4	2.9	2.9	6.3	2.6	3.5	3.5	4.2	-0.4	3.3	4.0	..	

Source: UN Monthly Bulletin of Statistics and IMF, International Financial Statistics.



II. ANNUAL DATA

Table II-1. Global Indicators — Population, Gross National Product (GNP), GNP per Capita
(Amounts)

Indicator	1970	1971	1972	1973	1974	1975	1976	1977(P)
Population								
Industrialized countries	651	657	663	669	675	679	684	688
Developing countries ¹				(Millions)				
High income	60	61	62	63	64	65	66	67
Upper middle income	223	228	233	239	243	249	254	260
Intermediate middle income	253	260	268	275	282	291	299	306
Lower middle income	214	220	226	232	238	244	250	257
Low income	1,096	1,122	1,145	1,171	1,197	1,226	1,253	1,280
TOTAL	1,847	1,891	1,933	1,979	2,024	2,074	2,122	2,170
Capital-surplus oil exporters	11	11	12	12	13	14	14	14
Centrally planned countries	1,112	1,128	1,144	1,161	1,177	1,194	1,211	1,227
All countries	3,620	3,688	3,752	3,822	3,889	3,961	4,031	4,101
Gross National Product (GNP)								
Industrialized countries	3,522	3,661	3,860	4,097	4,110	4,079	4,272	4,426
Developing countries ¹				(1976 US\$000 millions)				
High income	137	144	156	168	178	182	189	196
Upper middle income	238	260	285	317	343	357	386	406
Intermediate middle income	181	192	207	222	235	245	261	276
Lower middle income	70	76	78	84	92	95	101	105
Low income	163	168	169	178	183	194	201	212
TOTAL	789	840	895	969	1,031	1,073	1,138	1,194
Capital-surplus oil exporters	52	56	59	59	58	80	83	86
Centrally planned countries	1,022	1,069	1,101	1,190	1,237	1,284	1,324	1,383
All countries	5,385	5,626	5,916	6,315	6,436	6,516	6,817	7,090
GNP per capita								
Industrialized countries	5,413	5,571	5,819	6,121	6,092	6,003	6,248	6,432
Developing countries ¹				(in 1976 US\$)				
High income	2,275	2,362	2,517	2,662	2,775	2,803	2,881	2,918
Upper middle income	1,082	1,157	1,239	1,345	1,430	1,453	1,538	1,582
Intermediate middle income	714	738	775	808	833	844	875	899
Lower middle income	328	343	346	361	386	390	405	410
Low income	151	151	150	154	154	160	162	167
TOTAL	431	448	467	494	514	522	541	554
Capital-surplus oil exporters	4,804	4,999	4,995	4,800	4,572	6,014	6,044	6,177
Centrally planned countries	919	948	963	1,025	1,050	1,075	1,093	1,126
All countries	1,494	1,532	1,583	1,660	1,662	1,652	1,698	1,736

(P) Preliminary.

¹Excluding capital-surplus oil exporters.

Source: World Bank.

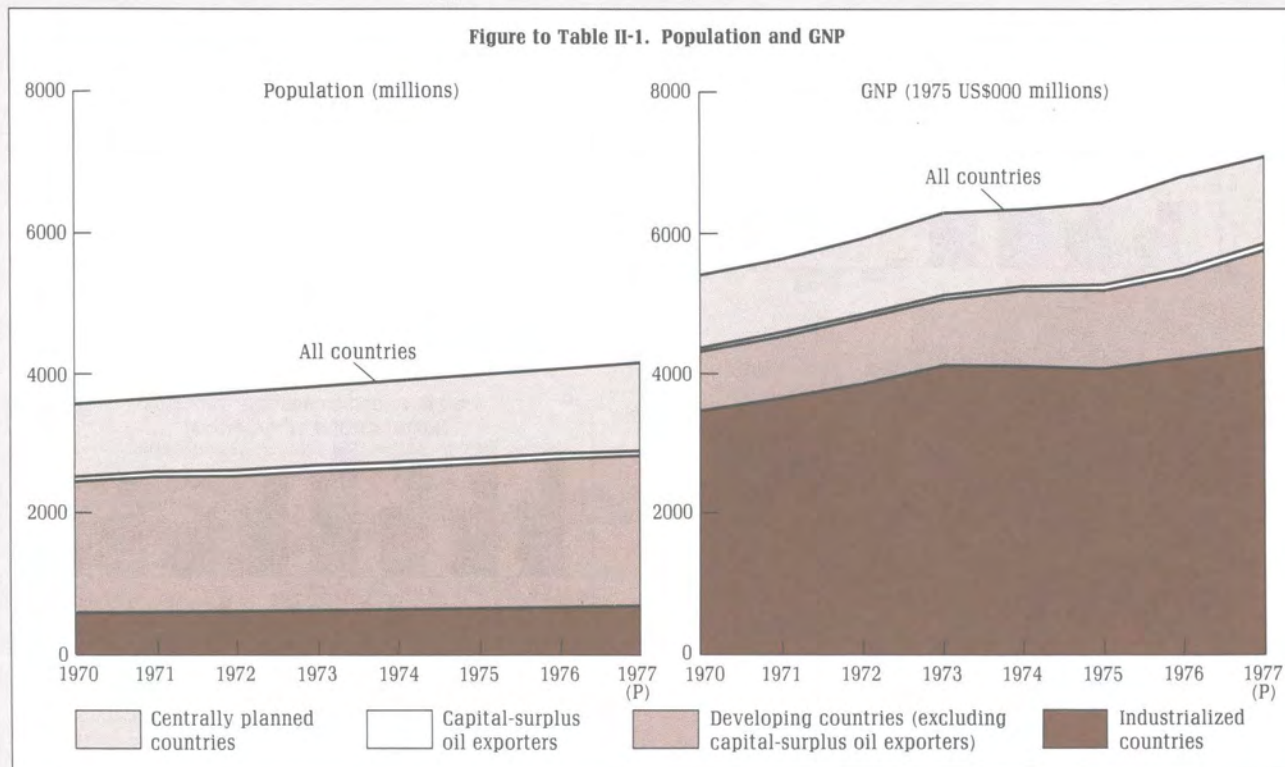


Table II-2. Global Indicators — Population, GNP, GNP per Capita
(Annual growth rates in percentages)

Indicator	1970	1971	1972	1973	1974	1975	1976	1977(P)
Population								
Industrialized countries	1.1	0.9	1.0	0.9	0.8	0.7	0.6	0.6
Developing countries ¹								
High income	1.5	1.6	1.5	1.6	1.5	1.5	1.5	1.5
Upper middle income	2.2	2.3	2.1	2.5	1.9	2.3	2.2	2.2
Intermediate middle income	2.8	2.8	2.8	2.8	2.7	2.8	2.8	2.7
Lower middle income	2.7	2.7	2.7	2.7	2.5	2.5	2.6	2.6
Low income	2.4	2.4	2.1	2.2	2.2	2.3	2.2	2.2
TOTAL	2.5	2.4	2.2	2.4	2.3	2.4	2.3	2.3
Capital-surplus oil exporters	3.9	3.9	4.0	4.0	4.1	4.2	3.4	1.8
Centrally planned countries	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4
All countries	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.7
Gross National Product (GNP)								
Industrialized countries	3.6	3.9	5.4	6.1	0.3	-0.8	4.7	3.6
Developing countries ¹								
High income	7.2	5.4	8.2	7.4	5.8	2.6	3.7	3.5
Upper middle income	7.9	9.3	9.4	11.2	8.3	3.9	8.1	5.1
Intermediate middle income	6.8	6.3	7.8	7.1	6.0	4.3	6.5	5.6
Lower middle income	9.6	7.6	3.4	7.3	9.5	3.7	6.5	3.8
Low income	6.4	2.7	0.9	5.4	2.4	6.1	3.5	5.3
TOTAL	7.4	6.4	6.6	8.2	6.4	4.1	6.0	4.9
Capital-surplus oil exporters	8.8	8.2	4.0	0.1	-0.8	37.1	3.9	3.9
Centrally planned countries	8.2	4.5	3.1	8.1	3.9	3.8	3.1	4.4
All countries	5.0	4.5	5.2	6.7	1.9	1.2	4.6	4.0
GNP per capita								
Industrialized countries	2.4	2.9	4.5	5.2	-0.5	-1.5	4.1	2.9
Developing countries ¹								
High income	5.6	3.8	6.6	5.8	4.2	1.0	2.1	2.0
Upper middle income	5.7	6.9	7.1	8.5	6.3	1.6	5.8	2.9
Intermediate middle income	3.9	3.4	5.0	4.3	3.1	1.3	3.7	2.7
Lower middle income	6.8	4.6	0.9	4.3	6.9	1.0	3.8	1.2
Low income	4.1	0.0	-0.7	2.7	0.0	3.9	1.3	3.1
TOTAL	4.6	3.9	4.2	5.8	4.0	1.6	3.6	2.4
Capital-surplus oil exporters	4.6	4.1	-0.1	-3.9	-4.3	31.5	0.5	2.2
Centrally planned countries	6.7	3.2	1.6	6.4	2.4	2.4	1.7	3.0
All countries	3.0	2.5	3.3	4.9	0.1	-0.6	2.8	2.2

(P) Preliminary.

¹Excluding capital-surplus oil exporters.
Source: World Bank.

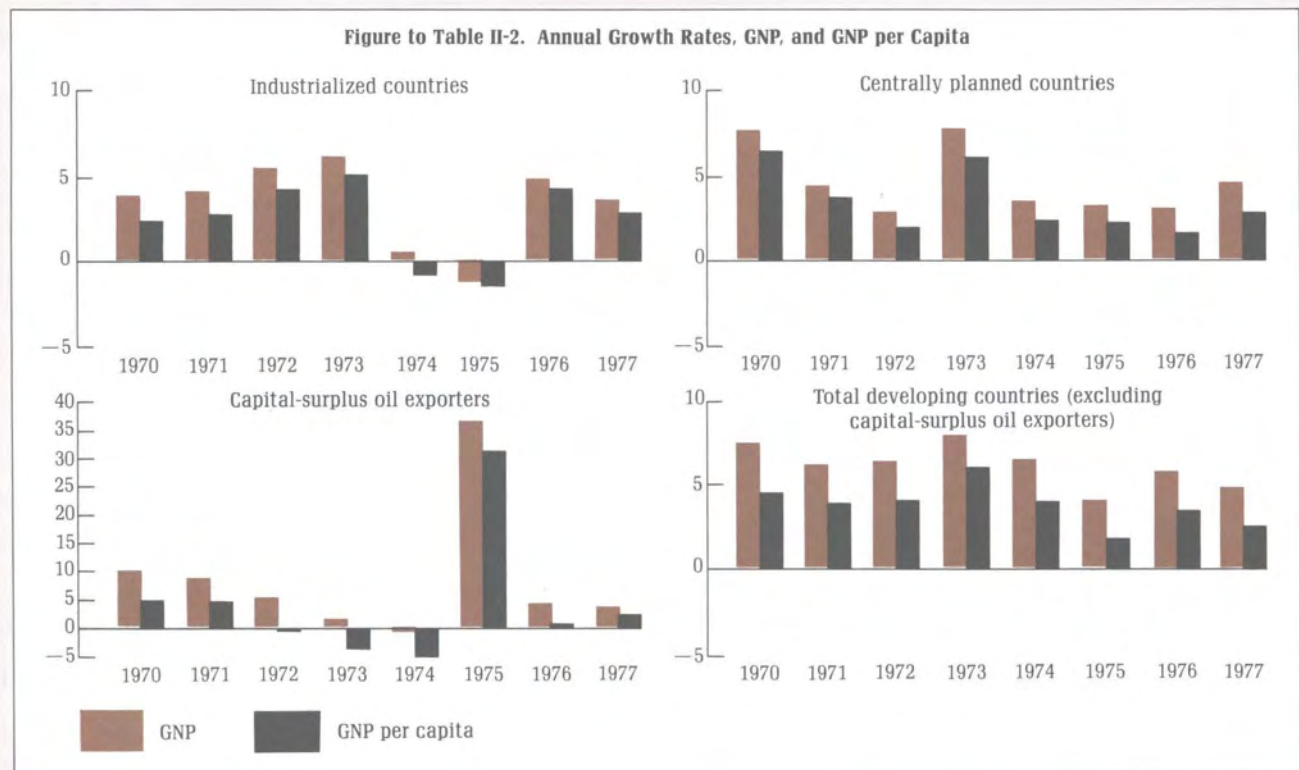


Table II-3. Global Indicators — Savings and Investment
(Percentages)

Indicator	1970	1971	1972	1973	1974	1975	1976
National savings (% share of GNP in 1976 US\$)							
Industrialized countries	24.6	24.5	24.6	25.5	24.0	21.5	21.7
Developing countries ¹							
High income	23.6	24.3	25.0	26.0	27.4	23.7	22.6
Upper middle income	20.9	21.7	22.9	26.5	27.6	24.5	25.4
Intermediate middle income	19.1	17.8	18.6	19.8	21.0	18.7	20.4
Lower middle income	14.2	14.5	15.6	19.5	27.2	22.1	24.2
Low income	10.7	11.6	9.2	9.3	9.5	13.6	15.7
TOTAL	17.9	18.2	18.6	20.5	22.1	20.7	21.9
Capital-surplus oil exporters	37.7	44.8	47.0	54.4	68.0	62.8	62.3
Investment, including stocks							
Industrialized countries	23.9	23.5	23.6	24.7	24.1	20.9	21.7
Developing countries ¹							
High income	26.6	25.9	26.9	28.6	27.7	27.4	26.2
Upper middle income	23.2	24.1	24.0	24.3	26.2	28.7	27.4
Intermediate middle income	22.4	21.6	20.5	21.5	25.7	25.0	24.4
Lower middle income	17.8	19.1	19.4	19.4	20.5	26.8	28.6
Low income	15.1	15.5	15.6	15.1	16.3	18.7	18.2
TOTAL	21.1	21.4	21.4	22.0	23.8	25.5	24.9
Capital-surplus oil exporters	18.4	15.6	17.9	19.5	14.2	14.9	15.8
National savings (Annual growth rate in %)							
Industrialized countries	4.0	3.6	5.9	10.0	-5.7	-11.1	5.7
Developing countries ¹							
High income	10.3	9.4	11.4	12.8	11.4	-18.4	7.5
Upper middle income	6.4	14.0	14.0	29.2	13.1	-8.4	12.6
Intermediate middle income	12.9	-2.9	11.8	15.8	11.4	-6.2	15.2
Lower middle income	13.8	11.1	10.9	33.6	52.8	-15.7	16.6
Low income	21.4	11.8	-18.4	6.5	4.8	52.0	20.2
TOTAL	12.8	8.5	9.2	19.2	14.6	-2.6	12.2
Capital-surplus oil exporters	2.1	22.5	9.2	20.4	27.1	14.7	8.0
Investment, including stocks							
Industrialized countries	4.1	2.1	5.9	11.1	-2.1	-13.9	8.7
Developing countries ¹							
High income	5.9	2.8	13.5	14.3	2.1	2.0	-2.0
Upper middle income	7.8	14.5	7.9	13.2	16.9	13.3	3.9
Intermediate middle income	11.1	2.5	2.4	14.3	25.0	1.7	4.9
Lower middle income	18.2	15.2	4.9	7.3	16.0	35.1	14.2
Low income	13.6	4.0	1.5	2.3	10.0	22.2	0.6
TOTAL	10.6	7.9	6.6	11.2	15.1	11.6	3.5
Capital-surplus oil exporters	-19.6	-12.5	19.3	13.4	-26.1	30.5	15.3

¹Excluding capital-surplus oil exporters.
Source: World Bank.

Figure to Table II-3. Savings and Investment

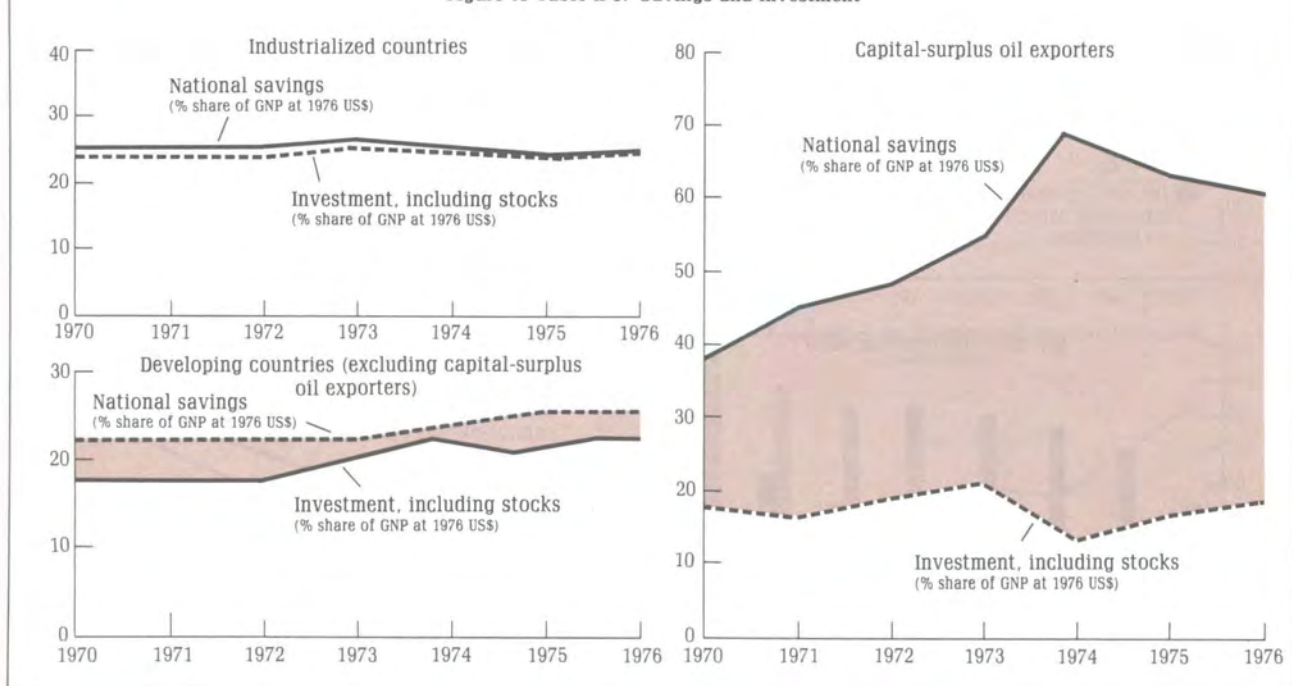


Table II-4. Global Indicators — Trade, International Reserves, Energy, Prices, GNP Deflators, Production
(Amounts)

Indicator	1970	1971	1972	1973	1974	1975	1976	1977(E)
Trade (US\$000 millions)								
Trade balances — Exports FOB less imports CIF								
Industrialized countries	-4.6	-4.4	-4.1	-7.6	-45.1	-10.4	-35.9	-39.7
Developing countries ¹	-13.9	-17.0	-15.6	-14.7	-14.2	-44.1	-24.9	-29.3
Capital-surplus oil exporters	5.1	6.8	7.5	11.0	47.3	37.9	45.8	39.3
Balance of payments — Current account balance								
Industrialized countries	5.5	7.6	6.7	9.3	-24.6	5.9	-12.1	-18.1
Developing countries ¹								
High income	-1.6	-0.5	-0.4	-1.0	-2.8	-4.5	-5.0	-4.6
Upper middle income	-2.3	-2.9	-1.4	0.1	2.9	-3.5	-3.3	-10.6
Intermediate middle income	-2.8	-3.3	-2.1	-1.8	-9.0	-14.1	-8.7	-9.0
Lower middle income	-0.9	-1.1	-0.8	0.5	5.3	-4.9	-4.4	-5.3
Low income	-1.8	-2.3	-1.5	-1.9	-1.5	-7.7	-3.3	-1.6
TOTAL	-9.4	-10.1	-6.0	-4.1	-5.1	-34.7	-24.8	-31.1
Capital-surplus oil exporters	3.0	2.4	2.6	5.8	33.4	25.4	29.8	26.9
International reserves (Reserves in US\$000 millions, ratios in percentages)								
Industrialized countries								
Total reserves	70.0	102.6	116.0	125.1	127.9	128.8	138.8	176.0
Ratio to imports of goods and nonfactor services (%)	26.3	34.8	33.3	26.3	19.4	19.2	18.2	20.4
Developing countries ¹								
Total reserves	20.8	26.6	37.4	51.9	72.1	69.5	84.0	102.8
Ratio to imports of goods and nonfactor services (%)	27.4	31.6	41.1	40.6	34.9	29.4	34.2	37.8
Capital-surplus oil exporters								
TOTAL	2.5	4.4	5.8	6.7	19.8	28.3	34.2	38.9
Ratio to imports of goods and nonfactor services (%)	82.4	131.1	122.1	81.3	136.6	125.8	107.0	88.0
Energy consumption² — Primary energy (Millions of barrels per day of oil equivalent)								
By source								
Petroleum	44.3	46.8	50.2	54.0	53.5	52.3	56.5	..
Natural gas	17.4	18.7	19.8	20.4	20.8	20.8	22.2	..
Solid fuels	33.1	32.8	33.4	34.3	34.9	36.1	37.1	..
Hydro and nuclear electricity	6.3	6.7	7.2	7.5	8.4	9.0	9.2	..
By income group								
Industrialized countries	62.0	63.4	67.0	69.7	68.9	67.2	70.8	..
Developing countries ¹	11.5	12.3	13.0	14.3	15.0	15.4	16.6	..
Capital-surplus oil exporters	0.3	0.4	0.4	0.5	0.5	0.6	0.8	..
Centrally planned economies	27.2	28.9	30.2	31.7	33.3	35.1	36.8	..
TOTAL	101.0	105.0	110.6	116.2	117.7	118.3	125.0	..

(E) Estimate.

¹ Excluding capital-surplus oil exporters.

² All countries.

Source: IMF, International Financial Statistics; UN Monthly Bulletin of Statistics; UN World Energy Supplies, Series I; and World Bank.

Figure to Table II-4. Balance of Payments, Reserves, Energy

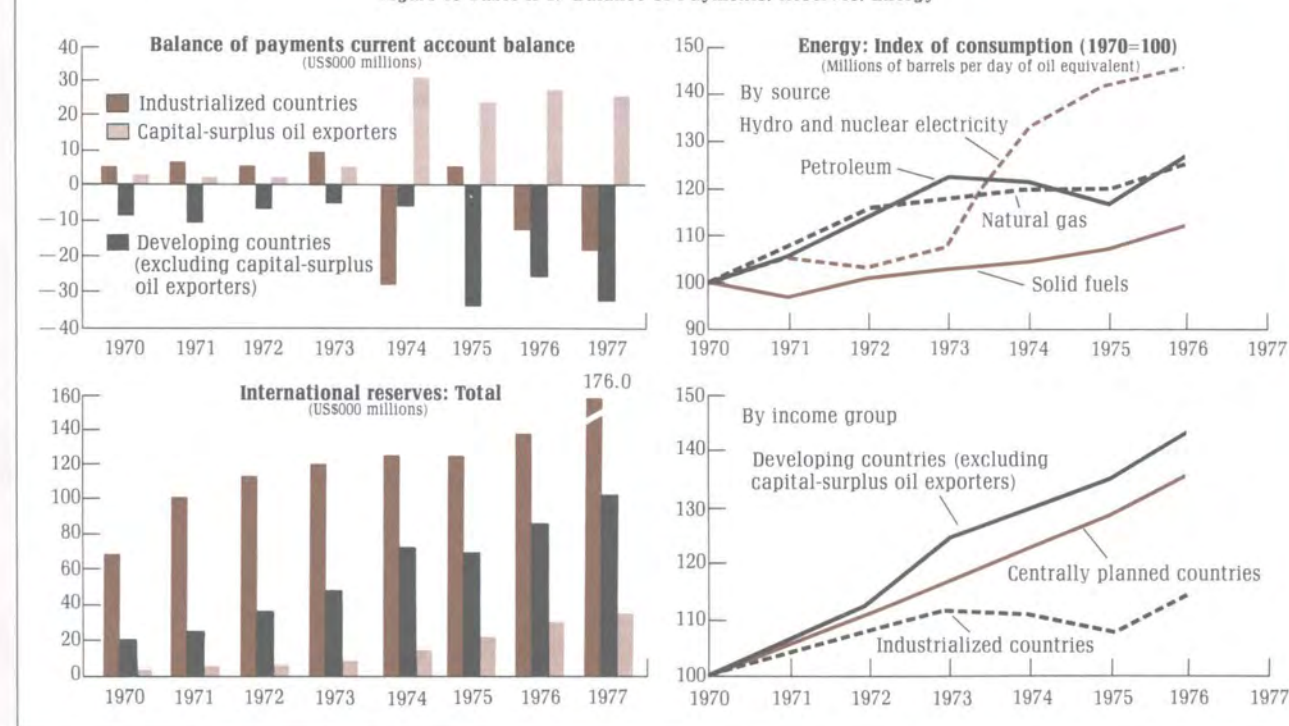


Table II-5. Global Indicators—Trade, International Reserves, Energy, Prices, GNP Deflators, Production
(Indices)

Indicator	1970	1971	1972	1973	1974	1975	1976	1977	1978(P)
Trade									
Export quantum index									
Industrialized countries	100	107	117	131	140	134	149	156	..
Developing countries	100	104	116	129	126	122	139	138	..
TOTAL	100	106	117	131	137	132	147	152	..
Terms of trade of developing countries									
All countries	100	104	102	112	156	140	146	149	..
Excluding capital-surplus oil exporters	100	96	95	101	97	88	87	..	..
Prices									
Export prices of primary producers									
Petroleum	12	16	18	25	91	100	107	116	119
Agriculture									
Food	58	55	60	88	122	100	126	180	150
Nonfood	63	63	64	107	118	100	128	129	141
Timber	46	48	60	117	106	100	137	139	142
Metals and minerals ¹	74	63	62	92	121	100	101	104	108
34 commodities ¹	63	58	61	93	121	100	119	149	136
GNP deflators									
Industrialized countries	100	106	112	120	134	149	160	171	..
Developing countries ¹									
High income	100	106	114	132	183	189	209	233	..
Upper middle income	100	116	139	173	231	311	456	632	..
Intermediate middle income	100	108	121	148	205	245	299	367	..
Lower middle income	100	106	113	127	162	176	190	205	..
Low income	100	104	114	135	168	176	192	210	..
TOTAL	100	110	125	152	204	249	318	367	..
Capital-surplus oil exporters	100	119	134	188	464	437	480	529	..
Production—agricultural and industrial commodities									
Food per capita									
Industrialized countries	100	103	102	107	107	108	109	110	113
Developing countries	100	100	97	99	99	102	102	103	103
Total food	100	103	103	108	110	114	116	118	122
All agriculture	100	103	103	108	110	113	115	118	121
Mining	100	103	107	114	116	114	120	124	..
Manufacturing	100	104	112	123	128	126	136	143	..
All industry	100	104	112	122	127	125	135	142	..

(P) Preliminary.

¹ Excluding capital-surplus oil exporters.

Sources: UN Monthly Bulletin of Statistics and World Bank.

Figure to Table II-5. Trade, Export Prices, and Production Indices

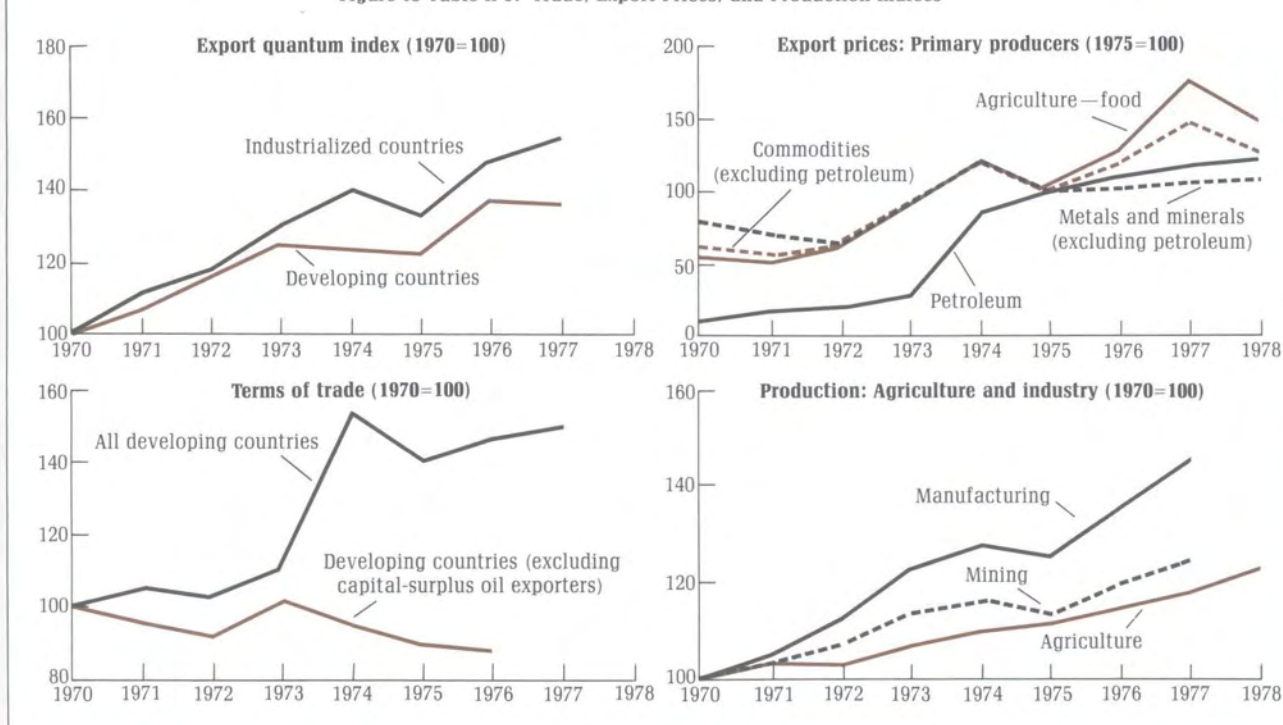


Table II-6. 96 Developing Countries— External Public Debt Outstanding, Total (including Undisbursed) and Disbursed Only
(US\$000 millions)

Indicator	Total (including undisbursed)						Disbursed only					
	1970	1973	1974	1975	1975	1977(E)	1970	1973	1974	1975	1976	1977(E)
Developing countries¹												
High income												
Official creditors	3.3	5.4	6.1	6.9	8.9	10.2	2.5	4.3	5.0	5.8	6.8	7.9
Private creditors	3.4	6.9	8.7	9.7	13.4	17.5	2.9	5.7	7.4	8.6	11.7	16.1
TOTAL	6.6	12.3	14.8	16.6	22.3	27.7	5.4	10.0	12.4	14.4	18.6	24.0
Upper middle income												
Official creditors	9.0	14.9	16.8	17.3	19.2	20.4	5.8	9.3	10.5	11.3	12.2	13.2
Private creditors	6.4	10.9	13.4	15.9	21.4	28.7	4.5	9.0	10.4	12.3	17.6	24.1
TOTAL	15.5	25.8	30.2	33.2	40.6	49.1	10.3	18.3	20.9	23.6	29.7	37.3
Intermediate middle income												
Official creditors	13.4	22.2	26.6	30.0	37.0	42.0	9.1	14.3	17.1	19.4	22.3	26.3
Private creditors	8.3	16.4	23.4	31.8	40.8	52.0	6.6	12.5	16.9	23.1	30.7	40.2
TOTAL	21.7	38.6	50.0	62.5	77.8	94.0	15.7	26.8	34.0	42.5	53.0	66.5
Lower middle income												
Official creditors	4.5	7.6	10.2	11.7	14.3	16.9	2.9	4.6	5.6	6.6	8.0	10.2
Private creditors	1.6	2.6	3.5	4.6	6.6	8.5	1.5	2.1	2.6	3.4	4.9	6.6
TOTAL	6.1	10.2	13.7	16.3	20.9	25.4	4.4	6.7	8.2	10.0	12.9	16.8
Low income												
Official creditors	22.3	33.0	40.9	48.1	55.0	65.6	16.6	24.5	28.2	33.1	38.4	44.9
Private creditors	2.9	5.1	7.7	9.5	10.7	10.9	2.0	3.5	4.9	6.6	7.9	8.9
TOTAL	25.2	38.1	48.6	57.6	65.7	76.5	18.6	28.0	33.1	39.7	46.3	53.8
All 96 developing countries												
Official creditors	52.5	83.1	100.4	114.9	134.5	155.0	36.8	57.0	66.1	76.3	87.8	102.5
Private creditors	22.6	41.9	56.8	71.4	92.9	117.6	17.5	32.8	42.3	54.0	72.7	95.9
TOTAL	75.1	125.0	157.2	186.3	227.4	272.6	54.3	89.8	108.4	130.3	160.5	198.4

(E) Estimate.

¹ Excluding capital-surplus oil exporters.

Source: World Bank.

Table II-7. External Public Debt — Disbursements, Net Flow, and Debt Service Payments
(Amounts in US\$000 millions)

Indicator	1970	1971	1972	1973	1974	1975	1976
Developing countries¹							
High income							
Disbursements	1.4	1.9	2.3	2.5	3.1	3.7	4.5
Net flow	1.0	1.2	1.6	1.5	1.9	2.2	3.3
Amortization	0.3	0.6	0.7	1.0	1.3	1.5	1.3
Interest payments	0.2	0.2	0.4	0.5	0.6	0.8	0.8
Debt service ratio (%)	4.4	5.4	5.5	5.4	4.5	5.3	4.7
Upper middle income							
Disbursements	2.8	3.0	4.3	5.5	5.5	6.1	8.7
Net flow	1.6	1.6	2.3	3.2	2.3	3.4	5.9
Amortization	1.3	1.3	1.8	2.3	3.2	2.8	2.7
Interest payments	0.5	0.6	0.6	0.6	1.3	1.4	1.7
Debt service ratio (%)	12.2	11.6	11.7	9.9	7.3	6.7	8.4
Intermediate middle income							
Disbursements	3.3	3.7	4.6	7.8	8.9	12.0	14.6
Net flow	1.8	2.1	2.7	5.2	6.0	9.1	10.6
Amortization	1.5	1.6	1.9	2.6	2.9	2.9	4.0
Interest payments	0.6	0.7	0.8	1.2	1.7	2.3	3.0
Debt service ratio (%)	12.0	12.6	11.7	11.1	9.6	10.6	13.3
Lower middle income							
Disbursements	1.0	0.8	1.1	1.2	1.9	2.9	3.7
Net flow	0.7	0.4	0.7	0.4	1.2	2.1	2.9
Amortization	0.3	0.3	0.4	0.9	0.6	0.8	0.9
Interest payments	0.2	0.2	0.2	0.3	0.3	0.5	0.5
Debt service ratio (%)	5.9	6.4	6.6	8.0	3.7	5.5	5.6
Low income							
Disbursements	2.6	3.0	3.2	4.2	6.1	10.0	8.6
Net flow	1.7	2.0	2.1	2.7	4.5	8.1	6.4
Amortization	0.9	0.9	1.1	1.5	1.6	2.0	2.2
Interest payments	0.4	0.4	0.5	0.6	0.7	0.8	1.1
Debt service ratio (%)	14.5	14.8	15.3	14.1	10.1	12.4	18.0
All 96 developing countries							
Disbursements	11.1	12.3	15.5	21.3	25.5	34.7	40.2
Net flow	6.8	7.4	9.4	13.1	15.9	24.8	29.0
Amortization	4.3	4.9	6.1	8.3	9.7	9.9	11.2
Interest payments	1.9	2.2	2.6	3.5	4.5	5.8	7.1
Debt service ratio (%)	10.0	10.2	10.1	9.5	7.1	7.9	9.5

¹ Excluding capital-surplus oil exporters.

Source: World Bank.

Table II-8. External Public Debt — Commitments by Type of Creditor and Income Group
(US\$000 millions)

Indicator	1970	1972	1973	1974	1975	1976	1977(E)
Developing countries¹							
High income							
International organizations	0.1	0.2	0.1	0.1	0.3	0.1	0.1
Loans from governments	0.5	0.8	0.6	0.8	1.3	2.2	1.6
Total official	0.6	1.0	0.7	0.9	1.6	2.3	1.7
Financial markets	1.2	1.3	1.6	2.2	1.9	3.6	4.7
Suppliers credits	0.1	0.4	0.3	0.3	0.2	0.1	0.2
Total private	1.3	1.7	1.9	2.5	2.1	3.7	4.9
TOTAL	1.9	2.7	2.6	3.4	3.7	6.0	6.6
Upper middle income							
International organizations	0.7	1.0	0.9	0.9	1.3	1.3	1.7
Loans from governments	0.9	1.8	1.9	1.8	0.8	1.7	0.7
Total official	1.6	2.8	2.8	2.7	2.1	3.0	2.4
Financial markets	0.7	2.3	2.4	4.0	3.9	6.0	7.3
Suppliers credits	1.3	0.5	0.5	0.8	0.7	1.4	2.7
Total private	2.0	2.7	2.9	4.8	4.6	7.4	10.0
TOTAL	3.6	5.5	5.7	7.5	6.6	10.4	12.4
Intermediate middle income							
International organizations	1.0	2.1	1.6	2.3	2.3	3.0	2.9
Loans from governments	1.1	2.2	2.5	2.7	3.2	4.5	2.8
Total official	2.1	3.4	4.1	5.0	5.5	7.5	5.7
Financial markets	1.0	2.1	5.9	6.4	8.0	10.2	12.2
Suppliers credits	1.0	0.7	0.9	1.8	3.2	2.4	3.0
Total private	2.0	2.8	6.8	8.2	11.2	12.6	15.2
TOTAL	4.1	6.2	10.8	13.2	16.6	20.1	20.9
Lower middle income							
International organizations	0.3	0.6	0.8	1.1	1.1	1.4	1.6
Loans from governments	0.6	0.7	0.6	1.4	1.2	1.6	1.4
Total official	0.9	1.3	1.4	2.5	2.3	2.9	3.0
Financial markets	0.1	0.2	0.4	1.0	1.3	2.4	2.2
Suppliers credits	0.4	0.2	0.2	0.2	0.4	0.2	0.3
Total private	0.5	0.4	0.6	1.2	1.7	2.6	2.5
TOTAL	1.4	1.7	2.1	3.8	4.0	5.5	5.5
Low income							
International organizations	0.8	0.9	1.5	2.4	3.0	2.8	5.5
Loans from governments	2.4	2.3	3.3	5.7	6.8	4.9	5.4
Total official	3.2	3.2	4.8	8.1	9.8	7.7	10.9
Financial markets	0.1	0.4	1.3	1.0	2.5	1.4	1.0
Suppliers credits	0.5	0.5	0.8	2.1	0.6	1.1	0.9
Total private	0.6	0.9	2.1	3.1	3.1	2.5	1.9
TOTAL	3.8	4.1	6.9	11.2	12.9	10.2	12.8
All 96 developing countries							
International organizations	2.9	3.8	5.0	6.9	8.0	8.6	11.8
Loans from governments	5.5	7.8	8.9	12.4	13.3	14.7	11.8
Total official	8.4	11.6	13.9	19.3	21.3	23.3	23.6
Financial markets	3.2	6.3	11.6	14.5	17.6	23.5	27.5
Suppliers credits	3.2	2.3	2.6	5.3	5.0	5.3	7.1
Total private	6.4	8.6	14.2	19.8	22.6	28.8	34.6
TOTAL	14.8	20.2	28.1	39.1	43.9	52.1	58.2

(E) Estimate.

¹ Excluding capital-surplus oil exporters.
Source: World Bank.

Table II-9. Energy — Production and Consumption

Indicator	1970	1971	1972	1973	1974	1975	1976
Petroleum	(Millions of barrels per day)						
Production							
Industrialized countries	13.3	13.4	13.8	13.8	13.2	12.7	12.6
Developing countries ¹	15.8	16.8	17.7	20.0	20.0	18.8	20.1
Capital-surplus oil exporters	11.4	12.3	13.4	15.1	15.0	13.0	15.4
Centrally planned countries	7.7	8.4	9.1	9.8	10.7	11.6	12.4
TOTAL	48.2	50.9	54.0	58.7	58.9	56.1	60.5
Consumption							
Industrialized countries	30.5	31.7	34.1	36.1	34.6	32.6	35.1
Developing countries ¹	6.8	7.4	7.7	8.8	9.0	9.0	9.8
Capital-surplus oil exporters	0.2	0.2	0.2	0.3	0.3	0.3	0.5
Centrally planned countries	6.8	7.4	8.1	8.8	9.6	10.3	11.0
TOTAL	44.3	46.7	50.1	54.0	53.5	52.2	56.4

(continued)

Table II-9. Energy — Production and Consumption (continued)

Indicator	1970	1971	1972	1973	1974	1975	1976
Natural gas							
(Thousand million cubic meters)							
Production							
Industrialized countries	803.1	852.4	890.2	912.1	893.4	862.7	879.3
Developing countries ¹	95.7	100.4	111.3	123.1	134.1	141.8	155.5
Capital-surplus oil exporters	8.4	10.3	13.4	17.1	18.4	19.3	19.7
Centrally planned countries	204.7	225.9	236.4	253.1	278.0	307.9	341.9
TOTAL	1,111.9	1,189.0	1,251.3	1,305.4	1,323.9	1,331.7	1,396.4
Consumption							
Industrialized countries	793.2	845.6	891.5	905.9	901.9	869.9	910.5
Developing countries ¹	88.8	89.4	97.6	107.4	115.2	119.4	131.6
Capital-surplus oil exporters	8.4	9.8	10.9	13.7	15.4	15.5	15.5
Centrally planned countries	205.5	231.9	244.7	260.8	279.1	306.3	338.5
TOTAL	1,095.9	1,176.7	1,244.7	1,287.0	1,311.6	1,311.1	1,396.1
Solid fuels							
(Millions of metric tons of coal equivalent)							
Production							
Industrialized countries	1,066.5	1,012.3	1,015.5	1,010.9	999.6	1,061.9	1,081.2
Developing countries ¹	158.3	160.9	164.9	170.9	183.6	201.1	204.5
Capital-surplus oil exporters	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Centrally planned countries	1,248.5	1,299.1	1,326.9	1,372.5	1,408.2	1,462.0	1,488.3
TOTAL	2,473.3	2,472.7	2,506.9	2,554.3	2,591.4	2,725.0	2,744.0
Consumption							
Industrialized countries	1,089.0	1,014.5	1,028.0	1,043.6	1,050.8	1,070.7	1,108.9
Developing countries ¹	170.5	175.5	179.7	190.7	200.3	217.3	222.6
Capital-surplus oil exporters	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Centrally planned countries	1,214.9	1,264.0	1,293.2	1,332.6	1,362.7	1,416.7	1,443.0
TOTAL	2,474.4	2,454.0	2,500.9	2,566.9	2,613.8	2,704.7	2,774.5

¹ Excluding capital-surplus oil exporters.

Sources: UN World Energy Supplies, Series J., and World Bank.

Figure to Table II-9. Energy — Production and Consumption

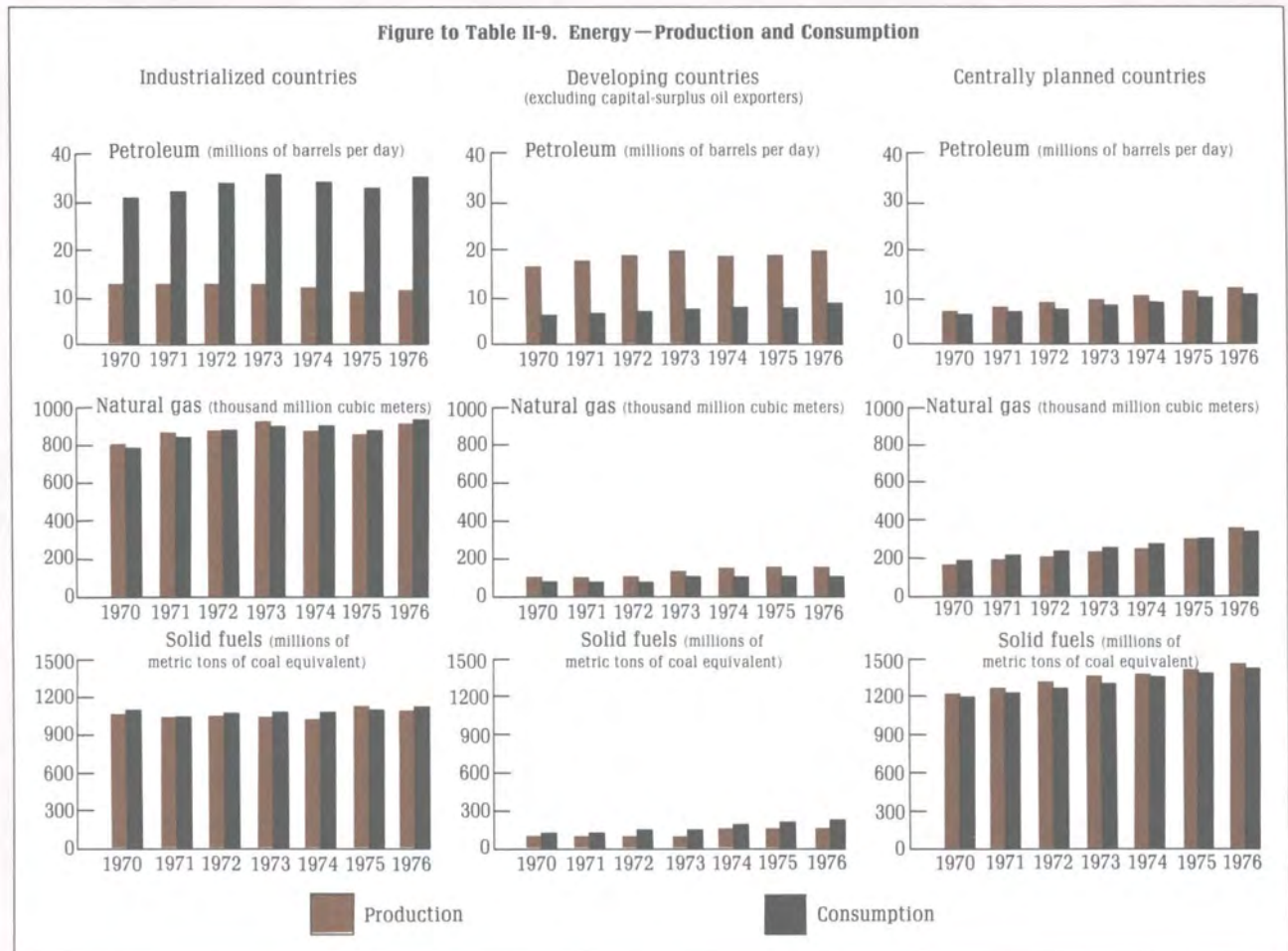


Table II-10. Agricultural Production

Indicator	1970	1971	1972	1973	1974	1975	1976	1977	1978(E)
Food per capita									
	(Index)								
Industrialized countries									
North America	100	107	105	105	105	112	115	118	118
Western Europe	100	102	100	103	108	107	106	106	110
Oceania	100	103	101	112	104	112	117	111	116
Other industrialized	100	94	100	97	100	102	94	100	98
TOTAL	100	103	102	107	107	108	109	110	113
Developing countries									
Africa	100	99	97	92	95	93	94	90	90
Latin America	100	97	96	96	99	100	102	102	102
Near East	100	101	105	97	103	105	107	102	102
Far East	100	97	93	99	94	100	98	101	101
Other developing	100	99	98	99	99	100	98	98	95
TOTAL	100	100	97	99	99	102	102	103	103
Centrally planned countries	100	102	100	107	106	105	107	107	110
All countries	100	101	99	102	102	103	103	104	105
Total food	100	103	103	108	110	114	116	118	122
All agriculture	100	103	103	108	110	113	115	118	121
Selected agricultural commodities									
	(Annual growth rate in %)								
Wheat	1.4	11.1	-2.0	8.3	-4.3	-1.5	17.8	-7.5	..
Rice	4.1	0.4	-4.1	9.2	-1.0	12.4	-2.6	4.7	..
Coarse grains	-0.4	11.6	-2.9	6.5	-3.4	-0.7	8.5	0.6	..
Meat	2.9	2.6	1.4	0.3	8.7	-0.8	1.4	2.1	..
Eggs	3.9	2.8	2.8	0.9	-2.7	2.2	2.1	3.3	..
Milk	-1.7	0.8	2.3	1.7	1.7	1.4	1.9	2.8	..
Sugar (centrifugal, raw)	10.4	0.8	-2.1	6.1	-0.2	4.5	5.9	7.5	..
Coffee	-10.5	18.8	-2.0	-8.6	15.5	-6.0	-18.0	18.6	..
Cocoa	7.0	5.8	-6.9	-6.5	8.2	2.1	-11.3	3.4	..
Tea	4.1	0.8	8.7	3.8	2.2	3.8	1.7	7.7	..
Tobacco	1.2	-3.0	7.3	1.2	7.6	2.7	4.3	-0.6	..
Cotton	2.9	10.4	5.0	0.3	2.2	-15.9	7.0	12.2	..
Jute and jute-like fibers	-6.3	-9.2	12.6	15.6	-32.4	-1.0	10.9	7.1	..
Rubber	3.6	-0.5	1.1	12.3	-1.7	-3.8	7.5	0.8	..

(E) Estimate.

Sources: Food and Agriculture Organization (FAO), The State of Food and Agriculture, and World Bank.

Figure to Table II-10. Agricultural Production—Selected Commodities

(Annual growth rate in %)

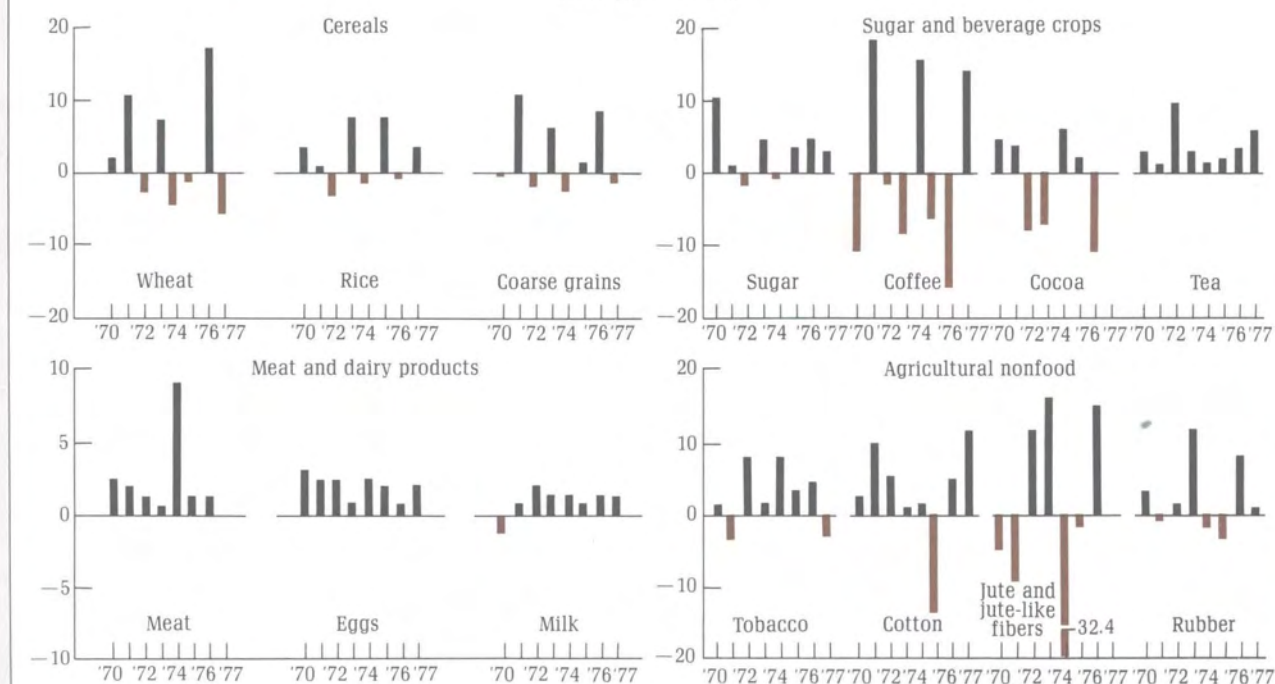


Table II-11. Social Indicators—by Income Group
(Adjusted country group averages)

Indicator	Developing countries ¹								
	Low income			Lower middle income			Intermediate middle income		
	1960	1970	Most recent estimate	1960	1970	Most recent estimate	1960	1970	Most recent estimate
GNP per capita (in current US\$)	67.4	107.4	162.0	136.1	239.6	398.6	225.6	410.9	817.9
Population									
Growth rate (%)—total	2.2	2.4	2.4	2.7	2.7	2.6	2.7	2.7	2.5
—urban	5.3	4.7	4.7	4.7	4.4	9.8	5.4	4.9	5.1
Urban population (% of total)	10.4	14.0	14.8	17.7	21.6	26.1	33.7	41.4	46.1
Vital statistics									
Crude birth rate (per 1000)	47.5	46.9	45.2	47.1	45.5	42.6	44.6	41.2	38.2
Crude death rate (per 1000)	26.1	21.7	18.2	21.4	16.1	12.7	18.6	13.5	11.1
Gross reproduction rate	2.9	3.1	3.1	3.4	3.2	3.3	3.0	2.8	2.6
Employment and income									
Dependency ratio—age	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
—economic	1.0	1.1	1.1	1.3	1.4	1.4	1.6	1.6	1.5
Labor force in agriculture (% of total)	65.4	62.0	59.3	70.4	65.9	62.5	62.8	54.5	47.0
Unemployed (% of labor force)	4.7	4.0	3.1	6.3	8.4	5.3	6.1	6.0	5.8
Income received by—highest 5%	24.5	23.3	20.3	25.1	23.1	25.5	31.5	27.0	19.3
—lowest 20%	4.6	5.1	6.5	4.8	4.9	4.8	4.4	3.9	5.7
Health and nutrition									
Death rate (per 1000), ages 1-4 years	43.6	33.0	33.0	9.3	6.8	7.5	8.5	3.6	2.7
Infant mortality rate (per 1000), 0-12 months	129.0	121.3	102.8	84.6	79.9	58.4	88.6	65.8	55.0
Life expectancy at birth (years)	39.2	43.8	46.0	45.0	50.8	53.2	51.1	57.0	59.1
Population per—physician	21,790.7	15,219.9	13,235.9	16,767.4	11,977.3	10,586.0	3,299.7	2,549.2	2,412.7
—nursing person	8,472.3	5,215.0	4,830.9	4,078.2	1,921.9	1,683.8	3,394.0	2,205.1	1,502.1
—hospital bed	1,386.7	1,267.8	1,236.2	1,037.6	815.3	793.1	721.8	629.2	507.1
Per capita per day supply of:									
Calories (% of requirements)	89.8	91.5	94.5	85.1	93.3	102.3	94.4	101.8	103.9
Protein (grams)—total	50.5	51.6	53.9	47.4	53.0	56.9	54.4	58.7	60.6
— from animals and pulses	14.9	14.4	16.4	17.7	18.1	18.8	21.8	22.1	23.0
Education									
Adjusted enrollment ratio—primary	37.4	48.4	59.0	60.7	74.0	92.7	77.8	95.3	99.9
—secondary	4.8	10.3	13.9	4.8	12.7	22.6	14.5	26.7	29.4
Female enrollment ratio (primary)	34.6	39.0	43.3	45.6	75.0	77.5	65.8	87.8	87.6
Adult literacy rate (%)	24.4	32.0	33.8	41.0	60.0	63.0	49.8	57.8	62.3
Housing									
Persons per room—urban	2.5	2.0	2.8	2.6	2.5	2.2	2.3	2.2	1.6
Occupied dwellings without water	62.2	69.8	..	68.7	64.6	67.8	74.6	64.2	58.9
Access to electricity (%)—all	..	..	..	17.3	23.3	40.4	28.4	49.6	71.9
—rural	..	..	..	..	..	..	5.6	26.7	34.1
Consumption									
Radio receivers (per 1000 population)	4.5	14.4	23.1	11.9	62.3	70.4	48.8	96.2	102.6
Passenger cars (per 1000 population)	1.3	2.5	3.0	3.0	6.5	8.6	4.2	7.5	11.1
Energy (kg. coal/yr per capita)	62.0	83.4	104.8	99.6	220.1	265.2	258.7	489.2	586.2
Newsprint (kg./yr per capita)	0.2	0.4	0.3	0.6	0.8	0.8	1.1	1.8	2.4

Indicator	Developing Countries ¹									Industrialized countries		
	Upper middle income			High income			Capital-surplus oil exporters			1960	1970	Most recent estimate
	1960	1970	Most recent estimate	1960	1970	Most recent estimate	1960	1970	Most recent estimate			
GNP per capita (in current US\$)	401.2	817.1	1,648.7	689.4	1,564.2	2,911.1	1,054.3	2,858.9	5,710.5	1,417.4	3,096.8	5,297.7
Population												
Growth rate (%)—total	1.6	1.3	1.5	2.1	3.1	2.9	4.5	2.4	2.7	0.9	0.9	0.9
—urban	3.3	3.4	2.8	4.5	3.9	3.5	..	5.8	6.8	1.6	1.3	1.3
Urban population (% of total)	43.4	51.1	53.1	63.0	82.1	88.6	24.6	20.0	39.0	66.1	70.5	73.8
Vital statistics												
Crude birth rate (per 1000)	26.2	28.5	20.8	41.7	37.4	33.6	48.3	49.4	45.0	21.3	20.0	18.7
Crude death rate (per 1000)	10.4	9.1	8.9	9.6	8.3	8.0	21.2	22.8	14.7	9.7	9.0	8.8
Gross reproduction rate	1.7	1.8	1.8	2.3	2.5	1.8	..	3.5	3.3	1.3	1.3	1.2
Employment and income												
Dependency ratio—age	0.7	0.7	0.6	0.8	0.8	0.6	0.9	0.9	0.9	0.5	0.6	0.4
—economic	1.3	1.7	1.6	1.2	1.2	1.8	1.8	1.7	1.7	0.9	0.9	0.8
Labor force in agriculture (% of total)	48.5	42.5	36.3	26.1	17.8	21.0	54.7	44.5	29.0	19.8	13.2	10.0
Unemployed (% of labor force)	7.4	3.3	4.0	9.0	5.4	5.1	7.4	2.0	3.0	2.1	1.5	1.9
Income received by—highest 5%	32.5	28.2	21.3	18.9	16.1	..	13.3	..	..	19.3	14.0	15.5
—lowest 20%	4.2	3.8	4.7	5.8	6.6	..	10.1	..	..	4.2	7.0	5.7

(continued)

Table II-11. Social Indicators—by Income Group (continued)
(Adjusted country group averages)

Indicator	Developing Countries ¹						Capital-surplus oil exporters			Industrialized countries		
	Upper middle income			High income			1960	1970	Most recent estimate	1960	1970	Most recent estimate
	1960	1970	Most recent estimate	1960	1970	Most recent estimate						
Health and nutrition												
Death rate (per 1000), ages 1-4 years	4.8	2.9	1.9	..	1.3	..	..	3.6	3.6	1.2	0.9	0.8
Infant mortality rate (per 1000), 0-12 months	74.4	51.3	37.9	44.9	27.8	23.2	..	134.3	80.3	27.9	17.0	15.0
Life expectancy at birth (years)	64.6	67.3	68.4	66.2	64.0	68.2	45.4	44.9	52.9	69.5	71.4	72.5
Population per—physician	1,625.8	967.5	718.2	1,117.5	888.9	756.9	9,833.7	6,323.4	1,260.0	895.2	825.6	656.0
—nursing person	1,690.7	1,279.6	1,028.5	1,165.0	605.9	683.5	5,140.0	2,856.8	460.0	279.6	194.6	167.1
—hospital bed	209.9	180.4	185.8	170.0	162.5	170.0	1,093.2	727.5	230.0	96.1	86.0	81.9
Per capita per day supply of:												
Calories (% of requirements)	104.5	114.4	111.5	106.3	107.2	113.6	83.9	90.3	104.9	118.7	118.7	119.5
Protein (grams)—total	75.5	84.9	77.8	78.5	79.2	89.9	53.6	57.0	65.1	90.3	94.1	94.8
—from animals and pulses	27.0	29.0	27.5	33.0	40.1	48.0	11.0	14.8	18.2	49.7	55.0	54.9
Education												
Adjusted enrollment ratio—primary	94.6	97.9	95.7	104.4	120.1	107.6	18.2	47.1	145.0	106.7	104.3	103.3
—secondary	22.7	36.6	46.7	18.1	40.1	46.2	3.1	12.4	47.0	59.5	79.1	79.8
Female enrollment ratio (primary)	89.7	87.9	86.1	100.2	100.0	102.0	3.5	31.6	40.4	111.4	104.6	104.0
Adult literacy rate (%)	51.4	67.8	66.1	81.8	86.2	87.2	25.2	17.1	..	98.0	99.0	99.0
Housing												
Persons per room—urban	1.4	1.2	..	1.1	..	..	..	1.9	..	0.8	0.7	0.9
Occupied dwellings without water	59.1	75.3	67.1	57.1	20.0	..	..	69.0	..	7.2	3.1	4.3
Access to electricity (%)—all	50.6	47.4	59.8	79.3	91.0	..	..	24.0	..	97.3	98.9	99.1
—rural	26.9	..	..	57.0	58.0	..	..	..	..	91.4	95.2	94.8
Consumption												
Radio receivers (per 1000 population)	76.3	137.2	200.4	170.7	174.3	185.6	13.8	17.5	18.4	277.1	359.7	379.3
Passenger cars (per 1000 population)	11.2	29.2	42.3	14.1	41.3	54.4	7.6	16.6	113.7	90.7	233.3	266.5
Energy (kg. coal/yr per capita)	676.2	1,426.1	1,618.7	798.4	1,755.1	2,467.6	302.5	1,003.1	1,419.4	2,624.7	4,575.2	4,997.3
Newsprint (kg./yr per capita)	1.4	1.9	2.3	3.5	8.7	6.6	0.2	0.2	0.1	16.4	22.3	22.2

Kg. coal/yr = kilograms of coal per year.

Kg./yr = kilograms per year.

¹ Excluding capital-surplus oil exporters.

Sources: World Bank and various UN publications.

Table II-12. Social Indicators—by Geographic Area
(Developing countries—adjusted country group averages)

Indicator	Europe			Latin America and the Caribbean			North Africa and Middle East		
	1960	1970	Most recent estimate	1960	1970	Most recent estimate	1960	1970	Most recent estimate
GNP per capita (in current US\$)	496.6	1,018.0	2,070.3	362.0	626.8	1,015.6	307.7	579.0	1,290.3
Population									
Growth rate (%)—total	1.0	0.8	0.9	2.5	2.7	2.6	2.7	2.9	3.0
—urban	3.8	2.8	2.1	4.2	4.1	4.2	6.4	4.5	5.1
Urban population (% of total)	32.1	40.7	38.7	48.3	54.3	58.5	33.8	39.6	44.3
Vital statistics									
Crude birth rate (per 1000)	23.3	20.5	19.2	40.9	39.0	36.8	48.3	47.2	45.7
Crude death rate (per 1000)	10.5	9.0	9.0	14.1	10.9	9.2	22.6	18.0	15.3
Gross reproduction rate	1.4	1.3	1.3	2.7	2.6	2.6	2.3	3.4	3.4
Employment and income									
Dependency ratio—age	0.6	0.6	0.4	0.9	1.0	0.9	0.9	1.0	1.0
—economic	1.0	1.1	1.0	1.6	1.5	1.7	1.6	2.0	1.9
Labor force in agriculture (% of total)	47.9	31.8	27.4	48.3	41.0	36.9	52.6	43.4	42.9
Unemployed (% of labor force)	3.0	4.0	6.0	7.6	6.2	8.8	6.3	3.4	4.1
Income received by—highest 5%	21.8	24.5	25.0	37.1	30.4	31.7	24.0	25.0	21.0
—lowest 20%	5.4	3.9	3.9	3.9	3.5	3.2	4.4	4.2	5.2
Health and nutrition									
Death rate (per 1000), ages 1-4 years	4.7	2.8	1.7	10.6	7.7	6.6	..	6.0	..
Infant mortality rate (per 1000), 0-12 months	60.4	39.7	34.5	77.4	67.3	56.2	127.8	111.6	97.8
Life expectancy at birth (years)	65.8	68.6	69.1	55.8	60.6	62.5	45.5	50.3	52.8
Population per—physician	1,004.0	821.3	694.4	2,058.1	1,866.8	1,796.9	5,690.8	5,780.2	4,724.7
—nursing person	1,343.2	653.9	339.2	4,542.1	3,389.5	2,804.5	3,286.6	2,564.7	2,383.1
—hospital bed	190.5	168.0	170.5	444.1	392.3	405.6	670.8	661.6	700.0
Per capita per day supply of:									
Calories (% of requirements)	109.3	118.0	118.0	97.6	103.2	105.5	80.9	91.0	96.0
Protein (grams)—total	85.9	90.7	90.0	63.7	59.8	60.7	54.5	58.3	63.1
—from animals and pulses	27.0	29.0	33.0	29.0	28.0	28.2	17.5	15.0	15.6

(continued)

Table II-12. Social Indicators—by Geographic Area (continued)
(Developing countries—adjusted country group averages)

Indicator	Europe			Latin America and the Caribbean			North Africa and Middle East		
	1960	1970	Most recent estimate	1960	1970	Most recent estimate	1960	1970	Most recent estimate
Education									
Adjusted enrollment ratio—primary	105.0	102.1	104.3	85.0	101.7	105.1	51.5	75.6	80.5
—secondary	25.5	50.5	49.2	15.0	27.6	36.0	10.3	20.4	22.2
Female enrollment ratio (primary)	98.9	99.4	100.4	85.6	98.3	98.1	30.8	50.2	52.3
Adult literacy rate (%)	64.9	75.0	88.2	61.4	74.6	75.7	17.7	26.9	40.6
Housing									
Persons per room—urban	1.4	1.5	1.4	1.9	1.3	2.1	1.8	2.3	3.0
Occupied dwellings without water (%)	67.0	63.3	59.5	65.5	67.0	66.4	62.2	77.1	90.5
Access to electricity (%)—all	51.4	46.3	57.9	44.4	54.2	53.1	40.1	31.0	39.1
—rural	18.1	20.9	33.8	9.3	12.5	12.6	..	..	..
Consumption									
Radio receivers (per 1000 population)	93.9	176.7	193.1	101.6	166.2	177.5	49.7	79.1	120.1
Passenger cars (per 1000 population)	6.8	49.9	90.0	11.7	22.1	29.9	7.5	11.5	15.4
Energy (kg. coal/yr per capita)	673.4	1,334.0	1,829.4	577.2	821.0	929.2	263.7	281.2	750.2
Newsprint (kg./yr per capita)	2.3	3.2	3.3	2.2	3.1	0.3	0.3	0.3	0.3

Indicator	Africa South of the Sahara			South Asia			East Asia and Pacific		
	1960	1970	Most recent estimate	1960	1970	Most recent estimate	1960	1970	Most recent estimate
GNP per capita (in current US\$)									
	94.9	137.0	207.4	54.1	88.2	131.4	141.8	290.0	568.3
Population									
Growth rate (%)—total	2.2	2.4	2.6	2.2	2.6	2.1	3.0	2.8	2.3
—urban	5.6	6.0	6.0	5.2	4.1	4.3	5.4	5.0	5.2
Urban population (% of total)	9.1	12.5	13.5	7.8	9.8	12.4	28.1	27.1	38.1
Vital statistics									
Crude birth rate (per 1000)	48.8	48.1	47.1	47.4	45.8	45.1	42.3	40.7	32.0
Crude death rate (per 1000)	26.7	23.7	21.2	26.4	21.4	17.3	19.2	12.4	8.7
Gross reproduction rate	2.9	3.1	3.0	3.2	3.0	2.9	3.0	2.5	2.3
Employment and income									
Dependency ratio—age	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.7
—economic	1.1	1.1	1.1	1.5	1.4	1.2	1.4	1.4	1.3
Labor force in agriculture (% of total)	79.8	75.0	73.1	61.8	60.8	63.0	67.9	59.5	48.4
Unemployed (% of labor force)	5.1	4.6	5.1	..	..	11.0	5.1	5.1	4.1
Income received by—highest 5%	28.2	26.4	25.7	24.6	23.2	18.6	22.7	20.5	19.8
—lowest 20%	5.2	3.9	5.7	4.6	5.2	7.8	5.5	5.8	6.6
Health and nutrition									
Death rate (per 1000), ages 1-4 years	..	..	..	..	..	..	..	3.4	2.0
Infant mortality rate (per 1000), 0-12 months	153.9	129.6	127.5	136.2	124.3	104.0	61.2	31.1	27.4
Life expectancy at birth (years)	36.9	41.5	43.4	40.6	45.2	48.1	52.5	59.1	61.6
Population per—physician	31,866.1	24,906.5	21,616.5	9,920.9	8,519.2	7,412.6	3,429.3	2,268.9	2,208.9
—nursing person	4,558.4	3,088.7	2,496.5	14,566.1	9,168.6	8,339.3	3,096.6	1,935.5	1,465.5
—hospital bed	1,234.7	819.9	799.9	2,885.8	1,998.5	1,908.0	1,270.8	921.7	662.1
Per capita per day supply of:									
Calories (% of requirements)	89.6	90.7	91.9	89.1	97.6	96.0	90.0	99.4	106.5
Protein (grams)—total	56.6	59.0	60.6	47.8	53.2	50.8	48.1	53.4	55.6
—from animals and pulses	19.2	19.8	23.1	15.0	16.0	15.5	19.0	22.1	22.1
Education									
Adjusted enrollment ratio—primary	27.7	42.4	50.0	36.9	47.9	55.2	95.0	105.7	110.0
—secondary	1.9	5.6	6.9	9.1	15.5	20.0	17.3	26.9	51.1
Female enrollment ratio (primary)	21.7	37.4	43.2	22.2	53.8	44.5	88.5	102.0	104.7
Adult literacy rate (%)	9.8	17.4	18.4	16.0	20.0	21.0	47.7	66.4	72.6
Housing									
Persons per room—urban	2.7	2.4	1.7	..	..	..	2.5	2.3	..
Occupied dwellings without water (%)	..	..	..	..	..	..	83.7	69.5	60.3
Access to electricity (%)—all	..	..	..	..	..	..	22.6	40.7	50.5
—rural	..	..	..	..	..	..	12.0	20.1	23.4
Consumption									
Radio receivers (per 1000 population)	5.2	21.2	25.4	6.0	14.3	17.4	34.6	97.5	90.3
Passenger cars (per 1000 population)	2.1	3.4	3.9	0.9	2.2	2.1	2.7	7.0	9.3
Energy (kg. coal/yr per capita)	37.4	73.1	75.0	63.7	89.9	133.3	140.9	382.7	432.9
Newsprint (kg./yr per capita)	0.2	0.2	0.3	0.5	0.6	0.3	1.1	2.1	2.3

Kg. coal/yr = kilograms of coal per year.

Kg./yr = kilograms per year.

Sources: World Bank and various UN publications.

Figure 1 to Table II-12. Social Indicators—Developing Countries by Geographic Area
(Most recent estimates)

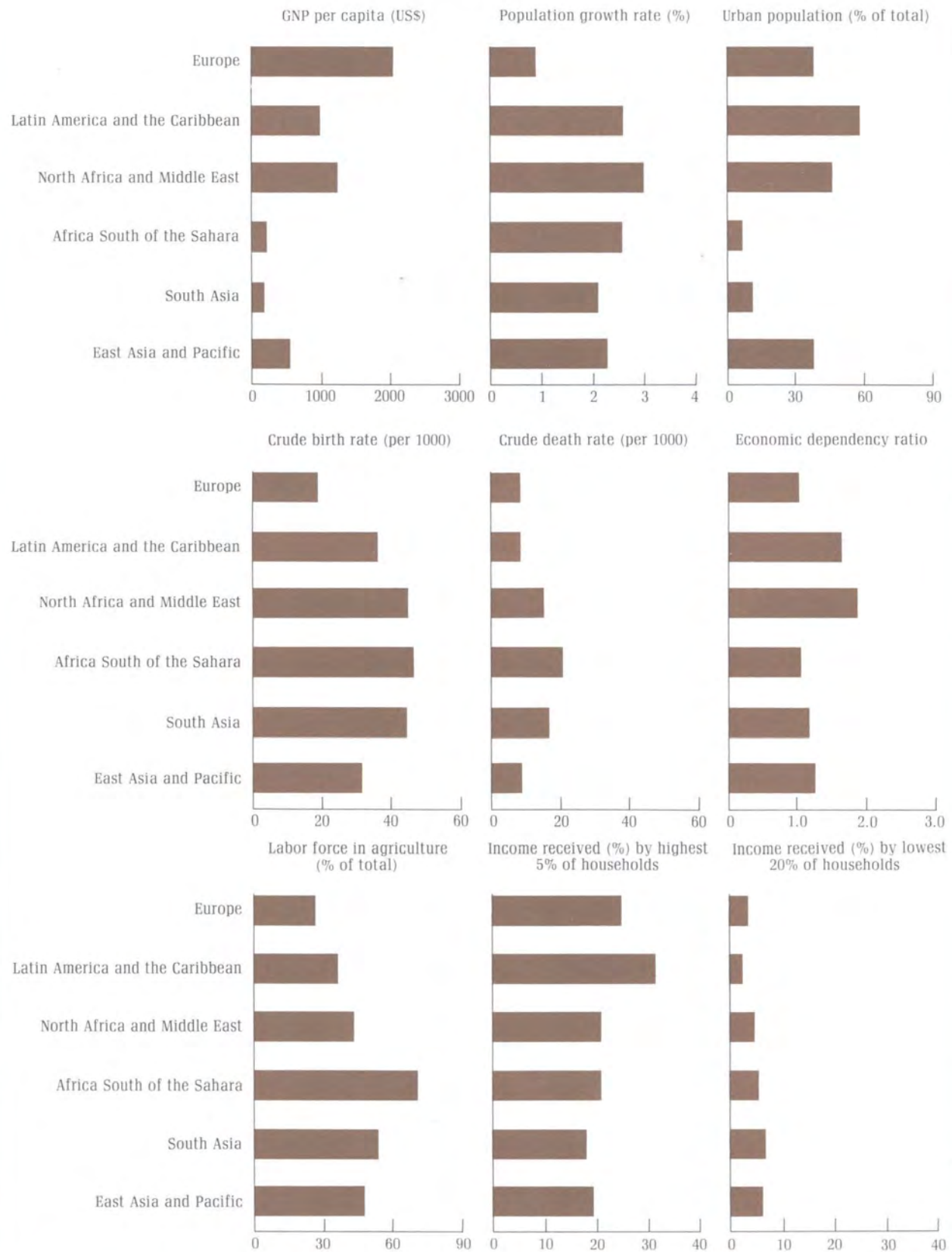


Figure 2 to Table II-12. Social Indicators—Developing Countries by Geographic Area

(Most recent estimates)

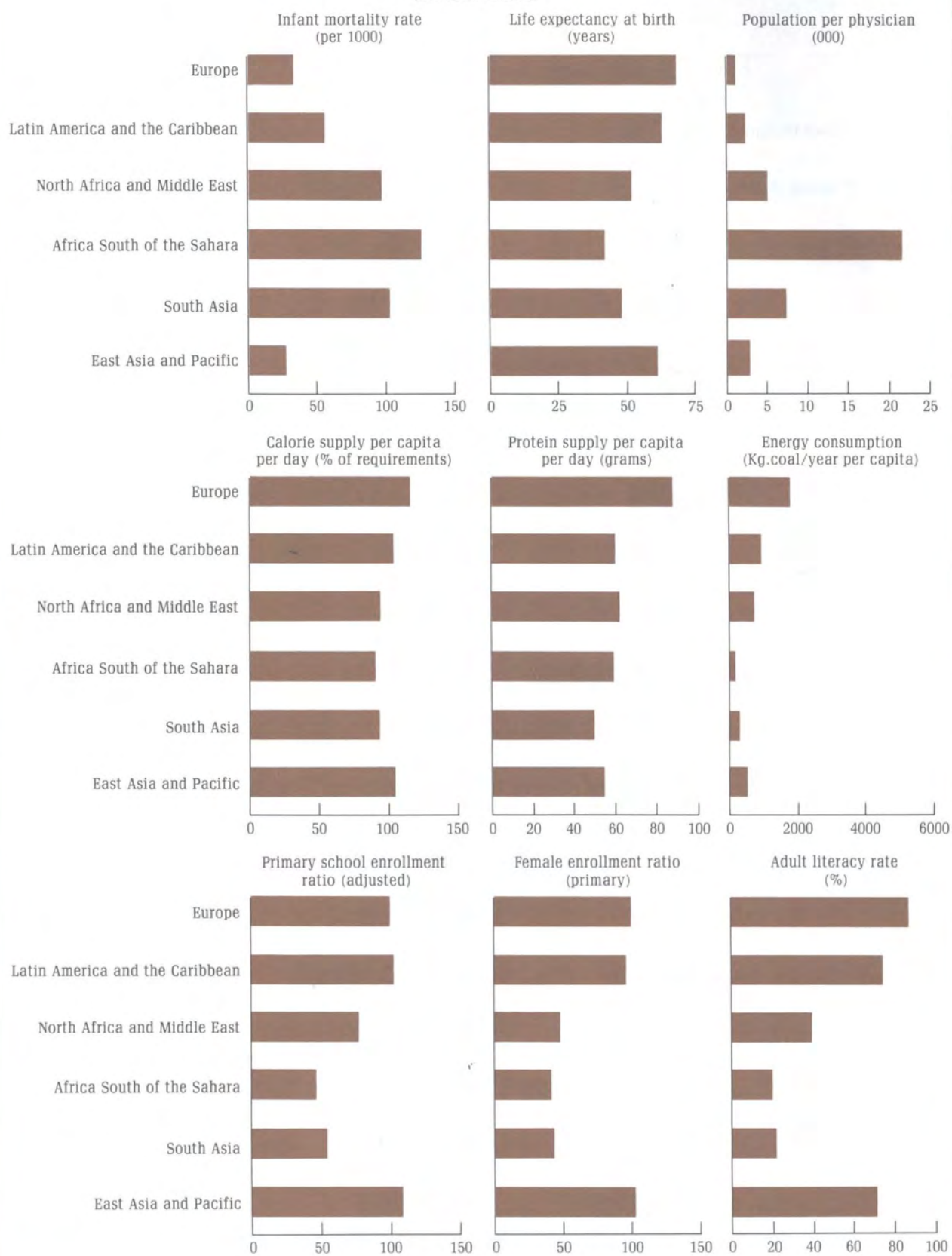


Table II-13. Comparative Social Indicators for Developing Countries—by Geographic Area and Country

(Most recent estimates)

Area and country	Population and vital statistics				Employment and income			Health and nutrition			Education		
	Population growth rate 1965-75 (%)	Urban population (% of total)	Crude birth rate (per 1000)	Crude death rate (per 1000)	Labor in agriculture (% of total)	Income received by highest 5% of households	Income received by lowest 20% of households	Life expectancy at birth (years)	Calorie supply (% per capita required)	Protein supply (grams per day per capita)	Primary school enrollment ratio (%)	Female enrollment ratio (primary)	Adult literacy rate (% of total)
Europe													
Cyprus	0.6	42.2	22.2	6.8	34.0	12.1	7.9	71.4	113.0	86.0	71.0	72.0	85.0
Greece	0.6	64.8	15.4	9.4	34.0	18.7	6.3	71.8	132.0	102.0	106.0	104.0	82.0
Malta	0.2	94.3	17.5	9.0	6.0	..	..	69.6	114.0	89.0	109.0	109.0	87.0
Portugal	0.3	28.8	19.2	10.5	32.5	56.3	7.3	68.7	118.0	85.0	116.0	94.0	70.0
Romania	1.2	43.0	19.7	9.3	36.0	..	..	69.1	118.0	90.0	109.0	109.0	98.0
Spain	1.0	59.1	19.5	8.3	23.0	18.5	6.0	72.1	135.0	94.1	115.0	115.0	94.0
Turkey	2.6	42.6	39.4	12.5	52.5	28.0	3.5	56.9	113.0	75.7	104.0	94.0	55.0
Yugoslavia	0.9	38.7	18.2	9.2	39.0	25.1	6.6	68.0	137.0	97.5	97.0	93.0	85.0
Latin America and the Caribbean													
Argentina	1.4	80.0	21.8	8.8	15.0	21.4	5.6	68.3	129.0	107.1	108.0	109.0	93.0
Bahamas	3.6	57.9	22.4	5.7	7.0	20.7	3.4	66.7	100.0	87.0	135.0	..	93.0
Barbados	0.4	3.7	21.6	8.9	18.0	19.8	6.8	69.1	133.0	82.5	117.0	116.0	97.0
Bolivia	2.7	34.0	44.0	19.1	65.0	36.0	4.0	46.8	77.0	48.5	74.0	65.0	40.0
Brazil	2.9	59.1	37.1	8.8	37.8	35.0	3.0	61.4	105.0	62.1	90.0	90.0	64.0
Chile	1.9	83.0	27.9	9.2	19.0	31.0	4.8	62.6	116.0	78.3	119.0	118.0	90.0
Colombia	2.8	70.0	40.6	8.8	39.0	27.2	5.2	60.9	94.0	47.0	105.0	108.0	81.0
Costa Rica	2.8	40.6	31.0	5.8	36.4	22.8	5.4	69.1	113.0	60.8	109.0	109.0	89.0
Dominican Republic	2.9	45.9	45.8	11.0	53.8	26.3	4.3	57.8	98.0	45.4	104.0	105.0	51.0
Ecuador	3.4	41.6	41.8	9.5	43.5	..	..	59.6	93.0	47.4	102.0	100.0	69.0
El Salvador	3.4	39.4	42.2	11.1	55.0	38.0	2.0	65.0	84.0	50.3	75.2	69.0	63.0
Grenada	1.0	..	27.4	6.8	30.8	..	..	..	89.0	57.0	99.0	..	85.0
Guatemala	3.2	37.3	42.8	13.7	56.0	35.0	5.0	54.1	91.0	52.8	62.0	56.0	47.0
Guyana	2.1	40.0	32.4	5.9	30.9	18.8	4.3	67.9	104.0	58.0	114.0	114.0	85.0
Haiti	1.6	23.1	35.8	16.3	77.0	..	..	50.0	90.0	39.0	70.0	37.0	20.0
Honduras	2.7	31.4	49.3	14.6	60.3	28.0	2.5	53.5	90.0	56.0	90.0	88.0	53.0
Jamaica	1.7	37.1	32.2	7.1	26.9	30.2	2.2	69.5	118.0	68.9	111.0	112.0	86.0
Mexico	3.5	63.3	42.0	8.6	41.0	27.9	3.4	64.7	117.0	66.9	112.0	109.0	76.0
Nicaragua	3.6	48.0	48.3	13.9	48.0	42.4	3.1	52.9	105.0	68.4	85.0	87.0	57.0
Panama	3.2	49.6	36.2	7.1	30.0	22.2	4.6	66.5	105.0	61.0	124.0	120.0	82.2
Paraguay	2.6	37.4	39.8	8.9	49.0	30.0	4.0	61.9	118.0	74.5	106.0	102.0	81.0
Peru	2.9	55.3	41.0	11.9	40.0	28.8	3.1	55.7	100.0	61.7	111.0	106.0	72.0
Trinidad and Tobago	1.0	25.1	27.3	5.9	13.5	..	..	69.5	114.0	66.0	111.0	111.0	90.0
Uruguay	0.4	80.6	20.4	9.3	13.2	19.0	4.4	69.8	116.0	98.1	95.0	94.0	94.0
Venezuela	3.3	75.7	36.1	7.0	21.0	21.8	3.6	66.4	98.0	63.1	96.0	96.0	82.0
North Africa and Middle East													
Algeria	3.3	39.9	48.7	15.4	42.8	..	..	53.3	88.0	57.2	77.0	72.0	35.0
Bahrain	3.3	78.1	49.6	18.7	..	..	..	44.5	..	..	..	..	..
Egypt, Arab Republic of	2.4	44.6	37.8	14.0	43.9	21.0	5.2	52.4	113.0	70.7	72.0	55.0	40.0
Iran	2.9	43.0	45.3	15.6	41.0	29.7	4.0	51.0	98.0	56.0	90.0	67.0	50.0
Iraq	3.3	62.0	48.1	14.6	51.0	35.1	2.1	52.7	101.0	60.4	93.0	63.0	26.0
Jordan	3.4	42.0	47.6	14.7	19.0	..	..	53.2	90.0	65.0	83.0	77.0	62.0
Kuwait	7.7	88.0	45.4	..	2.0	..	..	64.0	..	..	90.0	86.0	55.0
Lebanon	2.8	60.1	39.8	9.9	17.8	26.0	4.0	63.3	101.0	67.9	132.0	125.0	68.0
Libya	4.2	30.5	45.0	14.7	19.5	13.3	10.1	52.9	117.0	62.0	145.0	135.0	27.0
Morocco	2.4	40.1	46.2	15.7	50.0	20.0	4.0	53.0	108.0	70.5	61.0	44.0	28.0
Oman	3.1	5.0	49.6	18.7	48.0	..	..	47.0	..	..	44.0	..	20.0
Qatar	10.5	85.0	..	..	..	..	..	..	..	..	112.0	..	21.0
Saudi Arabia	1.9	17.9	50.2	24.4	61.0	..	..	42.0	86.0	56.0	34.0	27.0	15.0
Syrian Arab Republic	3.1	46.2	45.4	15.4	49.9	17.0	5.0	56.0	104.0	66.7	102.0	81.0	40.0
Tunisia	2.3	47.0	40.0	13.8	37.4	..	..	54.1	102.0	67.4	95.0	75.0	55.0
United Arab Emirates	13.1	80.0	..	..	..	..	..	..	..	..	75.0	..	21.0
Yemen Arab Republic	1.7	7.0	49.6	20.6	73.0	..	..	37.0	83.0	58.3	25.0	6.0	10.0
Yemen, People's Democratic Republic of	3.1	35.3	49.6	20.6	42.9	..	..	44.8	84.0	57.0	78.0	48.0	27.1
Africa South of the Sahara													
Benin	2.7	13.5	49.9	23.0	47.5	31.4	5.5	41.8	87.0	56.0	44.0	28.0	20.0
Botswana	2.1	10.7	45.6	23.0	83.0	28.1	1.6	43.5	85.0	65.0	85.0	93.0	25.0
Burundi	2.0	3.7	48.0	24.7	86.0	..	..	39.0	99.0	62.0	23.0	17.0	10.0
Cameroon	1.9	28.5	40.4	22.0	82.0	..	..	41.0	102.0	59.0	111.0	97.0	6.0
Central African Empire	2.2	35.9	43.4	22.5	91.0	..	..	41.0	102.0	49.0	79.0	53.0	15.0
Chad	2.0	13.9	44.0	24.0	90.0	21.5	7.7	38.5	75.0	60.2	37.0	20.0	15.0
Congo, People's Republic of the	2.3	38.0	45.1	20.8	56.0	..	..	43.5	98.0	44.0	153.0	140.0	50.0
Equatorial Guinea	1.3	..	..	..	..	..	..	..	..	..	..	..	..
Ethiopia	2.5	11.2	49.4	25.0	85.0	..	..	41.0	82.0	58.9	23.0	14.0	7.0
Gabon	1.5	32.0	32.2	22.2	58.0	45.3	3.2	41.0	98.0	49.3	199.0	197.0	12.0

(continued)

Table II-13. Comparative Social Indicators for Developing Countries—by Geographic Area and Country (continued)
(Most recent estimates)

Area and country	Population and vital statistics				Employment and income			Health and nutrition			Education		
	Population growth rate 1965-75 (%)	Urban population (% of total)	Crude birth rate (per 1000)	Crude death rate (per 1000)	Labor in agriculture (% of total)	Income received by highest 5% of households	Income received by lowest 20% of households	Life expectancy at birth (years)	Calorie supply (% per capita required)	Protein supply (grams per capita per day)	Primary school enrollment ratio (%)	Female enrollment ratio (primary)	Adult literacy rate (% of total)
Africa South of the Sahara (continued)													
Gambia, The	2.3	14.0	43.3	24.1	79.6	..	..	40.0	98.0	64.0	32.0	21.0	10.0
Ghana	2.6	32.4	48.8	21.9	52.0	..	..	43.5	101.0	53.4	60.0	53.0	25.0
Guinea	2.8	19.5	44.6	22.9	84.1	..	..	41.0	84.0	42.7	28.0	..	7.0
Ivory Coast	4.1	34.3	45.6	20.6	80.0	30.9	9.0	43.5	113.0	64.5	86.0	64.0	20.0
Kenya	3.4	13.0	48.7	16.0	84.0	20.2	3.9	50.0	91.0	59.6	109.0	101.0	40.0
Lesotho	2.2	3.1	39.0	19.7	90.0	..	..	46.0	109.0	67.6	121.0	144.0	40.0
Liberia	3.3	27.6	43.6	20.7	72.0	61.7	5.3	43.5	87.0	39.0	62.0	44.0	15.0
Madagascar	2.9	14.5	50.2	21.1	83.0	41.0	5.2	43.5	105.0	57.0	85.0	80.0	40.0
Malawi	2.5	6.4	47.7	23.7	86.0	29.5	5.7	41.0	103.0	68.4	61.0	48.0	25.0
Mali	2.2	13.4	50.1	25.9	88.7	..	..	38.1	75.0	64.0	22.0	16.0	10.0
Mauritania	2.6	23.1	44.8	24.9	85.0	..	..	38.5	81.0	63.2	17.0	9.0	10.0
Mauritius	1.4	48.3	25.1	7.8	30.3	31.0	4.5	65.5	108.0	55.8	80.0	78.0	80.0
Mozambique	2.2	55.0	43.3	21.4	73.0	..	..	41.0	94.0	41.0	46.0	..	..
Niger	2.7	9.4	52.2	25.5	91.0	23.0	6.0	38.5	78.0	62.1	17.0	12.0	5.0
Nigeria	2.5	26.0	49.3	22.7	62.0	..	..	41.0	88.0	46.3	49.0	39.0	25.0
Rwanda	2.8	3.8	50.0	23.6	93.0	..	..	41.0	90.0	51.3	58.0	54.0	23.0
Senegal	2.7	38.8	47.6	23.9	73.0	36.8	3.2	40.0	97.0	67.1	43.0	33.0	10.0
Sierra Leone	2.3	15.0	44.7	20.7	73.0	36.2	1.1	43.5	97.0	50.9	35.0	28.0	15.0
Somalia	2.4	28.3	47.2	21.7	77.0	..	..	41.0	79.0	55.1	58.0	41.0	50.0
Sudan	2.2	13.2	47.8	17.5	66.5	20.9	5.1	48.6	88.0	60.4	40.0	27.0	15.0
Swaziland	3.2	14.3	49.0	21.8	83.0	..	..	43.5	89.0	..	103.0	102.0	50.0
Tanzania	2.8	7.3	47.0	20.1	83.1	33.5	2.3	44.5	86.0	47.1	57.0	46.0	49.0
Togo	2.7	15.0	50.6	23.3	75.0	..	..	41.0	96.0	52.1	98.0	68.0	12.0
Uganda	3.1	8.4	45.2	15.9	86.0	20.0	6.2	50.0	90.0	54.0	44.0	43.0	25.0
Upper Volta	2.2	12.1	48.5	25.8	89.0	..	..	38.0	78.0	59.2	14.0	11.0	7.0
Zaire	2.7	26.4	45.2	20.5	77.0	..	..	43.5	85.0	32.0	88.0	87.0	15.0
Zambia	2.9	36.3	51.5	20.3	52.0	23.0	3.8	44.5	89.0	58.8	88.0	86.0	43.0
South Asia													
Afghanistan	2.2	14.3	51.4	30.7	52.9	..	..	40.3	83.0	61.5	23.0	7.0	14.0
Bangladesh	2.3	8.8	49.5	28.1	78.0	16.7	7.9	45.0	93.0	58.5	73.0	51.0	23.0
Burma	2.2	22.3	39.5	15.8	67.8	14.6	8.0	50.1	103.0	58.0	85.0	81.0	67.0
India	2.2	20.6	37.0	17.0	69.0	25.0	4.7	49.5	89.0	48.0	65.0	52.0	36.0
Nepal	2.1	4.8	42.9	20.3	94.4	..	..	43.6	95.0	50.0	59.0	10.0	19.2
Pakistan	2.9	26.0	47.4	16.5	54.8	17.3	8.4	49.8	93.0	54.0	51.0	31.0	21.0
Sri Lanka	2.0	24.3	28.2	7.9	55.0	18.6	7.3	67.8	97.0	48.0	77.0	77.0	78.1
East Asia and Pacific													
China, Republic of	2.6	51.1	23.0	4.7	35.0	13.3	8.8	68.6	111.0	68.0	104.0	..	82.0
Fiji	2.2	38.5	25.0	4.3	43.3	19.0	5.1	70.0	..	..	111.0	110.0	75.0
Indonesia	2.3	18.2	42.9	16.9	69.0	33.7	6.8	48.1	98.0	43.8	81.0	75.0	62.0
Korea, Republic of	2.1	48.5	28.8	8.9	44.6	18.1	7.2	68.0	115.0	75.7	109.0	109.0	92.0
Lao People's Democratic Republic	2.7	15.0	44.6	22.8	85.0	..	..	40.4	94.0	58.0	57.0	47.0	20.0
Malaysia	2.7	30.2	31.7	6.7	45.2	28.3	3.5	59.4	115.0	56.5	93.0	91.0	60.0
Papua New Guinea	2.5	12.9	40.6	17.1	83.0	..	..	47.7	98.0	48.2	59.0	44.0	31.0
Philippines	2.9	29.8	43.8	10.5	52.6	28.8	5.5	58.5	87.0	50.0	105.0	103.0	87.0
Singapore	1.7	90.2	21.2	5.2	2.8	..	..	89.5	122.0	74.7	111.0	108.0	75.0
Thailand	3.1	16.5	37.6	9.1	76.0	22.0	5.6	58.0	107.0	50.0	78.0	75.0	82.0
Viet Nam	2.6	..	..	..	..	..	..	..	..	..	..	..	..
Western Samoa	1.9	21.5	36.9	6.7	67.0	..	..	58.0	100.0	52.7	91.0	..	97.8

COUNTRY CLASSIFICATIONS

BY INCOME GROUP

(based on 1976 GNP per capita in 1976 US\$)

Industrialized Countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany (Federal Republic of), Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland, United Kingdom, United States.

Developing Countries (excluding capital-surplus oil exporters): **High Income** (over \$2500) — American Samoa, Bahamas, Bermuda, Brunei, Canal Zone, Channel Islands, Faeroe Islands, French Polynesia, Gabon, Gibraltar, Greece, Greenland, Guam, Israel, Martinique, New Caledonia, Oman, Singapore, Spain, Venezuela, Virgin Islands (US). **Upper Middle Income** (\$1136-\$2500) — Argentina, Bahrain, Barbados, Brazil, Cyprus, Djibouti, Fiji, French Guiana, Guadeloupe, Hong Kong, Iran, Iraq, Isle of Man, Lebanon, Malta, Netherlands Antilles, Panama, Portugal, Puerto Rico, Reunion, Romania, Suriname, Trinidad and Tobago, Uruguay, Yugoslavia. **Intermediate Middle Income** (\$551-\$1135) — Algeria, Antigua, Belize, Chile, China (Republic of), Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, Ghana, Gilbert Islands, Guatemala, Ivory Coast, Jamaica, Jordan, Korea (Republic of), Macao, Malaysia, Mauritius, Mexico, Namibia, Nicaragua, Pacific Islands (Trust Territory of the), Paraguay, Peru, Seychelles, St. Kitts-Nevis, St. Lucia, Syrian Arab Republic, Tunisia, Turkey. **Lower Middle Income** (\$281-\$550) — Angola, Bolivia, Botswana, Cameroon, Cape Verde, Congo (People's Republic of the), El Salvador, Equatorial Guinea, Grenada, Guyana, Honduras, Liberia, Mauritania, Morocco, New Hebrides, Nigeria, Papua New Guinea, Philippines, Rhodesia, Sao Tome and Principe, Senegal, St. Vincent, Sudan, Swaziland, Thailand, Tonga, Western Samoa, Zambia. **Low Income** (\$280 or less) — Afghanistan, Bangladesh, Benin, Bhutan, Burma, Burundi, Central African Empire, Chad, Comoros, Egypt (Arab Republic of), Ethiopia, Gambia (The), Guinea, Guinea-Bissau, Haiti, India, Indonesia, Kampuchea (Democratic), Kenya, Lesotho, Madagascar, Malawi, Maldives, Mali, Mozambique, Nepal, Niger, Pakistan, Rwanda, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Tanzania, Togo, Uganda, Upper Volta, Viet Nam, Yemen Arab Republic, Yemen (People's Democratic Republic of), Zaire.

Capital-Surplus Oil Exporters: Kuwait, Libya, Qatar, Saudi Arabia, United Arab Emirates.

Centrally Planned Countries: Albania, Bulgaria, China (People's Republic of), Cuba, Czechoslovakia, German Democratic Republic, Hungary, Korea (Democratic People's Republic of), Lao People's Democratic Republic, Mongolia, Poland, USSR.

BY GEOGRAPHIC AREA

(developing countries, including oil exporters)

Europe: Channel Islands, Cyprus, Faeroe Islands, Gibraltar, Greece, Greenland, Isle of Man, Malta, Portugal, Romania, Spain, Turkey, Yugoslavia.

Latin America and the Caribbean: Antigua, Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Canal Zone, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, St. Kitts-Nevis, St. Lucia, St. Vincent, Suriname, Trinidad and Tobago, Uruguay, Venezuela, Virgin Islands (US).

North Africa and Middle East: Algeria, Bahrain, Egypt (Arab Republic of), Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen Arab Republic, Yemen (People's Democratic Republic of).

Africa South of the Sahara: Angola, Benin, Botswana, Burundi, Cameroon, Cape Verde, Central African Empire, Chad, Comoros, Congo (People's Republic of the), Djibouti, Equatorial Guinea, Ethiopia, Gabon, Gambia (The), Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mau-

ritius, Mozambique, Namibia, Niger, Nigeria, Reunion, Rhodesia, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Upper Volta, Zaire, Zambia.

South Asia: Afghanistan, Bangladesh, Bhutan, Burma, India, Maldives, Nepal, Pakistan, Sri Lanka.

East Asia and Pacific: American Samoa, Brunei, China (Republic of), Fiji, French Polynesia, Gilbert Islands, Guam, Hong Kong, Indonesia, Kampuchea (Democratic), Korea (Republic of), Macao, Malaysia, New Caledonia, New Hebrides, Pacific Islands (Trust Territory of the), Papua New Guinea, Philippines, Singapore, Solomon Islands, Thailand, Tonga, Viet Nam, Western Samoa.

NOTES

Table I-2. *External Trade—Export Prices and Terms of Trade*

Export price index: The base year for the export price index has been shifted from 1970 to 1975. The export price index is derived from the pricing of exports in US dollars with weights proportional to the importance of trade in 1975. While the index of manufactured goods is a true unit value index, the other indices are more in the nature of export price indices. Primary commodities refer to raw food and raw materials. Nonferrous base metals cover aluminum, copper, lead, nickel, tin, and zinc. Manufactured goods include metals (SITC 5-8) and exclude processed food and refined petroleum. Country coverage as in "Trade balances." Table I-1. Manufactured goods index is based on exports of 11 countries—Belgium-Luxembourg, Canada, France, Germany (Federal Republic of), Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom, United States—whose exports in 1969 accounted for 85.1% of the total, excluding countries with centrally planned economies.

Terms of trade of developing countries: Unit value index of exports divided by unit value index of imports. World Bank index based on data from a sample panel of 39 nonoil developing countries which account for about 80 percent of the total trade of these countries.

Ocean freight rates: United Kingdom Time Charter, weighted average of quotations for principal commodities on ships of 9,000-40,000 dwt and over; the quotations refer to all flags on routes important to the UK tramp fleet.

Table I-3. *Borrowing in International Capital Markets*

The transactions recorded by the Capital Markets System of the World Bank include foreign and international bonds, both publicly issued and privately placed, and Eurocurrency credits. By definition, only bonds with a maturity of more than one year issued by a borrower of a country other than that of the capital market in which the securities are issued are included. *Foreign bonds* are those issued in a single national market. *International bonds* are those which are sold in two or more markets simultaneously. Bonds are credit instruments, usually negotiable, which contain an unconditional promise to repay specified amounts of money at fixed dates and to pay interest periodically at stated dates. *Eurocurrency credits* are defined as credits with an original or extended maturity of more than one year made by private banks with Eurocurrencies on deposit or with funds borrowed by them in the Eurocurrency market rather than with deposits in national currencies or funds borrowed in national money markets. The term "Euro" is also used to refer to markets in external currencies outside of Europe.

Bonds and credits are classified by *nationality of the borrower*. Nationality of public and private enterprises is determined by place of incorporation, except in the case of nonoperational subsidiaries or purely financial subsidiaries. Transactions through these are treated as if they have been undertaken by the parent operational company or companies. Such enterprises are, therefore, allocated to the country of the parent company or companies.

Industrialized countries include Liechtenstein. Others are unallocated items.

Table I-4. *International Reserves—by Income Group*

Foreign exchange consists of holdings by monetary authorities (central banks, currency boards, exchange stabilization funds, and treasuries) of claims on foreigners in the form of bank deposits, treasury bills, short- and long-term government securities, and other claims usable in the event of a balance of payments deficit, including non-marketable claims arising from intercentral bank and intergovernmental arrangements without regard to whether the claim is denominated in the currency of the debtor or the creditor.

Other reserves include gold, SDRs, and reserve positions in the IMF. Data relate to end of period in terms of US dollars. Detailed figures may not add to totals due to rounding and incomplete data for individual countries in the income grouping. Due to changes in the coverage of international reserves data for Saudi Arabia, foreign exchange and reserves totals shown for capital-surplus oil exporters, after the first quarter of 1978, are not strictly comparable with earlier figures.

Ratio to imports is the ratio of annual and quarterly total reserves to annual imports of goods and nonfactor services.

Table I-5. *International Reserves—by Geographic Area*

As for Table I-4. *Developing countries* include oil exporters. Due to changes in the coverage of international reserves data for Saudi Arabia, foreign exchange and reserves totals shown for North Africa and Middle East, after the first quarter of 1978, are not strictly comparable with earlier figures.

Table I-6. *International Commodity Prices*

Selected commodity prices

Food—Wheat: Canadian No. 1 Western Red Spring (CWRS), in store, Thunder Bay. *Rice:* Thai white, 5% broken, FOB Bangkok. *Maize:* US No. 2 yellow FOB Gulf Ports. *Sugar:* ISA daily prices. *Coffee:* Guatemalan, prime washed, spot New York. *Cocoa:* ICCO daily prices, average, New York and London nearest three future trading months. *Tea:* Average all teas, London Auctions. *Beef:* Argentine FOB unit value of frozen manufacturing beef exports to the nine EEC countries. *Copra:* Philippines, bulk, CIF European Ports. *Palm Oil:* Malaysian 5%, CIF United Kingdom.

Nonfood—Cotton: Mexican, strict Middling 1-1/16", CIF North Europe. *Jute:* Bangladesh White D, FOB Chittagong-Chalna. *Rubber:* RSS 1 spot New York. *Logs:* Hardwood (Niangon) FOB Ivory Coast.

Metals and Minerals—Petroleum: Saudi Arabian light crude oil, 34°, average realized price FOB Ras Tanura. *Coal:* Bituminous, US export unit value, FOB US ports. *Copper:* LME settlement price. *Iron ore:* Brazilian, 65% Fe, CIF North Sea Ports. *Tin, lead, zinc:* LME settlement price. *Aluminum:* Unalloyed ingot, New York Market, delivered. *Phosphate rock:* Moroccan, FAS Casablanca, 73% TPL, prior to 1976 75% TPL. *Urea:* bagged, FOB Europe.

Export prices of primary producers (excluding petroleum): Index reflects the changes in primary producers' earnings due to changes in the prices of the selected commodities (primary product exports of industrial countries such as USA, Canada, France, etc., are excluded from the weighting system). Weights correspond to importance of commodities in the exports of primary producers during 1975. Computations are based on daily or weekly average market quotations in US dollar terms. The commodity composition of the index is: *Food—cocoa, coffee, tea, sugar, oranges, lemons, bananas, beef, wheat, rice, maize, grain sorghum, coconut oil, copra, groundnut oil, groundnuts, palm oil, soybeans, soybean meal; nonfood—cotton, jute, rubber, tobacco; timber—logs; metals and minerals—copper, lead, tin, zinc, bauxite, iron ore, manganese ore, phosphate rock, aluminum, nickel.*

Table I-7. *Consumer Prices*

Price change (annual rate in %) and Price index (1970=100): Periodic price changes are calculated from price indices which are in terms of local currency of each country. Aggregated changes for developed countries and developing countries by area are obtained from aggregate weighted indices with 1970 mid-year population as weights.

Table I-8. *Industrial Production*

Production of all countries (index): The indices cover mining (ISIC 2), manufacturing (ISIC 3), and all industries (mining, manufacturing, and electricity, gas and water, ISIC 2-4), for world market economies (excluding Albania and the centrally planned economies of Asia). The indices indicate trends in value added in constant US dollars, computed by Laspeyres formula using weights from 1970 industrial censuses or based on other sources.

Selected countries—industrial production (annual growth rate in %): Composition of industrial production similar to "all countries," except for Pakistan which covers manufacturing production only. Periodic growth rates computed from indices.

Selected commodities—world production (annual growth rate in %)

Copper: Copper content of copper ore (including mixed ores); excludes China (People's Republic of), German Democratic Republic, and Korea (Democratic People's Republic of). *Iron ore:* Iron content of iron ore; excludes China (People's Republic of). *Tin:* Tin content of tin concentrates; excludes China (People's Republic of), Czechoslovakia, German Democratic Republic, USSR, Viet Nam. *Lead:* Lead content of lead ores (including mixed ores); excludes China (People's Republic of), Czechoslovakia, German Democratic Republic, Korea (Democratic People's Republic of), Romania, USSR. *Aluminum:* Production of primary (virgin) aluminum; excludes China (People's Republic of). *Steel:* Crude steel, including ingots and castings whether obtained from pig iron or scrap, but excluding wrought iron; excludes China (People's Republic of). *Cement:* Includes all hydraulic cements used for construction; excludes China (People's Republic of). *Nitrogenous fertilizers:* In terms of estimated nitrogen content. *Motor vehicles:* Either wholly or mainly manufactures from domestically produced parts, including passenger and commercial vehicles, but excluding industrial and farm tractors, and other construction machinery; excludes China (People's Republic of). *Cellulosic fibers:* Rayon and acetate continuous filaments and discontinuous fibers, excluding yarn and other manufactures and waste. *Noncellulosic fibers:* E.g., nylon, etc., continuous filaments and discontinuous fibers derived from natural and synthetic polymers, excluding glass fibers, waste, and spun yarn. *Electricity:* Production of generating centers; therefore, includes station use and transmission losses; excludes China (People's Republic of).

Table II-1 and II-2. *Global Indicators—Population, GNP, GNP per Capita*

Population: Population data include all countries. The data for 1970 to 1977 obtained from the World Bank's Social and Economic Data Bank (SEDB).

GNP: Estimates for 1976 in US dollars were calculated on the basis of the Atlas methodology with 1975-77 as the base period. With 1976 estimates in current US dollars as starting points, 1970 to 1975 estimates were then extrapolated backwards by country, using real growth rates in local currencies to obtain the historical time series in 1976 US dollars. Estimates for 1977 are extrapolated forward. GNP aggregates exclude Lebanon, Democratic Kampuchea, and Yemen Arab Republic.

GNP per capita: Obtained by dividing aggregate GNP data by population.

Table II-3. *Global Indicators—Savings and Investment*

National savings: Gross national savings represent investment, including stocks, net exports of goods, services, and factor payments, and net transfers. Aggregated data for 1970 to 1976 were obtained from individual country shares of the above items in GNP in local currency (in current prices) weighted by GNP in 1976 US dollars. Growth rates are average annual rates of growth of amounts of national savings in 1976 US dollars.

Investment, including stocks: Aggregated data for 1970 to 1976 were obtained from individual country shares of gross domestic investment

in GNP in local currency (in current prices) weighted by GNP in 1976 US dollars. Growth rates are average annual rates of growth of amounts of investment, including stocks in 1976 US dollars.

Table II-4. *Global Indicators—Trade, International Reserves, Energy, Prices, GNP Deflators, Production (Amounts)*

Trade: Trade balances—Summary data from Table I-1. *Balance of Payments*—Includes trade balance (merchandise exports less imports FOB frontier), net services, and private and official unrequited transfers. Oil-exporting countries exclude Qatar and United Arab Emirates.

International Reserves: Summary data from Table I-4.

Energy: Data cover only commercial forms of energy due to lack of information on noncommercial fuels (e.g., fuelwood, bagasse, dung, paddy husk or other vegetal wastes). Primary energy production by source refers to first stage of production, i.e., petroleum and natural gas at oil and gas wells, solid fuels (coal and peat) at mines, and hydro and nuclear electricity (including geothermal) at generating plants. Secondary forms of energy, such as electricity generated from oil or coal, are excluded. Data on consumption refer to "apparent island" consumption, and are derived from production plus imports less exports and bunkers, and net additions to stocks.

Table II-5. *Global Indicators (as in Table II-4) (Indices)*

Trade: Export quantum index shows the changes in the volume of the aggregate exports. The indices are of the Laspeyres type with 1970 data as weights. Country coverage of developing countries consists of developing market economies, and coverage of world consists of all market economies, thus excluding economies of centrally planned countries. It may be noted that the annual quantum index of global imports, lagging by two or three months, compares satisfactorily with the annual quantum index of global exports. *Terms of trade* indices are time-series data from Table I-2.

Prices: Summary data from Table I-6.

GNP deflators: GNP deflators are ratios of current and constant price (local currency) GNP estimates at market prices. Country group deflators have been computed as 1970 GNP (in US dollars from World Bank Atlas) weighted geometric averages.

Production: Summary data from Tables I-8 and II-10.

Table II-6. *96 Developing Countries—External Public Debt Outstanding, Total (including Undisbursed) and Disbursed only*

External public debt is debt owed to nonresident creditors payable in foreign currency, goods, and services, with an original or extended maturity of over one year, by government, political subdivisions, agencies of either, and autonomous public bodies, including debt of private parties guaranteed for repayment by governments, etc. Amounts of *debt outstanding* are shown separately including and excluding undisbursed portions (amounts not yet drawn by recipient). These are cumulative figures net of past repayments and include principal amounts only. Data are expressed in current US dollar equivalents. *Official creditors* are international organizations (World Bank, regional development banks, and other multilateral and inter-governmental agencies) and governments (including their agencies and autonomous public bodies). *Private creditors* include financial markets (commercial banks, other private financial institutions, and bonds), suppliers, and other private bodies.

Country coverage includes 96 developing countries which are members of the World Bank, and are classified as follows:

Developing countries, excluding oil exporters: *High income*—Gabon, Greece, Israel, Oman, Singapore, Spain, Venezuela. *Upper middle income*—Argentina, Barbados, Bahrain, Brazil, Cyprus, Fiji, Iran, Iraq, Lebanon, Malta, Panama, Portugal, Trinidad and Tobago, Uruguay, Yugoslavia. *Intermediate middle income*—Algeria, Chile, China (Republic of), Colombia, Costa Rica, Dominican Republic, Ecuador, Ghana, Guatemala, Ivory Coast, Jamaica, Jordan, Korea (Republic of), Malaysia, Mauritius, Mexico, Nicaragua, Paraguay, Peru, Syrian Arab

Republic, Tunisia, Turkey. *Lower middle income*—Bolivia, Botswana, Cameroon, Congo (People's Republic of the), El Salvador, Guyana, Honduras, Liberia, Mauritania, Morocco, Nigeria, Papua New Guinea, Philippines, Senegal, Sudan, Swaziland, Thailand, Zambia. *Low income*—Afghanistan, Bangladesh, Benin, Burma, Burundi, Central African Empire, Chad, Comoros, Egypt (Arab Republic of), Ethiopia, Gambia (The), Guinea, Haiti, India, Indonesia, Kenya, Lesotho, Madagascar, Malawi, Mali, Nepal, Niger, Pakistan, Rwanda, Sierra Leone, Somalia, Sri Lanka, Tanzania, Togo, Uganda, Upper Volta, Yemen Arab Republic, Yemen (People's Democratic Republic of), Zaire (and East African Community).

Table II-7. *External Public Debt—Commitments by Type of Creditor and Income Group*

Commitments represent the total of loans for which the contracts are signed in the year specified. For country coverage and types of creditors see above. Data for *financial markets* include all private sectors.

Table II-8. *External Public Debt—Disbursements, Net Flow, and Debt Service Payments*

Disbursements represent drawings on loan commitments and are shown in the year in which the drawing takes place. *Net flow* equals disbursements minus principal repayments (amortization). *Interest payments* are on outstanding debt paid in foreign currencies, goods, or services. For obligations where it has not been possible to separate interest from principal (amortization), interest is included in the amortization. *Debt service ratio* is the debt service (principal plus interest payments) on external public debt as a percentage of the exports of goods and services.

Table II-9. *Energy—Production and Consumption*

See Energy, Table II-4.

Table II-10. *Agricultural Production*

The base period for *agricultural production* has been shifted from the 1961-65 average to the 1969-71 average.

Food per capita, total food; all agriculture: Food production includes cereals, starchy roots, sugar cane, pulses, edible oil crops, nuts, fruits, vegetables, grapes, cocoa, tea, coffee, livestock and livestock products. *All agriculture* covers food production items plus industrial oilseeds, tobacco, fibers (vegetable and animal), and rubber. Indices are computed by Laspeyres type formula applying average regional wheat-based price relatives or weights on the basis of 1969-71 average converted to base 1970=100. Food per capita is obtained by dividing indices of food production by indices of population.

The Economic Classes and Regions into which the world is divided for the purposes of FAO's analytical studies are given below.

CLASS I: Developed Market Economies

Region A—*North America*: Canada, United States.

Region B—*Western Europe*: Andorra, Austria, Belgium, Denmark, Faeroe Islands, Finland, France, Federal Republic of Germany (including West Berlin), Gibraltar, Greece, Holy See, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal (including Azores and Madeira), San Marino, Spain, Sweden, Switzerland, United Kingdom (including Channel Islands and Isle of Man), Yugoslavia.

Region C—*Oceania*: Australia, New Zealand.

Region D—*Other developed market economies*: Israel, Japan (including Bonin and Ryukyu Islands), South Africa.

CLASS II: Developing Market Economies

Region A—*Africa*: Algeria, Angola, Benin, Botswana, British Indian Ocean Territory, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoro Islands, Congo, Equatorial Guinea, Ethiopia, Djibouti, Gabon, Gambia (The), Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Reunion, Rhodesia, Rwanda, St. Helena, Sao Tome and Principe,

Senegal, Seychelles, Sierra Leone, Somalia, Spanish North Africa, (former) Spanish Sahara, Swaziland, Tanzania, Togo, Tunisia, Uganda, Upper Volta, Zaire, Zambia.

Region B—*Latin America*: Antigua, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador (including Galapagos Islands), El Salvador, Falkland Islands (Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Panama Canal Zone, Paraguay, Peru, Puerto Rico, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela, Virgin Islands (UK), Virgin Islands (US).

Region C, *Near East—Africa*: Egypt (Arab Republic of), Libya, Sudan, Asia: Afghanistan, Bahrain, Cyprus, Gaza Strip (Palestine), Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Turkey, United Arab Emirates, Yemen Arab Republic, Yemen (People's Democratic Republic of).

Region D, *Far East*—Bangladesh, Bhutan, Brunei, Burma, Cambodia, Hong Kong, India, Indonesia, Kampuchea (Democratic), Korea (Republic of), Lao People's Democratic Republic, Macao, Malaysia (Sabah, Sarawak, West Malaysia), Maldives, Nepal, Pakistan, Philippines, Portuguese Timor, Sikkim, Singapore, Sri Lanka, Thailand.

Region E, *Other developing market economies—North America*: Bermuda, Greenland, St. Pierre and Miquelon. *Oceania*: American Samoa, Canton and Enderbury Islands, Christmas Island (Australia), Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Gilbert Islands, Guam, Johnston Island, Midway Islands, Nauru, New Caledonia, New Hebrides, Niue Island, Norfolk Island, Pacific Islands (Trust Territory of the), Papua New Guinea, Pitcairn Island, Solomon Islands, Tokelau Islands, Tonga, Tuvalu, Wake Island, Wallis and Futuna Islands, Western Samoa.

CLASS III: Centrally Planned Economies

Region A—*Asia*: China (People's Republic of), Korea (Democratic People's Republic of), Mongolia, Viet Nam.

Region B—*Europe*: Albania, Bulgaria, Czechoslovakia, German Democratic Republic (including East Berlin), Hungary, Poland, Romania, USSR.

Selected agricultural commodities: Compiled from FAO *Production Yearbooks* and *Monthly Bulletin of Agricultural Economics and Statistics* (wheat, rice, coarse grains, sugar, coffee, tea, and jute); FAO *Cocoa Statistics* (cocoa [beans]); ICAC *Cotton World Statistics* (cotton); IRSG *Rubber Statistical Bulletin* (rubber); UN *Monthly Bulletin of Statistics* (meat, eggs, milk).

Table II-11. Social Indicators—by Income Group

Data are shown as averages for 1960, 1970, and most recent estimate for each income group. The *adjusted country group averages* for each indicator are population weighted geometric means, excluding the extreme values of the indicator and the most populated country in each group, and thus reflect reasonable expected values. For comparability over time, only the countries with data for all three periods are included, except for "capital-surplus oil exporters" and indicators of "income distribution" and "housing" where no comparability is attempted due to lack of data. Coverage of countries among indicators depends on availability of data and is not uniform.

Unless otherwise noted, data for 1960 refer to any year between 1959 and 1961, for 1970 between 1969 and 1971, and for most recent estimate between 1973 and 1976.

GNP per capita (in current US\$): Estimates at market prices calculated by the conversion method of World Bank Atlas (1974-76 basis); 1960, 1970, and 1976 data.

Population growth rate (%)—total: Compound annual growth rates of mid-year population for 1950-60, 1960-70, and 1970-75.

Population growth rate (%)—urban: Computed like growth of total population; different definitions of urban areas may affect comparability of data among countries.

Crude birth rate (per 1000): Actual live births per thousand of mid-year population; ten-year arithmetic averages ending in 1960 and 1970, and five-year averages ending in 1975 for most recent estimate.

Crude death rate (per 1000): Annual deaths per thousand of mid-year population; ten-year arithmetic averages ending in 1960 and 1970, and five-year averages ending in 1975 for most recent estimate.

Gross reproduction rate: Average number of live daughters a woman will bear in her normal reproductive period if she experiences present age-specific fertility rates; usually five-year averages ending in 1960, 1970, and 1975.

Dependency ratio—age: Ratio of population under 15 and 65 and over to those of ages 15 through 64.

Dependency ratio—economic: Ratio of population under 15 and 65 and over to the labor force in age group of 15-64 years.

Labor force in agriculture (% of total): Agricultural labor force (in farming, forestry, hunting, and fishing) as percentage of total labor force.

Unemployed (% of labor force): Unemployed are usually defined as persons who are able and willing to take a job, are out of a job on a given day, remained out of a job, and are seeking work for a specific minimum period not exceeding one week; may not be comparable between countries due to different definitions of unemployed and source of data, e.g., employment office statistics, sample surveys, compulsory unemployment insurance.

Income received by highest 5% and lowest 20%: Percentage of private income (both in cash and kind) received by richest 5% and poorest 20% of households. For some countries data may refer to economically active population, etc., instead of households.

Death rate (per 1000), ages 1-4: Annual deaths per thousand in age group 1-4 years of children in this age group (suggested indicator of malnutrition).

Infant mortality rate (per 1000): Annual deaths of infants under one year of age per thousand live births.

Life expectancy at birth (years): Average number of years of life remaining at birth; usually five-year averages ending in 1960, 1970, and 1975 for developing countries.

Population per physician: Population divided by number of practicing physicians qualified from a medical school at university level.

Population per nursing person: Population divided by number of practicing male and female graduate nurses, "trained" or "certified" nurses, and auxiliary personnel with training or experience.

Population per hospital bed: Population divided by number of hospital beds available in public and private general and specialized hospital and rehabilitation centers; excludes nursing homes and establishments for custodial and preventive care.

Per capita supply of calories (% of requirements): Computed from energy equivalent of net food supplies available in country per capita per day; available supplies comprise domestic production, imports less exports, and changes in stock; net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution; requirements were estimated by FAO based on physiological needs for normal activity and health considering environmental temperature, body weights, age and sex distributions of population, and allowing 10% for waste at household level.

Per capita supply of protein (grams): Protein content of per capita net supply of food per day; net supply of food is defined as above; requirements for all countries established by US Department of Agriculture Economic Research Services provide for a minimum allowance of 60 grams of total protein per day, and 20 grams of animal and pulse protein, of which 10 grams should be animal protein; these standards are lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the *Third World Food Survey*.

Per capita protein supply from animals and pulses: Protein supply of food derived from animals and pulses in grams per day.

Adjusted enrollment ratio—primary: Enrollment of all ages as percentage of primary school-age population; includes children aged 6-11 years but adjusted for different lengths of primary education; for countries with universal education, enrollment may exceed 100% since some pupils are below or above the official school age.

Adjusted enrollment ratio—secondary: Computed as above; secondary education requires at least four years of approved primary instruction; provides general, vocational, or teacher training instruction for pupils of 12 to 17 years of age; correspondence courses are generally excluded.

Female enrollment ratio (primary): Female enrollment of all ages as a percentage of primary school-age female population; includes girls

aged 6-11 years but adjusted for different lengths of primary education.

Adult literacy rate (%): Literate adults (able to read and write) as a percentage of total adult population aged 15 years and over.

Persons per room—urban: Average number of persons per room in occupied conventional dwellings in urban areas; dwellings exclude nonpermanent structures and unoccupied parts.

Occupied dwellings without water (%): Occupied conventional dwellings in urban and rural areas without inside or outside piped water facilities as a percentage of all occupied dwellings.

Access to electricity (%)—all: Conventional dwellings with electricity in living quarters as percentage of total dwellings in urban and rural areas.

Access to electricity (%)—rural: Computed as above for rural dwellings only.

Radio receivers (per 1000 population): All types of receivers for radio broadcast to general public per thousand of population; excludes unlicensed receivers in countries and in years when registration of radio sets was in effect; data for recent years may not be comparable since most countries abolished licensing.

Passenger cars (per 1000 population): Passenger cars comprise motor cars seating less than eight persons; excludes ambulances, hearses, and military vehicles.

Energy (kg. coal/yr per capita): Annual consumption of energy (kg. coal equivalent) per capita covers primary supply of commercial energy (i.e., coal and lignite, petroleum and natural gas, and hydro, nuclear, and geothermal electricity), and refers to "apparent inland" consumption comprising production plus imports less exports and bunkers, and net additions to stocks.

Newsprint (kg./yr per capita): Per capita annual consumption in kilograms estimated from domestic production plus net imports of newsprint.

Table II-12. Social Indicators—by Geographic Area

Data are shown as averages for 1960, 1970, and most recent estimate for the developing countries only (including oil exporters) by geographic area. For other details, see above.

Table II-13. Comparative Social Indicators for Developing Countries—by Geographic Area and Country

Data are shown for developing countries (including oil exporters). Median values of geographic areas indicate expected levels.

Population growth rate (%), 1965-75: Average annual rate of growth of mid-year population (estimated by least squares method to take

account of between-period fluctuations).

Urban population (% of total): Urban population as a percentage of total population; different definitions of urban areas may affect comparability of data among countries.

Crude birth rate (per 1000): Annual deaths per thousand of mid-year population; an estimated five-year average ending in 1975.

Crude death rate (per 1000): Annual deaths per thousand of mid-year population; an estimated five-year average ending in 1975.

Labor in agriculture (% of total): Persons occupied in agriculture as a percentage of total labor force; agriculture includes livestock, forestry, hunting, and fishing.

Income received by highest 5% of households: Percentage of private income (both in cash and kind) received by richest 5% of households; for some countries data may refer to economically active population, etc., instead of households.

Income received by lowest 20% of households: Percentage of private income (both in cash and kind) received by poorest 20% of households; for some countries data may refer to economically active population, etc., instead of households.

Life expectancy at birth (years): Average number of years of life remaining at birth; usually an estimated five-year average ending in 1975 for most developing countries.

Calorie supply (% required per capita): Computed from energy equivalent of net food supplies available in country per capita per day; available supplies comprise domestic production, imports less exports, and changes in stocks; net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution; requirements were estimated by FAO, based on physiological needs for normal activity and health, considering environmental temperature, body weights, age and sex distribution of population, and allowing 10% for waste at household level.

Protein supply (grams per day per capita): Protein content of per capita net supply of food in grams per day; net supply of food is defined as for Table II-11. Requirements for all countries proposed by FAO provide for a minimum allowance of 75 grams of total protein and 23 grams of animal protein as averages for the world.

Primary school enrollment ratio (%): Enrollment of all ages as percentage of primary school-age population; includes children aged 6-11 years but adjusted for different lengths of primary education; for countries with universal education, enrollment may exceed 100%, since some pupils are below or above the official school age.

Female enrollment ratio (primary): Female enrollment of all ages as percentage of primary school-age female population; includes girls aged 6-11 years but adjusted for different lengths of primary education.

Adult literacy rate (% of total): Literate adults (able to read and write) as a percentage of total adult population aged 15 years and over.

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Table 6

The pattern of non-Communist world energy consumption, 1950-79

	1950	1970	1973	1976	1979
Percent of total energy supplied by:					
Non-oil sources	66	49	46	47	48
Natural gas	10	19	19	19	18
Coal	50	23	19	19	20
Nuclear energy	—	1/2	1	2	3
Water power	7	7	7	7	7
Oil	34	51	54	53	52
from the Middle East	6	18	24	25	22
of which: Saudi Arabia	2	5	9	10	10
from the rest of OPEC	5	13	12	11	10
from non-OPEC LDCs	1	3	3	4	5
from the industrial countries	22	17	16	14	15
Average annual growth rates, in percent:					
Total energy consumption	4.7		1.6		2.0
Non-oil energy consumption	3.0		2.2		4.0
Oil consumption	6.7		1.2		0.2

Note: Percentages may not sum to 100 because of rounding.

10% by year-end. In this environment, the projected 1981 current account deficit of the non-OPEC developing countries could widen to over \$80 billion. A higher oil price, in the \$45 to \$50 range, of course, would greatly exacerbate these problems.

Even if the disruption caused by the Iraq-Iran war is managed successfully and another large increase in relative oil prices is averted in the near term, there would still be a need for a crash energy program. While restraints on demand and the sharing of oil stocks have already been recognized as useful measures, stronger action is still needed on the supply side of energy in order to effectively contain the increase in relative oil prices in the decade ahead. This applies particularly to the United States. It is the largest consumer and importer of oil in the world, and also has vast energy resources that could make a substantial con-

tribution to increasing world energy supplies.

The first aim of government policy should be to stimulate oil exploration and encourage higher rates of oil production in parts of the world outside the Middle East, not only the United States, but also Canada, the North Sea, Mexico and the developing countries. Recent fiscal proposals made by Canada and the United Kingdom are not constructive, as their effect may be to curtail oil exploration and production.

The second objective of government policy should be to bring about a quick and significant reduction in the proportion of total energy that is now supplied by oil. During the last few years, despite the large increase in oil prices, only slight progress has been made in increasing the share of non-oil sources in the total energy consumed by the non-Communist world (see Table 6). To raise that ratio in the decade ahead a broad range of policies will be required that will encourage development and use of all types of energy, such as natural gas, coal, nuclear power, and synthetic fuels. While it is true that it will take some time for a substantial increase in non-oil supplies to materialize, the expectation of an increase that a strong energy program will generate could have a positive influence on the production policies of oil-exporting countries and the stock policies of the oil-importing ones. This, in turn, could have a beneficial impact on oil prices.

The external debt burden of the LDCs and recycling

The second oil shock is hitting the developing countries harder than the first. Financing their balance-of-payments deficits will be more difficult this time and is going to require innovative institutional thinking and initiative.

... this is a quarterly Economic Review
Please bring this with you to the
Friday meeting. [Signature]

OFFICE MEMORANDUM

TO: Mr. K. Georg Gabriel, Director, PAB

DATE: December 26, 1979

FROM: Helen Hughes, Director, EPD

SUBJECT: World Economic and Social Indicators — Quarterly

In accordance with the decisions taken by the President's Council on December 10, we have prepared, jointly with Mr. Merriam, the following tentative format and budget proposals for the publication of the Quarterly World Economic and Social Indicators:

1. Audience - The Quarterly will be aimed at:

- a. Policy makers
- b. Commercial/financial circles
- c. Reference use (libraries, etc.)
- d. Development community.

2. Timing - Starting with a "dry run" issue on April 5, the Quarterly will be brought out quarterly on January 15, April 15, July 15 and October 15 each year. The first four issues (English only) will be considered as a testing period before the bulletin is published for wider dissemination on a commercial basis. However, these internal issues will be made available to the Board for its comments and approval.

We propose to scrap the World Economic and Social Indicators for January 1980, to give us time to prepare the April issue without interfering with WDR work.

3. Statistical content - Each issue will contain select annual data (by countries where applicable) even though these data are unlikely to change from quarter to quarter. Each issue will also contain current data on trade, commodity prices, consumer prices, capital flows, industrial production etc. IPA and EPD propose to keep the statistical content of each issue under careful scrutiny.

4. Themes - In addition to topics of current importance, each issue will project a distinctive theme. We are presently thinking along the following lines:

- January issue -- National income and outlook
- April issue -- Energy, trade and commodities
- July issue -- Social indicators
- October issue -- Debt and capital flows.

5. Budget - Complementary to the \$200,000 budgetary resources requested by IPA, EPD will require \$180,000 (gross) for the first year as follows:

- a. A slot for a full time economist with superior writing ability. This economist will work closely with the EPD divisions to identify and develop analytical material

for the Quarterly, and to present it, together with the statistics, in appropriate form. The ultimate responsibility for clearance, layout etc. will, of course, be with IPA.

Cost -- \$135,000

b. Discretionary resources for:

- i. A programmer for 6 months to set up the statistical and computing system.

Cost -- \$20,000

- ii. Statistical assistant for 6-man months a year.

Cost -- \$15,000

- iii. Secretary - 6-man months a year.

Cost -- \$10,000.

6. We have discussed the layout, printing, proofing, distribution and other needs to insure that the quality of the output meets high standards. These costs are all included in the IPA budget estimates.

We require your approval to hire an economist at the L level, initially for a 2-year fixed term period, and discretionary resources for a programmer, research assistant and secretary on a part time basis is requested. Since it will take time to hire a suitable economist, the first one or two issues will have to be brought out with the assistance of a consultant.

cc: Messrs. Stern
W. Clark
Damry
Merriam
Muncie
Mrs. de Tchiatchef

Messrs. Chenery
Waide
Wright
Mrs. Cleave
EPD Front Office and
Division Chiefs

Mr. Koch-Weser

SSingh:ra

Finley

M. A. Baneth

Messrs. Qureshi, Benjenk, Waide, Mrs. Hughes
and Mr. Baneth
Hollis B. Chenery, VPD

December 31, 1980

Meeting with Mr. McNamara on Economic Survey

Mr. McNamara would like to meet with us in his office on Friday, January 9, at 4.00 p.m., to discuss the desirability of the Bank's publishing a periodical survey of economic trends and prospects for developing countries. This idea has been discussed in the past and deferred for future consideration.

Mr. Baneth will circulate a note on the subject before the meeting.

Semin Management Review

HBC:jm

cc - Mr. LaFourcade

JAN 6 1980

1/5 To Dr. Henry
Hollis This is the (1980) analysis
that should be included in our

Table 6

The pattern of non-Communist world energy consumption, 1950-79

	1950	1970	1973	1976	1979
Percent of total energy supplied by:					
Non-oil sources	66	49	46	47	48
Natural gas	10	19	19	19	18
Coal	50	23	19	19	20
Nuclear energy	—	1/2	1	2	3
Water power	7	7	7	7	7
Oil	34	51	54	53	52
from the Middle East	6	18	24	25	22
of which: Saudi Arabia	2	5	9	10	10
from the rest of OPEC	5	13	12	11	10
from non-OPEC LDCs	1	3	3	4	5
from the industrial countries	22	17	16	14	15
Average annual growth rates, in percent:					
	1951-73	1974-78			1979
Total energy consumption	4.7	1.6			2.0
Non-oil energy consumption	3.0	2.2			4.0
Oil consumption	6.7	1.2			0.2

Note: Percentages may not sum to 100 because of rounding.

10% by year-end. In this environment, the projected 1981 current account deficit of the non-OPEC developing countries could widen to over \$80 billion. A higher oil price, in the \$45 to \$50 range, of course, would greatly exacerbate these problems.

Even if the disruption caused by the Iraq-Iran war is managed successfully and another large increase in relative oil prices is averted in the near term, there would still be a need for a crash energy program. While restraints on demand and the sharing of oil stocks have already been recognized as useful measures, stronger action is still needed on the supply side of energy in order to effectively contain the increase in relative oil prices in the decade ahead. This applies particularly to the United States. It is the largest consumer and importer of oil in the world, and also has vast energy resources that could make a substantial con-

tribution to increasing world energy supplies.

The first aim of government policy should be to stimulate oil exploration and encourage higher rates of oil production in parts of the world outside the Middle East, not only the United States, but also Canada, the North Sea, Mexico and the developing countries. Recent fiscal proposals made by Canada and the United Kingdom are not constructive, as their effect may be to curtail oil exploration and production.

The second objective of government policy should be to bring about a quick and significant reduction in the proportion of total energy that is now supplied by oil. During the last few years, despite the large increase in oil prices, only slight progress has been made in increasing the share of non-oil sources in the total energy consumed by the non-Communist world (see Table 6). To raise that ratio in the decade ahead a broad range of policies will be required that will encourage development and use of all types of energy, such as natural gas, coal, nuclear power, and synthetic fuels. While it is true that it will take some time for a substantial increase in non-oil supplies to materialize, the expectation of an increase that a strong energy program will generate could have a positive influence on the production policies of oil-exporting countries and the stock policies of the oil-importing ones. This, in turn, could have a beneficial impact on oil prices.

The external debt burden of the LDCs and recycling

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monthly or quarterly Economic Review
Please bring this with you to the
Friday meeting. Entel

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President

FROM: Hollis B. Chenery, VPD

SUBJECT: Status of Planning for World Development Report 1982

DATE: June 18, 1981

1. Planning for WDR 1982 began in November last year, when Bevan Waide circulated a memorandum (11/7/80) to the WDR Review Group discussing experience to date and making recommendations for future WDRs. It was argued that WDRs should continue to be issued annually. For 1982, two suggestions were made: first, since WDR 81 would be devoted almost entirely to global economic trends, transitions and prospects, and adjustment issues, it would be possible and desirable to limit Part I of WDR 82 largely to an updating of global prospects in the light of notable events. Secondly, a subject for Part II should be chosen offering practical insights into development processes and drawing on the Bank's experience and knowledge. After canvassing research and operational staffs, four options were suggested for Part II:

- (i) lessons from experience in agriculture and rural development;
- (ii) aid effectiveness and the aid relationship;
- (iii) development strategies, especially for manufacturing industry, for the least developed countries;
- (iv) development administration, management and entrepreneurship.

2. Subsequent consultations with the Regions, CPS and DPS led to a consensus that it was timely and appropriate to devote Part II to agriculture--a choice with which I concur--for reasons that are set out below. While each of the remaining topics had its adherents, it was agreed that aid effectiveness, while an important and timely subject to which DAC has devoted attention, was best covered in a separate policy paper. (Such a paper could be of use also to the Development Committee task force on concessional aid flows, if established.) Development and industrialization strategies for the least developed countries were considered to be a subject for a future WDR, but more research was needed, and it was preferable not to overlap with the pan-Africa study and the LLDC conference. It was also a subject of limited interest to middle-income countries. While the Bank's experience with development administration and management was rich, more research was needed to develop useful concepts and generalizations before this could become a WDR topic.

3. The proposed coverage of the theme for Part II is set out in general terms in Annex I. There are six points I would like to advance in favor of the recommended theme:

- a. Over the past 11-12 years, roughly since the Pearson Commission in the late 1960s, the role of agriculture in development has become fully recognized, and international agencies gave it priority. A lot of research and analysis has been undertaken and operational activity has been intensive. The theme presents a major opportunity for syntheses and assessments of wide interest and policy relevance. We can draw not only on economic analysis, but on analyses of technical and institutional progress as well. As far as the Bank is concerned the last time we assessed progress and policy in agriculture as a whole was in 1971, with the sector working paper (published in 1972). Agricultural programs and projects have been the centerpiece in poverty-oriented operations in the Bank, and this is expected to continue in the 1980s.
- b. Such an assessment seems important for two reasons: (i) to derive implications for policy and strategy in the 1980s for developing and developed countries and lenders alike; and (ii) to correct excesses of a radical critique that has stressed failures in agricultural and rural development, reinforcing aid malaise. While there have been failures, the track record is better than is perhaps generally appreciated. A focus on agriculture should provide an opportunity for a more upbeat presentation than was possible in WDRs III or IV.
- c. Past WDRs have given limited attention to agriculture, and there has been no unified treatment. WDR I has the most extensive discussion, but on a region by region basis; WDR II deals lightly with the role of agriculture in structural change (in a chapter on industrialization), while WDR III devoted limited attention to poverty-focussed agricultural development programs as a means of increasing productivity and income among the poor; WDR IV has a good, but summary, section on food and nutrition that accounts for 10 of its 210 pages.

- d. The opportunity would be provided to put food security issues--international, national and household--in an appropriate developmental context, taking trade and comparative advantage, income growth and distribution, and human development, for example, fully into account. As was the case with Part II of WDR III, the Bank is in a better position to provide a broad view than are the specialized agencies, although we intend to work very closely with them.
- e. China is the World's largest agricultural economy and, following the work of the first economic mission, there is an opportunity to integrate the experience much more fully into the WDR framework than hitherto.
- f. Finally, agriculture provides a good opportunity to cover certain topical themes--the role of the private sector in agriculture (via investment, entrepreneurship); the interplay between public institutions and farmers or privately-managed organizations ("participation"); North-South issues in trade, private investment and technology transfer, pricing and market barriers or regulation; and impacts of energy pricing and availability.

4. In commenting on an earlier outline you questioned, as did Mr. Stern, whether agriculture was a subject that would be of interest to middle-income countries: Mr. Stern also questioned whether any policy messages would emerge. We have considered these concerns carefully and believe they can be allayed: our response is given in Annex II.

5. Returning now to Part I, we will certainly need to update our analyses of global capital flows (both commercial and concessional), energy, and trade prospects, and discuss their impact on LDC growth. However, having presented internally consistent sets of projections and sensitivity analyses for over four years now, we consider it necessary, and opportune, to devote additional resources to model development rather than undertaking a major new modelling exercise for WDR 82. However, we propose to present an updated analysis of long-term growth trends and determinants, which will usefully complement the current emphasis on relatively short-run adjustment processes. I suggest that we leave the precise content of Part I open for the time being, but return with an annotated outline of the whole report by early September. This could form the basis for a subsequent Board discussion, along with suggestions on the content of future WDRs.

6. Lastly, we have reviewed the organizational arrangements and consider that we should retain the present system. I have asked Bevan Waide to be in overall charge, as for WDR III, and assuming that agriculture is preferred as the subject for Part II, David Turnham will be invited to be Core Team leader. His selection is strongly supported by both CPS and ourselves.

7. I suggest that the usual WDR review group meet to consider these proposals.

Attachments/-

cc. Mr. Qureshi; Mr. Stern; Mr. Baum; Mr. Benjenk
DPS Directors; Mr. Merriam (IPA); Mr. Yudelman (AGR);
Mr. Waide (VPD); Mr. Burki (PPR); Mr. Turnham (AGR).


EBWaide/DTurnham/ko

Food and Agricultural Development

1. Objectives

To review constraints on, and prospects for, agricultural development, with concentration on foodgrains and livestock. The aim is to understand the multiple links between agriculture and development better, and if possible help resolve certain key issues, e.g. bases for acceleration in agricultural output and productivity growth in various groups of countries; the role of agriculture in middle-income countries in facilitating the transition to market economies based more on manufacturing and services; the role of broad based agricultural development in providing food security and meeting basic needs; links between various forms of agricultural development, and poverty; the increasing role of trade in agricultural commodities and effects of protectionism. The aim in part is also to digest lessons from the considerable depth and breadth of Bank experience in this field: a major core team management job will be to extract and distill such experience, in technical and institutional as well as economic policy fields. This will help in reassessing the Bank's achievements, and be a source of ideas for the 1980s.

2. Agriculture, Development and Poverty

Building on WDR I, we will survey, inter alia, cross-country experience in sources of agricultural output growth in typical country groups; links between different forms of rural organization, income distribution trends, and nutrition; impact of agricultural productivity, output and income growth on employment in rural and urban areas, on migration, and on demand for non-agricultural goods; savings and investment flows; benefits and risks of specialization and trade in agricultural goods.

Projections and sensitivity analyses will be made to indicate the seriousness of future food supply/demand balances, and also why past apocalyptic forecasts have not materialized.

3. Determinants of Agricultural Growth

Based on country and regional groupings, three sets of issues will be identified, and some lessons derived from experience and analysis. The sets are:

- (i) technical: e.g. research achievements: need for a technical basis for better yield improvements in rainfed and especially low rainfall (India, Africa) areas; cattle disease problems e.g. East Coast Fever in E. Africa; irrigation water distribution; long-term ecological constraints;
- (ii) institutional: experience with various forms of government support and intervention in input supply (credit, seeds, fertilizer, water) and crop marketing, livestock breeding etc.; transition from subsistence to market farming; lessons from middle and low income countries' experience with estates, state farms, cooperatives, different forms of tenancy and levels of concentration of land ownership. Lessons from advanced countries' experience with new management techniques.
- (iii) economic: pricing policy for inputs and outputs; impact of price distortion on technology/product choices, consumer choices and nutrition, and internal and external trade. Allocations of fiscal and manpower resources to the sector and related infrastructure. Impact of more expensive energy.

4. Trade and International Cooperation

Opportunities offered by trade for more specialization: implications for national food security and storage; impact of restraints on trade e.g. by EEC. Opportunity for improved international cooperation e.g. on food security (IMF food facility, international grain reserve management), research (unlike the industrial sector, developing countries usually cannot rely so much on importing technical change from developed countries) and changes in magnitude of and priorities for development assistance (strengthened technical assistance, SAL-type sector lending, expansion of IFAD etc.).

ANNEX II

Q.1 Is a WDR Part II on agriculture of interest to middle-income countries?

1. While the relative importance of the agricultural sector is clearly greatest in low-income countries, it is still a major sector in all but a handful of middle-income countries:

a. Employment. Among the 52 middle-income countries listed in WDR III (Annex tables, 1978 data), there are only 14 with less than 30% employed in agriculture, and 9 of the 14 have populations of less than 5 million. For example, agricultural employment comprised 41% in Brazil, 33% in Yugoslavia, 39% in Mexico and Greece. If employment in agriculturally-related services, commerce and marketing is included, the role of agriculture in employment would be larger still. The transformations in some middle and many industrialized countries have nevertheless been remarkable and have considerable significance for countries such as Brazil, Mexico and Turkey. (For example, between 1960 and 1978 agricultural employment fell from 42% to 18% in Spain; 63-33 in Yugoslavia; 66-41 in Korea; 31-13 in Italy; and 33-13 in Japan.)

b. Production. On average, the proportion of national output originating in agriculture in middle-income countries was only 16% in 1978 (versus 38% in low-income countries). But a simple averaging process is misleading. Among larger countries (with populations over 25 million), ten, including seven middle-income countries, were within the range 25-35% (China--31% in 1979--would also be among this group). The averages are much affected by outliers--e.g. Bangladesh, Burma and Ethiopia (over 50%) and Mexico, Brazil, Argentina and Spain (9-13%). It should also be noted that agricultural output is undervalued in many countries, with reference to world prices.

c. Trade. Among 45 middle-income countries, agricultural exports exceeded manufactured exports in all but 10 countries. Agricultural exports continue to exceed manufactured exports in all Latin American countries. The growth of food imports among some middle-income countries and their extreme dependence on the US for incremental supplies is another important feature.

d. Growth. There seems to be a remarkably strong association between aggregate growth performance and agricultural growth performance among middle-income countries. In general, if aggregate growth exceeds 5.5% p.a. (1970-78 data), agricultural growth exceeds 3% p.a. and if aggregate growth is less than 5.5% p.a., agricultural growth is less than 3% p.a. Of 44 middle-income countries with growth data (excluding Hongkong and Singapore), all but 6 countries conform to these generalizations. 1/ Among low-income countries, the association is also quite strong, with 25 of 30 low-income countries in conformity with the generalization for the 1970-78 period. 2/

*Balanced
Development
Thesis*

2. The agricultural development of middle-income (and of the industrial) countries is also important when discussing structural transformation processes within the sector. Many agricultural challenges, in middle-income countries especially, are related to the process of increased marketed shares of a rising total agricultural product. This trend implies a growing emphasis on high value cash crops and specialization, plus closer links with markets and industrial users. Agriculture-related marketing and other services become parti-

1/ High aggregate, but low agricultural growth is found for Nigeria, Morocco and Taiwan: low growth with high agricultural growth is found for Cameroon, Liberia and Zambia.

2/ Exceptions are Lesotho (high growth, low agricultural growth) and Burma, Tanzania, Afghanistan and Senegal.

cularly important. On the demand side, rapidly increasing non-agricultural population, rising per capita incomes and diversification of the production structure have a decisive effect on both domestic agriculture and trade in agricultural commodities.

3. Higher investment in on-farm production and processing may imply reduced demand for unskilled farm labor both in total and per unit of output. But the social impact of transformation is affected by a number of factors, including increased requirements for skilled labor, off-farm employment expansion and interactions between technology, investment, and scale. Change is often associated with a more sophisticated use of farm capital with implications for farmer education, training, and farm management. The major advances of recent years in farm management practice in industrialized countries have not been discussed and assessed in relation to developing country agriculture and are of special interest and relevance to middle-income countries, although not of course limited to them.

Q.2 What is the policy interest and relevance of Part II on agriculture?

- a. Past WDRs have not included a succinct "role of agriculture in development" statement: this could usefully be developed with a lot of attention to structural (inter-sectoral) interdependence. For low-income countries, the adverse effects of a stagnant agriculture (Africa) and contributions from a dynamic agriculture (India, Indonesia, Kenya--all with qualifications) are well understood and China can usefully be reviewed as an intermediate case. Analysis of agriculture's role in middle-income countries and the transition to advanced/industrialized status will be developed.

- b. Regarding constraints on agricultural growth and how to improve performance (output, employment, income) a different type of categorization is indicated. In all the larger countries (India, China, Mexico, Brazil) and many of the smaller ones we have the juxtaposition of well-developed, semi-commercial agriculture and semi-subsistence agriculture. The productivity/income gaps are wide and probably growing more rapidly than at earlier times. Semi-commercial agriculture has gained from technological change and from dynamic market growth associated with industrial and urban development. Technological innovations (HYVs, fertilizer, irrigation) have also helped in many high productivity (in terms of land) but densely settled and low-income environments of South and East Asia. This is a considerable plus factor. But there has been little progress in low-income, low productivity, semi-arid and upland areas (except where cash cropping based on permanent crops has helped). In some areas the situation has deteriorated. Institutions, services, and investment requirements differ according to the nature of the problems to be overcome.
- c. Discussion related to this type of categorization offers considerable opportunities for useful conclusions and more penetrating analysis on a range of familiar issues, including biological innovation, mechanization and use of cash inputs; land use and farm structures (consolidation, fragmentation) equity and poverty concerns; off-farm employment and diversification; the effectiveness of agricultural services; public sector investment strategy; the role of marketing, and multi-purpose rural development schemes.

- d. Contributions from public and private sector investment should receive a lot of emphasis. As regards public sector investment, our experience should be used to illustrate where resources have gone and what sorts of programs seem to work well and less well, with reference to chosen criteria notably production, income and equity. Probably, conclusions would be:
- (i) land development programs have been successful, especially those involving irrigation, permanent crops;
 - (ii) there has been much less effort/resources devoted to, and much less success with, extensive dry-land agriculture (including tropical uplands) and the semi-arid areas);
 - (iii) state socialism in entrepreneurial activities is largely a failure--e.g. state farms, marketing authorities--but Chinese and Yugoslav experience with collective agriculture represents an interesting half-way house between state and private management of production;
 - (iv) there have been mixed results in other activities--e.g. market regulation, credit, agricultural services and infrastructure.
- e. Discussion of the pros and cons of multipurpose rural development provides scope for consideration of several issues including management, complexity, financing, participation, time frame and sequencing of activities. Consideration of results and 'lessons from experience' would figure prominently.
- f. The role of private investment in agriculture also deserves considerable attention, though data limitations will pose severe problems. It has been some time since private investment (types, scale, country and regional differences) was examined systematically. Interactions with urban and industrial development are especially interesting along with relationships to farm scale, commercialization,

technology and policy. Private foreign investment (agri-business) needs to be examined together with complementarities of private with public sector programs.

g. The many problems in agricultural development include some that are amenable to solution only in either a long-term framework or with political upheaval, e.g. environmental, social structure, land holdings, the role of women (especially in moslem countries). Others (which may also have social or environmental connotations) can be solved in the shorter term, and we would give these a good deal of emphasis. They include:

- i. The economic environment of market prices and costs which continues to disfavor agricultural producers. The policies that produce these results are proving difficult to change; producer incentives are frequently inadequate to encourage extra effort, use of modern inputs and techniques, or to reward risk taking on the part of the farmer-entrepreneur, with risk especially important in rainfed annual cropping systems.
- ii. Technical problems, reflecting the past inadequate attention to agricultural research in many countries, especially in Africa, where the colonial inheritance in research for foodcrops was particularly poor.
- iii. Inefficient government marketing agencies and policies have become increasingly important--this is a sub-sector where external financing has had little positive effect thus far.
- iv. Management capacity for government or financed programs is inadequate in most low-income African and some Asian countries and the training of agricultural staff for research, extension and management functions poses problems in many countries.

- v. Few countries have adequate arrangements for financial intermediation in agriculture, the recycling of rural savings is usually neglected and credit delivery is often poorly handled.

As a result of increasing government financial problems (due partly to the inadequacy of cost recovery and low interest credit in agriculture and other sectors), the recurrent costs of farmer services and of maintaining infrastructures are rising to prohibitive levels; this too is a problem affecting many low-income countries.

The structural analysis, macro-perspective and review of experience would produce new insights and emphases for policy discussion on some of these questions. Useful insights can be given to illuminate discussions of aid effectiveness.

OFFICE MEMORANDUM

DATE: May 20, 1981

TO: Mr. Robert S. McNamara

FROM: Hollis B. Chenery, VPD

SUBJECT: WDR 1981 - Cover Page

05/26 We have been discussing last year's reactions in the Board and the future of the WDR. We feel that it might make for an easier passage for the Report if we put on the front cover (and title page) the words "A World Bank Staff Report" instead of "The World Bank".

I would be grateful for your advice.

cc - Mr. Benjenk

HBC:RHC:jm

Chenery 1981

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
THRU: Mr. Hollis B. Chenery, VPD ~~Signed Hollis B. Chenery~~
FROM: R. Chander, EPDDR
DATE: May 13, 1981
SUBJECT: World Development Indicators, 1981

1. Page proofs of the 1981 World Development Indicators are attached. This version of the Indicators will be presented for Board consideration. We are further reviewing the numbers, in particular those for China, and may need to introduce changes to the final version.

2. The tables follow the presentation as indicated in the memorandum to you dated April 6, 1981.

Attachments

Cleared with and c.c. Mrs. Hughes, EPDDR

c.c. Messrs. Waide, VPD; Cassen, WDR

RChander/akw

MAY 14 1981

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara - *noted*
FROM: Shankar Acharya, VPD
SUBJECT: Foreword to the Research Report

DATE May 11, 1981

Hollis Chenery had asked me to draft a foreword for the report "World Bank Research Program", which will be ready to go to print shortly. Attached, for your approval, is a draft. I am sending this directly to you (rather than through Hollis) as I have included a sentence of tribute to his achievements in the draft foreword, which he might find necessary to delete if the draft foreword were channelled through him. While I obviously feel that the relevant remarks are appropriate, a more conventional version can be prepared if you wish.

Attachment:

SA:lt

Shankar Acharya
VPD

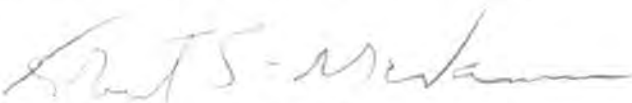
May 11, 1981

FOREWORD

Better understanding of the economic and social changes in the development process is essential to continued progress in developing countries. This is the principal reason why the World Bank undertakes research. Over the past decade the Vice President, Development Policy, Hollis Chenery, has been responsible for building up the World Bank's Research Program into one of the largest and most effective programs of development research in the world.

This report provides an overview of the program, and outlines some of the main accomplishments to date. It also describes the program's objectives and dimensions, the processes by which research decisions are arrived at, and illustrates the ways in which research influences the operational policies and programs of the World Bank and its member countries. The concluding chapter summarizes the principal recommendations of recent, high-level external advisory panels and outlines the new directions and emphases that have been initiated in response to these recommendations.

The report has been prepared by the Research Adviser, Shankar Acharya, and his associates under the guidance of Dr. Chenery.


Robert S. McNamara

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
THRU: Mr. H. B. Chenery *HBC*
FROM: Robert H. Cassen *RC*

DATE: May 11, 1981

SUBJECT: WDR 1981

Attached is Chapter 6, Country experience: managing adjustment.

Chapter 8, Overview, will follow later today.

Our current estimates suggest that the text is now shorter than WDR 1980, so there is room for amplification of any of the chapters.

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
THRU: Hollis B. Chenery *HBC*
FROM: R. H. Cassen *RHC*

DATE May 8, 1981

SUBJECT: WDR 1981 -- Remaining Chapters

Attached are Chapters 6 and 7. Chapter 6 has not yet had the benefit of editorial attention from Mr. Pennant-Rea, but will receive it prior to his departure. In order to incorporate the final revisions taking place in all seven chapters, a little more time is needed for the Overview, Chapter 8 -- this will be delivered on Monday, May 11. (It is a short chapter.) All three may then be discussed on Tuesday, May 12 at 4:30 p.m.

cc: Steering Group

RHCassen:rbc

The World Bank

"In his memo dated 4/15, Hollis asked that \$3.5 million instead of \$3.033 million be provided for External Research in FY84. Having now reviewed the total research budget, I believe if \$500,000 is to be added to External Research, it should be offset by reductions in other items of research to hold the total within the planned increase of 10%."

ROUTING SLIP

Date

May 1, 1981

OFFICE OF THE PRESIDENT

Name

Room No.

1) Mr. Chenery

I-8-100

2) Mr. Qureshi

E-1241

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

CC : Wain
Wright
Adams
Cleave

From

Research: COSTS AND OUTPUTS

	FY77	FY78	FY79	FY80	FY81 Prog.	FY81 Est.	FY82 Prog.
Costs in FY81 \$000							
Joint Research a/ External b/ Bank Staff Subtotal	3077 5543 8620	3060 4957 8037	3660 5656 9316	2938 6218 9156	3536 5575 9111	2706 5283 7989	3033 5440 8473
In-House Research Subtotal	5007 13627	5284 13321	3802 13118	c/ 3571 12727	c/ 3884 12995	3655 11644	4530 13003
UN-Bank Studies	-	-	-	285	704	588	425
Total	13627 =====	13321 =====	13118 =====	13012 =====	13699 =====	12232 =====	13428 =====
% Increase over previous year	+3%	-2%	-2%	-1%	+5%	-6%	+10%
% Total Administrative Expenses	4%	4%	4%	3%	3%	3%	3%
No. Joint Research Projects in process at end of fiscal year d/	61	67	70	99	90	120	140

- a/ Joint research refers to projects approved for funding by the Research Committee to be undertaken by outside consultants and/or Bank staff.
- b/ Includes in FY79 \$430,000 for the Research Advisory Panels.
- c/ In FY79 and FY80 a portion of staff resources initially budgeted for in-house research were redeployed to work on the World Development Report and basic needs.
- d/ In the FY77-81 programs, a project 'in process' has been defined as one which had unspent external research funds at the end of a fiscal year. For the FY81 estimate and FY82 programs, the definition includes projects which may not have unspent funds but continue to involve staff time.

115. In FY81 the external research program envisioned a redirection of effort toward research application and dissemination (as recommended by the General Research Advisory Panel) and an increase of 10% to \$3.5 million. In the event, the redeployment of staff required by the desired change of direction has delayed the initiation of new external research projects and led to an estimated underutilization of the FY81 budget by about \$0.6 million.

116. In FY82 Bank research (excluding UN-Bank Studies) has been programmed for about \$13.0 million providing 12% real growth in research expenditures over the estimated level of FY81 expenditures.

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
FROM: Hollis B. Chenery, VPD *HBC*
SUBJECT: DPS Budget Appeal

DATE: April 15, 1981

1. I request that you reconsider Mr. Gabriel's recommendation that the budget for "external" research in FY82 be reduced from the \$3.5 million which I recommended (within the guideline of 3% growth for DPS budgets) to \$3.0 million. This reduction would bring the central research budget below the average for the years FY78 to FY80 (\$3.1 million) and represent a movement away from the GRAP recommendation for strengthening the Bank's research program, which was accepted by you and twice endorsed by the Board.

2. The only reason given in the PAB budget memorandum (p.16) is their judgment that actual expenditures in FY82 will approximate \$3.0 million instead of the \$3.5 million requested. Since the bulk of the new research projects for next year are received and reviewed in the period March-June, it is now possible to make a more accurate estimate than when the budget was submitted. A reevaluation of likely expenditures is given in Table I. It shows that FY82 expenditures under projects likely to be approved by June 1981 are \$3.7 million, and projects to be approved in FY82 apply a discount factor of 25% zation and disbursement -- which experience -- we would have to stay within a figure of \$3.5 million.

3. The reduction in use of in FY81 was caused by a redeploy to accelerate the activities of dis as recommended by the Lewis Panel that we are now receiving confidence was a temporary phenomenon. It continue to strengthen the Bank's restoring the central research of CPS and the regions as well as I of \$3.5 million budgeted for this

4/16

Dr. Chenery

Please ask Georg to send this to me along with the draft budget memo to the Board and I will consider it in the light of the total DPS and Bank Group budget.

Attachments

RMcN

cc - Messrs. Gabriel
Vergin

HBC/SA:jm

cc - Gabriel)
Chenery) 4/17
Acharya)
Ward)

4/16 to Dr. Chenery
Please ask Georg
to send this to me
along with the
draft budget memo
to the Board + I

will consider
it in the
light of
the total
DPS &
Bank
Group
Budget
Lower

Table I: Estimated FY82 Research Budget Expenditure^{a/}
(\$ million)

IA	FY82 costs of projects approved before February 1, 1981	1.4
IB	FY82 costs of projects approved at Research Committee meetings of March 27 and April 9, 1981	<u>0.8</u>
I	FY82 costs of already approved projects	2.2
II	FY82 costs of <u>new proposals</u> already submitted for the June 1981 Research Committee Meeting	1.5
III	Estimated (conservatively) FY82 costs of new proposals likely to be <u>submitted and approved during FY82</u> (including <u>new China research</u>)	<u>1.0</u>
	TOTAL	<u>4.7</u>
	Total, allowing disbursements to lag authorization by 25%	<u>3.8</u>

a/ The attachment gives project-specific support to this summary table.

EXTERNAL RESEARCH PROGRAM
EXPECTED EXPENSES BY PROJECT, FY82
(\$'000)

TABLE IA: Projects Authorized Prior to
February 1, 1981

<u>Project No.</u>	<u>Authorized FY82 Expenses</u>
670-86	12.5
671-02	2.0
671-17	4.5
671-27	11.1
671-35	1.8
671-38	4.0
671-45	5.0
671-50	10.0
671-55	21.9
671-58	24.5
671-59	17.5
671-60	26.3
671-66	178.0
671-71	29.7
671-72	3.5
671-79	7.5
671-80	12.0
671-87	66.7
671-89	102.0
672-02	46.6
672-03	13.0
672-04	5.0

Table IA (contd.)

<u>Project No.</u>	<u>Authorized FY82 Expenses</u>
672-07	66.5
672-10	63.2
672-11	125.0
672-12	28.0
672-13	69.0
672-14	40.8
672-16	127.0
672-19	97.3
672-21	19.8
672-22	10.0
672-24	25.0
672-25	50.0
672-26	87.9
672-28	20.0
	<hr/>
<u>TOTAL</u>	<u>1434.6</u>

TABLE IB: New Proposals Approved at the Research
Committee Meetings of March 27 and
April 9

1. New Projects

<u>Project Name</u>	<u>Authorized Expenses FY82</u>
Production and Distribution Effects of Dairy Products, India	87.0
Impact of Agricultural Extensions; the T.V. Method, India	70.2
Structure of Employment and Sources of Income in Peru	9.6
Market and Agricultural Policy Determinants of Rural Incomes	83.4
Trade Among Developing Countries	128.6
Effect of Expanded EEC on Agricultural Trade Patterns on Moroccan Exports	11.0
Small-Scale Enterprise Lending in Kenya	7.2
<u>Sub-Total</u>	<u>397.0</u>

2. Supplementary Requests

<u>Project Number</u>	
671-89	100.0
671-47	65.0
672-13	28.6
671-78	15.0
671-59	38.0
672-01	9.0
671-84	4.0
<u>Sub-Total</u>	<u>259.6</u>

3. Applications

<u>Project Name</u>	<u>Authorized Expenses</u> <u>FY82</u>
Policy Analysis of Fertility and Family Planning in Kenya	39.0
Development of Social Accounts for Cyprus	42.6
Protection and Incentive Systems in Turkey	37.2
<u>Sub-Total</u>	<u>118.8</u>
<u>TOTAL</u>	<u>775.4</u>

TABLE II: Partial List of New Proposals Submitted
for the June 1981 Research Committee
Meeting

<u>Project</u>	<u>Estimated FY82 Cost</u>
1. Korea National Spatial Policies	205.0
2. India National Spatial Policies	60.0
3. Macro Analysis (Medium-Long run) for Mineral Exporters	20.0
4. Energy Demand Model for LDC's	130.0
5. Assessment of Prospects and Constraints for Irrigated Agriculture in LDCs	111.0
6. The Problems for Sustaining Mechanical Technologies in Rural Areas	170.0
7. Housing Demand	100.0
8. Technology Exports and Technological Technological Capability	150.0
9. Determinants of Fertility in Egypt	60.0
10. Narangwal Nutrition Project, 2nd Stage	100.0
11. Diversified Secondary Curricula, Colombia and Tanzania	280.0
12. Labor Markets and Macro Models	50.0
13. Model for Thailand	100.0
<u>TOTAL</u>	<u>1536.0</u>

APR 27 1981

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: April 23, 1981

FROM: Hollis B. Chenery *HBC*SUBJECT: Medium-term Projections by IMF Staff

The Fund's World Economic Outlook, which is scheduled for discussion by their Board on May 1 and May 4, contains two alternative (1985) projections of the balance of payments of developing countries. The table below compares the current account deficits of oil-importing developing countries in the Fund's scenarios with the WDR IV High and Low Cases. In essence, the growth rates of GNP of industrialized countries in the Fund's Scenario A correspond to the WDR IV Low Case. As can be seen from the table, however, while we project a current account deficit for the oil-importing developing countries of \$72 billion in 1985 in the Low Case, the Fund's Scenario A shows a current account deficit for these countries of \$107 billion.

Comparison of IMF and WDR IV Current Account
Deficits of Oil-importing LDCs in 1985

	1980	IMF		WDR IV	
		A	B	High	Low
Current account deficit ^{a/} \$bn	69.6	107.0	134.0	86.0	71.7
: as % of GNP	4.8	4.0	5.1	3.3	2.9

a/ Excluding official transfers.

Bank and Fund staff have met to discuss the reasons for these differences, and these discussions are continuing. Although it has not so far been possible to diagnose in detail the sources of the differences, it seems that the Fund projects what developing countries would be "willing to borrow" from markets without constraining the availability of capital. We, on the other hand, have constrained their borrowing by our estimates of the probable availabilities of financing. This methodological difference leads to the opposite changes in the two scenarios. The Fund shows a higher level of borrowing

by developing countries in the B (pessimistic OECD) Scenario than in the A (optimistic) Scenario. We have the opposite pattern: Countries can borrow less with slower growth of their exports in our Low Case.

The difficulties with the Fund's approach are demonstrated by the fact that medium- and long-term lending by private sources is projected to expand at 15% a year in their Scenario A, but at 25% a year in Scenario B. Such levels of borrowing result in debt service ratios for all oil-importing developing countries increasing from 18% in 1980 to 22% in 1985 in Scenario A and to 25% in the same year in Scenario B. In this respect the Bank report is more conservative.

The Fund has projected the debt counterpart of borrowings only for the years 1983-85. A high and rising debt service ratio for oil-importing countries in even such a short period, suggests that an increasing number of countries would be encountering debt servicing difficulties even in the first half of the 1980s and more would be added if the projection period were extended.

Last year the Fund did not publish its medium-term projections. We expect that it will not do so this year either.

cc: Messrs. Stern
Qureshi
Mrs. Hughes
Messrs. Baneth
Cassen
Colaco
Waide
Wood
Yenal

HBC/tsa

Mr. Robert S. McNamara

April 23, 1981

Hollis B. Chenery

Medium-term Projections by IMF Staff

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cc: Messrs. Stern
 Qureshi
cc: Mrs. Hughes
 Messrs. Baneth
 Cassen
 Colaco
 Waide
 Wood
 Yenal

HBC/tsa

McNamara
Bovde

Mr. Robert S. McNamara

April 17, 1981

Hollis B. Chenery

Visit to Saudi Arabia

I attach a copy of Mr. de Lusignan's note on my discussions in Saudi Arabia. I would support his suggestion on p. 5 that the Bank engage in a periodic dialogue with the Saudi authorities on general matters of development policy, given its importance to the way the world economy evolves.

Attachment

cc: Messrs. Stern
Qureshi

HBC/tsa

OFFICE MEMORANDUM

APR 16 1981

TO: Mr. Roger Chaufournier, Vice President, EMENA

DATE: April 14, 1981

FROM: Guy de Lusignan, Director, Resident Mission, Riyadh

SUBJECT: SAUDI ARABIA - Mr. Hollis B. Chenery's visit to the Kingdom
of Saudi Arabia: March 21-27, 1981

DECLASSIFIED

Memo No. 38

JAN 11 2007
CONFIDENTIAL

WBG ARCHIVES

1. The purpose of this memorandum is, as agreed with Mr. Chenery, to give some highlights on his visit to the Kingdom from March 21 through March 27. I accompanied him in all his meetings. Mr. Agarwal also attended some of the discussions. The program of Mr. Chenery's visit is attached. It went on very well, smoothly and pleasantly.
2. In all the meetings, Mr. Chenery made a presentation of the salient points on which he wanted to have reactions and/or suggestions. All our Saudi interlocutors, most of them being educated in the US, were happy to meet and discuss with Mr. Chenery whom they all knew through his books and articles. This helped the dialogue tremendously.
3. No doubt the most important meeting was the one of March 22 at the Ministry of Finance with the Minister, the Governor of the Central Bank (SAMA), the Deputy Minister of Finance for Budget, and the Assistant Deputy Ministers for Economic and International Affairs, who are respectively attached directly to the Minister. Mr. Chenery explained first on this occasion what was this year's purpose of the Bank yearly World Development Report. He stressed the recent developments in the energy sector and current account balances and indicated that for the future, the view of the Bank would not be very different than that of the long-term strategy paper prepared by OPEC, i.e. a real increase of 3% per annum in the price of oil over the next decade. Mr. Chenery said that many countries, particularly the US, are now taking steps to conserve energy and to develop alternative energy resources and that the Bank's advice to the developing countries is to take the present price of oil as the minimum in formulating their adjustment policies. He mentioned that the Bank is assuming a 2% p.a. growth in demand for oil, most of it in the LDCs and only little in the OECD. This latter development, would however, depend on alternative sources of energy, essentially use of coal. He emphasized the uncertainty in the analysis because of the difficulties in projecting the output levels of OPEC oil, particularly given the present situation in Iran and Iraq. The real question for the future is whether the distribution of current account surpluses and deficits is sustainable. The private financial market should be able to manage the overall recycling problem in the 1980's. Mr. Chenery, however, added that there would still be cases where specific difficulties may arise: some countries have already borrowed as much as they could; some, like Turkey, may face further difficulties because of ill management of their borrowings; and for others, like Brazil, the problem is more of restructuring the economy rather than recycling more petrodollars. As for the poorer countries with more rigid economies, serious adjustment difficulties will remain, and for them concessionary lending will be essential. Thus proper allocation of aid is a major issue.

4. The Saudi officials had a two-pronged reaction: one referring only to last year's World Development Report and repeating views expressed on earlier occasions; the other on the issues regarding the future of the world economy.

5. First, the Minister and his associates expressed their unhappiness at the World Development Report 1980 which, they said, gives the impression that today's international economic situation was the result of the OPEC actions. The Minister in particular insisted that his colleagues in the countries of the Gulf shared his views that OPEC could not be treated as a scapegoat for all the ills of world economy. He stressed that they were converting the irreplaceable oil resource into financial assets, and their large surpluses were, mainly, due to oil production being at levels much higher than necessary for their domestic needs, particularly in a country like Saudi Arabia.

6. The Minister and the Governor of Central Bank said that, on the other hand, the present high production level of oil in Saudi Arabia will have to be reduced, once the war between Iran and Iraq ends and once these countries regain their exports. They agreed, however, that a substantial portion of the revenues from oil exports of those two countries will be used for their domestic needs. They went on to say that regardless of the Iran/Iraq situation, the current account surpluses are likely to decrease progressively among capital surplus oil exporting countries for four reasons:

- (a) larger use of assets in the capital surplus countries for their own economic and social requirements;
- (b) present and future energy conservative measures in the Western world;
- (c) possible oil/gas development and discoveries in LDCs; and
- (d) the use and development of alternative sources of energy in the West following the present and future increases in the price of oil.

7. Mr. Chenery said that he would agree with these views and showed to our interlocutors an analysis that was prepared for the World Development Report 1981 presenting the levels of the historical and projected current account balances through 1990, for industrialized, oil exporting capital surplus, oil exporting, and oil importing countries. The Minister and the Governor did not seem to have any problem with those projections. They seem to agree to a trend of 3% per year (above inflation) increase in the price of oil. Mr. Chenery pointed out that the scenarios to be presented in the World Development Report 1981 will be based on the work carried out in the Bank and that they seem to be consistent with the report of the experts of OPEC.

8. The Minister's associates queried the country classification used by the Bank in the Report of 1980, particularly for the 10-12 middle income countries (e.g. Brazil, Argentina, etc.) which, they say, are at the core

of the recycling problem and account for 70% of the oil imports by them. It was explained to them that the countries were divided into various groups to highlight the adjustment problems and differences in their prospects for growth and trade. We, however, said that any classification can be subjected to questions and that groupings could change with time; Iran, for example, would be taken out of the capital surplus oil exporting countries this year. The next Report will spell out better the classification.

9. The Saudi officials also expressed their hope that in the 1981 Report, the contribution of OPEC capital surplus countries to foreign aid would have a fairer treatment than in the past. They said aid from OECD countries as a percentage of their GNP was very low while OPEC aid has been much higher. They also said that, in addition to aid, transfers of remittances by the workers in the Gulf countries, to their home countries are now an important element in helping many developing countries. They added that the comparison of aid by the capital surplus oil exporting countries in terms of a percentage of their GNP was not a fair comparison. They stressed that a large portion of their GNP comes from the conversion of the irreplaceable oil resources into financial assets; this, therefore, should not be treated as a real production of goods and services. They suggested that it would be desirable to calculate their aid as a percentage of non-oil GNP. Finally, they said aid should not be linked to current surpluses and be seen as a transfer from the rich to the poor countries.

10. To the question of the possibility of direct long-term investments by Saudi Arabia similar to those made by Kuwait, the Governor of the Central Bank interjected that Saudi Arabia's investment policy would be to keep surpluses in liquid assets. They would continue to place them in short-term investments and that, in the future, given the acceleration of Saudi Arabia's economic and social development, oil surpluses would be used for national purposes. This position of the Governor was confirmed later by his advisor at SAMA, Dr. Umer Chapra, who said that they were expecting from 1983 and most likely from 1984 a deficit in the current account of Saudi Arabia and a decline in the foreign assets beginning 1982. He explained this by the fact that world demand for oil has been declining while OPEC's needs for foreign exchange have been increasing rapidly. As a result Dr. Chapra foresees increased competition among OPEC countries in the World market, and to maintain price levels, OPEC may have to agree on production levels and sharing of the World market for their exports. He thus anticipates difficulties in Saudi Arabia's ability to maintain the current level of oil exports in the medium-term, despite its willingness and the need to do so.

11. As for the other meetings held, they gave us much more direct and candid signals on the policies of Saudi Arabia. Even the first introductory meeting we had with the Deputy Minister of Planning, Dr. Faisal Al-Bashir, was informal enough to stress the need to promote the role of women in Saudi Arabia's future development and to increase training facilities for women

and wider employment possibilities. The only obstacle, however, said Dr. Al-Bashir, was that women should be employed in jobs where they would not mix with male employees. In all of our discussions, concerns were expressed about the future development prospects of Saudi Arabia because of the serious shortages of manpower throughout the economy. The country may have to rely on foreign workers for a long time, contrary to the expectations of the Third Plan (1980-1985) to freeze the level of foreign workers at the present level.

12. In our discussions outside government circles, we were struck by references to non-economic development projects, waste of resources and corruption. We were also struck by the two schools of thought which seem to prevail in Saudi Arabia. One advocates the present government policy to keep a high level of oil production, say around 9 to 9.5 million barrels a day, regardless of the Iran/Iraq war outcome. This policy however would support the idea that total OPEC production would gravitate around figures smaller than those (of say 30 million barrels a day for OPEC) projected previously in mid 1970s. Under this high alternative of oil production our interlocutors, Saudis and non-Saudis, also referred generally to the need for the Kingdom of a minimum amount of 8 to 8.5 million barrels a day to cover Saudi Arabia's development and requirements for technical reasons, to maintain adequate amounts of gas, associated with oil production needed for fuel and feedstock for the projects on the Gulf and Red Sea (basic industries, power and desalination). They also referred to the possibility that it may not be in the long-term interests of Saudi Arabia to have the price of oil going up rapidly as it may lead to accelerated efforts towards the development of alternative sources of energy. Political reasons were also put forward to justify a high figure and even to keep it a little bit higher so as to maintain Saudi Arabia's relations with friendly countries.

13. On the other hand, other sources, mainly in the universities, expressed skepticism on the rationale of government policies in keeping high levels of oil production, and in promoting and launching costly projects especially in the petrochemical industry. Those sources believe that oil should be left in the ground and that a minimum amount of a few million barrels a day be produced to keep up with reasonable and more progressive development plans of the country than those adhered to at present. One of our interlocutors mentioned the unrealistic amount of 3 million barrels a day. Another one, more reasonable, would believe that about 5 to 6 million barrels a day would be acceptable.

14. As for the foreign assets of Saudi Arabia, the figure of about \$100 billion was mentioned. In our meeting with the Saudi American Bank, difficulties faced by SAMA in managing this large portfolio were voiced, i.e. low returns on investments abroad so far. They said that the past actions and the present approach of SAMA confirms that most of Saudi Arabia's investments abroad have been in liquid assets, and it seems that this policy may be continued.

15. One of the conclusions that Mr. Chenery drew out of his visit to Saudi Arabia is that there is no real structure whether in government or non-government circles which can assess professionally and realistically the basic economic policies and strategies of the Kingdom. The Plan does not offer this avenue nor the Ministry of Finance. The decision-makers of the Kingdom have no tools, no advice on which they can rely to draw lessons from the strategies laid down in past and current development plans given the geographical, social and manpower constraints, in order to promote better future developments of the country. In this regard, present Saudi institutions lack the presence of such advisory groups or think tanks which exist in some other countries. Furthermore, we were all struck by the highly conservative approach of the Central Bank and perturbed by their projected deficits of Saudi Arabia's current accounts.

16. From the private talks I had for instance with the Assistant Deputy Minister for International Affairs and with the Assistant Deputy Minister for Economic Affairs, Ministry of Finance, it seems Mr. Chenery's visit to the Kingdom was extremely useful. The frank exchange of views in the working session at the Ministry of Finance was commended and they said that they hope this will lead to a better understanding between the Kingdom and the Bank. These meetings show how open and interested Saudis and non-Saudis were to discuss these basic questions. We might think of building on Mr. Chenery's visit by pursuing in a very informal way, a dialogue on these questions. Perhaps after the publication of the coming World Development Report or much later prior to the next year's one, further missions of this nature could be envisaged.

Attachment

Cleared with and cc: Mr. Hollis B. Chenery (3)

cc: Messrs. Picciotto, Karaosmanoglu, Dubey, Stewart, El Rifai

GdeLusignan/SKAgarwal:sh

Visit of
Mr. Hollis B. Chenery
Vice President, Development Policy

March 20-27, 1981

Friday, March 20

Arrival

Saturday, March 21

8.30 am

Meeting with
Dr. Faisal Al-Bashir
Deputy Minister of Planning

Sunday, March 22

10.30 am

Seminar - Ministry of Finance & National Economy
Sheikh Mohammed Abalkhail, Minister
Sheikh Abdulaziz Al-Qureshi, Governor, SAMA
Dr. Saleh Al-Omair, Deputy Minister for Budget
and Organization
Dr. Abdallah Al-Kuwaiz, Assistant Deputy Minister
for Economic Affairs, Office of the Minister
of Finance
Dr. Osama Fakihi, Assistant Deputy Minister for
International Affairs, Office of the Minister
of Finance

1.30 pm

Lunch (hosted by Dr. Al-Omair, Deputy Minister of
Finance)

Other Official Guests:

Dr. Abdulaziz Al-Zamel, Vice Chairman and Chief
Executive Office of Saudi Basic Industries
Corporation (SABIC)

Dr. Faisal Al-Bashir, Deputy Minister of Planning
Dr. Khaled Al-Masoud, Deputy Managing Director of
Saudi Fund for Development (SFD)

Dr. Abdallah Al-Kuwaiz, Assistant Deputy Minister
for Economic Affairs, Office of the Minister of
Finance

Dr. Osama Fakihi, Assistant Deputy Minister for
International Affairs, Office of the Minister
of Finance

Monday, March 23

Visit to the University of Petroleum and Minerals (UPM),
Dhahran

Morning

- (i) Meeting with Dr. Faris M. Al-Harbi, Director General,
Public Relations, Public Affairs Department
- (ii) Meeting with Dr. Ali D. Johany, Dean of the College
of Industrial Management
- (iii) Meeting with Dr. Bakr Abdullah Bakr, Rector,
University of Petroleum & Minerals
- (iv) Tour of UPM Campus

Lunch with Faculty members of the College of Industrial
Management hosted by Dr. Ali D. Johany

Afternoon

- (i) Working Session with the College of Industrial Management
and with the Faculty members and graduate students
- (ii) Concluding sessions with Dr. Ali D. Johany

Tuesday, March 24

Morning

Meeting with
Dr. Abdulaziz Al-Dukheil
President, Saudi Consulting Center for
Finance and Investment

Afternoon

Working Session at the Saudi American Bank
Present were:

Mr. Michael Callen, Director General
Mr. Sheldon E. Boege, Director
Mr. Gardner P. Pearson, Resident Vice President

Mr. Ollie Akel, Vice President, EXXON
Mr. Eugene Bird, Vice President-Regional Manager,
General Electric

Mr. J. Hunt, Director, SA-US Joint Economic Commission (JECOR)

Wednesday, March 25

Morning

- (i) Meeting with
Dr. Fayez Al-Habib
Chairman, Department of Economics
College of Administrative Science
Riyadh University
- (ii) Working Session with Dr. Fayez Al-Habib and
the Faculty members of the College of
Administrative Science
- (iii) Meeting with
Mr. M. U. Chapra, Economic Adviser
Saudi Arabian Monetary Agency (SAMA)

Thursday, March 26

Field trip to Al-Kharj
Visit Farm of Prince Abdullah Al-Faisal
(Saudi Arabian Agriculture & Dairy Co. - SAADECO)

Lunch on farm

Discussions with farm agricultural researchers

Friday, March 27

Depart for Kuwait, SV 760 at 1240 hours.

GdeLusignan:gh
April 1, 1981

Hollis B. Chenery

Mr. Robert S. McNamara

April 15, 1981

Hollis B. Chenery, VPD **Signed Hollis B. Chenery**

DPS Budget Appeal

1. I request that you reconsider Mr. Gabriel's recommendation that the budget for "external" research in FY82 be reduced from the \$3.5 million which I recommended (within the guideline of 3% growth for DPS budgets) to \$3.0 million. This reduction would bring the central research budget below the average for the years FY78 to FY80 (\$3.1 million) and represent a movement away from the GRAP recommendation for strengthening the Bank's research program, which was accepted by you and twice endorsed by the Board.

2. The only reason given in the PAB budget memorandum (p.16) is their judgment that actual expenditures in FY82 will approximate \$3.0 million instead of the \$3.5 million requested. Since the bulk of the new research projects for next year are received and reviewed in the period March-June, it is now possible to make a more accurate estimate than when the budget was submitted. A reevaluation of likely expenditures is given in Table I. It shows that FY82 expenditures under projects likely to be approved by June 1981 are \$3.7 million, and FY82 expenditures from projects to be approved in FY82 are \$1.0 million. Even if we apply a discount factor of 25% for the lag between authorization and disbursement -- which is above our historical experience -- we would have to ration approvals in order to stay within a figure of \$3.5 million.

3. The reduction in use of the external research funds in FY81 was caused by a redeployment of research staff to accelerate the activities of dissemination and application, as recommended by the Lewis Panel. The surge in proposals that we are now receiving confirms our judgment that this was a temporary phenomenon. It will not be possible to continue to strengthen the Bankwide research effort without restoring the central research fund -- which is available to CPS and the regions as well as DPS -- to at least the level of \$3.5 million budgeted for this year.

Attachments

cc - Messrs. Gabriel
Vergin

HBC/SA:jm

Table I: Estimated FY82 Research Budget Expenditure^{a/}
(\$ million)

IA	FY82 costs of projects approved before February 1, 1981	1.4
IB	FY82 costs of projects approved at Research Committee meetings of March 27 and April 9, 1981	<u>0.8</u>
I	FY82 costs of already approved projects	2.2
II	FY82 costs of <u>new proposals</u> already submitted for the June 1981 Research Committee Meeting	1.5
III	Estimated (conservatively) FY82 costs of new proposals likely to be <u>submitted and approved during FY82</u> (including <u>new China research</u>)	<u>1.0</u>
	TOTAL	<u>4.7</u>
	Total, allowing disbursements to lag authorization by 25%	<u>3.8</u>

a/ The attachment gives project-specific support to this summary table.

EXTERNAL RESEARCH PROGRAM
EXPECTED EXPENSES BY PROJECT, FY82
(\$'000)

TABLE IA: Projects Authorized Prior to
February 1, 1981

<u>Project No.</u>	<u>Authorized FY82 Expenses</u>
670-86	12.5
671-02	2.0
671-17	4.5
671-27	11.1
671-35	1.8
671-38	4.0
671-45	5.0
671-50	10.0
671-55	21.9
671-58	24.5
671-59	17.5
671-60	26.3
671-66	178.0
671-71	29.7
671-72	3.5
671-79	7.5
671-80	12.0
671-87	66.7
671-89	102.0
672-02	46.6
672-03	13.0
672-04	5.0

Table IA (contd.)

<u>Project No.</u>	<u>Authorized FY82 Expenses</u>
672-07	66.5
672-10	63.2
672-11	125.0
672-12	28.0
672-13	69.0
672-14	40.8
672-16	127.0
672-19	97.3
672-21	19.8
672-22	10.0
672-24	25.0
672-25	50.0
672-26	87.9
672-28	20.0
	<hr/>
<u>TOTAL</u>	1434.6

TABLE IB: New Proposals Approved at the Research
Committee Meetings of March 27 and
April 9

1. New Projects

<u>Project Name</u>	<u>Authorized Expenses FY82</u>
Production and Distribution Effects of Dairy Products, India	87.0
Impact of Agricultural Extensions; the T.V. Method, India	70.2
Structure of Employment and Sources of Income in Peru	9.6
Market and Agricultural Policy Determinants of Rural Incomes	83.4
Trade Among Developing Countries	128.6
Effect of Expanded EEC on Agricultural Trade Patterns on Moroccan Exports	11.0
Small-Scale Enterprise Lending in Kenya	7.2
<u>Sub-Total</u>	<u>397.0</u>

2. Supplementary Requests

<u>Project Number</u>	
671-89	100.0
671-47	65.0
672-13	28.6
671-78	15.0
671-59	38.0
672-01	9.0
671-84	4.0
<u>Sub-Total</u>	<u>259.6</u>

3. Applications

<u>Project Name</u>	<u>Authorized Expenses</u> <u>FY82</u>
Policy Analysis of Fertility and Family Planning in Kenya	39.0
Development of Social Accounts for Cyprus	42.6
Protection and Incentive Systems in Turkey	37.2
<u>Sub-Total</u>	<u>118.8</u>
<u>TOTAL</u>	<u>775.4</u>

TABLE II: Partial List of New Proposals Submitted
for the June 1981 Research Committee
Meeting

<u>Project</u>	<u>Estimated FY82 Cost</u>
1. Korea National Spatial Policies	205.0
2. India National Spatial Policies	60.0
3. Macro Analysis (Medium-Long run) for Mineral Exporters	20.0
4. Energy Demand Model for LDC's	130.0
5. Assessment of Prospects and Constraints for Irrigated Agriculture in LDCs	111.0
6. The Problems for Sustaining Mechanical Technologies in Rural Areas	170.0
7. Housing Demand	100.0
8. Technology Exports and Technological Technological Capability	150.0
9. Determinants of Fertility in Egypt	60.0
10. Narangwal Nutrition Project, 2nd Stage	100.0
11. Diversified Secondary Curricula, Colombia and Tanzania	280.0
12. Labor Markets and Macro Models	50.0
13. Model for Thailand	100.0
<u>TOTAL</u>	<u>1536.0</u>

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
 THRU: Hollis B. Chenery *HBC*
 FROM: R. H. Cassen *RHC*

DATE: April 15, 1981

SUBJECT: WDR 1981 -- Second Draft

1. I would like to suggest the following timetable: we will deliver these revised chapters of the Report to the Steering Group on April 28:

- (1) Introduction (the main themes of the Report)
- (2) Projections
- (3) Trade
- (4) Energy
- (5) Capital Flows

2. On May 8 we will deliver:

- (6) Country Analysis:

- I: Adjustment in the oil-importing developing countries
- II: China
- III: The oil-exporting countries

- (7) Human development
- (8) Concluding chapter

3. If we can get comments quickly on the five chapters delivered on April 28, we could re-present on May 8 a final version of those chapters, together with the last three. It is possible also that we will be able to circulate the revised Introduction and Projections before April 28.

4. Our current thinking is that the above might prove to be a better order of the chapters for the Report, as well as being the order in which they will be prepared. Given that the Projections chapter is now moved to follow the Introduction, it seems to make good sense to follow them with the main international issues of Trade, Energy and Capital Flows, and then proceed to the country adjustment chapters. It also seems natural to have Human Development immediately after the country chapters.

5. The current timetable requires that the Report leave our hands on May 15 for distribution to the Board.

cc: WDR Steering Group

RHCassen:rbc

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President
(through: Mr. H.B. Chenery, VPD) *Signed Hollis H. Chenery* DATE: April 8, 1981
FROM: Jean Baneth, EPDDR
SUBJECT: World Development Indicators 1981 - Correction

1. Please substitute the attached new version of table 7 to that included in the set of World Development Indicators distributed yesterday (Mr. Chander's memorandum of April 6, 1981). The "energy consumption per capita" columns shown in the old table were affected by a series of clerical errors.

Attachment

JBaneth:mp

cc: Messrs. Chenery, Waide, VPD
Cassen, WDR
Mrs. Helen Hughes, EPDDR (o/r)

TABLE 7. COMMERCIAL ENERGY

	Average annual energy growth rates (percent)				Energy consumption per capita (kilograms of coal equivalent)		Energy imports as a percentage of merchandise exports	
	Energy production		Energy consumption		1960	1978	1960 ^b	1978 ^c
	1960-74 ^a	1974-79	1960-74 ^a	1974-79				
Low-income countries								
China and India								
Other low-income								
1 Kampuchea, Dem.	..	..	-0.7	-38.9	32	5	9	..
2 Lao PDR	..	16.1	13.7	13.6	17	72	..	..
3 Bhutan	..	..	..	..	..	..	..	..
4 Bangladesh	..	10.1	..	6.3	..	43	..	35
5 Chad	..	..	7.5	4.6	8	23	23	..
6 Ethiopia	14.1	2.3	14.0	-5.3	9	22	11	20
7 Nepal	26.8	4.6	12.4	2.3	5	14	..	..
8 Somalia	..	..	8.7	13.0	17	91	4	..
9 Mali	..	8.3	5.6	5.3	15	30	13	..
10 Burma	5.6	12.4	3.7	5.6	58	70	4	..
11 Afghanistan	38.8	-2.8	10.1	6.6	24	65	12	12*
12 Viet Nam	..	7.6	11.2	-4.0	99	125	..	..
13 Burundi	..	22.0	..	6.9	..	14	..	..
14 Upper Volta	..	..	7.7	10.2	5	29	38	..
15 India	4.9	9.1	5.1	8.3	111	194	11	27*
16 Malawi	..	6.9	..	5.7	..	63	..	22
17 Rwanda	..	3.5	..	10.4	..	26	..	..
18 Sri Lanka	10.1	8.2	3.9	3.8	114	136	8	18
19 Benin	..	..	9.5	-0.6	40	62	16	..
20 Mozambique	3.2	60.0	5.2	1.1	113	169	11	..
21 Sierra Leone	..	..	9.0	-1.1	31	98	11	..
22 China	4.4	8.7	4.1	8.5	650	810	..	..
23 Haiti	..	13.7	1.4	20.8	36	68	..	16*
24 Pakistan	9.3	7.5	5.3	5.0	136	194	17*	40
25 Tanzania	10.6	10.4	9.4	-2.9	43	70	..	..
26 Zaire	3.0	18.1	3.8	0.4	98	110	3	..
27 Guinea	16.0*	(.)	3.2	1.6	67	89	7	..
28 Niger	..	..	14.8	12.8	6	41	6*	..
29 Central African Rep.	14.1	4.1	7.6	8.5	38	52	12	1
30 Madagascar	6.7	4.1	9.0	3.9	40	89	9	16
31 Uganda	5.2	-4.4	9.1	-8.2	43	59	5	..
32 Mauritania	..	..	21.2	5.5	18	180	39	..
33 Lesotho	..	..	..	..	..	..	..	..
34 Togo	..	22.3	12.7	11.8	23	108	10	13*
35 Indonesia	8.5	6.5	3.8	10.1	130	297	3	5
36 Sudan	..	13.7	13.1	-0.9	54	175	8	24*
Middle-income countries								
Oil exporters								
Oil importers								
37 Kenya	9.6	17.6	3.3	3.5	150	158	18	30
38 Ghana	..	2.6	12.2	2.3	105	259	7	19*
39 Yemen Arab Rep.	..	..	12.8	15.8	7	69	..	..
40 Senegal	..	..	4.7	12.4	110	160	8	..
41 Angola	35.5	-2.4	10.3	1.1	90	232	6	2
42 Zimbabwe	2.5	-3.1	2.4	-0.3	1,346	808	..	..
43 Egypt	9.4	27.1	3.6	10.3	299	546	12	6
44 Yemen, PDR	..	..	7.6	7.0	237	523	..	..
45 Liberia	31.8	-1.3	18.9	-0.9	85	440	3	17
46 Zambia	..	5.1	..	5.2	..	742	..	11*
47 Honduras	29.4	6.4	7.7	1.5	157	314	10	14*
48 Bolivia	17.1	-3.0	6.8	9.3	185	470	4	1*
49 Cameroon	1.1	45.3	6.2	7.8	87	142	7	9
50 Thailand	28.2	0.8	16.2	7.6	63	358	12	28
51 Philippines	2.4	24.9	8.3	5.6	159	374	9	32
52 Congo, People's Rep.	15.8	5.1	5.3	7.0	125	149	25	1*
53 Papua New Guinea	..	..	..	..	..	..	7	..
54 Nicaragua	26.4	-16.3	10.3	2.7	183	534	12	14
55 El Salvador	5.1	15.6	7.7	8.3	150	339	6	13
56 Nigeria	36.6	1.0	9.4	1.4	29	99	7	2
57 Peru	3.5	18.5	6.5	2.7	436	753	4	20*
58 Morocco	2.0	4.7	6.4	6.4	169	308	9	28
59 Mongolia	10.4	14.6	7.3	13.1	553	1,240	..	..
60 Albania	9.7	5.0	11.3	8.6	327	1,202	..	..
61 Dominican Rep.	1.8	-5.1	14.4	-1.0	164	468	..	32
62 Colombia	3.5	2.0	5.7	7.0	510	815	3	7
63 Guatemala	9.9	2.5	6.2	1.6	174	273	12	14
64 Syrian Arab Rep.	86.2	7.5	7.5	15.2	323	996	16	..
65 Ivory Coast	9.7	-12.2	14.3	5.5	75	251	5	10
66 Ecuador	19.4	5.0	8.7	14.9	208	528	2	1*

	Average annual energy growth rates (percent)				Energy consumption per capita (kilograms of coal equivalent)		Energy imports as a percentage of merchandise exports	
	Energy production		Energy consumption		1960	1978	1960 ^b	1978 ^c
	1960-74 ^a	1974-79	1960-74 ^a	1974-79				
67 Paraguay	..	6.7	8.2	10.7	85	293	..	..
68 Tunisia	72.1	5.5	8.7	10.8	173	548	15	21
69 Korea, Dem. Rep.	9.4	3.0	9.3	3.6	1,193	2,968	..	..
70 Jordan	..	..	5.9	13.3	197	528	79	52
71 Lebanon	12.7	0.5	8.6	-3.7	567	1,174	68	..
72 Jamaica	-0.7	-2.0	11.0	-5.4	446	1,824	11	14
73 Turkey	7.6	3.1	9.8	7.0	276	730	16	63
74 Malaysia	45.4	5.6	18.1	-11.4	253	757	2	9*
75 Panama	14.7	35.9	9.0	4.3	438	1,075	..	91
76 Cuba	21.2	5.6	4.5	6.0	896	1,214	..	..
77 Korea, Rep. of	6.3	4.2	13.0	11.4	254	852	70	19
78 Algeria	11.1	6.5	7.1	12.3	276	730	14	2
79 Mexico	5.8	15.5	7.7	7.8	769	1,501	3	4*
80 Chile	3.9	0.1	6.1	0.7	824	1,170	10	18*
81 South Africa	3.8	8.1	5.0	4.4	2,320	3,542	9	..
82 Brazil	8.2	7.5	8.2	7.7	392	1,033	21	39
83 Costa Rica	9.5	3.5	10.1	7.6	315	754	7	13
84 Romania	5.8	3.1	8.2	6.9	1,469	4,120	..	..
85 Uruguay	3.7	8.5	2.8	3.4	895	1,201	35	34
86 Iran	14.6	-9.1	15.5	1.4	270	1,804	1	..
87 Portugal	4.4	11.7	7.4	6.0	473	1,288	17	34
88 Argentina	6.5	3.7	5.5	3.1	1,110	1,950	14	17
89 Yugoslavia	4.9	4.1	7.2	5.2	875	2,355	8	25
90 Venezuela	1.1	-3.3	7.0	5.4	1,615	3,039	1	22
91 Trinidad & Tobago	2.8	3.9	10.2	5.8	1,747	4,969	35	39
92 Hong Kong	..	..	9.6	16.7	468	1,584	5	6
93 Singapore	..	..	13.4	17.1	518	2,461	17	31
94 Greece	14.3	19.1	12.8	9.6	424	2,015	26	42
95 Israel	41.8	-62.3	11.6	4.7	1,270	3,490	17	20
96 Spain	2.6	6.0	8.8	3.8	892	2,746	22	40
Industrialized market economies								
97 Ireland	0.1	-1.2	4.9	4.3	1,922	3,369	17	13
98 Italy	2.3	0.9	7.8	1.4	1,317	3,496	18	24
99 New Zealand	5.7	5.6	6.0	1.7	2,699	5,020	7	13
100 United Kingdom	-1.0	13.5	2.0	1.0	4,489	5,428	14	13
101 Finland	3.3	2.9	8.7	2.4	1,925	6,032	11	20
102 Austria	1.4	0.4	5.0	2.6	2,523	4,847	12	14
103 Japan	-1.7	3.4	9.7	3.0	1,333	3,812	18	32
104 Australia	10.9	4.9	5.6	2.8	3,935	6,931	12	9
105 Canada	8.7	1.7	6.2	3.1	7,087	12,591	9	9
106 France	-1.3	2.9	5.5	2.3	2,674	4,869	16	21
107 Netherlands	16.1	0.3	9.0	2.7	2,500	5,418	15	16
108 United States	3.5	1.0	4.4	2.3	8,228	11,937	8	31
109 Norway	6.8	22.1	5.8	5.1	2,702	10,316	15	13
110 Belgium	-7.2	5.2	4.2	2.0	3,846	6,390	11	13
111 Germany, Fed. Rep.	0.3	4.9	6.0	4.3	2,711	5,674	7	14
112 Denmark	-20.4	39.5	8.1	0.8	2,767	5,462	15	20
113 Sweden	3.6	6.0	4.7	2.5	4,599	8,183	16	15
114 Switzerland	4.2	2.7	5.5	1.9	2,762	5,014	10	8
Capital-surplus oil exporters								
115 Iraq	5.0	9.2	6.0	2.6	494	639	(.)	(.)
116 Saudi Arabia	14.0	3.6	..	72.9	741	1,552	..	(.)
117 Libya	29.1	6.9	16.7	27.2	251	1,703	83	(.)
118 Kuwait	4.5	-0.2	3.8	9.2	10,584	6,726	..	(.)
Industrialized non-market economies								
119 Bulgaria	3.3	2.0	9.7	4.1	1,366	5,346	7	..
120 Poland	3.9	4.2	4.5	2.6	3,115	5,604	..	..
121 Hungary	2.6	3.7	4.7	4.8	1,732	3,670	13	14*
122 USSR	5.9	5.2	3.2	4.4	2,866	5,628	4	..
123 Czechoslovakia	1.4	-3.3	3.2	-0.4	4,509	6,457	..	18
124 German Dem. Rep.	0.6	5.3	6.0	4.7	4,579	7,169	..	..

a. Figures in italics are for 1961-74, not 1960-74.

b. Figures in italics are for 1961, not 1960.

c. Figures in italics are for 1977, not 1978.

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
THRU: Hollis B. Chenery *HBC*
FROM: R. H. Cassen *(m)*
SUBJECT: WDR 1981

DATE: April 8, 1981

Projections

In response to a question you raised with Mr. Chenery, we have given further thought to the question of the placing of the Global Model Projections in the WDR.

Our reason for placing the chapter later in the Report was that it is rather detailed and gives an account both of how the projections are made and of some sensitivity testing -- material which we believe would better follow some of the substantive chapters. We agree, however, that it is highly desirable for the main findings of the projections to appear early in the Report.

One possible solution could be to place in Chapter 1 some of the projections tables, with an accompanying descriptive text: at the least, tables on Growth Prospects and Per Capita GNP Growth by Region (corresponding to Tables 2.1 and 2.8 in WDR 1980). Further amplification of this material together with the remainder of the present Chapter 4 could then appear at a later point in the Report.

Chapter 2/3

The chapter was prepared under difficult conditions, and the material in it is in need of reorganization as well as some additions and editing. The attached outline is suggested for a revised chapter.

cc: WDR Steering Group

RHCassen:rbc

Chapter 2: Country Adjustment

I. Oil Importing Developing Countries

I. Introduction

Main theme of the chapter is the interaction between three factors:

- (i) changes in external environment ("external shocks")
- (ii) structural characteristics
- (iii) modes of adjustment

II. Changes in the external environment for groups of developing countries:

- (i) terms of trade effects
- (ii) effects of world inflation
- (iii) effects of OECD recession on exports

III. The Notion of Adjustment:

- (i) Micro dimension: increase in energy production and conservation, change in sectoral composition of production and investment.
- (ii) Macro dimension: transfer of income from oil importers to oil exporters. Modes of adjustment include combinations of additional external financing, export expansion, import substitution, domestic resource mobilization, increased efficiency of investment, deflationary demand management.

IV. The Experience of Oil Importers during 1974-78, by Country Groups:

- (i) Semi-Industrial
- (ii) Primary Producing
- (iii) Large Low Income South Asia
- (iv) Lowest Income Sub-Saharan Africa

Two themes to be developed here:

- (1) Importance of policy vs. structure in overcoming adverse external shocks, incorporating discussion of the extent to which production and trade structure
 - (a) made for vulnerability to external shocks, and
 - (b) limited the range of adjustment policy options outlined in III(ii) above.
- (2) the difficulty of separating adjustment policies from development issues, especially for low income countries.

V. Two patterns of adjustment

Among all the variety, two fairly common and distinct patterns of adjustment can be observed:

- (1) Adjustment with growth, resource mobilization, outward-oriented development strategy.
- (2) Adjustment with deflation, poor savings performance, inward-oriented development strategy.

VI. Mutually supportive roles of national and international policy

- (i) need to maintain global economic activity, recycling, need for liberal trade regimes (refer mainly to Chapters 6, 7 and 9).
- (ii) stress domestic policy reform and the role of external financing
 - (a) in promoting investment in energy and tradeables,
 - (b) in supporting liberalization of trade regimes.

VII. Prospects for a number of countries, using the Sample Panel projections.

Boxes will contain country case studies, chosen to illustrate intra-group diversity as well as various points about shock and adjustment made in the text. These will include comparisons of 1979-80 experience with that of 1974-78, data permitting.

Chapter 3: China and the Oil Exporting Developing Countries

I. China

Adjustment and Reform
Agriculture
Industry
Energy
International trade and finance.

II. Capital Importing Oil Exporting Countries

Structural characteristics
Patterns of public spending after the 1973-74 oil price rise
Urban bias and relative neglect of agriculture
Development priorities and prospects in the 1980s.

III. Capital Surplus Oil Exporting Countries

Oil production
Problems of diversification and development
Inflation, immigration and investment priorities.

Mr. Robert S. McNamara
through Mr. Hollis B. Chenery, VPD
R. Chander, EPDDR

April 6, 1981

World Development Indicators, 1981

1. Attached to this memorandum is a draft of the 1981 World Development Indicators. The present draft does not include the summary measures, which are now being computed. The numbers shown are tentative and preliminary, and are being verified and will be further corrected before being sent for typesetting. Your attention is drawn to a number of changes we propose to introduce.

2. While the tables generally follow the pattern adopted in last year's edition, we have introduced a few changes which include:

- i) China is being included in the low-income category. Given the large weight of China and India in this group, we intend to show summary measures for -

All Low-Income Countries
China and India
Other Low-Income Countries

This presentation is analytically more useful.

- ii) Taiwan has been dropped from the middle-income group but we have added North Korea, Albania, Cuba, Mongolia and Romania to this group in accordance with your instructions. Summary measures will be computed for -

Middle-Income Countries
Oil Importers
Oil Exporters.

- iii) The remaining countries of Eastern Europe are listed as Non-Market Industrialized Countries.
- iv) In Table 4 we have added an additional column to show GDP.
- v) In Table 7 we have deleted the indicator "energy consumption in dollar of GDP" as this is distorted by the inadequacies of the GDP measure in U.S. dollars.
- vi) Table 16 has not been updated, as we are awaiting information from the OECD Secretariat. We propose to send you the updated version before finalizing the table for the printer.

- vii) Table 24 is a new one and shows defense spending along with expenditure information on health and education services. It should be noted that the series on health and education expenditures are not comparable across countries since the computations are based on central government outlays. No information is available in respect of expenditures at lower levels of government and hence we are unable to develop a comparable set of numbers.

Attachment

Cleared with and c.c. Mr. Jean Baneth, EPDDR

c.c. Messrs. Chenery, Waide, VPD
Cassen, WDR

Mrs. Helen Hughes, EPDDR (o/r)

RChander/JBaneth:akw *JB*

Copy

Mr. Robert S. McNamara
Through Mr. Hollis B. Chenery, VPD
Shamsher Singh, EPDDR

April 2, 1981

Development Review

1. We are enclosing the text of the first issue of the Development Review and a sample of the format for your approval before it goes to the printer. All tables will, of course, be printed vertically. The text will be in three columns, as in the WDR; the tables and charts will appear in three colors to assist the reader. The text will run about 12 printed pages.
2. As approved by you, this issue will be circulated only to the members of the President's Council and select senior staff. A covering memorandum will explain its purpose and the limited nature of the distribution.
3. The production and distribution will be handled by IPA which has edited this Review.

Enclosure

c.c. Messrs. Chenery, Waide, Wright, VPD
Mrs. Hughes, Mr. Baneth, EPDDR
Messrs. Benjenk, VPE, Merriam, Muncie, IPA

Helen Hughes/SSingh:akw

Development Review



Volume 1

Number 1

April 1981

WORLD BANK PREVIEWS 1979

As had been expected, real growth in the economies of the industrial countries was slightly lower than the 3.7 percent rate in 1978. Forecasts for growth in 1979 have perhaps half a point less than that in the United States is widely expected, but growth is expected to continue to accelerate. The World Bank's index of commodity prices (excluding petroleum) finished the year at its level at year end 1977, but was 1 percent below that of last year. There was a considerable loss of purchasing power of the revenue of most commodity groups. Prices of most commodity groups, however, rose in the latter part of the year, and industrial countries grew at a steady pace in 1978. Export performance is expected to be further, although it is unlikely to reach the rate of the year before.

International capital markets rose over 1977 and the conditions in them remained favorable to borrowers. Borrowings may be attributed to increased wider current account deficits, and to finance reserve accumulation. The reserves of nonoil developing countries rose by about \$16,000 million, as compared with a decline of \$1 billion in the previous year, while they continued to have declining reserves.

Growth and Employment

Recent estimates by the Organisation for Economic Co-operation and Development show that the growth of Gross National Product in industrial countries in 1978 was around 3.7 percent, below the 3.7 percent achieved in 1977. Figures show that the economic growth in the United States in the fourth quarter

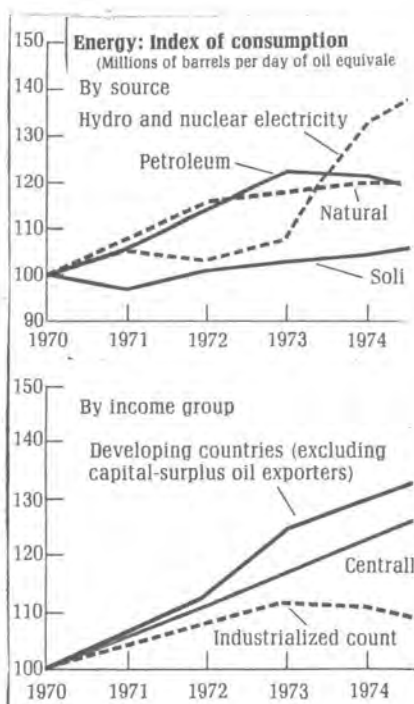
Federal Republic of Germany and other industrial countries. Elsewhere, especially in the developing countries, marked weakening seems to have continued.

Outlook for 1979

The outlook for 1979, at this stage, is perhaps a point in the overall real growth in industrial countries, as a result of the prospects for the United States in light of its economic and fiscal posture. The latest official forecast for a real growth rate of 2.2 percent in 1980. This assumes that there will be no recession—that is, that real Gross Domestic Product (GDP) will not decline in two successive years. Views hold that consumer spending in the United States may be at least a mild recession is likely. In Japan, the official growth target for 1979 has been set at 6.3 percent, but observers expect actual growth to be closer to 5 percent. The growth rate in other business in

Food

On average, food prices in terms of 1970 prices rose 5 percent during the fourth quarter. Gains in beverages (5 percent), fats and sugar (16 percent). Taking the whole, the price of sugar, which rose in a decade in July 1978, showed a decline, after approaching 20 cents per pound, it dropped to less than 18 cents per pound in the fourth quarter. Uncertainty over the International Sugar Agreement, which came into force in 1977 but has yet to be ratified by the United States, continued to plague the sugar market. The frost in Brazil made the size of the crop uncertain, but the decline in beverage prices since August. Speculative activity reflected the market's nervousness and unrest in Ghana; unfavorable weather played a role, leading to rising prices. Prices of other beverages in the fourth quarter rose 40 percent from their peak in the second quarter.



APR 3 1981

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE March 26, 1981

FROM: Shirley Boskey, Acting VPE *SB*SUBJECT: Publication of "World Bank Research Program"

1. I am returning to you, attached, Mr. Acharya's memo of March 20, which carries your pencilled note to Mr. Benjenk, asking whether he concurs with Mr. Acharya's proposals. I am replying for Mr. Benjenk.

2. I agree that it would be desirable to publish the report on the research program, and I find the suggested changes satisfactory. A further candidate for deletion, in the light of the Board discussion, is the last paragraph of the report, referring to the possible expansion of the research program and to a research subsidiary. Mr. Acharya agrees. The "editorial refinements" he mentions would primarily be clarification of in-house references (e.g., "CPS", "DED") for an outside audience.

3. In the interests of speed and economy, discussions between VPD and IPA staff have led to the proposal that the report be typeset within the Bank, as in the case of "Research News", with only the cover printed outside. The costs, including charges for engaging a copy editor to do the final editing and for Print Shop overtime, are estimated at about \$3,000 for 8,000 copies. This can be accommodated within existing resources at VPD's disposal. It should be possible to have the report available for release in May.

4. My recommendation, therefore, is that you answer the questions put in Mr. Acharya's memo with "yes" to the first, agreeing to his suggestions, and "no" to the second, on the understanding that the changes in the existing text will be minor editorial revisions.

5. There is one further point: since the report now incorporates a transmittal memo from you to the Directors, a memo which would be dropped from the printed version, perhaps a foreword over your signature or Mr. Chenery's should be substituted. I can raise this with Mr. Chenery when he returns.

Attachment

cc: Mr. Chenery
Mr. Benjenk, o/r
Mr. Merriam
Mr. Acharya

*MS Weaving**4/12/81 Mr. Acharya**2 copies with Mr. Boskey's suggestions**SB*

SEBoskey:di

*SA
4/6*



Record Removal Notice



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OFFICE MEMORANDUM

MAR 02 1981

TO: Mr. Robert S. McNamara, President
 (Thru: Mr. H. B. Chenery, VPD) *HB*
 FROM: Helen Hughes, Director, EPD
 SUBJECT: Preliminary Country Projections for WDR

DATE: March 2, 1981

Attached are tables containing preliminary summary indicators for the 38 countries in the WDR panel. These are in the same format as the Summary Tables 1-8 (less 3) of the Global Model sent on February 20.

These projections were prepared in consultation with country economists. They are intended to reflect a realistic assessment of each country's prospects. We discussed these projections with Regional Chief and Senior Economists last week and, in some cases, will be revising the projections to take account of remaining differences with the Regions' views. Depending on specific assumptions about forthcoming policy decisions and such exogenous factors as weather, a range of realistic projections are possible for each country. These EPD projections represent but one possibility within that range. Information from the discussions with Chief Economists will also contribute to the revision of the Global Model which we discussed last Monday.

The country views are generally more optimistic than those contained in the Global Model. In most cases, higher GDP growth and higher levels of imports are expected. The latter is allowed by higher export growth and more capital inflows than assumed in the Global Model. It is argued in most cases that growth is likely to be higher than the Global Model assumes because there will be favorable domestic developments in agriculture and positive reactions to adjustment policies under way, as well as because of the higher import levels. The higher export projections are based on the results of specific market analyses in some countries and, in others, on the assumption that good past export performance can continue in adverse circumstances. Additional capital is assumed to be provided by extensive use of IMF resources, primarily Stand-bys and Extended Fund Facilities in the early 1980s, which will be rolled over in the latter part of the decade. Debt reschedulings and delays in repayments of private source debt are expected to increase effective capital inflows in some countries. Large arrears already accruing in several countries suggest that this is likely. Neither of these factors affecting capital flows is explicitly included in the Global Model.

We will now subject the country projections to the trade and capital flow constraints of the Global Model. This will lead to a reduction in country growth rates and contribute to our understanding of how global constraints affect individual country prospects.

Attachments

cc: Messrs. H.B. Chenery, E.B. Waide, E. Stern, M. Qureshi, M. Benjenk, R. Cassen.

HH/JS/cl

COUNTRY EXERCISE

TABLE 1: HISTORICAL & PROJECTED GDP GROWTH RATES^{a/} 1960-90
(percent per annum at constant 1978 prices)

	<u>1960-65</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>LOW INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Ethiopia	5.1	3.7	2.4	3.5	3.6
Kenya	3.6	8.6	6.2	4.5	5.5
Madagascar	1.4	4.9	-0.7	4.2	4.5
Tanzania	5.2	5.9	4.9	3.9	4.5
<u>South Asia</u>					
Bangladesh	4.6	3.4	3.1	4.2	4.1
India	4.0	5.0	3.6	4.1	4.5
Pakistan	7.2	6.9	4.2	5.3	5.3
Sri Lanka	4.0	5.8	3.5	5.8	5.8
<u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon	2.9	4.5	5.1	5.9	6.0
Ghana	3.3	2.5	-0.2	3.0	3.0
Ivory Coast	10.1	7.4	6.6	4.0	5.2
Senegal	3.6	1.3	2.2	4.3	3.7
Sudan	1.5	1.3	5.6	3.2	5.0
Zambia	5.4	2.8	2.3	3.0	3.3
<u>East Asia & Pacific</u>					
Korea	6.7	10.3	10.4	7.5	8.5
Philippines	5.2	5.2	6.3	6.3	7.6
Thailand	7.4	8.9	7.4	6.4	6.6
<u>Latin America & Caribbean</u>					
Argentina	3.6	4.6	2.4	4.5	4.9
Brazil	4.0	8.0	9.2	5.0	5.9
Chile	4.9	3.6	1.2	5.9	6.0
Colombia	4.7	5.9	5.8	5.4	6.0
Dominican Republic	4.6	6.6	7.5	4.5	5.0
Guatemala	5.5	5.9	6.0	4.3	5.5
Uruguay	0.6	1.9	1.9	4.4	4.5

^{a/} Estimated by least squares time trends

MIDDLE INCOME OIL IMPORTERS contd

	<u>1960-65</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u> *	<u>1985-90</u>
<u>Southern Europe</u>					
Portugal	6.4	6.4	4.4	5.0	6.0
Turkey	5.3	6.3	6.9	4.1	4.5
Yugoslavia	6.6	6.2	6.0	4.2	6.3
<u>North Africa & Middle East</u>					
Jordan	n.a.	n.a.	5.3	5.3	5.6
Morocco	4.2	5.7	6.2	5.5	5.5
<u>OIL EXPORTERS</u>					
Nigeria	5.3	4.5	7.5	5.6	5.7
Indonesia	1.6	7.5	7.8	7.5	7.0
Malaysia	6.8	5.9	7.9	7.5	7.6
Ecuador	n.a.	5.8	9.1	6.0	6.0
Mexico	7.3	6.8	4.9	7.9	8.0
Venezuela	7.4	4.9	5.7	3.9	5.0
Algeria	0.8	8.1	5.8	6.6	6.8
Egypt	7.6	3.2	6.6	6.3	5.8
Tunisia	5.2	5.1	7.9	5.9	5.7

EPD/CA
3/2/81

Country Exercise

TABLE 2 : HISTORICAL & PROJECTED GDP PER CAPITA GROWTH RATES^{a/} 1960-90
(percent per annum at constant 1978 prices)

	<u>1960-65</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>LOW INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Ethiopia	2.8	1.2	-0.1	0.9	1.1
Kenya	0.2	4.9	2.7	0.7	1.8
Madagascar	-0.7	2.5	-3.1	1.4	1.7
Tanzania	2.6	2.7	1.4	0.9	1.5
<u>South Asia</u>					
Bangladesh	2.0	0.9	0.3	1.9	2.1
India	1.7	2.6	1.5	2.2	2.7
Pakistan	4.4	3.8	1.3	2.4	2.4
Sri Lanka	1.5	3.4	1.8	4.0	4.1
<u>MIDDLE INCOME OIL IMPORTERS</u>					
<u>Africa South of Sahara</u>					
Cameroon	1.2	2.6	2.9	3.2	3.6
Ghana	0.6	0.4	-3.2	-0.3	-0.3
Ivory Coast	6.1	3.5	0.7	0.1	1.2
Senegal	1.1	-1.2	-0.4	1.6	1.0
Sudan	-0.7	-1.0	2.8	0.6	2.3
Zambia	2.6	-0.1	-0.7	-0.3	0.1
<u>East Asia & Pacific</u>					
Korea	4.0	7.9	8.2	5.9	7.1
Philippines	2.2	2.1	3.5	3.7	5.4
Thailand	4.2	5.5	4.5	4.0	4.2
<u>Latin America & Caribbean</u>					
Argentina	2.1	3.2	1.0	3.1	3.6
Brazil	1.1	5.0	6.1	2.3	3.2
Chile	2.5	1.9	-0.5	4.1	4.4
Colombia	1.3	2.9	3.4	3.2	3.9
Dominican Republic	1.6	3.6	4.4	1.5	1.9
Guatemala	2.7	2.9	3.0	1.5	2.6
Uruguay	-0.6	1.0	1.7	3.7	3.8

^{a/} Estimated by least squares time trends

MIDDLE INCOME OIL IMPORTERS contd

	<u>1960-65</u>	<u>1965-70</u>	<u>1970-78</u>	<u>1980-85</u>	<u>1985-90</u>
<u>Southern Europe</u>					
Portugal	5.9	7.5	2.7	4.3	5.3
Turkey	2.8	3.7	4.3	1.5	2.0
Yugoslavia	5.4	5.2	5.1	3.3	5.3
<u>North Africa & Middle East</u>					
Jordan	n.a.	n.a.	1.2	1.8	2.4
Morocco	1.6	3.1	3.2	2.4	2.6

OIL EXPORTERS

Nigeria	2.7	1.9	4.9	2.2	2.5
Indonesia	-0.5	5.2	5.9	5.4	4.9
Malaysia	3.7	2.9	5.0	5.4	5.8
Ecuador	n.a.	2.5	5.6	2.8	3.0
Mexico	3.8	3.5	1.5	5.0	5.5
Venezuela	3.7	1.6	2.2	0.7	2.2
Algeria	-1.7	4.7	2.4	3.1	3.4
Egypt	4.9	0.6	4.2	3.9	3.4
Tunisia	3.4	3.0	5.6	2.8	2.6

Country Exercise

TABLE 4A: HISTORICAL & PROJECTED RATIOS OF CONSUMPTION TO GDP
(percentages at constant 1978 prices)

	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1978</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>LOW INCOME OIL IMPORTERS</u>							
<u>Africa South of Sahara</u>							
Ethiopia	87.7	88.8	93.4	97.1	90.1	89.3	87.3
Kenya	84.9	76.4	86.5	81.0	88.4	78.4	75.2
Madagascar	96.2	85.5	91.5	89.4	91.6	86.0	82.0
Tanzania	83.1	82.9	91.7	94.2	85.9	84.8	82.1
<u>South Asia</u>							
Bangladesh	92.2	92.8	100.0	99.6	100.5	94.5	92.8
India	83.8	82.4	79.8	76.8	78.5	76.7	75.2
Pakistan	86.9	91.0	95.2	91.9	89.9	85.7	83.8
Sri Lanka	87.4	84.2	91.8	84.5	90.3	85.6	82.4
<u>MIDDLE INCOME OIL IMPORTERS</u>							
<u>Africa South of Sahara</u>							
Cameroon	87.1	80.5	81.7	79.5	77.9	77.2	80.6
Ghana	91.7	87.2	87.1	95.0	89.0	84.8	80.6
Ivory Coast	79.6	76.8	77.4	69.8	73.5	68.8	72.9
Senegal	92.2	88.9	87.5	89.8	101.6	85.7	83.3
Sudan	92.5	88.6	98.3	97.9	92.9	86.7	85.7
Zambia	59.1	54.6	79.0	71.2	85.0	82.2	83.1
<u>East Asia & Pacific</u>							
Korea	93.5	82.9	79.8	73.3	74.9	70.9	70.0
Philippines	85.4	77.9	75.9	75.4	76.7	73.2	70.3
Thailand	79.4	79.4	76.8	75.0	76.9	75.1	74.3
<u>Latin America & Caribbean</u>							
Argentina	79.4	79.1	79.5	69.8	78.7	77.3	75.0
Brazil	79.5	78.1	78.6	78.7	77.8	75.0	72.9
Chile	81.9	80.0	85.9	87.5	89.1	82.6	78.9
Colombia	81.3	79.6	81.6	75.5	72.0	68.9	68.7
Dominican Republic	93.2	88.2	75.5	85.7	81.5	76.5	74.8
Guatemala	88.9	86.5	85.7	82.5	82.9	84.9	86.1
Uruguay	82.4	90.1	90.4	87.7	85.4	86.3	82.9