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Economic Intelligence Weekly Review

31 August 1978

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31 August 1978

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ECONOMIC INTELLIGENCE WEEKLY REVIEW

31 August 1978



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POLAND: PAYMENTS PROBLEMS PERSIST DESPITE SHRINKING TRADE DEFICIT

Poland's payments problems are worsening despite its success in cutting its trade deficit with the West. For the third consecutive year, Warsaw has had to borrow some \$4 billion to cover its financial gap. Although most of the financing needed this year already has been arranged, Poland's efforts to raise the remainder have been stalled, at least temporarily. Even if Poland scrapes through this year, an even more serious financial crunch in 1979 could well force either a major debt rescheduling or a painful cutback in imports.

Poland: Financial Gap with Non-Communist Countries

	1976	1977	1978 ¹
	Million US \$		
Current account deficits ²	3,375	2,645	1,950
Of which, interest expenditures	640	800	1,030
Debt amortization	1,000	1,550	2,200
Financial gap	-4,375	-4,195	-4,150
Drawings on medium- and long-term credits	3,200	3,695	
Increase in short-term debt and changes in reserves, net ³	1,175	500	
Other financial items:			
External debt yearend	10,200	12,800	14,750
Exports, f.o.b. ⁴	4,442	4,882	5,400
Imports, f.o.b. ⁴	7,375	7,057	6,700
	Percent		
Debt service ratio ⁵	37	48	60

¹ Projected.² Adjusted for net credits extended by Poland to non-Communist countries.³ May include some medium-term credits.⁴ Trade with all non-Communist countries.⁵ Repayments of principal on medium- and long-term debt and interest on all debts as a percentage of exports to all non-Communist countries.

Trade Deficit Continues to Fall...

Warsaw has had to reduce imports from the West to cope with its rising balance-of-payments problems. Following a 4.3-percent decline in 1977, imports from the West fell another 10 percent during the first half of this year, though for the year as a whole a reduction of 5 percent seems more likely. Cutbacks in imports of machinery and equipment and industrial materials have been particularly severe, slowing production in some sectors. Regime spokesmen have voiced particular concern over lagging production for export markets.

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Polish exports to the West increased at an annual rate of about 10 percent in the first half of the year. The Poles should—with some effort—be able to sustain this rate throughout 1978, thereby matching last year's export rise. Thus, Poland's trade deficit with the West is expected to fall to \$1.3 billion, down considerably from the record level of \$2.9 billion in 1976 and the \$2.2 billion of 1977.

... But Payment Obligations Rise

Despite the improvement in Poland's trade balance, debt service payments continue to soar. At \$3.2 billion in 1978, they are double the amount of 1976 and will be equivalent to 60 percent of Polish exports to the West, compared with 37 percent in 1976. This rapid rise is causing concern among Poland's Western creditors—especially in the private sector—and has led to a general reevaluation of their lending policies toward Poland over the last six to nine months.

Rounding Up Credits

Financing requirements for 1978 are estimated at \$4 billion, more than one-half of which has already been arranged. We believe that Poland can count on \$3.0 billion to \$3.5 billion in medium- and long-term credits tied to specific goods, most of which will likely have some form of Western government backing. The Poles themselves claim to have \$3.5 billion in such credits that they can use this year:

- \$1.7 billion in government-backed medium- and long-term credits to finance imports of machinery and equipment.
- \$800 million in government-backed medium-term credits—including \$500 million in US CCC credits—to help finance agricultural imports, mainly grain.
- \$1.0 billion in medium-term credits—including government-backed credits—to finance imports of industrial goods, which generally have been purchased on a cash or short-term credit basis.



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Outlook

Assuming that the Poles are able to raise the \$3.5 billion in medium- and long-term credits linked to specific goods, we estimate their minimum additional borrowing requirements for untied credits in 1978 at about \$500 million. Borrowing beyond this amount could be used to replenish Poland's foreign exchange reserves, which apparently were drawn down by more than \$200 million last year. Such a build-up would help alleviate Poland's tight cash flow situation and perhaps even allow a reduction in some relatively more expensive short-term borrowing. Borrowing above the minimum required would also provide Poland with a welcome cushion in the event that (a) some of the financing tied to imports fails to materialize or (b) the Poles fail to push exports by the projected rate or to keep imports down. In any event, Poland's efforts to raise upwards of \$1 billion in financial syndications apparently will drag on beyond the original summer timetable; late autumn appears to be the new target date. If by that time Poland fails to secure such credits or if some of the credits tied to imports are not obtained, Poland will have to (a) increase its short-term borrowing, with obvious implications for next year, (b) draw down even more its dwindling foreign exchange reserves, or (c) cut imports further.

Any increase in Poland's short-term debt will add to next year's financial gap, which we now estimate at about \$4.5 billion. Poland's debt service ratio in turn would climb from 60 percent this year to 65 percent or more in 1979. Warsaw will undoubtedly intensify its efforts to secure medium- or long-term credits tied to future deliveries of copper or other commodities, while continuing to seek balance-of-payments credits in the West. It will also continue to attempt to delay payments on its outstanding debt, as in its request for ballooning payments on CCC credits. If all these measures fail to provide the needed relief, Warsaw will have to ask for debt rescheduling—which it has tried so hard to avoid on a multilateral basis—or accept the consequences of additional import cuts.



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KENYA: ECONOMIC STAKE OF KENYATTA FAMILY

The family and closest associates of the late President Jomo Kenyatta have occupied many of the key posts in the Kenyan economy and have accumulated extensive agricultural and commercial wealth during the 15-year Kenyatta rule. This Kenyatta clique of Kikuyu tribal leaders currently forms the only group in likely

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position to mount a stiff challenge to acting president Daniel T. arap Moi—a member of the minority Kalenjin tribal group—and his major supporter Attorney General Charles Njonjo. The clique's efforts to outmaneuver Acting President Moi have so far failed; their substantial investments in the Kenyan economy probably will deter them from making a blatantly unconstitutional move. For the longer run, the desire of the Moi-Njonjo group to increase its share of the economic pie and the growing public disenchantment with the Kenyatta clan's economic monopoly could foment political unrest. Mounting economic problems will reinforce pressures for a redivision of the country's wealth.

The Royal Family Jewels

Kenyatta's extended family boasts extensive holdings of farms, plantations, hotels, casinos, and insurance, shipping, and real estate companies. Besides occupying major public office, several members of the family fill influential posts in large industrial companies doing business in Kenya, including Lonrho (a British multinational active in African agriculture) and the Ford Motor Company.

Family members and close associates control a large part of the land in the White Highlands, the homeland of Kenyatta's tribe, the Kikuyu. At independence in 1963, the British established a fund to help the Kenyan Government purchase farms from European settlers in this area and redistribute them among land-hungry African farmers. Although hundreds of African farmers were resettled through this scheme, some of the funds allegedly were used by family members and by Kenyatta's ministers to accumulate land. To protect the holdings of its members and the family, the government blocked every parliamentary attempt to limit land ownership.

Kenyatta himself owned only about a half-dozen properties covering roughly 4,000 hectares, mainly farms in the Rift Valley and in the district of Kiambu, where he was born. His fourth wife, Mama Ngina Kenyatta, however, owns at least 115,000 hectares including a 13,000-hectare ranch in the Kiambu district, two tea plantations at Matu and Mangu, and three sisal farms near the Tanzanian border. She also has considerable holdings in the resort areas around Mombasa and is involved in coffee plantations and in the Kenyan ruby mines.

Other members of the late President's family have also prospered under his rule. His son by his first wife, Peter Muigai Kenyatta, holds a seat in Parliament and is part owner of Inchcape, a trading company that handles among other things the Ford Motor concession in Kenya. Peter Kenyatta and his sister Margaret, the former mayor of Nairobi, also own large tracts of land. The late President's cousins include the director of Lonrho in Kenya, the chairman of the company that built the Mombasa-to-Nairobi gas pipeline, and Kenya's sole film distributor.

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Besides their other activities, Mama Ngina and Margaret Kenyatta are probably the country's two largest charcoal and ivory traders—particularly lucrative businesses. Although the export of these items is banned because depletion of Kenya's forests and wildlife threaten the underpinnings of the Kenyan economy, both women have been able to obtain special licenses and are rumored to be involved in smuggling. For instance, shortly after a ban on ivory exports (except for tusks from elephants dead of natural causes or shot for control purposes) went into effect, the United Africa Corporation, whose chairman and chief stockholder is Margaret Kenyatta, received an export license for 1,250 baby elephant tusks.

Family Assets Threatened?

Should Moi, with the aid of Njonjo and other supporters, consolidate his position during the transition period and gain the presidency in his own right*—an event that seems likely at the moment—the division of economic power could begin to shift. Family ties to the transition government are tenuous. Although Njonjo and Finance Minister Mwai Kibaki are Kikuyus, both for the time being are principal figures in the Moi camp. Moi and Njonjo—both rumored to be involved in land and other business dealings—could capitalize on the widespread dislike of Mama Ngina and on public discontent over corruption to take over large shares of the family's holdings. Whether attempted as a first step toward widespread income redistribution or merely as a shift of resources in favor of the new rulers, such a move would almost certainly provoke a strong political response from the Kenyatta family.

Growing Popular Disgruntlement

The Kenyatta family's hold on the economy is increasingly resented. Public criticism has been fanned by open parliamentary debate about scandals and high level corruption which has been widely publicized by the country's free press. Students and faculty at the University of Nairobi are particularly concerned about the uneven distribution of Kenya's wealth and income. They and, increasingly, the man on the street are very critical of the family's involvement in the charcoal and ivory trade, which endangers vital national resources:

- The destruction of Kenyan forests and scrubland for charcoal has reduced the habitat for wildlife and encouraged the encroaching desert, threatening tourism and the livelihood of most Kenyans who are subsistence farmers. In the last decade the country has lost 10 percent of its largest forest area, and one-fourth of the land now is classed as arid. As a result, soil erosion has

* The constitution calls for a presidential election within 90 days of the president's death. In the absence of an opposition party, the candidate of KANU (Kenya Africa National Union) will probably be proclaimed president.

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increased; at the mouth of the Galana River, silt has risen threefold in a single year.

- Ivory smuggling is taking a heavy toll on Kenyan elephant herds, the main tourist attraction. Figures for 1973, the last time a comprehensive survey was made, indicate that poaching resulted in the slaughter of 10,000 to 25,000 elephants in that year. Recent reports indicate that in Tsavo National Park—Kenya's largest park—the elephant herd has been reduced to only 2,000. Moreover, allowable Kenyan exports of high quality heavy ivory from mature bull elephants is down, leading to speculation that animals over the ages of 30-35 are almost extinct.

With the economy headed for balance-of-payments problems in the next several years after more than a decade of 5-percent growth, austerity measures may be in store, and popular discontent could grow. Kenya's payments accounts are under pressure from several sources; Nairobi has already considered applying to the IMF for assistance:

- Falling prices for coffee and tea—the country's major exports—are adding to the current account deficit. In addition, heavy rains damaged this year's coffee crop.
- Security worries due to Somali irridentism has put Kenya in the market for increased arms purchases. A US survey team has recommended a 10-year package to expand and modernize the Kenyan military at a cost of \$560 million to \$1,190 million. The first phase of the modernization is scheduled to be completed by July 1979 and will cost Kenya \$49 million. Almost all of the program would have to be funded by Nairobi.
- Collapse of the East African Community last year adversely affected the balance of payments. Kenya lost its major African trading partner, Tanzania, which accounted for 10 percent of Kenyan exports, and tourism has suffered from the closure of the Tanzanian border.

The new government may find itself forced to cut back on consumer imports and on development programs to pay for increased military purchases and keep the payments deficit manageable. A cut in consumer imports would add to shortages that presently exist, especially for sugar and meat, besides aggravating inflation. If the development effort slowed, unemployment—especially in the cities—would likely rise, fanning the discontent of urban dwellers already cynical about the concentration of wealth in a few hands. Urban unemployment currently is severe, especially among university and secondary school graduates, half of whom cannot find work appropriate to their educational levels.

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USSR: BORROWING BEYOND NEEDS FOR ORENBURG PIPELINE

Credit arrangements, ostensibly for the Orenburg gas pipeline, have exceeded requirements, netting the USSR more than \$1 billion in untied long-term credits in 1976-78 and reducing Soviet reliance on commercial borrowing for other purposes. The Soviets have received \$2.5 billion from CEMA's International Investment Bank (IIB) to finance purchases of pipe and equipment. Although the \$2.5 billion is sufficient to pay for all Orenburg-related imports, the Soviets have also lined up more than \$1 billion in Western supplier credits to finance the same purchases. Moscow apparently has been able to use these extra funds for general balance-of-payments purposes.

Financing Orenburg

Five East European countries—Bulgaria, Czechoslovakia, East Germany, Hungary, and Poland—agreed in 1974 to supply labor, construction materials, and the requisite hard currency for the Orenburg gas pipeline. Romania agreed only to provide financing for a gas treatment plant at Orenburg. In return for their investment the East European countries are to receive 15.5 billion cubic meters of gas annually between 1980 and 1990—2.8 billion for each of the five countries working on the pipeline and 1.5 billion for Romania. Deliveries from Orenburg may begin later this year; whether they will reach the target level by 1980 is still uncertain.

The IIB is the conduit for funds for the project. Through 1977, the IIB extended \$2.5 billion in hard currency to East European countries for the pipeline. The IIB's borrowing for Orenburg roughly equals its credit extensions; the bank has borrowed \$2.0 billion in four consortium loans since October 1975. Another \$500 million loan is now under syndication. The IIB has been able to borrow on the Eurodollar market at terms better than the individual East European countries could have obtained on their own; the \$500 million loan is for 10 years including a grace period of 5-½ years with an interest rate of ⅝ percent over the London Interbank Offer Rate (LIBOR) for the first 2-½ years and a ¾-percent spread thereafter.

Mechanics of Financing

In acquiring hard currency for the project the IIB borrows funds in the Euro-dollar market and then relends the money to the East European investors in the Orenburg project. They in turn pass the money to the USSR, which negotiates the contracts and pays for the imports from the West.

The USSR has already purchased most of the Western equipment for the project. West Germany, Japan, and possibly Italy have supplied about 1.7 million tons of large

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diameter pipe worth about \$1 billion. The Soviets have also bought \$775 million of equipment for 22 compressor stations from West German and Italian firms. A \$195 million order for the gas desulfurization plant went to France. Several smaller orders have boosted the hard currency cost of the pipeline to more than \$2 billion.

Where Has All the Money Gone?

Although the sum borrowed by the IIB roughly equals the cost of imports from the West, total borrowing for the project substantially exceeds the project's foreign exchange costs. In addition to the IIB funds, the USSR has obtained supplier credits from the West for most of the imports for the pipeline. French Government credits financed the sale of the desulfurization plant—apparently the one that Romania was obligated to finance. The \$150 million order for five compressor stations from Italy was financed by an Italian credit. Finally, almost all Soviet orders for large-diameter pipe in the past several years have been financed under credits from West Germany, Japan, and Italy.

The Soviet double dipping probably will provide at least \$3.5 billion in Western credits to finance somewhat more than \$2 billion in hard currency imports. Even allowing for higher cash imports than we can identify, the financial arrangements for the Orenburg project apparently have made well over \$1 billion in untied credits available to the USSR in 1976-78.

Debt Repayment

The USSR will repay the East European hard currency investment with natural gas; the East European countries will have to repay the IIB with hard currency so that IIB can, in turn, repay the \$2.5 billion in Eurodollar loans. Several of the East European countries, already struggling with large hard currency debts, will be hard pressed to meet this additional obligation. However, the natural gas they will receive will reduce their need to spend hard currency for high-priced Western energy.

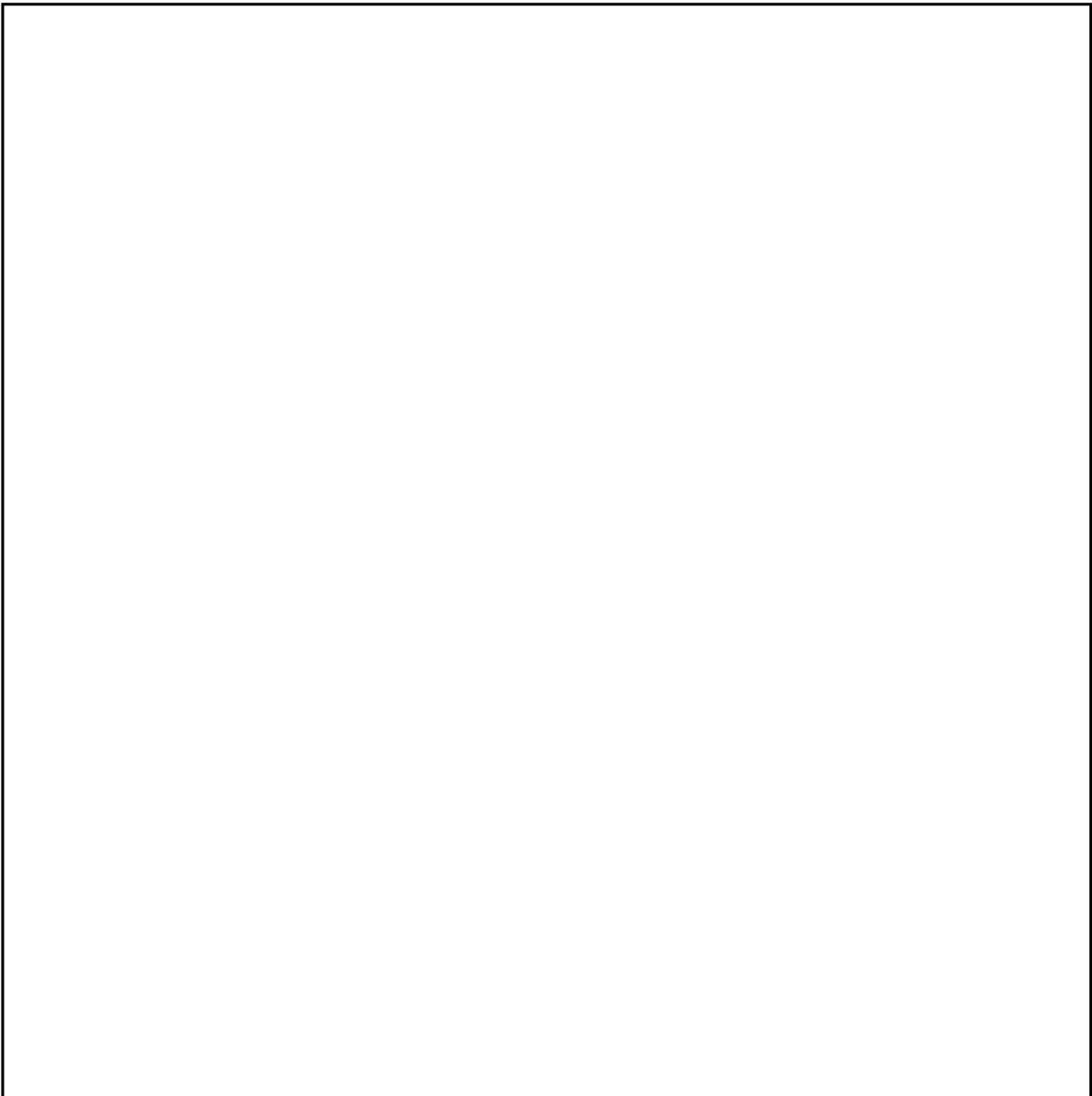
Soviet officials have stated that the price of the gas will be determined according to the CEMA foreign trade price system, in which prices are calculated as the average of world prices for the previous five years. The Soviet gas price to CEMA countries was about \$42 per thousand cubic meters in 1976 and is estimated to have increased to \$50 per thousand cubic meters in 1977. According to the CEMA pricing formula, Soviet gas prices will continue to rise and may be about \$60 by 1980. The 15.5 billion cubic meters of gas scheduled for annual delivery during 1980-90 would be valued at \$930 million. Taking into account the 1978-79 shipments, the East European investment would be repaid by 1983. Gas deliveries to Eastern Europe would continue until 1990 under the agreement, but the terms of payment are unknown.

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Natural gas exports to Western Europe through the Orenburg line will yield the USSR \$750 million to \$1 billion annually in hard currency assuming prices of \$60 and \$80 per thousand cubic meters, respectively. The capacity of the pipeline is sufficient to allow for Soviet exports of up to 12.5 billion cubic meters of natural gas annually after export commitments to Eastern Europe have been met.

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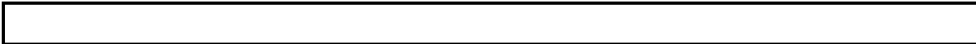


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CUBA: HUSTLING CONSUMER GOODS

A loosely organized black market specializing in nondurable consumer goods continues to flourish throughout Cuba, particularly in the Havana metropolitan area. The market's vitality in the face of longstanding government attempts at suppression reflects the continued shortage of most consumer items and the large amount of excess purchasing power in the hands of the Cuban people. Although the black market accounts for only a small share of Cuban economic activity, it constitutes a major outlet for the populace's frustration with its austere lifestyle and is therefore a stabilizing influence in Cuban society.

Market Organization

 the Cuban black market is a decentralized, loosely knit operation. Most of the consumer goods in this market originate in capitalist countries and are smuggled into Cuba by

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Items on the black market consist mainly of small consumer items that can easily be transported clandestinely and command a high enough price to make the risk worthwhile, such as watches, sunglasses, scarves and other wearing apparel, jewelry, and small radios. Trading in foodstuffs is largely confined to farm areas because of the lower value and the difficulty of transporting food items. A major exception is coffee, which is strictly rationed in "coffee-loving" Cuba. Little, if any, trading takes place in large durable items, such as refrigerators and television sets, because householders must show proof of ownership and origin.

Currency and Other Transactions

A considerable amount of currency also is traded on the black market. Given the endemic surplus of purchasing power, Cuban black marketers can readily acquire large amounts of domestic pesos. These are discounted to the diplomatic community—particularly the Soviets—and sometimes to tourists at about four pesos to the US dollar, about five times the official exchange rate. The foreign diplomats and tourists thus multiply the purchasing power of their personal budgets while the black marketers obtain scarce hard currency to pass on to their contacts in the Cuban and Western merchant marine to procure Western consumer goods for resale on the black market.

Other sub rosa activities of Cuban citizens to augment their meager official earnings and brighten their austere lifestyle include a bustling "cottage industry"—manufacture of goods in private homes—and the "bolita" (lottery). The cottage industry specializes in small handicraft items such as jewelry and is frequently staffed by dropouts from the labor force. [redacted] one such operation raided by the police produced a hoard of pesos worth \$150,000 and employed five persons making \$26 per day—well over twice the average wage in Cuba. [redacted]

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The bolita, widely known in pre-Castro days, has apparently retained its popularity. The government has apparently made only a token attempt to eradicate the bolita, recognizing not only its overwhelming popularity but also the extreme difficulty of penetrating the small cell system by which the lottery is operated.

Profit Potential

The potential for extremely large and immediate profits overcomes the fear of government crackdowns and penalties. To judge from the wide price discrepancies, the returns can be enormous for those willing to pit their imagination and ingenuity against the system. For example, smuggled watches and scarves, which cost about \$150

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Cuba: Official and Black Market Prices for Frequently Traded Items

Item	Official Price	Black Market Price
Beans (per lb.)	0.21	2.00
Beef (per lb.)	0.43	5.00
Rice (per lb.)	0.20	0.80-1.00
Coffee (per lb.)	0.96	16.00-20.00
Auto batteries	10.00-12.00	80.00-100.00
Gasoline (per gal.)	0.60	1.20
Shirt	5.50-6.00	25.00-30.00
Pants	15.00-30.00	40.00-75.00
Scarf	12.00	25.00-35.00
Shoes	12.00-16.00	80.00-120.00

and \$17 respectively at dockside in Havana, can be sold in eastern Cuba for \$450 and \$34, respectively; the black marketer can in turn purchase coffee, which is grown almost exclusively in the eastern area, for about \$5.50 per pound with subsequent resale in Havana at up to \$20 per pound—an overall profit of about 1,000 percent for the 1,930-kilometer round trip.

Fundamental Forces

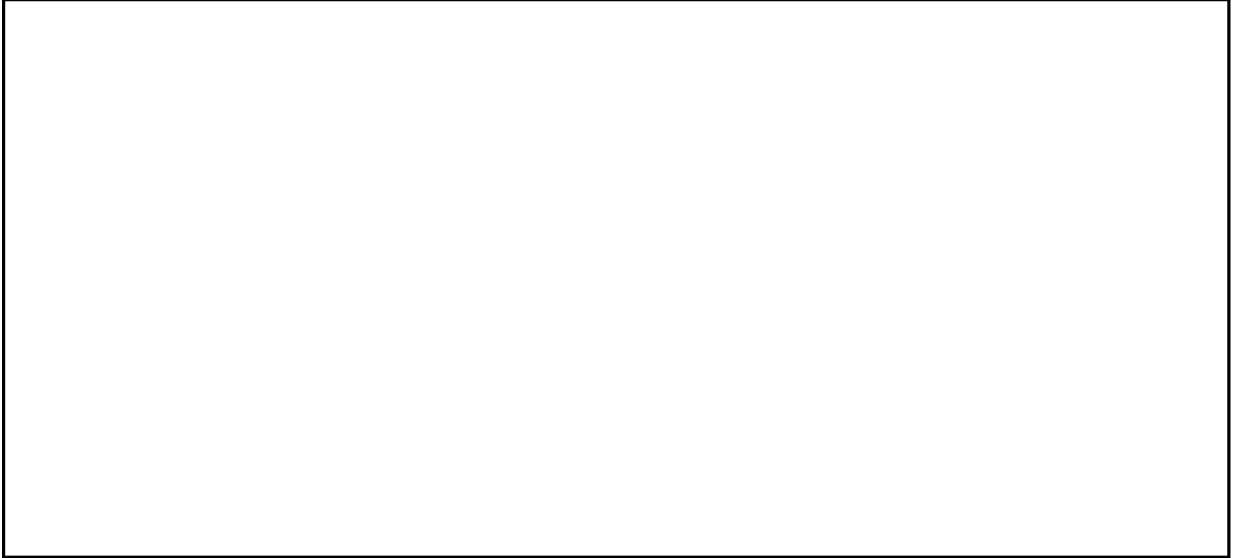
The vitality of the black market and other forms of illegal activity stems from the continued shortages of most consumer items, the large amounts of excess purchasing power in the hands of the Cuban populace, and the inability of the government to totally suppress illegal transactions. Cuba's "socialist command economy" falls far short of meeting consumer demand because of the particular priorities and inefficiencies characteristic of the Soviet-type economy and because of continued low world sugar prices. Almost all wearing apparel and foodstuffs, including sugar, continue to be strictly rationed. The major exceptions are a few luxury items, such as rum and cigarettes. Moreover, within the last two years the ration allotment of selected items has been trimmed. At the same time aggregate personal income (measured in pesos) has jumped 38 percent since 1973, reflecting higher salary scales and the accelerated growth of the Cuban labor force, particularly in the service sector. Pesos accordingly have piled up in the hands of the rank-and-file Cuban. As for the attitude of the leadership, we have no evidence of appreciable corruption among top-level government officials although there are indications of isolated cases of midlevel involvement and police protection at low levels.

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Notes



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Iraq and India Consider Joining Intersputnik

An Iraqi Government delegation reportedly left for Moscow in late June to discuss participation in Intersputnik, the Soviet-controlled international satellite communications organization. The USSR has also suggested that India join Intersputnik. We do not know the Iraqi and Indian responses to these proposals. Any success in attracting new members for Intersputnik would enhance Soviet technical prestige and Soviet control over Bloc satellite communications and could generate greater voting support for the Soviet position in international forums such as the upcoming World Administrative Radio Conference.

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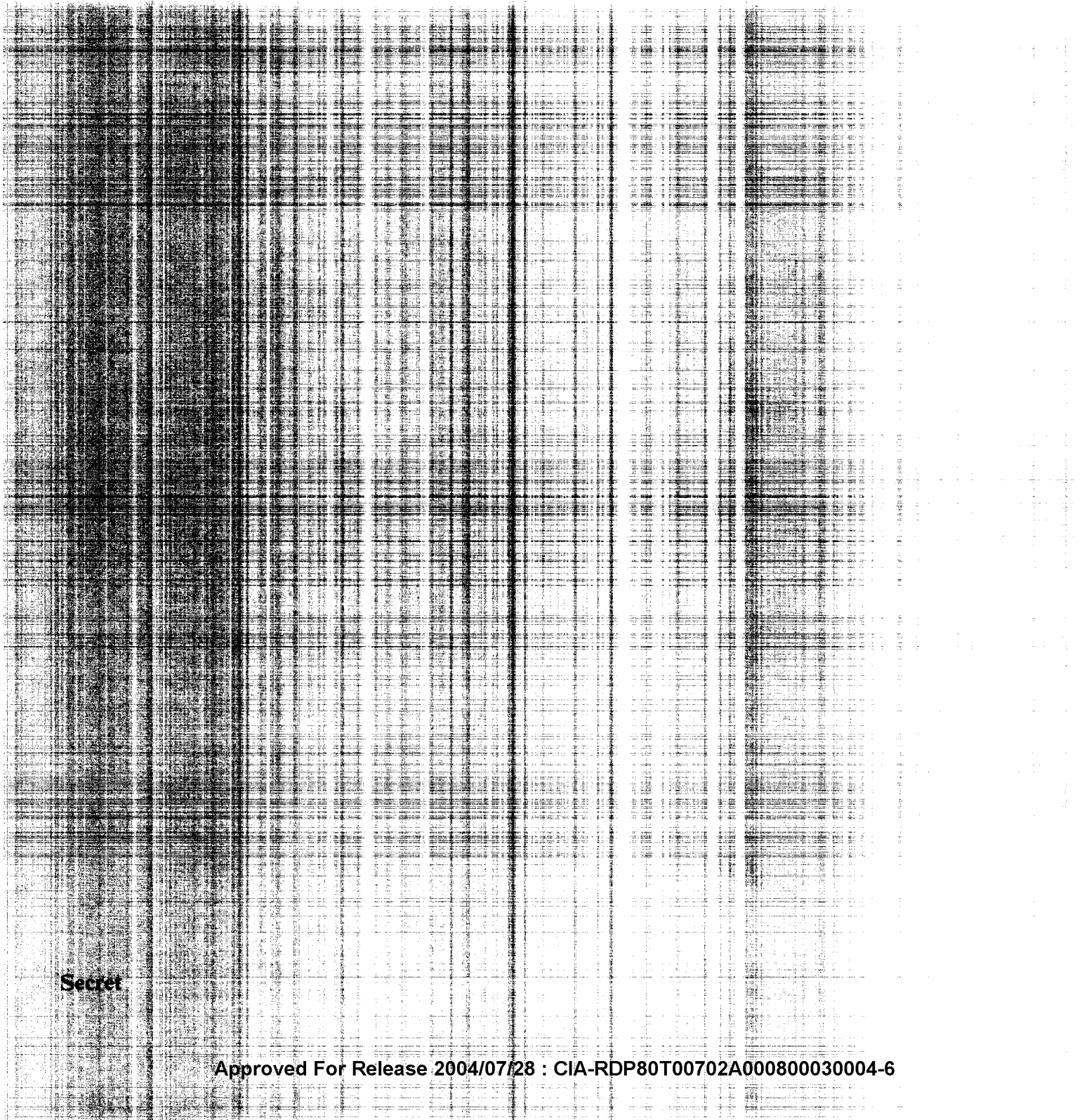
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FOREWORD

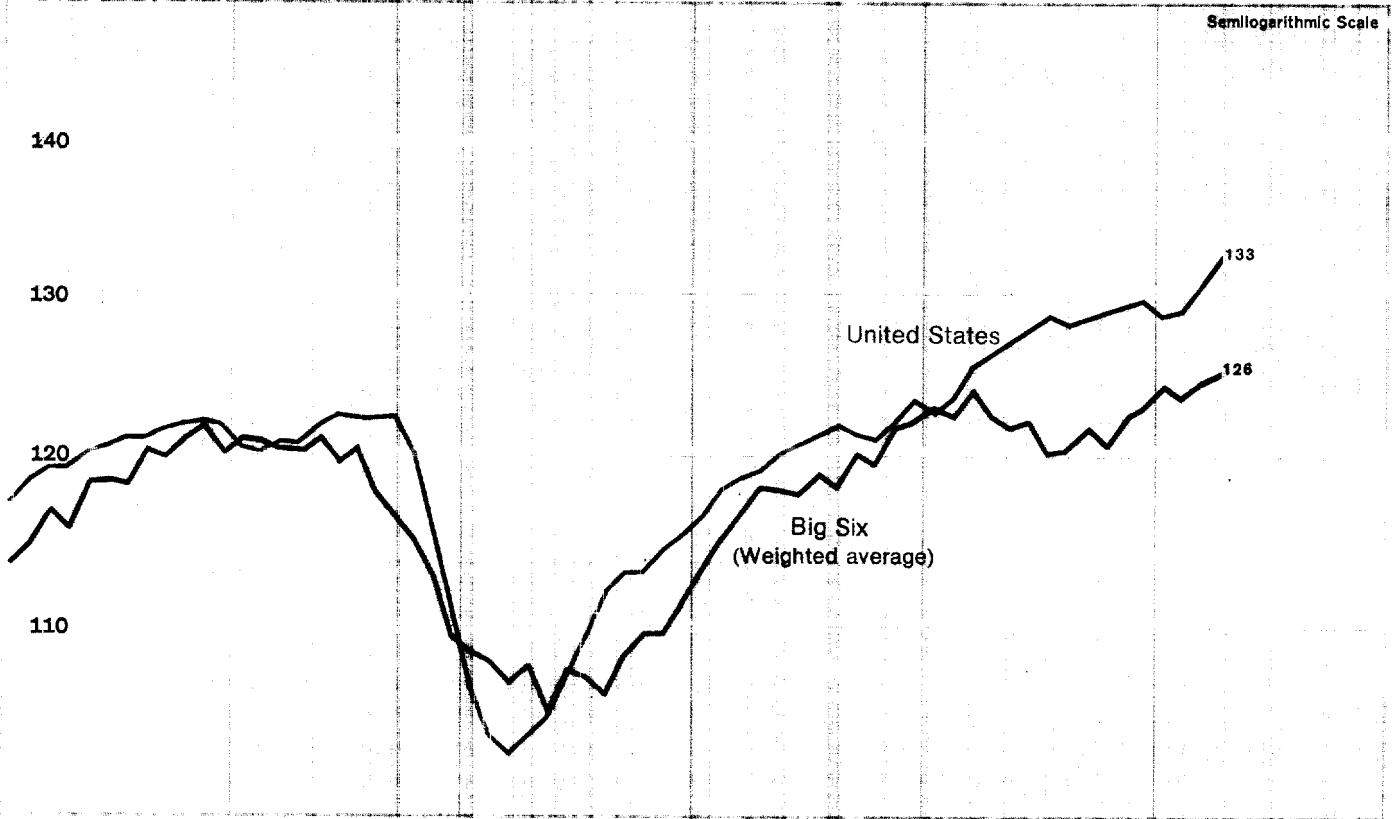
1. The **Economic Indicators Weekly Review** provides up-to-date information on changes in the domestic and external economic activities of the major non-Communist developed countries. To the extent possible, the **Economic Indicators Weekly Review** is updated from press ticker and Embassy reporting, so that the results are made available to the reader weeks—or sometimes months—before receipt of official statistical publications. US data are provided by US government agencies.

2. Source notes for the **Economic Indicators Weekly Review** are revised every few months. The most recent date of publication of source notes is 16 February 1978. Comments and queries regarding the **Economic Indicators Weekly Review** are welcomed.

BIG SIX FOREIGN COUNTRIES¹ COMPOSITE INDICATORS

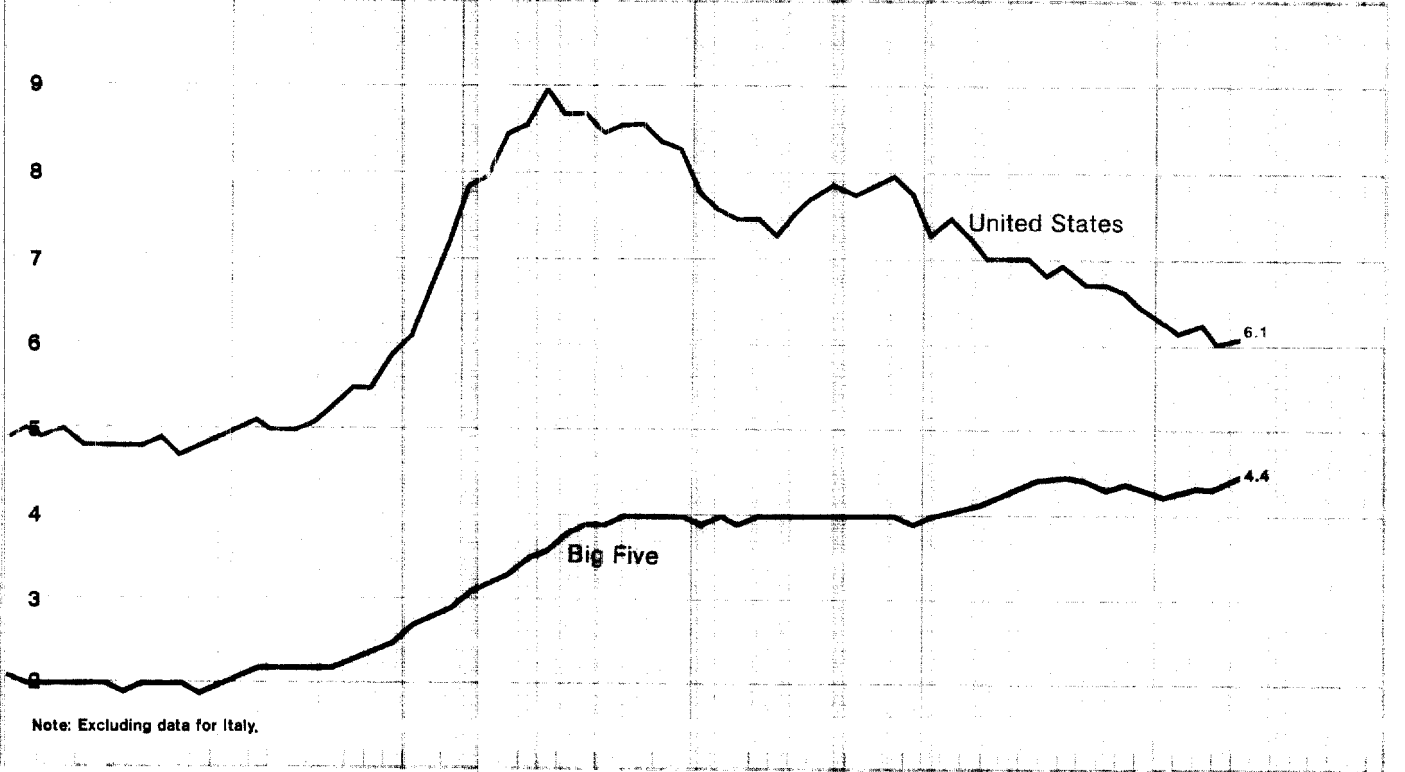
Industrial Production

INDEX: 1970=100, seasonally adjusted



Unemployment Rate

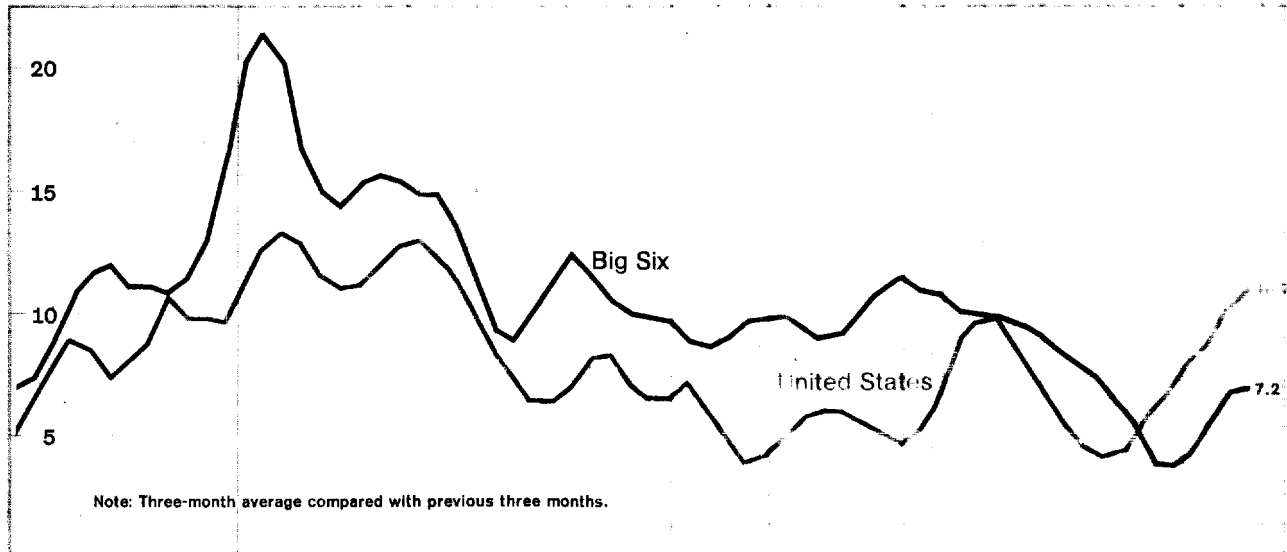
Percent



¹Including Japan, West Germany, France, the United Kingdom, Italy, and Canada.

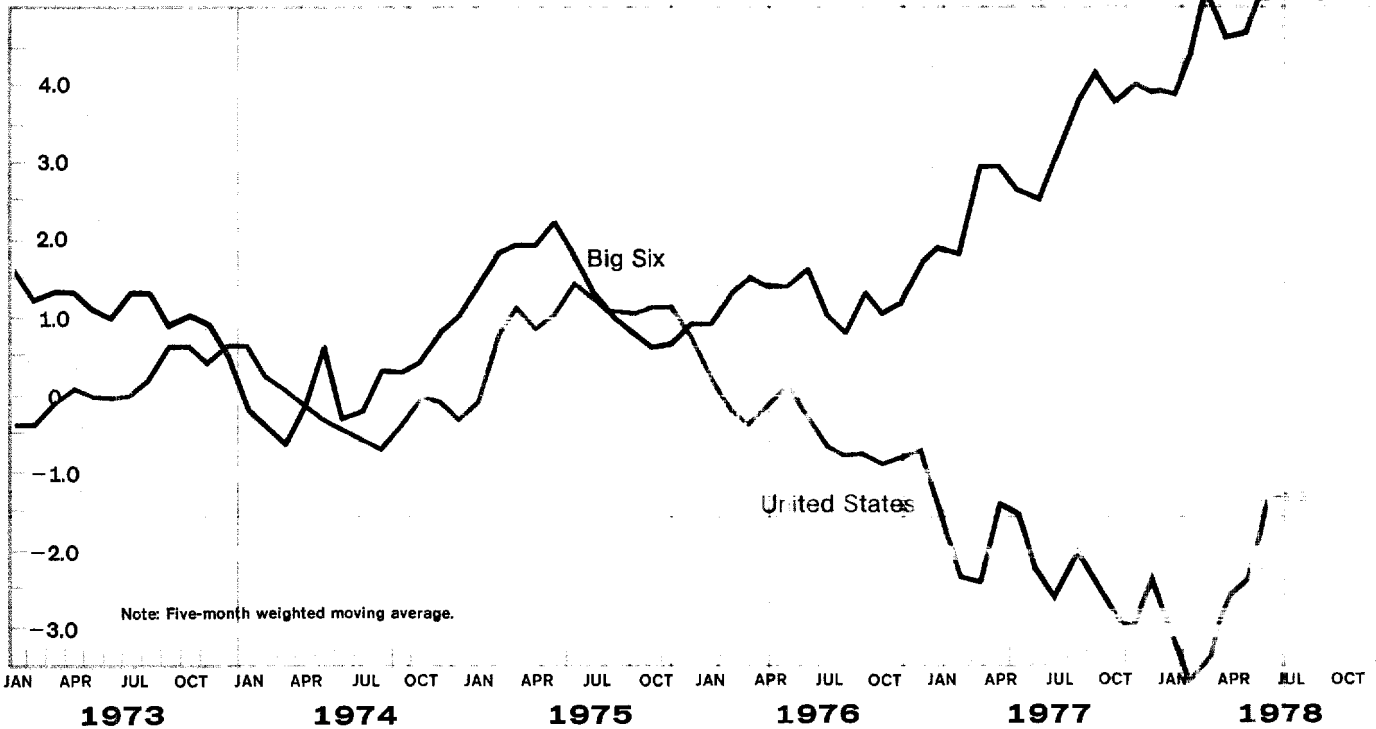
Consumer Price Inflation

Percent, seasonally adjusted, annual rate



Trade Balance

Billion US \$, f.o.b., seasonally adjusted



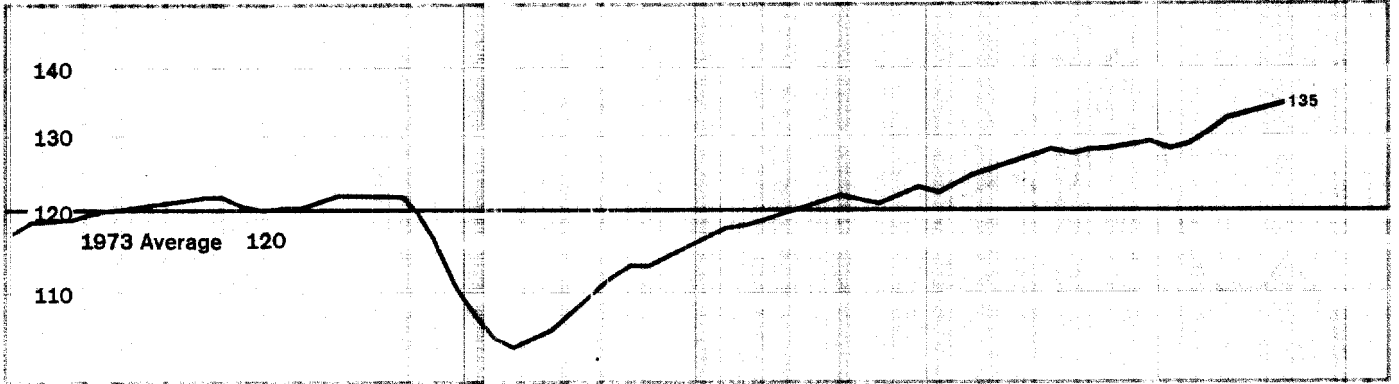
	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE		
			1970	1 Year Earlier	3 Months Earlier ²
Industrial Production					
Big Six	MAY 78	-0.7	2.8	2.6	3.9
United States	MAY 78	0.5	3.7	5.0	10.2
Consumer Prices					
Big Six	JUN 78	0.6	9.2	6.2	7.2
United States	JUN 78	0.9	6.7	7.4	10.7

	LATEST MONTH	LATEST MONTH		3 Months Earlier
		1 Year Earlier	3 Months Earlier	
Unemployment Rate				
Big Five	MAY 78	4.4	4.2	4.3
United States	MAY 78	6.1	7.1	6.1
Trade Balance				
Big Six	JUN 78	6,521	28,447	13,680
United States	JUN 78	-1,597	-16,368	-11,524
				Change
				14,767
				-4,844

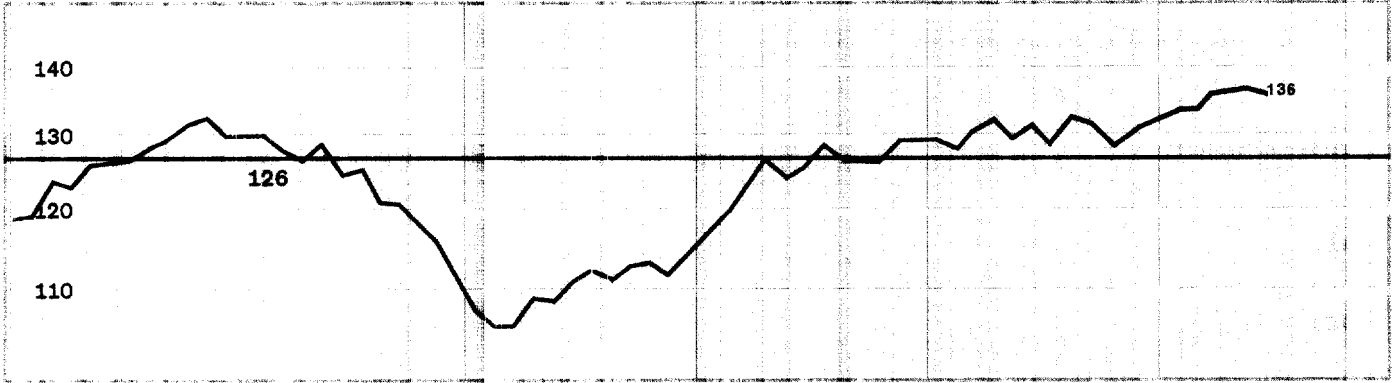
²Average for latest 3 months compared with average for previous 3 months, seasonally adjusted at annual rate.

INDUSTRIAL PRODUCTION INDEX: 1970=100, seasonally adjusted

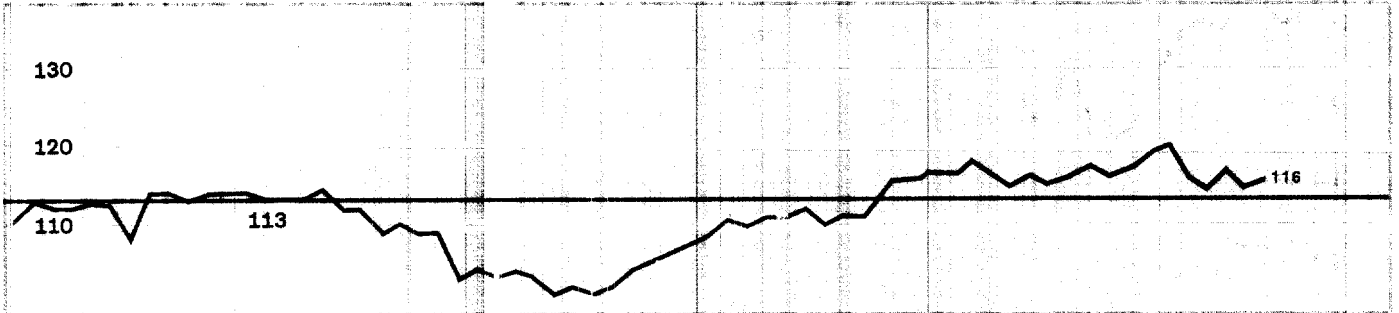
United States



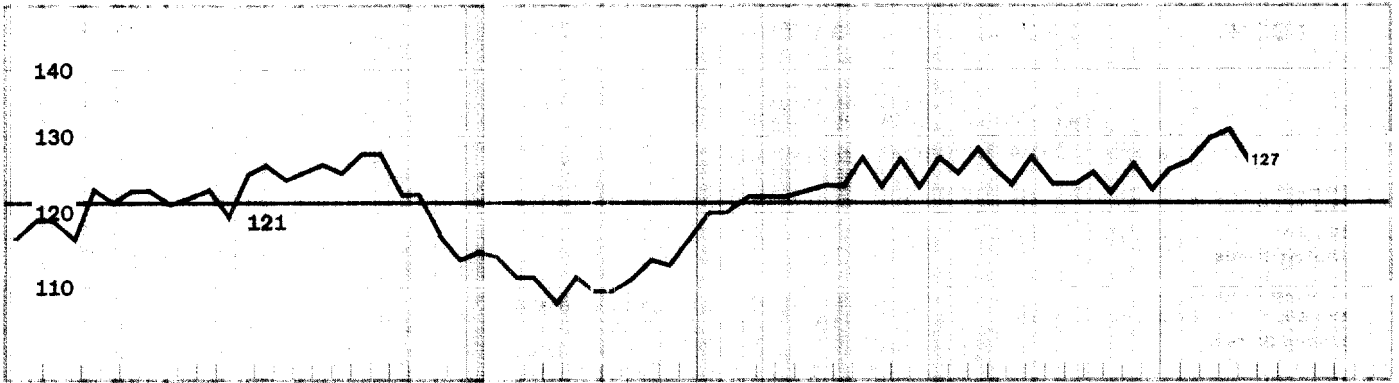
Japan



West Germany

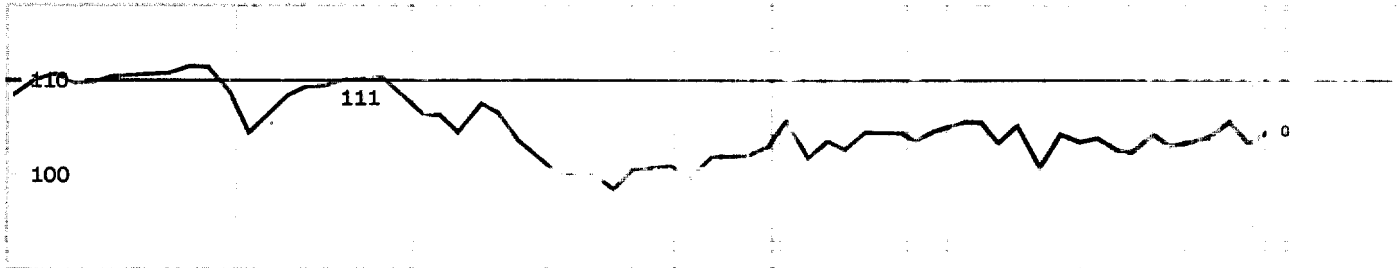


France

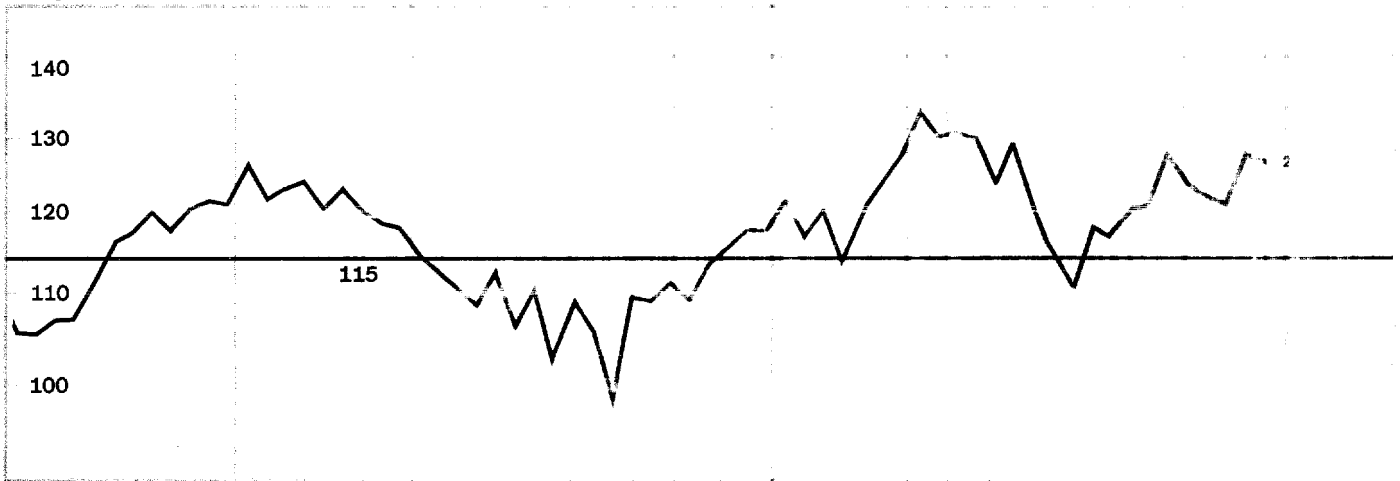


United Kingdom

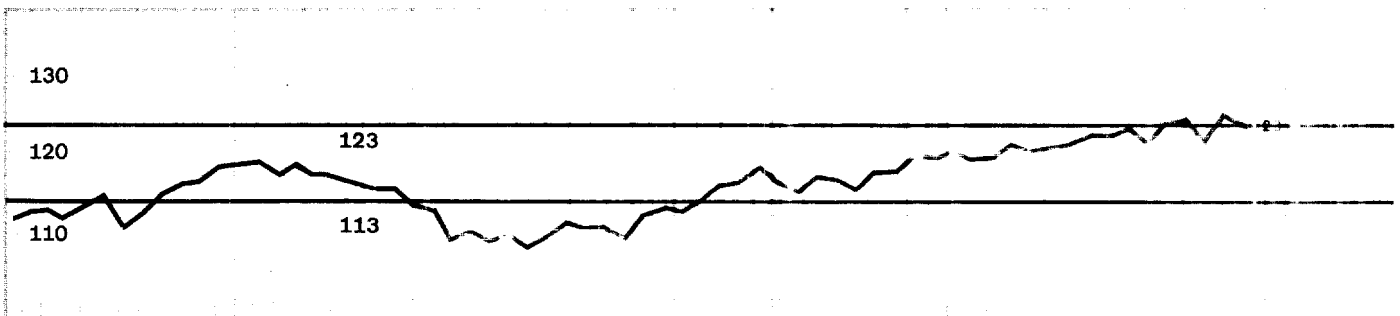
Semilogarithmic Scale



Italy



Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT
1973 1974 1975 1976 1977 1978

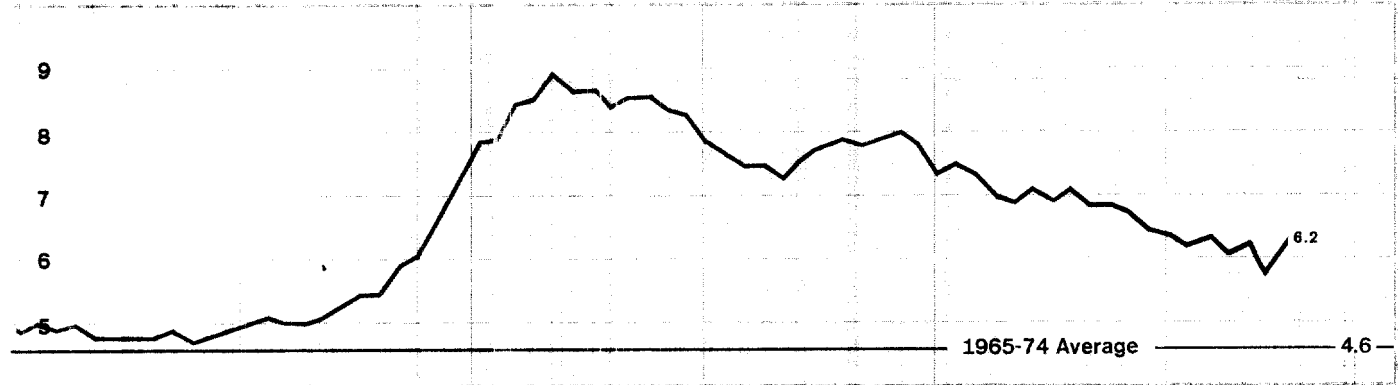
	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE			LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE			
			1970	1 Year Earlier	3 Months Earlier ¹			1970	1 Year Earlier	3 Months Earlier ¹	
United States	JUL 78	0.5	3.8	4.8	10.3	United Kingdom	JUN 78	1.4	0.6	4.1	3.6
Japan	JUN 78	-0.6	3.9	4.7	6.5	Italy	JUN 78	-1.0	3.1	4.4	2.0
West Germany	JUN 78	0.9	1.9	0.0	-3.4	Canada	MAY 78	-0.8	2.7	2.4	1.0
France	MAY 78	-3.1	3.1	3.3	13.4						

¹Average for latest 3 months compared with average for previous 3 months.

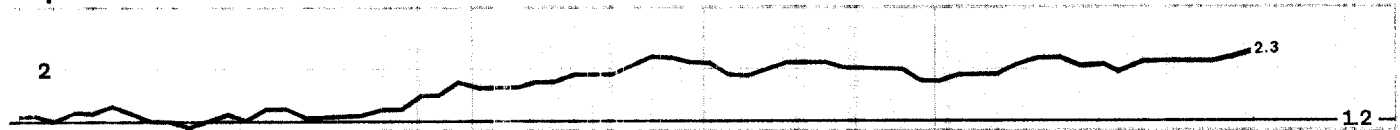
UNEMPLOYMENT RATE

PERCENT

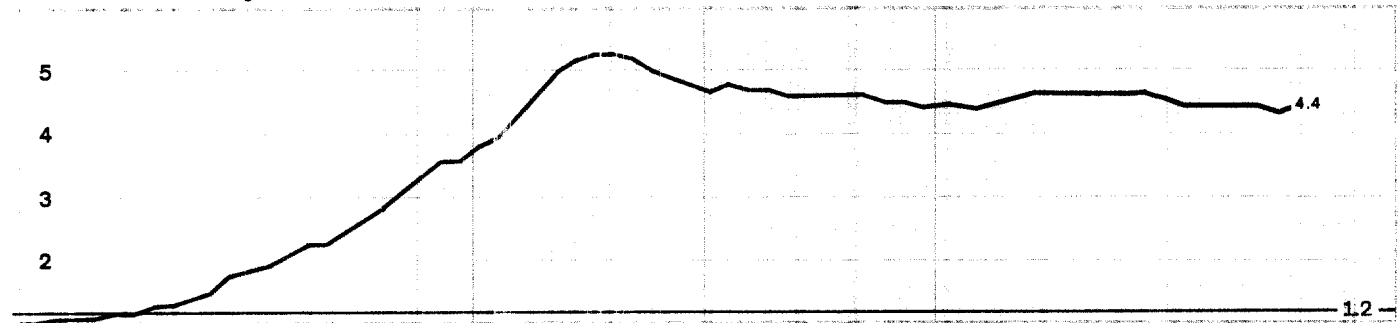
United States



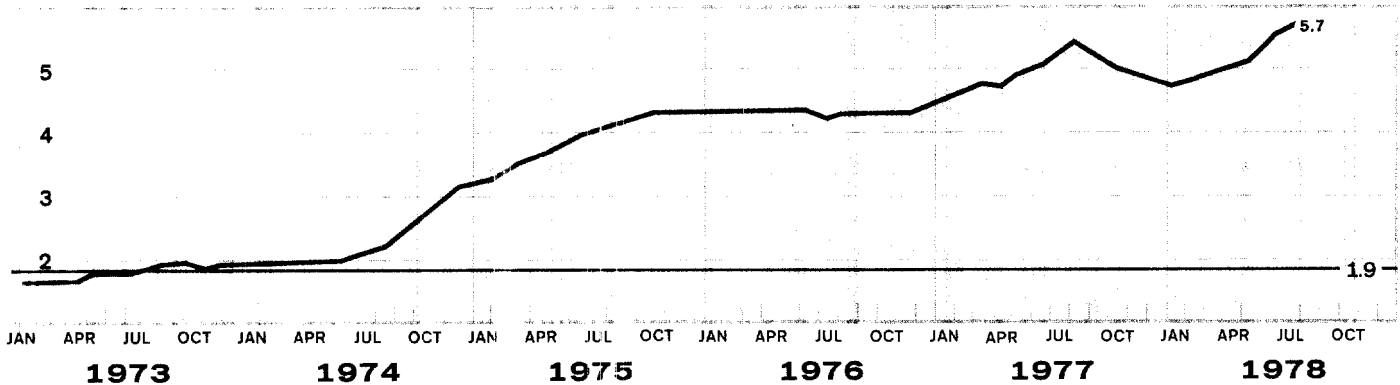
Japan



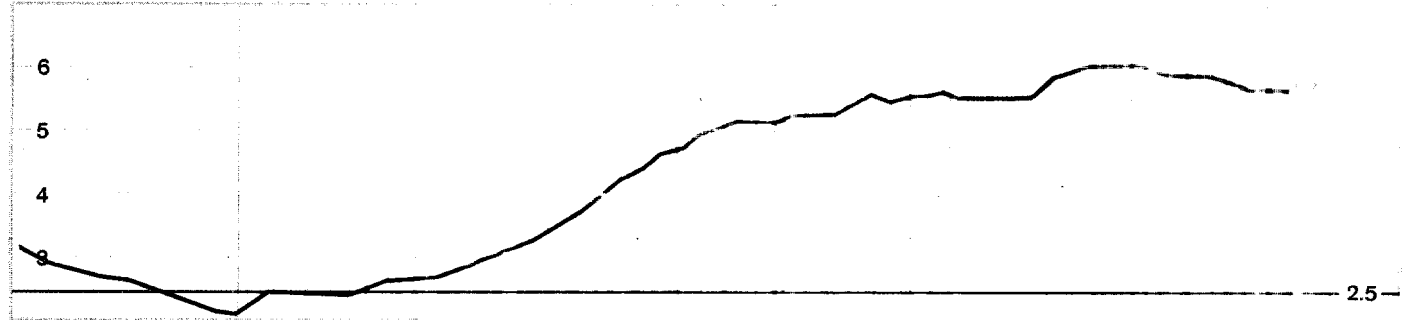
West Germany



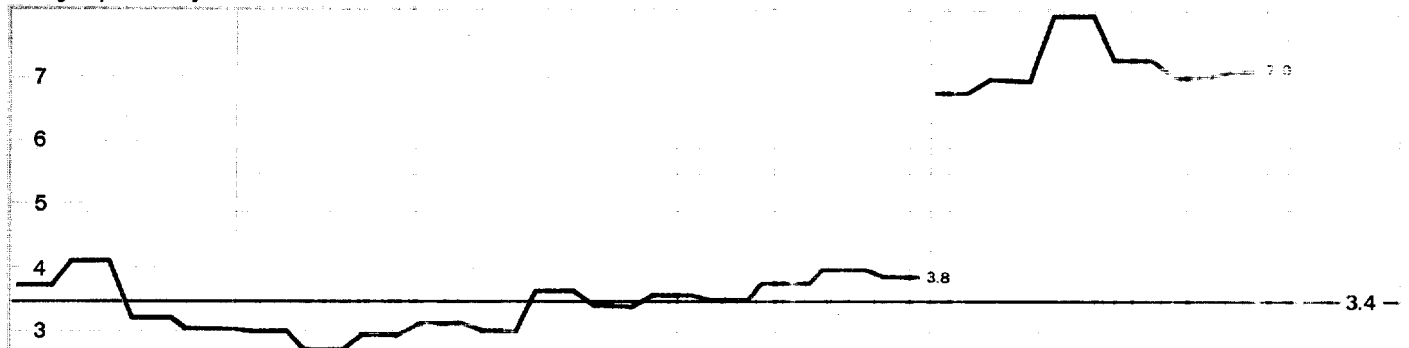
France



United Kingdom

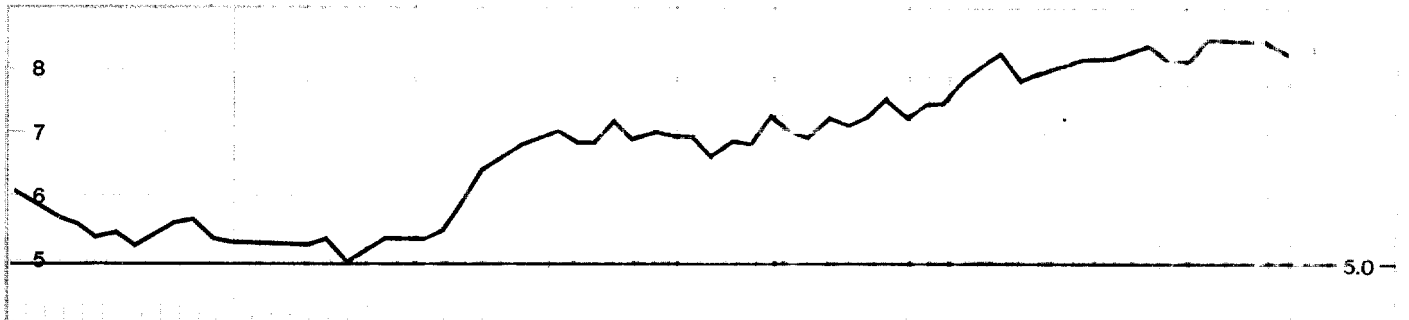


Italy (quarterly)



A labor force survey based on new definitions of economic activity sharply raised the official estimate of Italian unemployment in first quarter 1977. Data for earlier periods thus are not comparable. Italian data are not seasonally adjusted.

Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT
 1973 1974 1975 1976 1977 1978

THOUSANDS OF PERSONS UNEMPLOYED

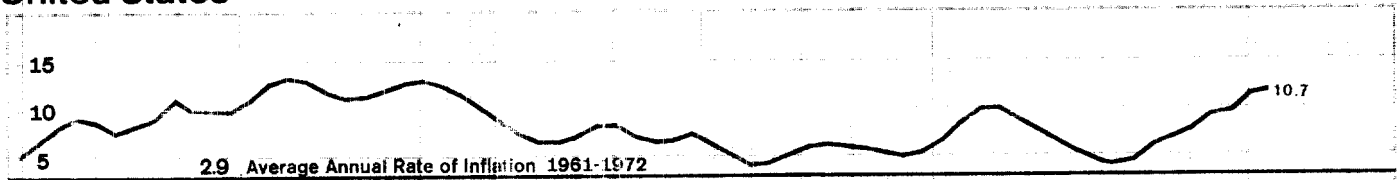
	LATEST MONTH	1 Year Earlier	3 Months Earlier		LATEST MONTH	1 Year Earlier	3 Months Earlier
United States	JUL 78	6,193	6,719	United Kingdom	JUL 78	1,371	1,402
Japan	MAY 78	1,270	1,140	Italy	II 78	1,455	1,520
West Germany	JUL 78	991	1,049	Canada	JUL 78	927	866
France	JUL 78	1,241	1,140				

NOTE: Data are seasonally adjusted. Unemployment rates for France are estimated. The rates shown for Japan and Canada are roughly comparable to US rates. For 1975-78, the rates for France and the United Kingdom should be increased by 5 percent and 15 percent respectively, and those for West Germany decreased by 20 percent to be roughly comparable with US rates. Beginning in 1977, Italian rates should be decreased by 50 percent to be roughly comparable to US rates.

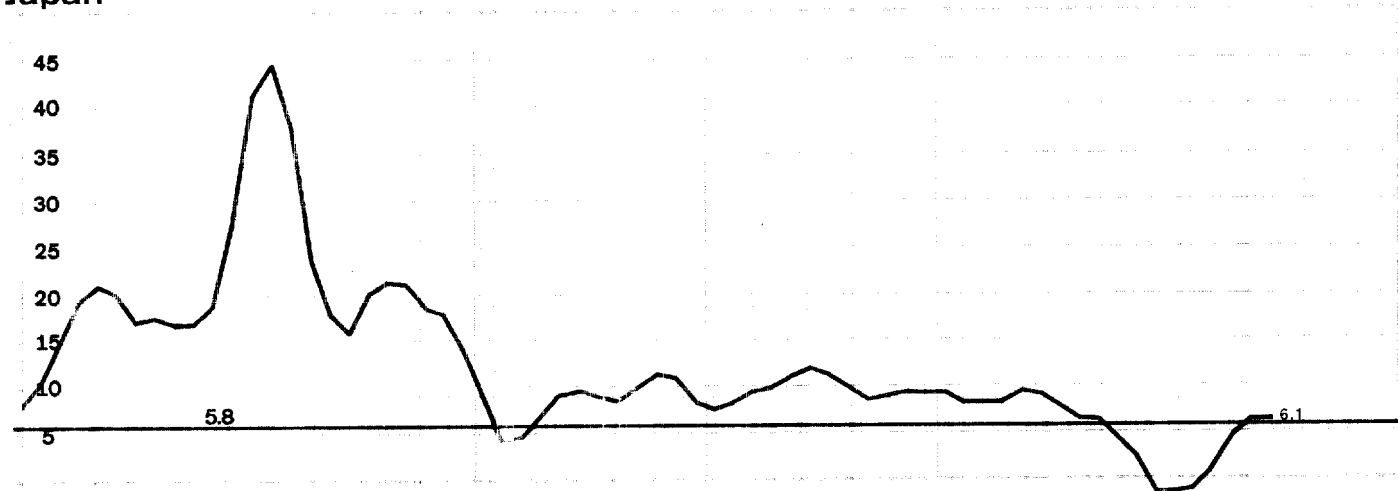
CONSUMER PRICE INFLATION

Percent, seasonally adjusted, annual rate¹

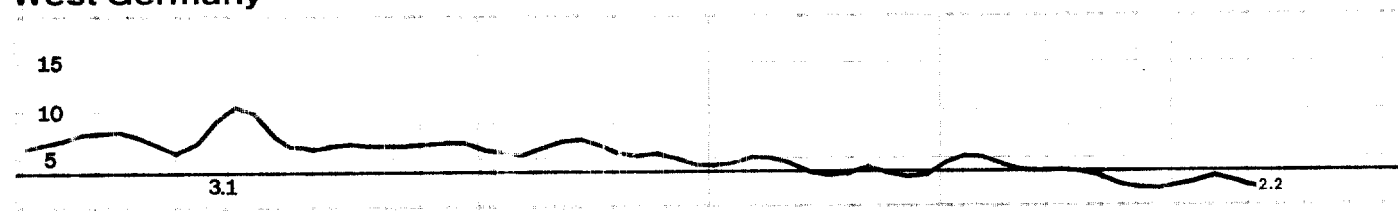
United States



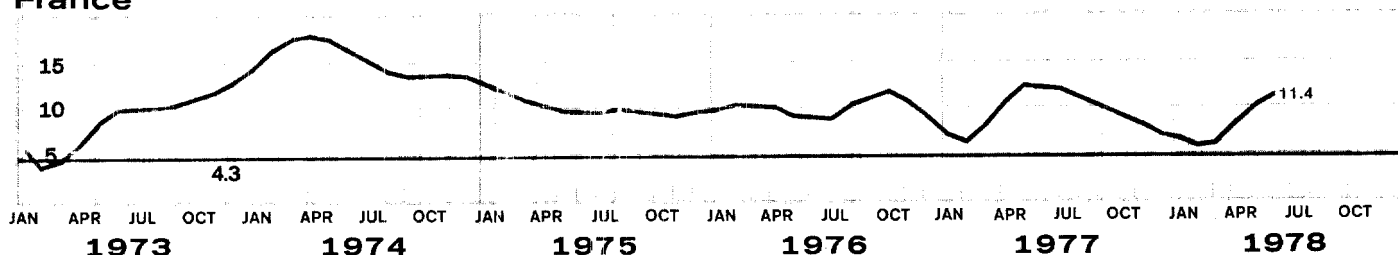
Japan



West Germany

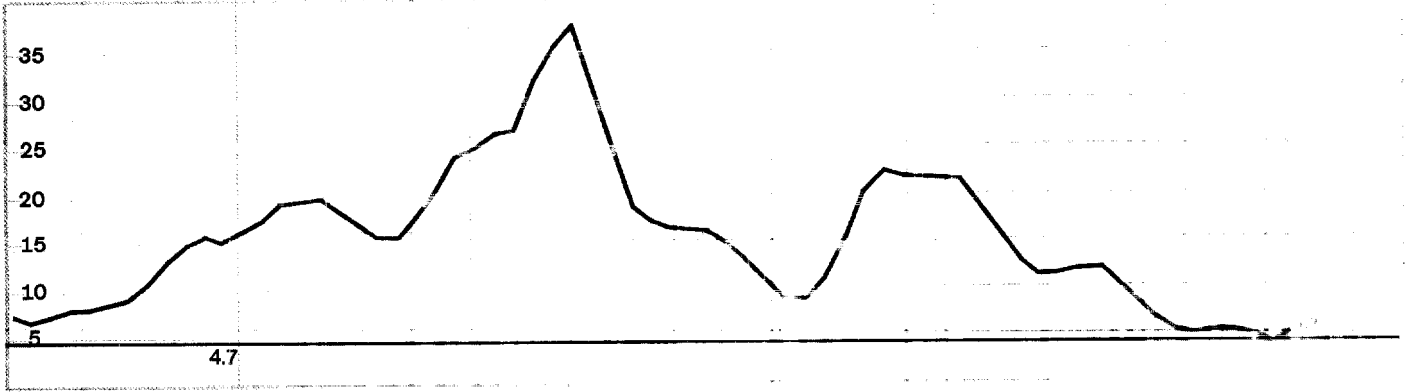


France

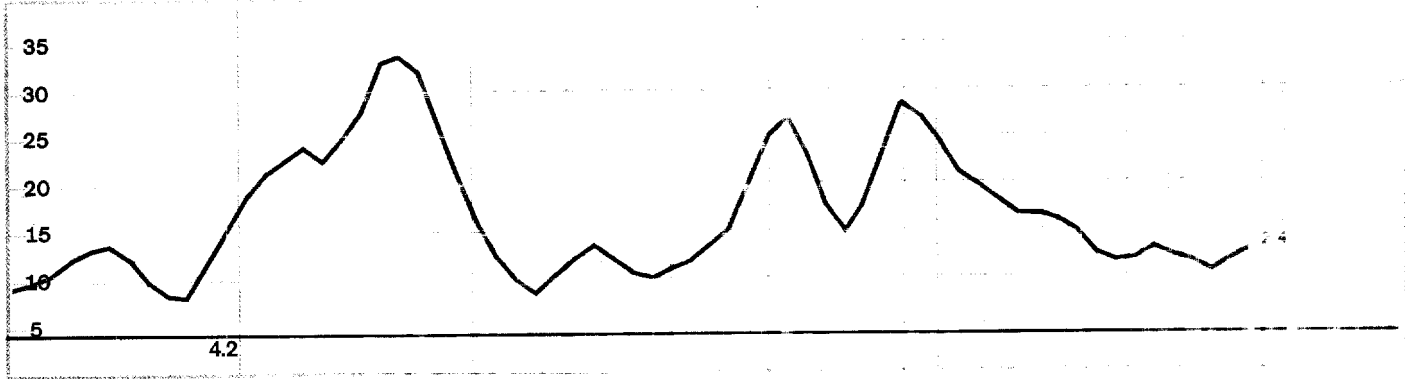


¹Three-month average compared with previous three months

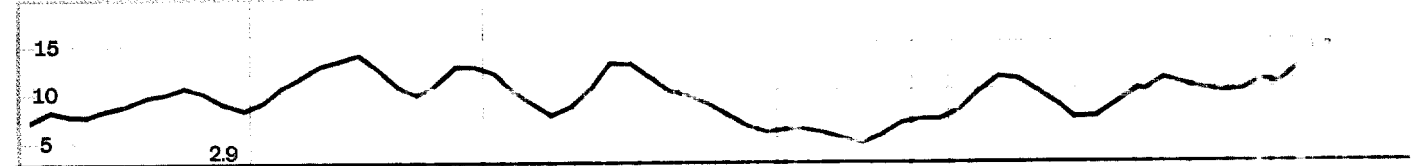
United Kingdom



Italy



Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT
 1973 1974 1975 1976 1977 1978

	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE			LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE			
			1970	1 Year Earlier	3 Months Earlier ²			1970	1 Year Earlier	3 Months Earlier ²	
United States	JUN 78	0.9	6.7	7.4	10.7	United Kingdom	JUL 78	1.1	13.1	7.8	6.2
Japan	JUN 78	0.3	9.8	3.5	6.1	Italy	JUN 78	1.2	13.1	12.2	12.4
West Germany	JUN 78	0.1	5.2	2.4	2.2	Canada	JUL 78	1.2	7.8	9.8	11.3
France	JUN 78	0.9	9.0	9.0	11.4						

²Average for latest 3 months compared with average for previous 3 months, seasonally adjusted at annual rate.

GNP¹

Constant Market Prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
United States	78 II	1.8	3.2	4.0	7.4
Japan	78 I	2.4	5.5	5.7	10.0
West Germany	78 I	0.1	2.4	1.1	0.4
France	78 I	1.8	4.1	1.4	7.4
United Kingdom	77 IV	-0.5	1.6	-1.1	-1.9
Italy	78 I	2.0	1.9	-6.2	8.2
Canada	78 I	0.7	4.7	2.8	2.7

¹ Seasonally adjusted.

RETAIL SALES¹

Constant Prices

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier ²
United States	May 78	-0.9	3.1	1.9	5.5
Japan	Apr 78	4.0	9.9	4.3	24.8
West Germany	May 78	-0.8	2.3	0	-5.3
France	Jan 78	9.9	0	1.0	10.5
United Kingdom	Jul 78	1.7	1.4	5.4	9.0
Italy	Mar 78	3.6	3.2	5.5	21.1
Canada	Jun 78	1.4	4.1	4.5	2.2

¹ Seasonally adjusted.

² Average for latest 3 months compared with average for previous 3 months.

25X6

FIXED INVESTMENT¹

Nonresidential; constant prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
United States	78 II	3.6	3.0	7.4	15.1
Japan	78 I	0.9	1.1	-0.4	3.6
West Germany	78 I	-0.5	0.7	1.6	-2.1
France	77 IV	0.8	4.0	4.7	3.3
United Kingdom	78 I	1.3	1.6	9.7	5.2
Italy	78 I	2.3	1.1	-19.6	9.4
Canada	78 I	-3.7	4.8	-12.7	-14.1

¹ Seasonally adjusted.

WAGES IN MANUFACTURING¹

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier ²
United States	Jun 78	0.5	7.6	7.6	7.2
Japan	Apr 78	0.3	16.1	8.2	10.3
West Germany	78 I	0.9	8.9	4.3	3.9
France	77 IV	3.1	14.1	12.0	12.9
United Kingdom	May 78	0.5	16.4	20.6	54.9
Italy	May 78	3.5	20.4	15.5	13.6
Canada	May 78	0.9	10.9	7.1	6.2

¹ Hourly earnings (seasonally adjusted) for the United States, Japan, and Canada; hourly wage rates for others. West German and French data refer to the beginning of the quarter.

² Average for latest 3 months compared with that for previous 3 months.

MONEY MARKET RATES

	Representative rates	Latest Date	Percent Rate of Interest			
			1 Year Earlier	3 Months Earlier	1 Month Earlier	
United States	Commercial paper	Aug 23	7.85	5.89	7.19	7.88
Japan	Call money	Aug 25	4.50	5.75	4.12	4.62
West Germany	Interbank loans (3 months)	Aug 23	3.61	4.06	3.62	3.76
France	Call money	Aug 25	7.00	8.25	7.88	7.25
United Kingdom	Sterling interbank loans (3 months)	Aug 23	9.36	6.60	9.14	10.40
Canada	Finance paper	Aug 23	8.90	7.47	8.13	8.27
Eurodollars	Three-month deposits	Aug 23	8.66	6.36	8.02	8.50

EXPORT PRICES

US \$

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			Percent Change		
			1970	1 Year Earlier	3 Months Earlier
United States	May 78	0.4	9.4	5.0	8.3
Japan	Jul 78	1.2	11.7	27.0	39.1
West Germany	Jun 78	1.7	11.5	12.9	-4.0
France	Apr 78	3.4	12.1	17.9	36.2
United Kingdom	Jul 78	3.7	11.8	20.4	23.8
Italy	Apr 78	-0.6	10.9	9.6	6.7
Canada	May 78	1.8	8.4	0.3	3.8

EXPORT PRICES

National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			Percent Change		
			1970	1 Year Earlier	3 Months Earlier
United States	May 78	0.4	9.4	5.0	8.3
Japan	Jul 78	-5.8	3.8	-4.3	-8.8
West Germany	Jun 78	0.7	3.9	-0.1	4.9
France	Apr 78	0.9	9.4	8.9	21.0
United Kingdom	Jul 78	0.5	15.1	9.4	11.3
Italy	Apr 78	-0.6	15.4	5.7	-1.6
Canada	May 78	-0.2	9.3	7.0	-6.0

IMPORT PRICES

National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			Percent Change		
			1970	1 Year Earlier	3 Months Earlier
United States	May 78	-0.3	12.8	5.4	6.8
Japan	Jul 78	-6.6	5.8	-20.9	-22.7
West Germany	Jun 78	-1.6	3.0	-5.9	-12.5
France	Apr 78	-2.2	9.3	0.2	-1.6
United Kingdom	Jul 78	0.1	17.4	1.8	8.2
Italy	Apr 78	-0.7	18.9	4.7	-8.3
Canada	Apr 78	0	8.5	11.1	-5.3

OFFICIAL RESERVES

	Latest Month	Billion US \$			
		Latest Month			
		End of	Billion US \$	Jun 1970	1 Year Earlier
United States	Jun 78	18.9	14.5	19.2	19.2
Japan	Jul 78	29.3	4.1	17.6	27.5
West Germany	Jun 78	40.7	8.8	34.3	42.2
France	Apr 78	10.6	4.4	10.0	0.1
United Kingdom	May 78	17.3	2.8	10.0	21.4
Italy	Jun 78	13.2	4.7	9.7	10.6
Canada	Jul 78	4.6	9.1	5.0	4.6

CURRENT ACCOUNT BALANCE ¹

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1978	1977	Change
United States ²	78 I	-6,954	-6,954	-4,158	-2,796
Japan	Jul 78	2,050	10,879	4,630	6,249
West Germany	Jul 78	-1,700	2,015	1,406	609
France	78 I	0	0	-2	2
United Kingdom	78 I	-803	-803	-896	94
Italy	77 III	2,390	N.A.	N.A.	N.A.
Canada	78 I	-1,273	-1,273	-1,484	212

¹ Converted to US dollars at the current market rates of exchange.

² Seasonally adjusted.

BASIC BALANCE ¹

Current Account and Long-Term Capital Transactions

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1978	1977	Change
United States		No longer published ²			
Japan	Jul 78	650	6,231	3,513	2,718
West Germany	Jun 78	265	2,801	-1,165	3,966
France	78 I	-1	-1	-2	1
United Kingdom	78 I	-326	-326	543	-869
Italy	77 III	2,520	N.A.	N.A.	N.A.
Canada	78 I	-668	-668	-584	-84

¹ Converted to US dollars at the current market rates of exchange.

² As recommended by the Advisory Committee on the Presentation of Balance of Payments Statistics, the Department of Commerce no longer publishes a basic balance.

EXCHANGE RATES

Spot Rate

As of 18 Aug 78

	US \$ Per Unit	Percent Change from			
		As of 18 Aug 78			
		19 Mar 73	1 Year Earlier	3 Months Earlier	11 Aug 78
Japan (yen)	0.0054	41.34	43.14	21.72	0.47
West Germany (Deutsche mark)	0.5038	42.27	17.30	6.82	-0.91
France (franc)	0.2318	5.18	13.87	8.07	-0.34
United Kingdom (pound sterling)	1.9850	-19.34	14.22	9.55	1.07
Italy (lira)	0.0012	-31.92	6.45	5.06	0.42
Canada (dollar)	0.8783	-11.97	-5.44	-1.92	-0.22

TRADE-WEIGHTED EXCHANGE RATES ¹

As of 18 Aug 78

	Percent Change from			
	As of 18 Aug 78			
	19 Mar 73	1 Year Earlier	3 Months Earlier	11 Aug 78
United States	-4.49	-10.10	-6.11	-0.13
Japan	44.81	38.30	19.27	0.38
West Germany	30.28	3.95	-0.14	-1.24
France	-7.76	-0.09	1.16	-0.35
United Kingdom	-27.92	2.75	2.88	0.34
Italy	-42.58	-6.52	-1.61	0.58
Canada	-13.58	-9.17	-4.18	-0.34

¹ Weighting is based on each listed country's trade with 16 other industrialized countries to Aug 78. The major currencies.

Developed Countries: Direction of Trade¹

Billion US \$

	Exports to (f.o.b.)					
	World	Big Seven	Other OEC D	OPEC	Com-munist	Other
UNITED STATES						
1975	107.65	46.94	16.25	10.77	3.37	29.82
1976	115.01	51.30	17.68	12.57	3.64	29.44
1977	120.17	53.92	18.53	14.02	2.72	30.98
1978						
1st Qtr	30.94	13.65	4.60	3.76	1.00	7.93
Apr	12.06	5.40	1.68	1.38	0.42	3.17
JAPAN						
1975	55.73	16.56	6.07	8.42	5.16	15.87
1976	67.32	22.61	8.59	9.27	4.93	17.84
1977	81.11	28.02	9.73	12.03	5.32	26.01
1978						
1st Qtr	22.11	7.83	2.39	3.35	1.32	7.22
Apr	7.89	2.80	0.80	1.19	0.57	2.53
WEST GERMANY						
1975	91.70	28.33	36.44	6.78	8.81	11.05
1976	103.63	33.44	41.86	8.25	8.72	11.04
1977	119.28	39.01	48.00	10.78	8.59	12.90
1978						
1st Qtr	32.45	11.17	13.05	2.76	1.97	3.50
FRANCE						
1975	52.87	20.00	15.50	4.90	3.13	8.61
1976	57.05	22.49	16.15	5.08	3.23	8.75
1977	65.00	25.90	18.19	5.97	3.00	11.94
1978						
1st Qtr	18.49	7.66	5.07	1.57	0.66	3.53
Apr	6.74	2.82	1.90	0.56	0.28	1.18
UNITED KINGDOM						
1975	44.03	12.55	16.59	4.55	1.56	8.64
1976	46.12	14.03	17.53	5.13	1.39	7.92
1977	57.44	16.99	22.56	6.78	1.63	9.48
1978						
1st Qtr	16.86	5.09	6.27	2.03	0.55	2.92
Apr	5.75	1.73	2.19	0.74	0.18	0.91
ITALY						
1975	34.82	15.61	7.86	3.72	2.46	4.67
1976	36.96	17.41	8.69	4.23	2.18	3.96
1977	45.04	20.92	10.20	5.85	2.45	5.62
1978						
1st Qtr	10.80	5.25	2.37	1.37	0.48	1.33
CANADA						
1975	33.84	26.30	1.73	0.71	1.20	2.00
1976	40.18	32.01	2.03	0.81	1.25	2.09
1977	42.98	34.77	2.13	0.94	1.06	4.08
1978						
1st Qtr	10.75	8.78	0.55	0.23	0.22	0.97
Apr	4.20	3.44	0.16	0.08	0.07	0.45

¹ Source: International Monetary Fund, Direction of Trade.

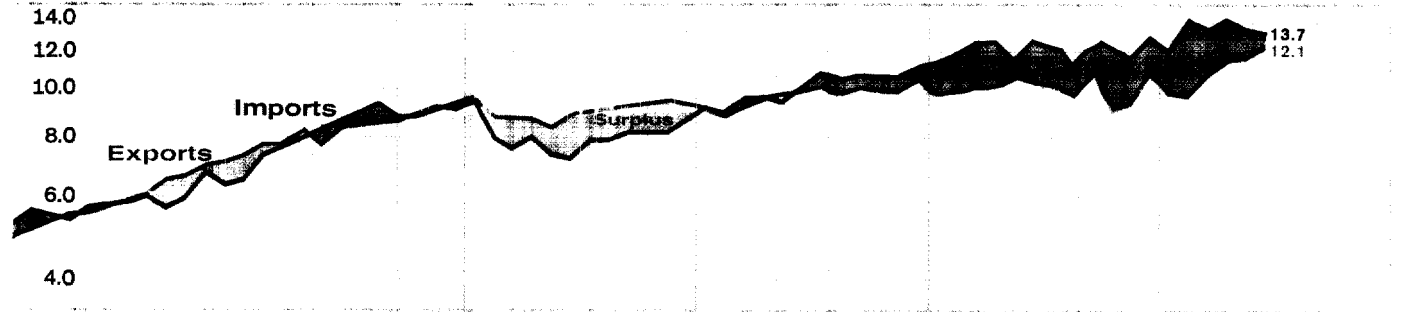
Developed Countries: Direction of Trade ¹						
	Billion US \$					
	Imports from (c.i.f.)					
	World	Big Seven	Other OECD	OPEC	Communist	Other
UNITED STATES						
1975	103.42	49.81	8.83	18.70	0.98	25.08
1976	129.57	60.39	9.75	27.17	1.16	31.09
1977	156.70	70.48	11.08	35.45	1.22	38.47
1978						
1st Qtr	43.14	20.39	3.51	8.15	0.47	10.62
Apr	15.42	7.54	1.27	2.73	0.18	3.70
JAPAN						
1975	57.85	16.93	6.08	19.40	3.36	12.05
1976	64.89	17.58	7.78	21.88	2.91	14.72
1977	71.33	18.87	7.93	24.33	3.41	16.79
1978						
1st Qtr	18.32	5.04	2.06	6.46	0.87	3.89
Apr	6.28	1.64	0.74	2.01	0.36	1.53
WEST GERMANY						
1975	76.28	27.09	27.78	8.24	4.87	8.21
1976	89.68	31.28	32.64	9.73	5.93	10.01
1977	102.63	36.38	37.37	10.12	6.14	12.62
1978						
1st Qtr	28.24	10.11	10.88	2.32	1.39	3.54
FRANCE						
1975	53.99	23.04	14.33	9.43	1.94	5.21
1976	64.38	27.81	16.93	11.36	2.24	6.01
1977	70.50	30.28	18.24	11.82	2.46	7.70
1978						
1st Qtr	19.76	8.58	5.40	3.05	0.64	2.09
Apr	6.79	3.02	1.84	1.00	0.23	0.70
UNITED KINGDOM						
1975	53.35	18.47	18.52	6.91	1.68	7.67
1976	55.56	19.66	18.81	7.29	2.08	7.65
1977	63.29	24.02	21.34	6.31	2.40	9.22
1978						
1st Qtr	18.87	7.44	6.68	1.80	0.55	2.40
Apr	5.67	2.27	2.04	0.39	0.16	0.81
ITALY						
1975	38.36	17.32	6.75	7.85	2.09	4.34
1976	43.42	19.35	8.04	8.12	2.65	5.24
1977	47.56	20.80	8.67	9.03	2.80	6.26
1978						
1st Qtr	11.26	5.03	2.10	2.18	0.51	1.44
CANADA						
1975	38.59	29.78	1.70	3.43	0.32	2.02
1976	43.05	33.55	1.82	3.48	0.38	2.56
1977	44.67	35.67	1.77	3.05	0.33	3.85
1978						
1st Qtr	10.80	8.60	0.44	0.77	0.08	0.91
Apr	4.61	3.84	0.18	0.03	0.19	0.37

¹ Source: International Monetary Fund, Direction of Trade.

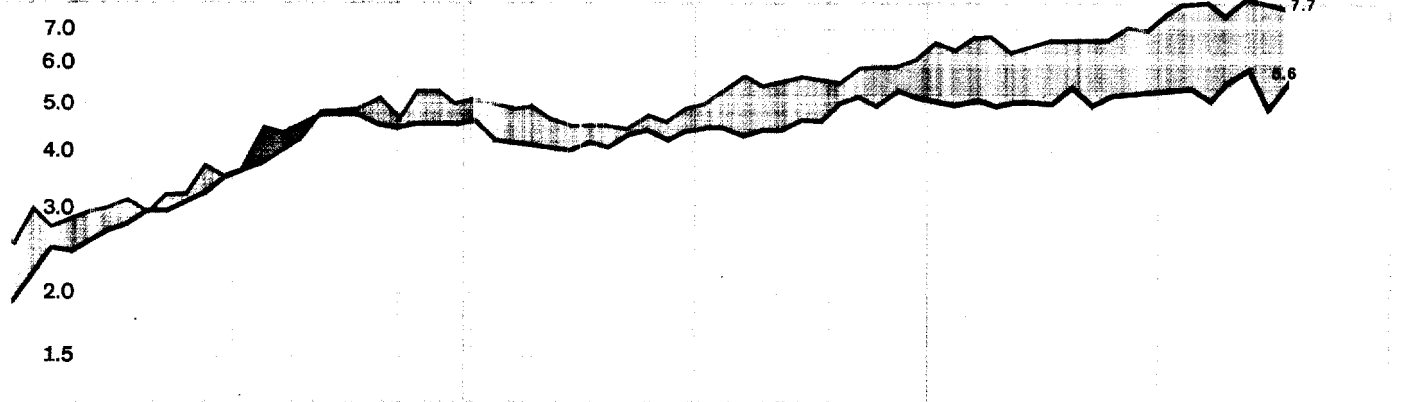
FOREIGN TRADE BILLION US \$, f.o.b., seasonally adjusted

United States

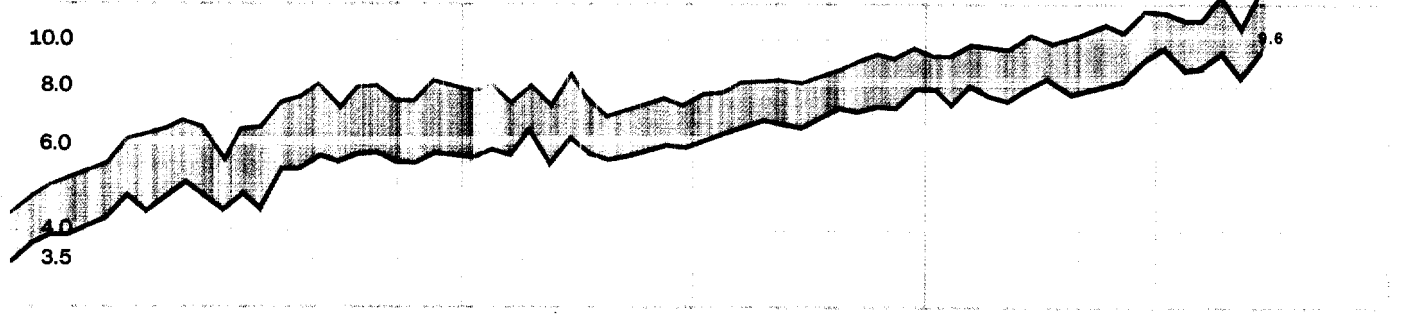
Semilogarithmic Scale



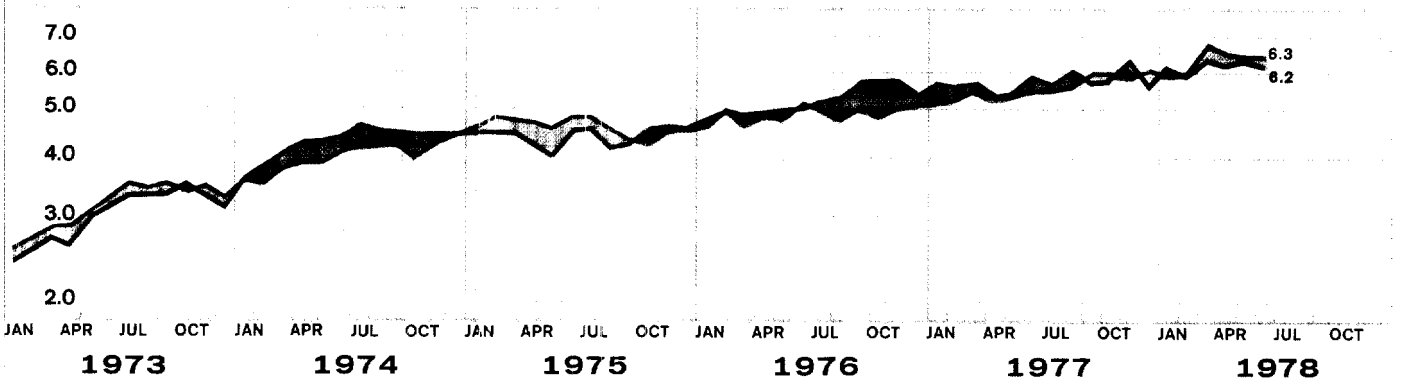
Japan



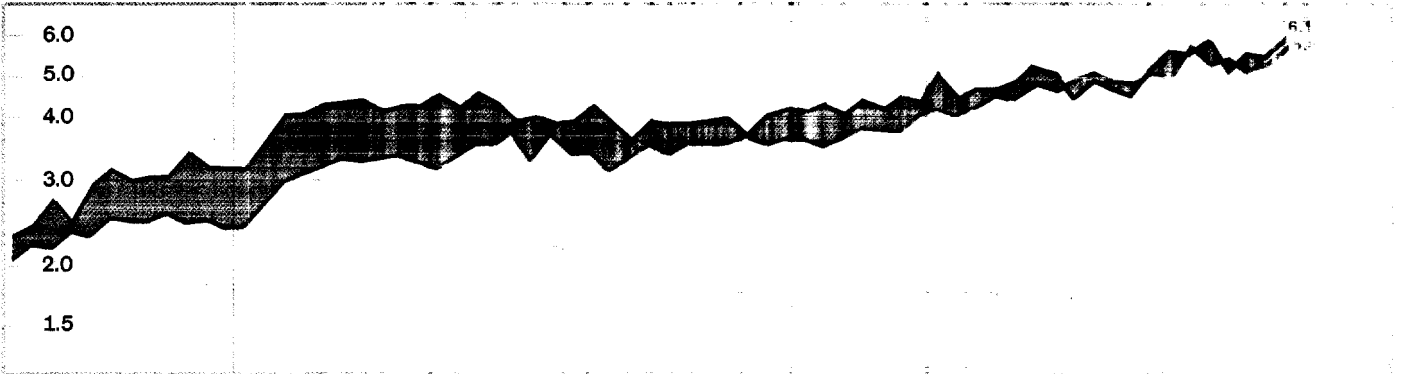
West Germany



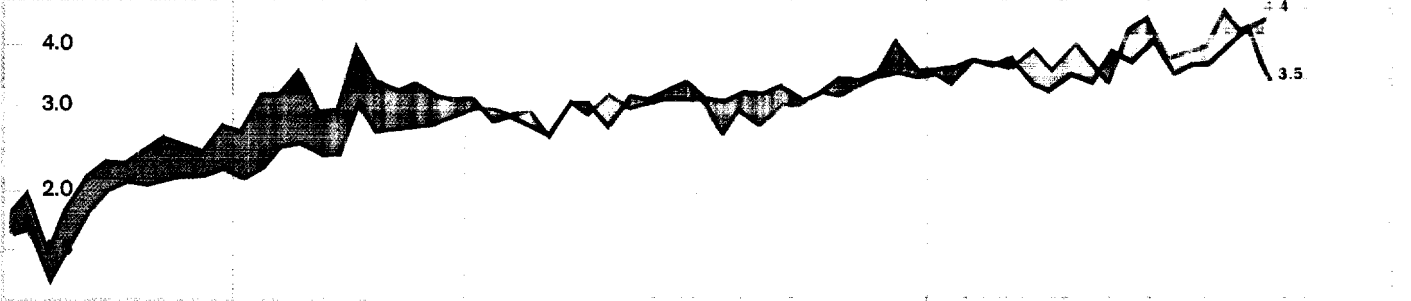
France



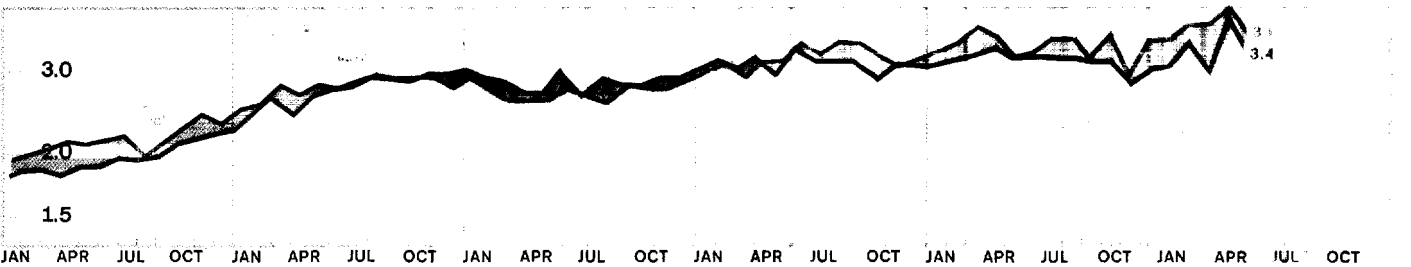
United Kingdom



Italy



Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT

1973

1974

1975

1976

1977

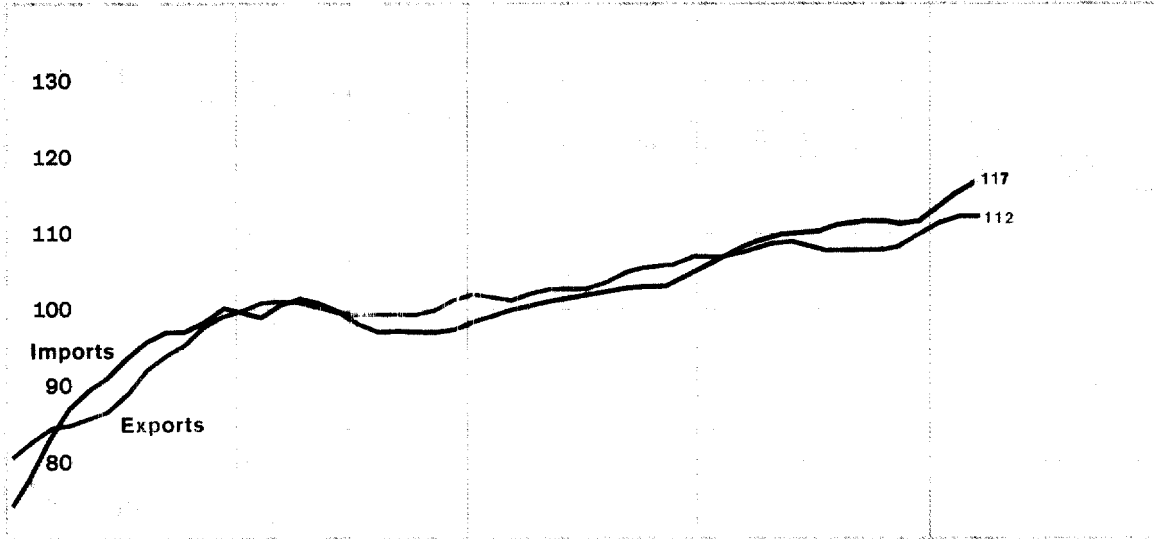
1978

	LATEST MONTH	MILLION US \$	CUMULATIVE (MILLION US \$)			LATEST MONTH	MILLION US \$	CUMULATIVE (MILLION US \$)			
			1978	1977	CHANGE			1978	1977	CHANGE	
United States	JUN 78	12,126	66,363	60,257	10.1%	United Kingdom	JUL 78	5,770	38,169	31,289	22.0%
		13,723	82,731	71,782	15.3%			6,055	39,807	34,585	15.1%
	Balance	-1,597	-16,368	-11,524	4,844			Balance	-284	-1,639	-3,306
Japan	JUL 78	7,700	54,344	45,157	20.3%	Italy	JUN 78	4,412	24,750	21,545	14.9%
		5,556	37,867	35,555	6.8%			3,517	22,832	22,136	3.1%
	Balance	2,144	16,377	9,802	6,775			Balance	895	1,918	-591
West Germany	JUN 78	12,337	67,369	56,673	18.9%	Canada	MAY 78	3,621	18,983	17,435	8.9%
		9,593	55,401	46,615	18.8%			3,401	17,447	16,713	4.4%
	Balance	2,744	11,968	10,058	1,910			Balance	219	1,536	722
France	JUN 78	6,316	37,327	31,159	19.8%						
		6,215	37,180	32,828	13.3%						
	Balance	100	147	-1,670	1,817						

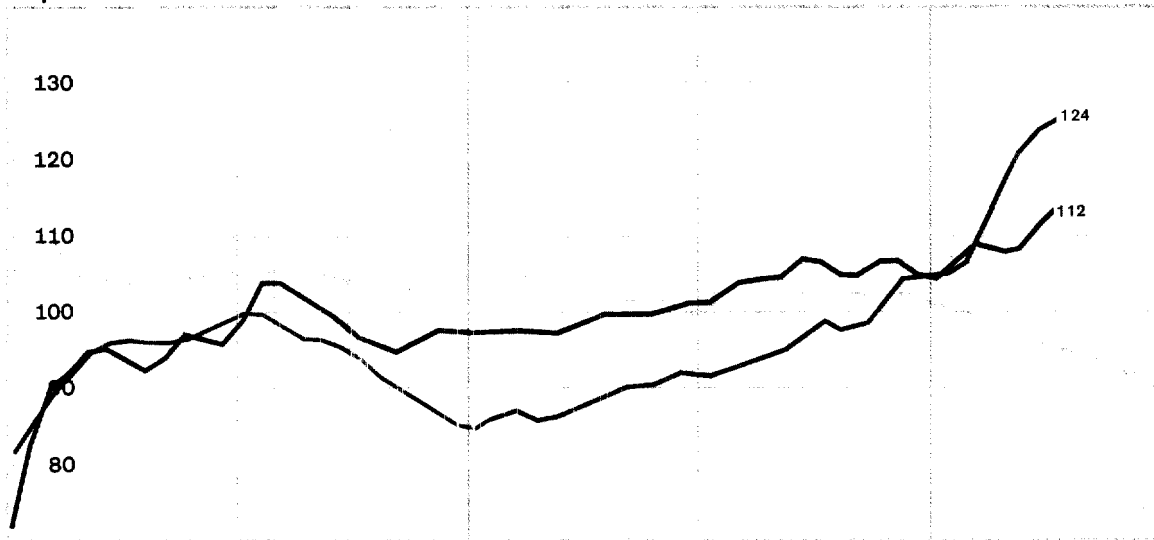
FOREIGN TRADE PRICES IN US \$¹

United States

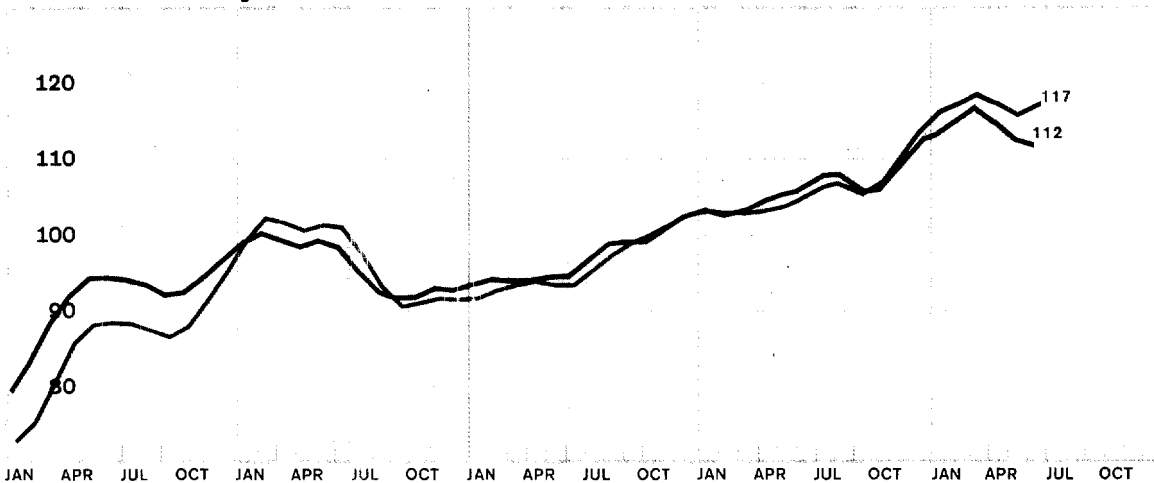
INDEX: JAN 1975 = 100



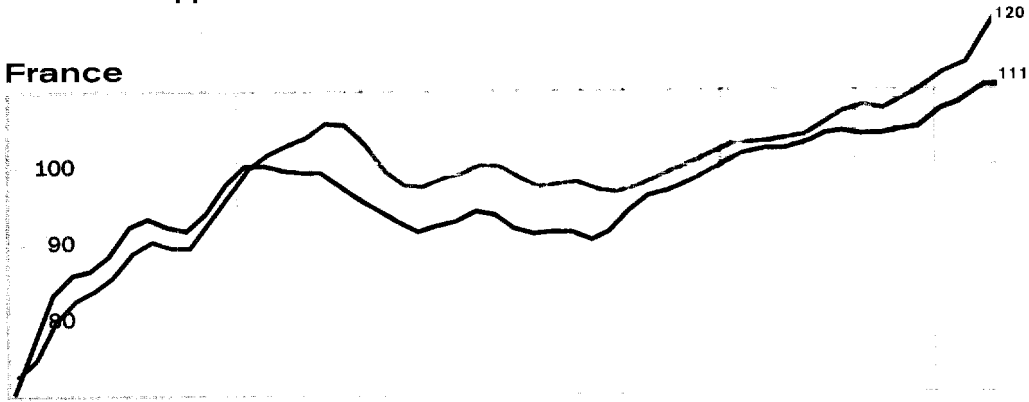
Japan



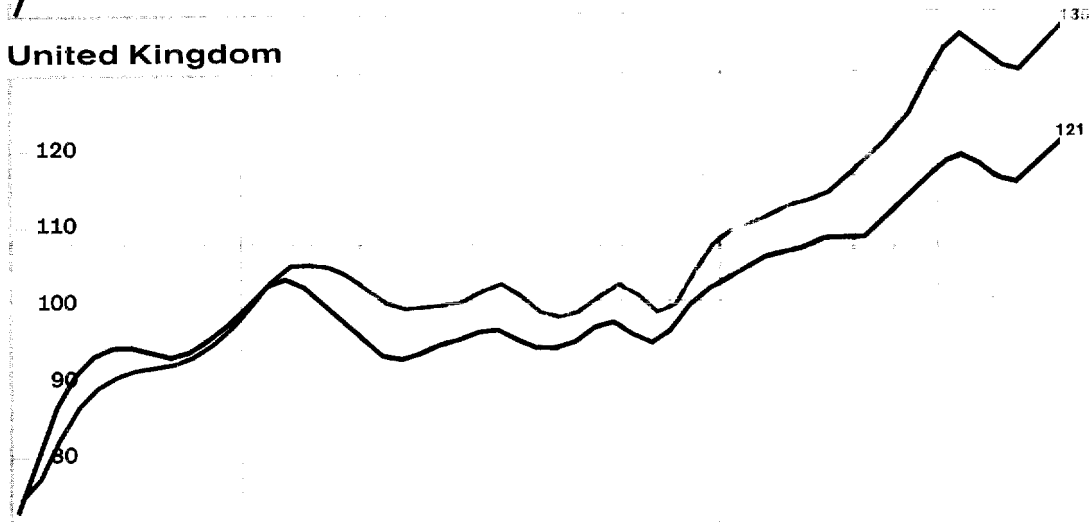
West Germany



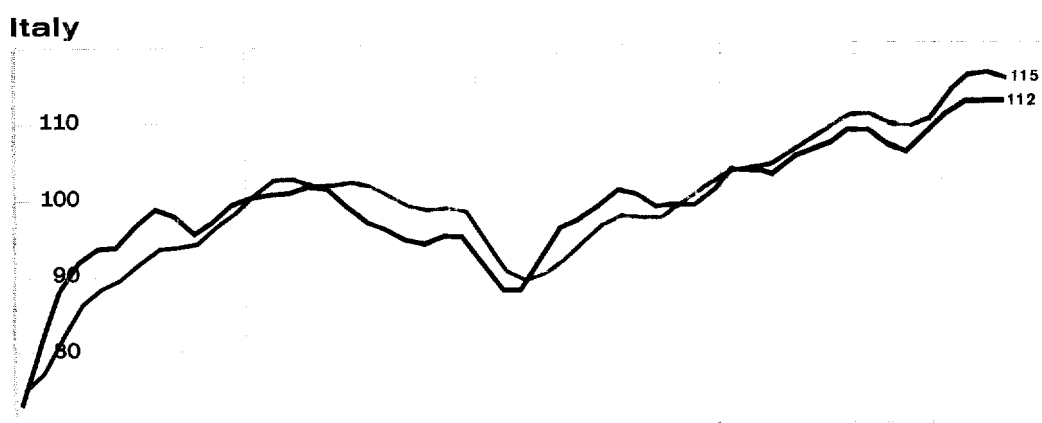
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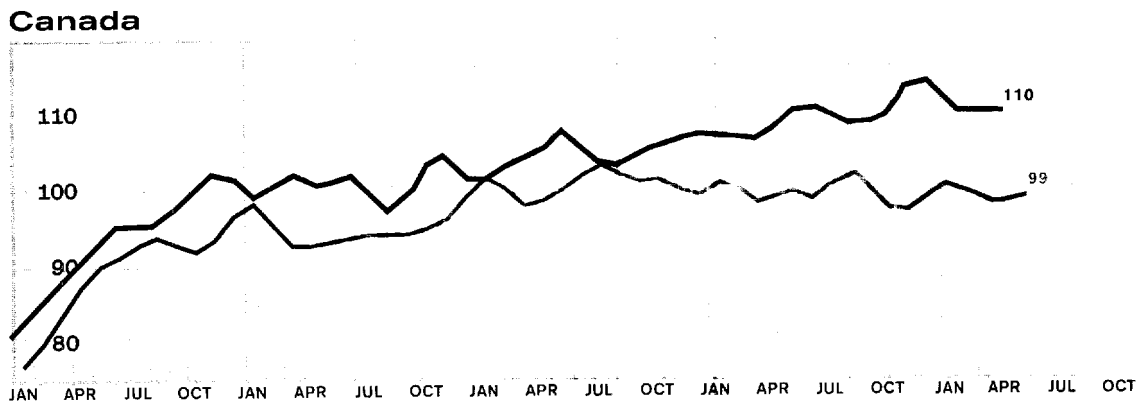
United Kingdom



Italy



Canada



Approved For Release 2004/07/28 : CIA-RDP80T00702A000800030004-6
SELECTED DEVELOPING COUNTRIES

INDUSTRIAL PRODUCTION ¹

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
			1970		
			1970	1 Year Earlier	3 Months Earlier ²
India	Mar 78	1.1	4.9	0.8	17.8
South Korea	Jun 78	-1.2	22.5	20.1	26.5
Mexico	Apr 78	13.1	6.7	14.1	8.6
Nigeria	78 I	6.8	11.0	0.2	29.9
Taiwan	Apr 78	1.5	15.3	17.4	- 2.0

¹ Seasonally adjusted.

² Average for latest 3 months compared with average for previous 3 months.

MONEY SUPPLY ¹

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970		
			1970	1 Year Earlier	3 Months Earlier ²
Brazil	Mar 78	2.7	36.4	43.3	34.7
India	Feb 78	-0.6	13.7	16.0	20.4
Iran	Mar 78	9.9	29.3	22.5	51.7
South Korea	May 78	1.3	31.2	30.7	23.7
Mexico	May 78	3.9	20.8	33.0	24.9
Nigeria	Dec 77	-5.2	35.4	38.1	34.0
Taiwan	Mar 78	5.3	25.2	31.0	24.3
Thailand	Jan 78	2.7	13.2	13.7	21.5

¹ Seasonally adjusted.

² Average for latest 3 months compared with average for previous 3 months.

CONSUMER PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			1970	
			1970	1 Year Earlier
Brazil	Jun 78	4.1	28.3	38.0
India	Mar 78	0.3	7.5	2.9
Iran	May 78	-0.4	12.4	12.0
South Korea	Jul 78	1.4	14.6	14.7
Mexico	Jun 78	1.4	15.0	17.3
Nigeria	Dec 77	3.2	16.6	31.0
Taiwan	Apr 78	1.8	10.1	7.6
Thailand	Apr 78	1.0	8.6	8.8

WHOLESALE PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			1970	
			1970	1 Year Earlier
Brazil	May 78	3.4	28.4	34.5
India	May 78	0.6	8.0	-2.8
Iran	May 78	0.4	11.0	10.9
South Korea	Jul 78	0.4	15.8	11.7
Mexico	Jun 78	1.3	16.6	16.8
Taiwan	Mar 78	1.1	8.2	1.2
Thailand	Jan 78	-0.2	9.5	6.4

**EXPORT PRICES
US \$**

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			1970	
			1970	1 Year Earlier
Brazil	Feb 78	0.4	14.0	1.5
India	Mar 77	-0.9	9.6	17.9
Iran	Jun 78	0	30.8	0
South Korea	78 I	0.7	8.7	7.7
Nigeria	May 76	-0.1	27.3	12.3
Taiwan	Mar 78	-0.7	11.2	3.8
Thailand	Dec 76	2.0	13.3	13.1

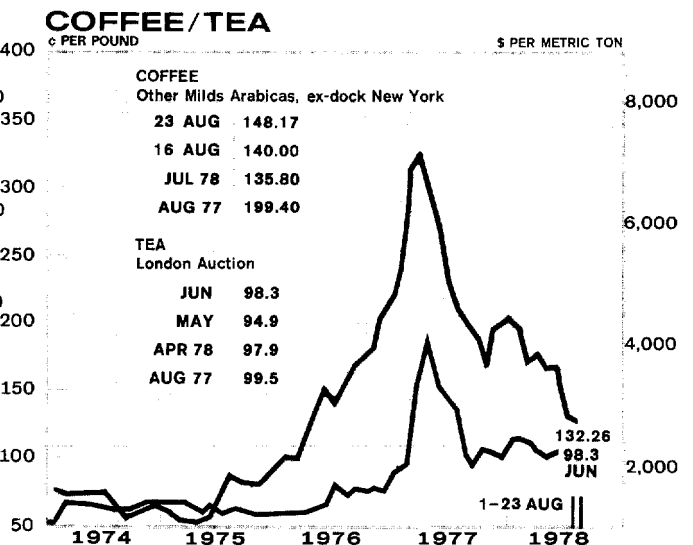
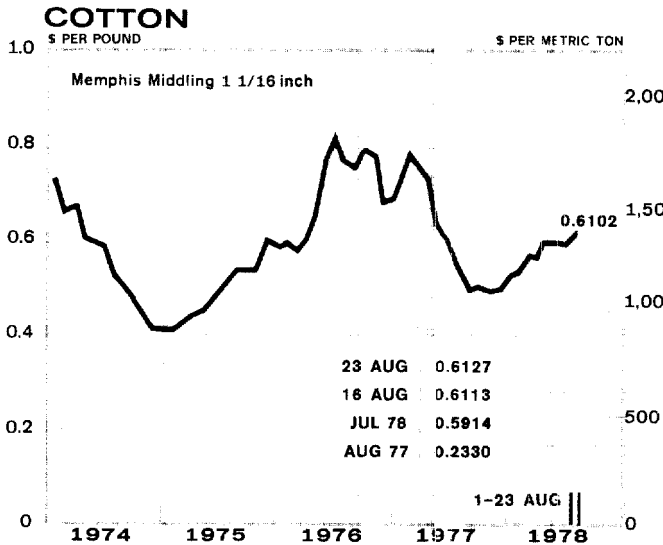
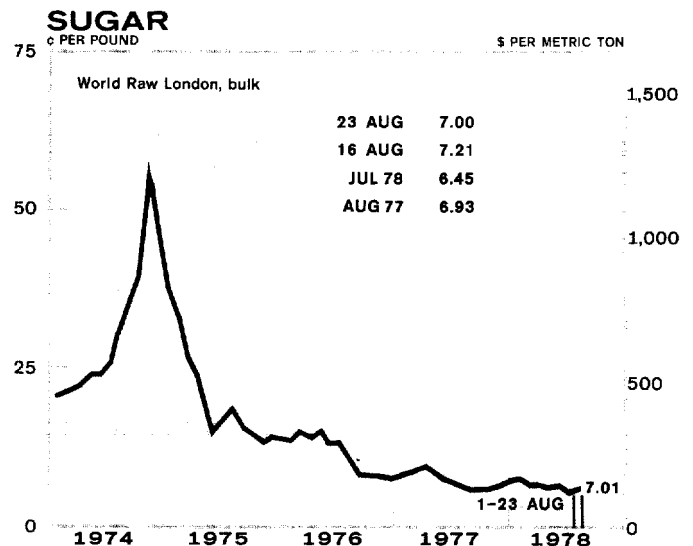
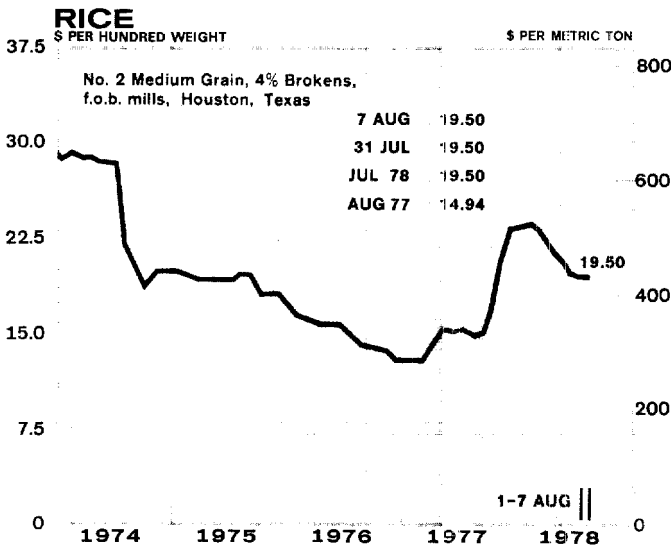
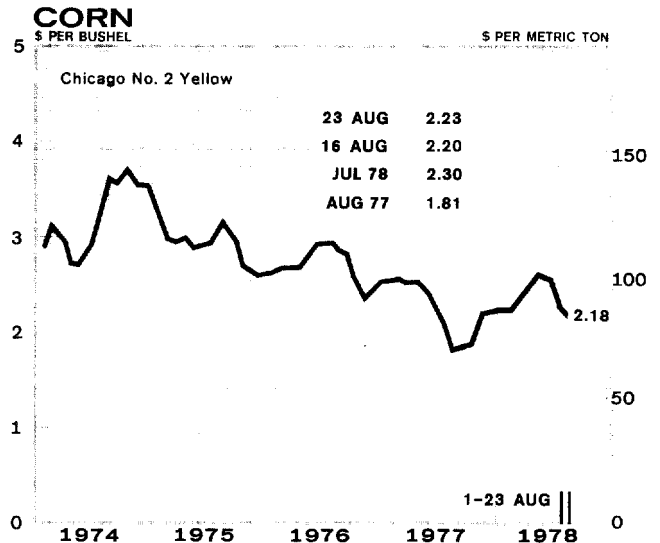
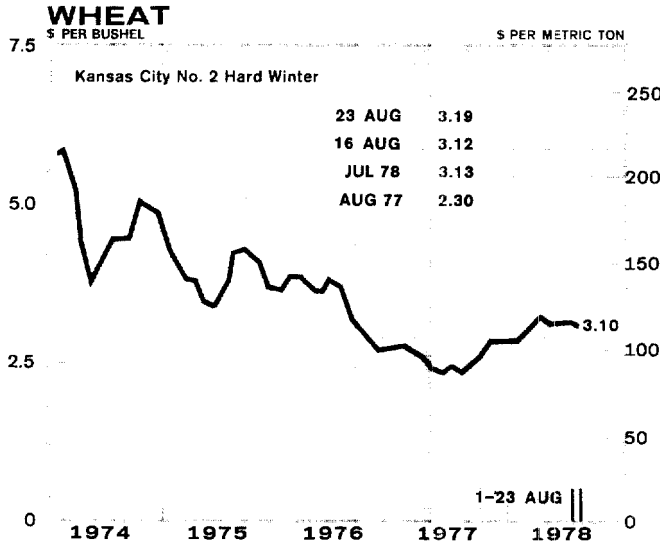
OFFICIAL RESERVES

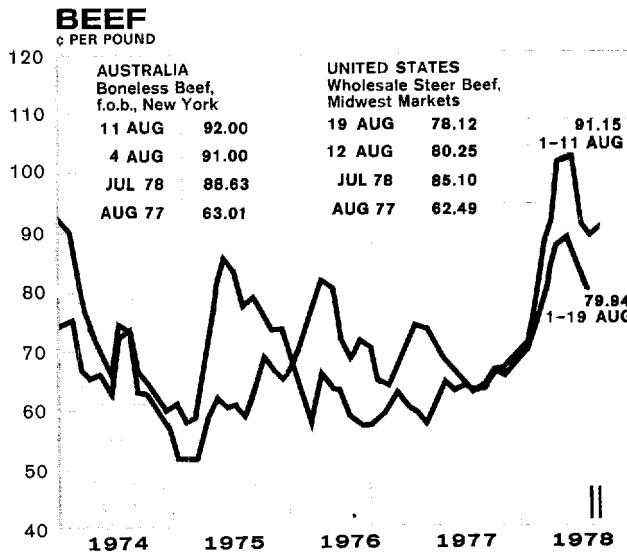
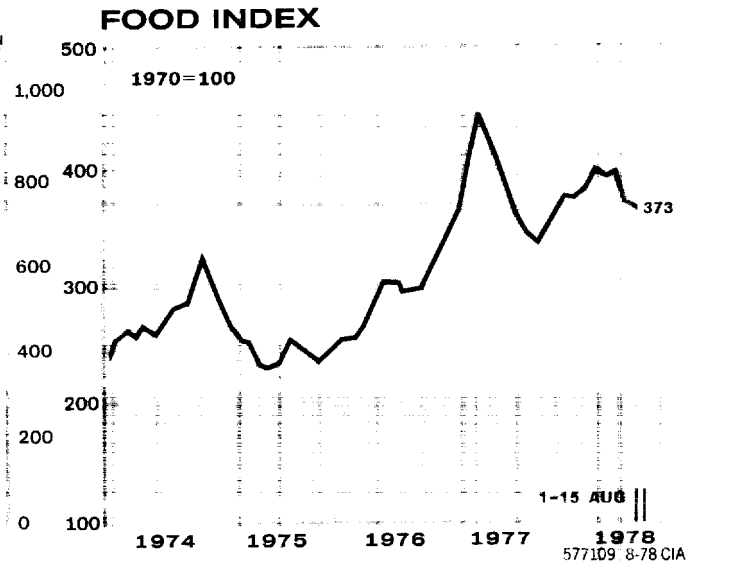
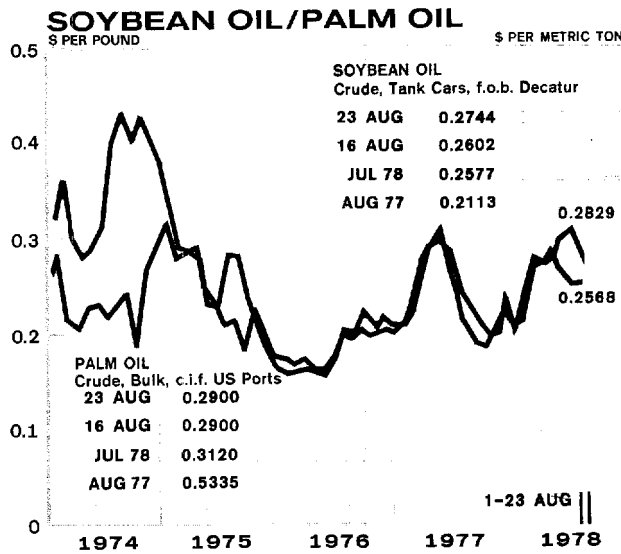
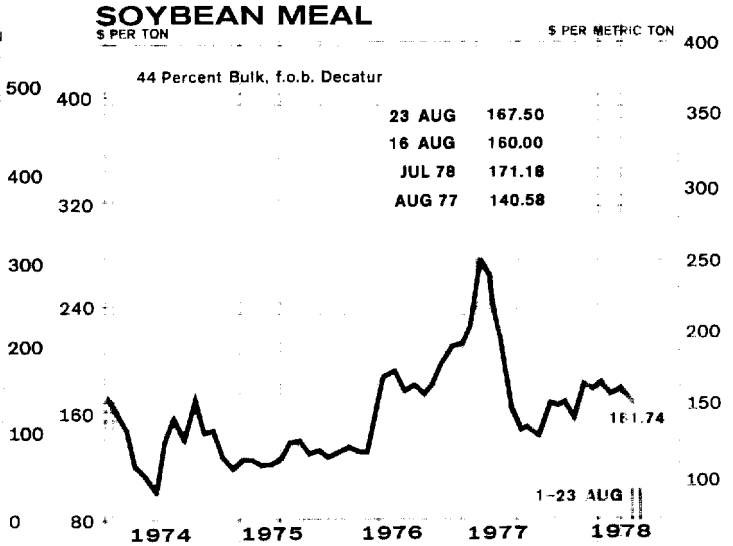
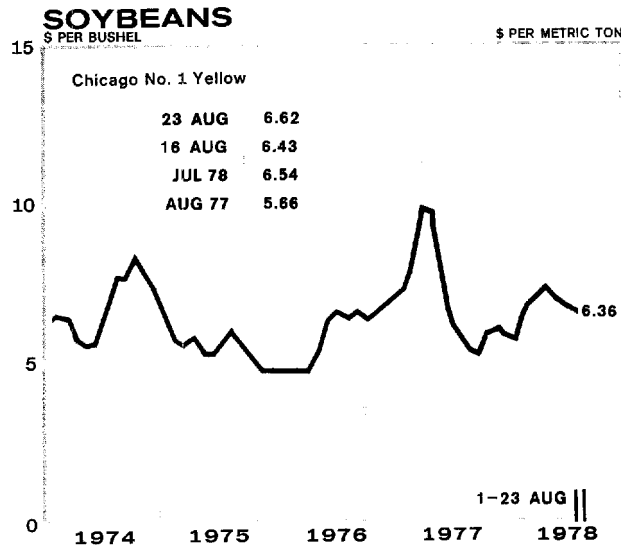
	Latest Month	Million US \$			
		End of		1 Year	3 Months
		Month	Million US \$	Jun 1970	Earlier
Brazil	Feb 78	6,733	1,013	5,878	5,994
India	Apr 78	6,064	1,006	4,134	5,411
Iran	Jun 78	12,068	208	11,025	12,483
South Korea	May 78	4,101	602	3,519	4,376
Mexico	Mar 78	1,766	695	1,422	1,723
Nigeria	Jun 78	2,387	148	4,663	3,906
Taiwan	Mar 78	1,433	531	1,349	1,447
Thailand	Jun 78	2,161	978	2,017	2,161

FOREIGN TRADE, f.o.b.			Latest 3 Months		Cumulative (Million US \$)		
			Percent Change from		3 Months	1 Year	1978
	Latest Period		Earlier ¹	Earlier			
Brazil	May 78	Exports	84.8	-3.7	4,743	4,979	-4.7%
	May 78	Imports	26.6	1.4	5,110	4,939	3.5%
	May 78	Balance			-367	40	-407
India	Feb 78	Exports	4.0	12.3	912	917	-0.4%
	Feb 78	Imports	-39.6	-0.2	845	916	-7.7%
	Feb 78	Balance			67	1	66
Iran	Apr 78	Exports	-34.0	-8.2	7,615	8,012	-4.9%
	Mar 78	Imports	105.8	14.2	3,694	3,235	14.2%
	Mar 78	Balance			1,991	2,795	-804
South Korea	May 78	Exports	14.2	29.3	4,651	3,630	28.1%
	May 78	Imports	64.3	25.1	4,994	3,905	27.9%
	May 78	Balance			-343	-275	-68
Mexico	May 78	Exports	-2.2	6.5	2,037	1,773	14.9%
	May 78	Imports	11.6	25.7	2,340	1,868	25.3%
	May 78	Balance			-304	-95	-209
Nigeria	Apr 78	Exports	-55.4	-29.9	1,143	1,597	-28.4%
	Aug 77	Imports	56.1	80.1	2,535	1,640	54.6%
	Aug 77	Balance			716	979	-263
Taiwan	Apr 78	Exports	-27.6	32.3	3,365	2,543	32.3%
	Apr 78	Imports	-14.5	20.4	2,869	2,338	22.7%
	Apr 78	Balance			496	205	291
Thailand	Apr 78	Exports	27.0	3.2	1,277	1,221	4.6%
	Apr 78	Imports	-6.5	14.3	1,449	1,251	15.8%
	Apr 78	Balance			-172	-30	-141

¹ At annual rates.

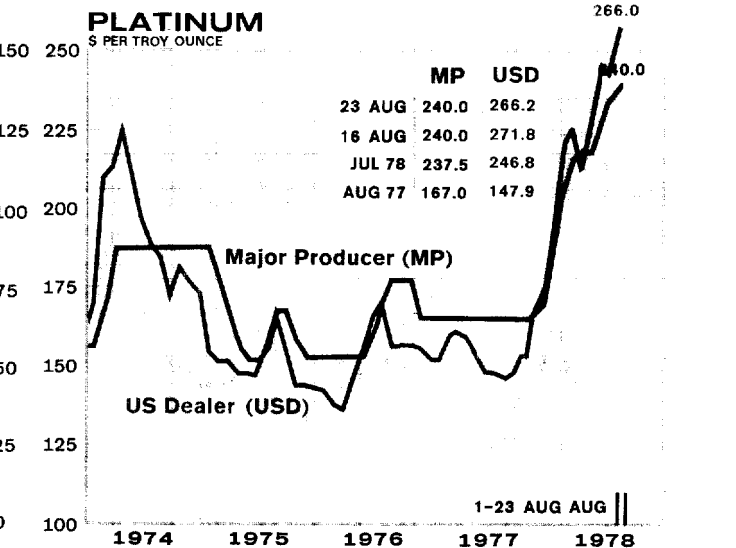
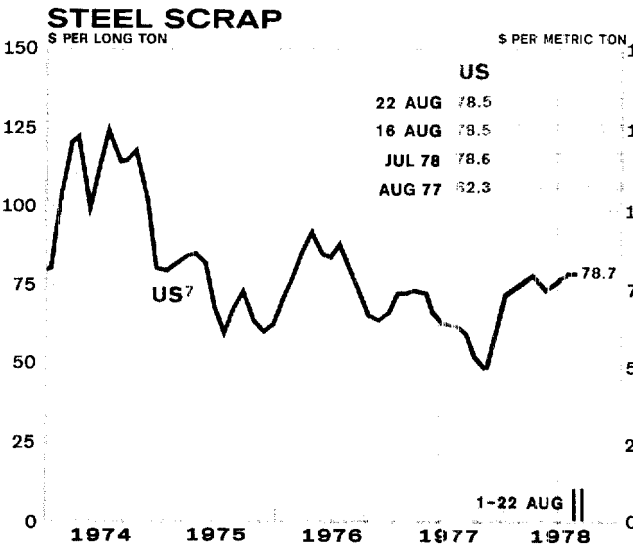
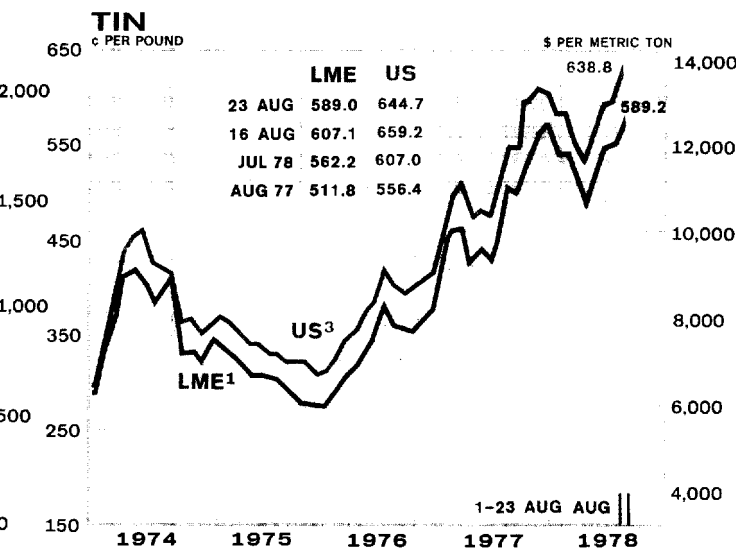
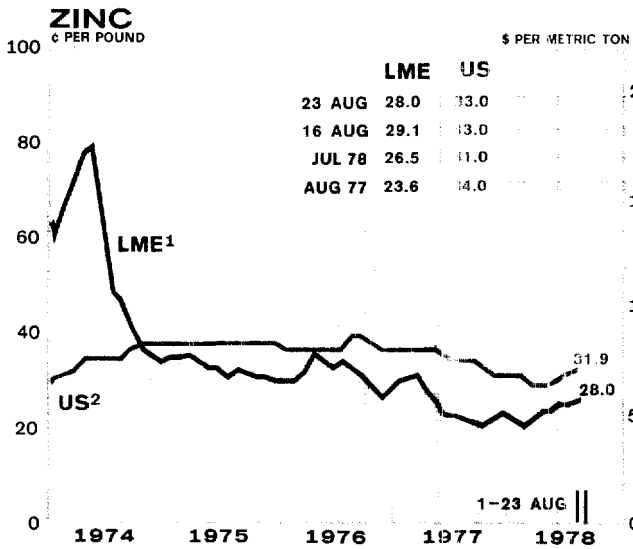
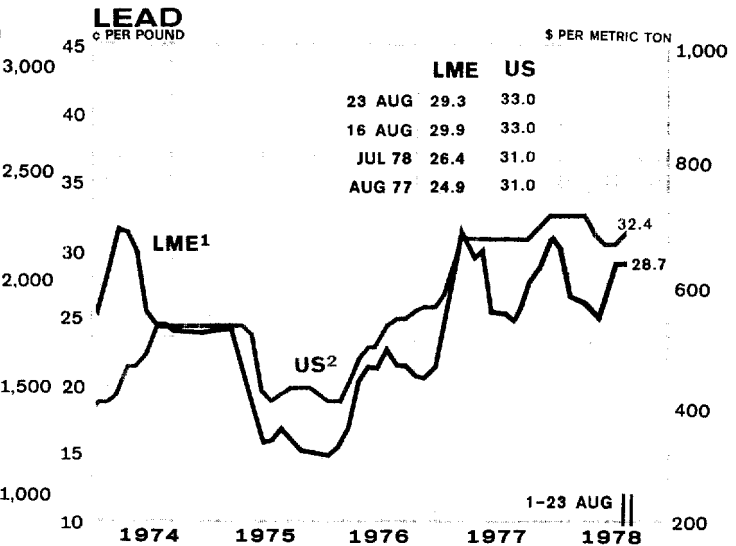
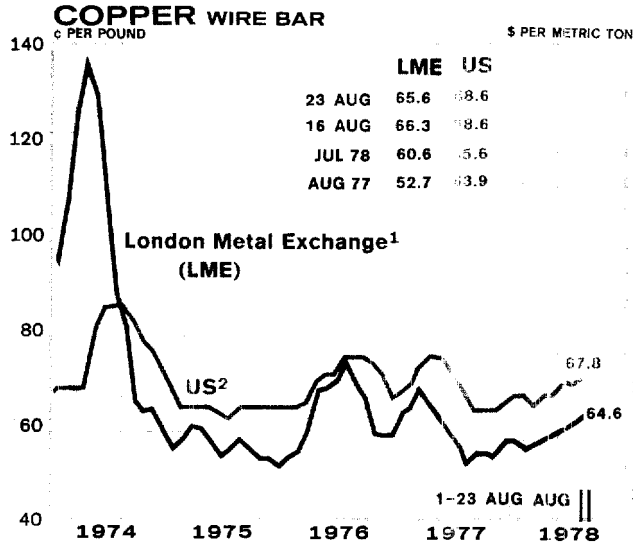
AGRICULTURAL PRICES MONTHLY AVERAGE CASH PRICE





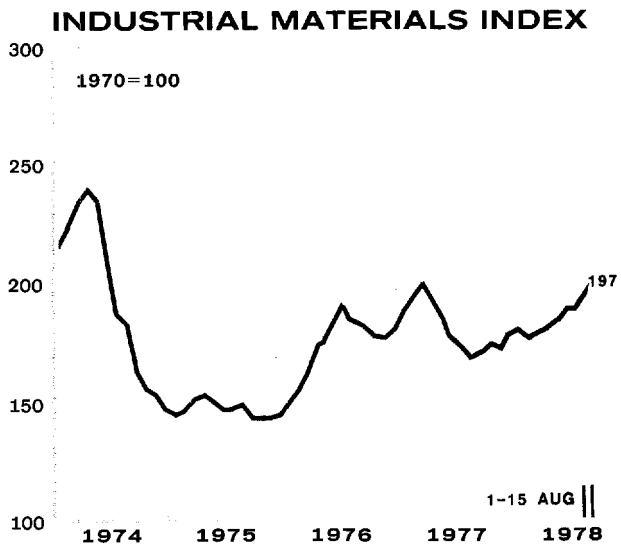
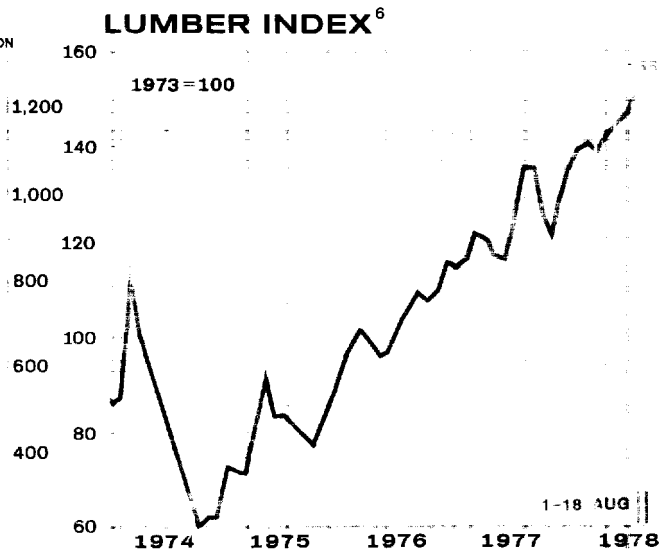
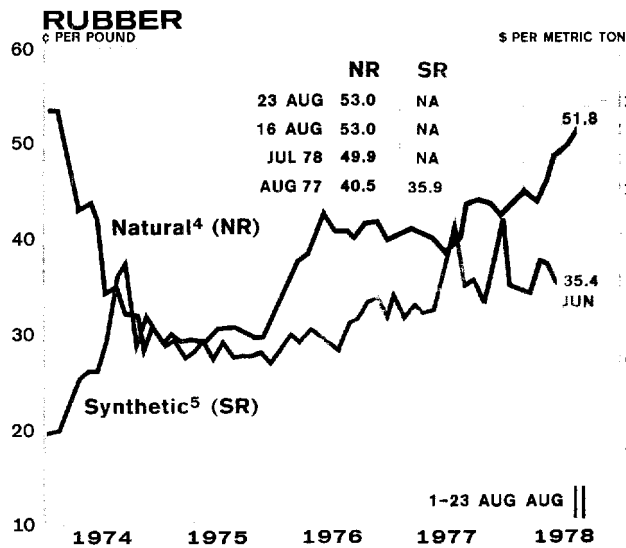
NOTE: The food index is compiled by the Economist for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

INDUSTRIAL MATERIALS PRICES MONTHLY AVERAGE CASH PRICE



SELECTED MATERIALS

			CURRENT	FEB 78	AUG 77	AUG 76
ALUMINUM	Major US Producer	£ per pound	55.00	53.00	53.00	47.00
US STEEL	Composite	\$ per long ton	419.31	387.54	357.08	327.00
IRON ORE	Non-Bessemer Old Range	\$ per long ton	21.43	21.43	21.43	20.05
CHROME ORE	Russian, Metallurgical Grade	\$ per metric ton	NA	NA	150.00	150.00
CHROME ORE	S. Africa, Chemical Grade	\$ per long ton	56.00	56.00	58.50	42.00
FERROCHROME	US Producer, 66-70 Percent	£ per pound	42.00	41.00	42.39	44.56
NICKEL	Composite US Producer	\$ per pound	2.07	2.06	2.41	2.20
MANGANESE ORE	48 Percent Mn	\$ per long ton	67.20	72.24	72.00	72.00
TUNGSTEN ORE	Contained Metal	\$ per metric ton	17,528.00	19,048.00	21,111.00	5,325.00
MERCURY	New York	\$ per 76 pound flask	163.00	162.32	116.30	110.00
SILVER	LME Cash	£ per troy ounce	560.70	496.44	447.09	426.81
GOLD	London Afternoon Fixing Price	\$ per troy ounce	212.64	178.16	144.95	109.65



- ¹Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.
- ²Producers' price, covers most primary metals sold in the US.
- ³As of 1 Dec 75, US tin price quoted is "Tin NY 1b composite."
- ⁴Quoted on New York market.
- ⁵S-type styrene, US export price.
- ⁶This index is compiled by using the average of 13 types of lumber whose prices are regarded as bellwethers of US lumber construction casts.
- ⁷Composite price for Chicago, Philadelphia, and Pittsburgh.

NOTE: The industrial materials index is compiled by the Economist for 19 raw materials which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

97/114 8-78