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ECONOMIC INTELLIGENCE WEEKLY

16 July 1975

Overview

The Soviet Grain Crop Now Is Estimated at 200 Million Tons, down 15 million tons from our previous forecast. Drought conditions have worsened and spread in recent weeks. Although no grain contracts have been announced, rumors point to Soviet contracts or negotiations involving 10 to 11-1/2 million tons of wheat, corn, and barley. (Confidential)

Housing Construction Shows Signs of Revival in the United States, Canada, the United Kingdom, and Japan. A turnaround in France and Italy is expected by
25X6 yearend. [redacted] because of an unusually large inventory of unsold dwellings. Lower prices for building materials, some softening in mortgage rates, and government assistance are factors in the mild upturn.

Job uncertainties, high mortgage rates, and high prices make a housing boom unlikely in the near future. Budget problems and concern about inflation will impede government efforts to spur the industry. Housing construction thus cannot be counted on to spark a recovery, as it has in previous business cycles.

Food and Commodity Issues Continue To Dominate International Meetings.

- At this week's Trade Negotiations Committee meeting in Geneva, developing countries will intensify pressure for preferential treatment of tropical product exports. Developed countries are expected to introduce the issue of security of raw material supplies, over LDC objections.

Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed. They may be directed
25X1A to [redacted] the Office of Economic Research, Code 143, Extension 5943.

- The UN Conference on Trade and Development will consider a plan for financing commodity stockpiles in meetings starting on 28 July. The proposed fund, totaling $6 billion, would be used to finance buffer stocks of such commodities as copper, coffee, and rubber. Exporting and importing countries as well as OPEC states will be asked to fund the program.

- The World Food Council hopes to begin lining up financing for its International Fund for Agricultural Development at the September meeting. The Council is seeking an initial fund of $1 billion to aid the poorest food-deficit countries. It is counting on substantial contributions from OPEC countries but has received no commitments.

Articles

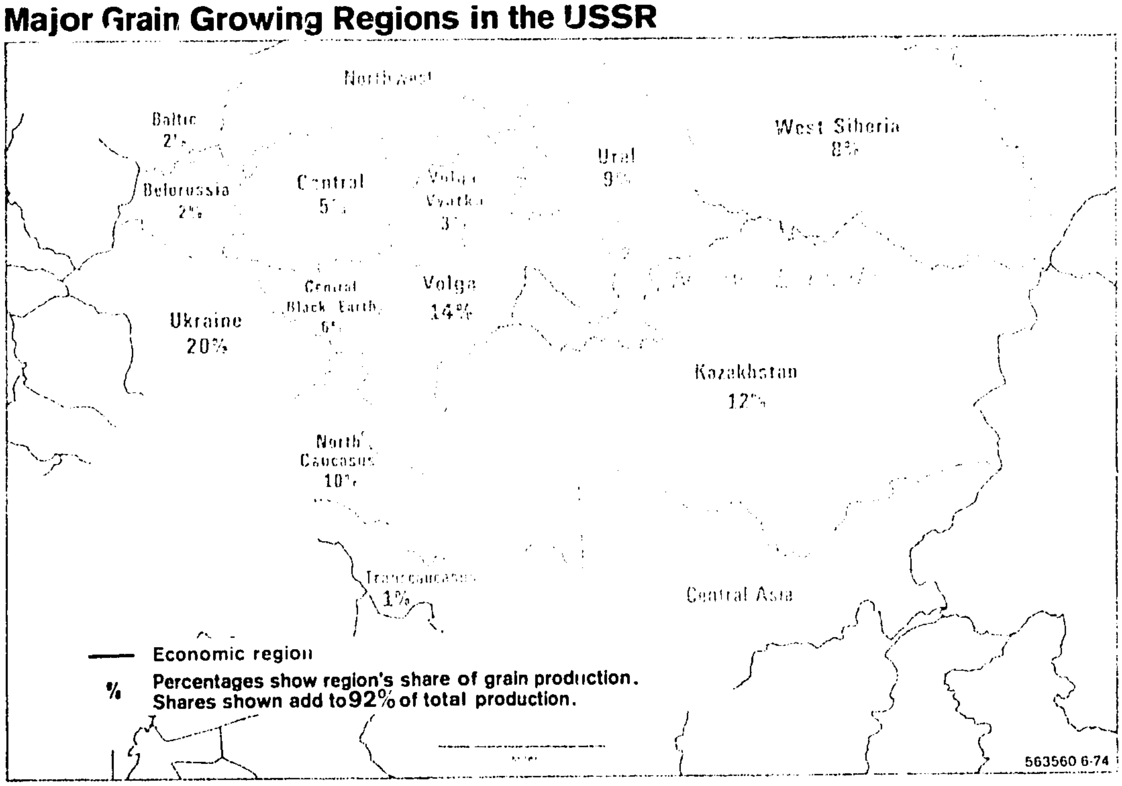
SOVIET CROP PROSPECTS DETERIORATE FURTHER

The drought in the USSR worsened and spread in late June and early July, leading us to lower our estimate of the 1975 grain crop from 215 million tons to 200 million. A crop of this size and the reduced output now in prospect for forage crops could result in Soviet grain imports well in excess of 10 million tons in FY 1976. The USSR imported only 6-1/2 million tons in FY 1975.

Unseasonably hot weather and scant rainfall in the last 10 days of June cut soil moisture to critical levels in the eastern and southern Ukraine and in the North Caucasus and the Central Black-Soil Region. Crop conditions remained critical in western Kazakhstan and the Volga Valley. Lower temperatures and moderate rain in the Ukraine during the first 10 days of July did not materially relieve drought conditions.

The drought has not damaged winter grains appreciably because they were already mature when moisture levels fell. In western Kazakhstan and the Volga Valley, however, sown acreage that would normally produce 10 million tons of

Major Grain Growing Regions in the USSR



spring grain already has been lost. In addition, acreage that should have produced several million tons of corn apparently has been lost in the Ukraine and North Caucasus.

We will have to reduce our forecast for 1975 still further if growing conditions remain poor and harvesting weather is unfavorable. The spring grain crop is particularly vulnerable in the New Lands area of Siberia, where cool weather has slowed maturing. Early arrival of winter could catch the crop unharvested, causing heavy losses and lowering the quality of the grain saved.

Production of forage crops – which provide two-thirds of Soviet livestock feed – is as important as the grain harvest in determining the USSR's need for grain imports. Forage crops have been severely hurt in major cattle and sheep raising areas in the Volga Valley, the Ukraine, and the North Caucasus. Even with a normal output of forage crops, the current grain crop projection falls about 10 million tons short of estimated Soviet requirements.

Meanwhile, the apparent entrance of the Soviets into the international grain market is clearly indicative of their concern. No Soviet contracts for grain imports have been announced formally, but reliable sources claim that purchases of 2-3 million tons of wheat, 4-1/2 million tons of corn, and 1 million tons of barley have been or are being negotiated. US grain companies have been told that sales of up to 7 million tons of corn and 7 million tons of wheat would be acceptable to the US Government. [redacted] 25X6
25X6 [redacted] bringing total rumored contracts to 10 to 11-1/2 million tons of grain.

We believe that the grain that the Soviets are now dickering for is intended only to offset losses already sustained. If the crop outlook deteriorates further, Moscow probably will come into the market again to preserve its livestock program. (Confidential) ■

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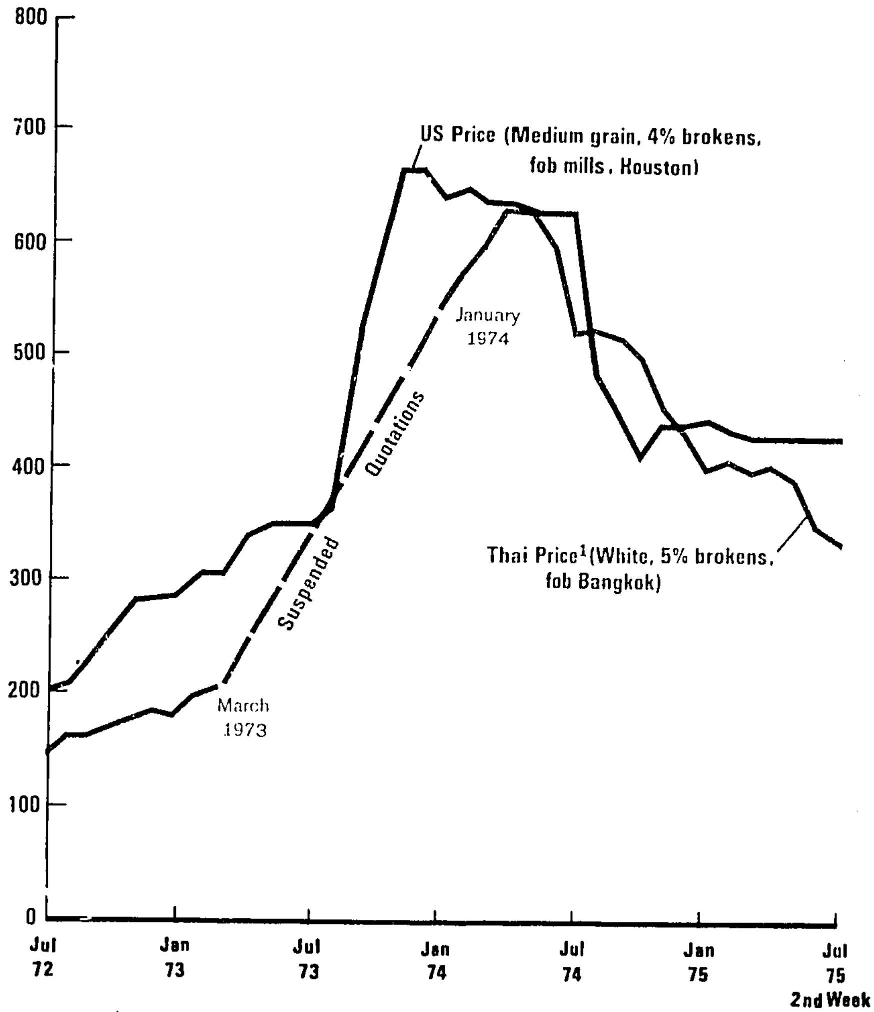
GROWING PRESSURE ON RICE PRICES

Asian export prices for rice recently have fallen sharply because of good 1974/75 harvests in major exporting and importing countries and prospects for a bumper crop next year. The price of Thai rice, for example, dropped to $330

Export Prices of Milled Rice

(US $ per ton)



[1] Thailand suspended price quotations from 5 March 1973 until January 1974 and reduced exports because of domestic rice shortages.

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per ton last week – down 17% from January 1975 and 48% from April 1974. US prices, steadied during the past seven months by PL-480 sales and strong Middle East demand, probably will also come under pressure before long.

In 1975 an estimated 9.1 million tons of milled rice will be available for export, up 1.4 million tons from actual exports in 1974. This increase reflects good harvests in three major exporting countries – the United States, Thailand, and Burma. At current prices, imports are expected to reach about 8.0 million

World Production of Paddy Rice

Million Tons

	Crop Years Ending 31 July		
	1973/74	1974/75	1975/76 Forecast
Total	**317.0**	**316.3**	**327.8**
Asia	290.7	287.8	298.1
China	105.0	105.0	107.0
India	65.7	60.0	65.0
Indonesia	22.6	23.5	24.0
Thailand	14.4	14.5	14.8
Burma	8.4	8.5	8.5
Other	74.6	76.3	78.8
Western Hemisphere	14.7	16.4	17.3
Of which:			
United States	4.2	5.2	5.3
Africa, Europe, and Oceania	11.6	12.1	12.4

tons, compared with 7.7 million in 1974. International demand for rice is sluggish because of good crops in several importing countries – particularly Indonesia, where stocks have increased substantially. Postponement of purchases by importers anticipating lower world prices or increased domestic output in 1975/76 also is a factor. If world rice output rises by 11.5 million tons in 1975/76 – our current forecast, assuming normal weather – some countries will have less need for imports and others should be able to buy at prices lower than at present.

Thailand is feeling the brunt of the decline in import demand. By replanting after the floods in early 1975, the Thais managed to raise output by 100,000 tons in 1974/75, to a record 14.5 million tons. Meanwhile, production increased by 900,000 tons in Indonesia and reached new highs in other importing nations such as the Philippines, Malaysia, North Korea, South Vietnam, and Taiwan. Thai exports consequently have been running at an annual rate of only 1 million tons, compared with the 1.6 million tons available.

Purchases by Middle East states have done much to stabilize prices in the US market since November. Mideast countries generally favor US rice because of its high quality; their purchases from the United States are expected to double in 1975, to nearly 800,000 tons. These deliveries probably will make up about a third of total US rice exports this year and half of total Middle East purchases. US rice sales under PL-480 continue firm, with the ending of shipments of 300,000 tons annually to South Vietnam and Cambodia being largely offset by increases in shipments to Bangladesh and South Korea. US prices nonetheless are likely to trend downward during the second half, since projected export sales in 1975 are 300,000 tons below the estimated amount available. (Confidential)■

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FERTILIZER PRICES SKID

World fertilizer prices continue to plummet as a result of sluggish demand. In the last three months:

- Japanese and Arab producers of urea have cut export prices by 35%.
- West European and US suppliers of concentrated phosphate fertilizer have reduced prices from $275 to $180 per ton.
- Tunisia, Togo, and Senegal have quietly absorbed freight and insurance charges and made other concessions reducing the actual price of phosphate rock by 15%-25% in individual new contracts; official prices – tied to the Moroccan price – are unchanged.
- Morocco indefinitely postponed the 8% increase in the official export price of phosphate rock that had been scheduled for 1 July.

Many firms are cutting output in an effort to stem the price slide. Major West European and Japanese producers of nitrogen fertilizer are operating their plants at only about 50% of capacity, compared with full production in early 1975. Moroccan production of phosphate rock is down 10%-15% from a year ago, and the industry is prepared to make additional cuts rather than reduce its price.

Despite cutbacks, production of chemical fertilizer probably will outpace consumption in 1975/76, putting more downward pressure on prices. Uncertainty regarding grain prices and continued high domestic prices of chemical fertilizer probably will hold down the increase in fertilizer consumption in developed countries. Many importing countries, badly overstocked with fertilizer, have reduced imports dramatically or banned further purchases. India and Indonesia, for example, have already bought all the fertilizer they will require in 1975/76, and the Philippines has a large oversupply. (Confidential)■

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DEVELOPED COUNTRIES: IMPROVED OUTLOOK FOR HOUSING CONSTRUCTION

Housing starts have turned up in several major developed countries since the beginning of 1975 and should rise in others by yearend. A housing boom nonetheless appears to be a long way off. The industry probably will not be a leader in the upcoming economic recovery, because the recession has made consumers cautious and because high construction costs and interest rates have narrowed the market. In recent business cycles, housing construction generally has picked up much faster than other sectors, helping to spark the recovery.

Housing Starts Turn Up

All the major developed countries except West Germany either have reversed the slide in housing starts (seasonally adjusted) or are expected to do so in the second half.

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[redacted]

In *France* and *Italy*, starts turned down later than in the other countries and probably are continuing to slip; government measures should help to bring a turnaround in the second half.

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[redacted]

Encouraging Signs

Government assistance programs and recession-induced progress in holding down the cost of home buying are improving the environment for a housing revival.

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Tokyo and Rome have eased credit restrictions, while Paris, Ottawa, and Rome have budgeted increased funds to subsidize private housing. To step up public building material, Ottawa intends to boost its federal mortgage fund by $200 million, or 20%, and Rome plans to pump an unprecedented $1.5 billion into low-income housing in 1975. Italy's planned outlays, which equal 14% of the total value of residential construction in 1974, will not be realized fully, because of the usual bureaucratic delays.

Prices of key building materials such as cement and lumber generally have softened after two years of waning demand. After rising sharply in 1973, material costs began to fall in Canada and Japan in early 1974 and continued to drop through the first quarter of 1975. In Italy and West Germany, housing construction costs leveled off in late 1974. Only in Britain, where inflation has been worsening, did the cost of building materials rise in the first quarter.

Mortgage rates likewise have tended to level off in most countries, following steady increases in 1973-74. In Britain, Canada, and West Germany, mortgage rates fell by more than 1 percentage point from December to April, and in the United States they dropped almost half a point. Mortgage money appears to be readily available in all of these countries, although its cost is still exceptionally high by historical standards.

Prospects

The revival in housing construction in the second half of 1975 is likely to be fairly weak. Because the economic growth rate is expected to average only 1.5%, unemployment in developed countries will remain at the highest levels seen in many years. The shortage of jobs will keep some potential buyers out of the market and, more important, discourage purchases among the employed.

Uncertainties about interest rates also will deter home-buying. Mortgage rates probably will soften little if at all in the months ahead, because heavy government borrowing requirements and reviving private demand will exert pressure on money markets. Many families will be kept out of the market by high financing costs; others will delay purchases for a time, in the hope that mortgage rates will ease.

Government financial aid would have to be stepped up substantially to have an appreciable effect on the housing market. Fiscal constraints and continuing concern about inflation will limit further financial incentives to private housing and

new appropriations for public housing projects. Some governments -- [redacted] 25X6
25X6 [redacted] -- will continue to resist even bailout assistance to the industry until the large overhang of unsold dwellings is worked off. (For Official Use Only)

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ECUADOR: EMERGING PAYMENTS PROBLEMS

Quito's longstanding dispute with the Texaco-Gulf consortium -- producer of practically all Ecuadorean oil -- will cut export revenues this year. Although progress is now being made toward ending the dispute, a continuing boom in imports is expected to generate a large current account deficit.

Ecuador: Current Account

Million US $

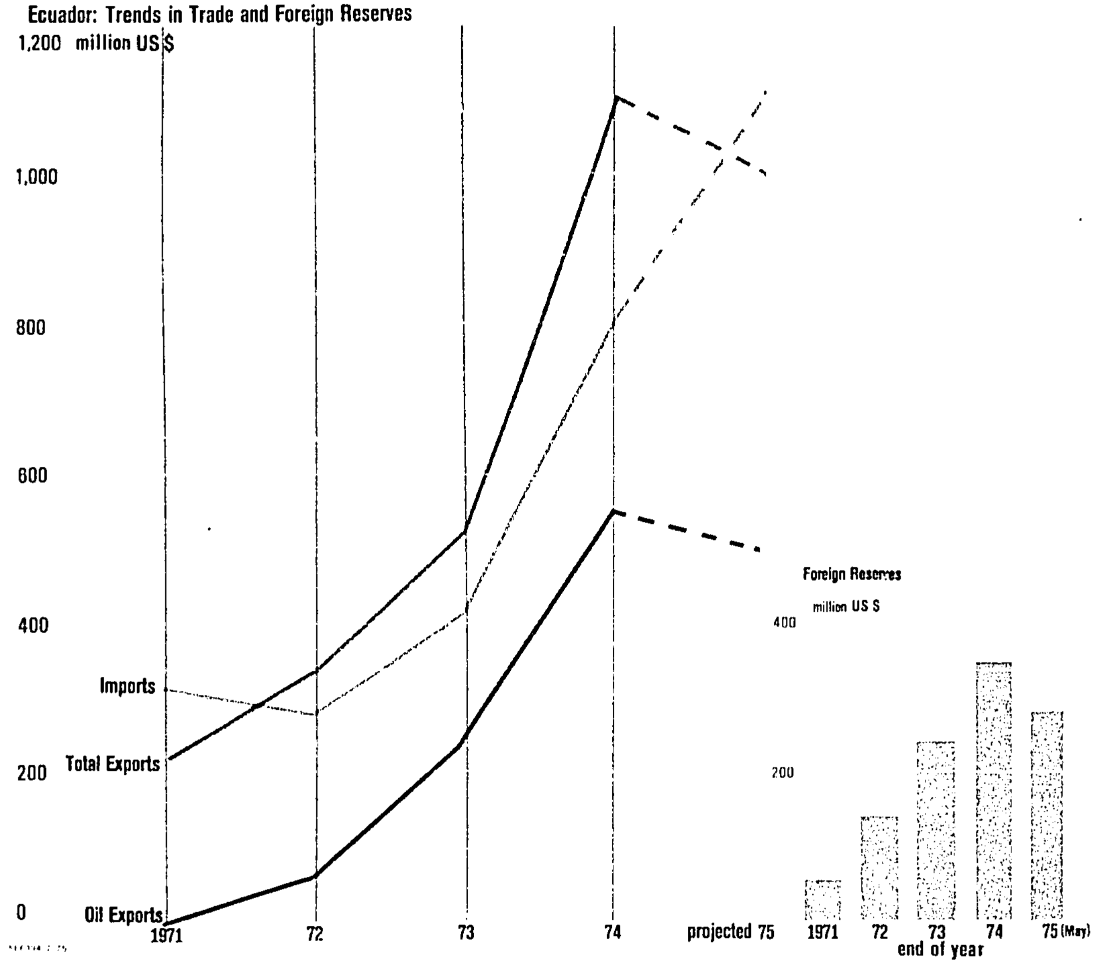
	1972	1973	1974	Projected 1975
Trade balance	57.6	119.0	300	-100
Exports	346.6	532.0	1,100	1,000
Imports	289.0	413.0	800	1,100
Net services	-97.6	-115.2	-300	-300
Transfer payments	15.8	38.3	30	20
Current account balance	**-24.2**	**42.1**	**30**	**-380**

Oil shipments began to decline in May 1974, when the government slapped on conservation ceilings that forced Texaco-Gulf to reduce output from 240,000 b/d to 210,000 b/d. Because further cuts resulted from technical difficulties with the Trans-Andean pipeline and consortium shutdowns aimed at forcing policy changes, oil shipments dipped 18% in 1974 and an additional 29% in the first half of 1975. Total export earnings, which soared to $1.1 billion in 1974, will slip to $1 billion this year even if oil shipments soon regain their earlier peak level.

The dispute centers on Quito's oil tax policy. Company officials maintain that the tax-paid cost of $11 a barrel for Ecuadorean crude -- in effect until last week -- made it noncompetitive with Saudi benchmark crude, which costs an average of $10.24. Declining tanker rates have reduced the short-haul advantage of Ecuadorean crude, much of which goes to Caribbean refineries via the Panama Canal.

Texaco-Gulf also has become increasingly disturbed by the government's failure to pay the remaining $3 million due on a 25% equity purchased in the consortium and to pay a fair share of operating costs. This failure, along with the tax and production-ceiling disputes, caused the consortium to abandon exploration, postpone plans for opening new fields, and delay expansion of the 250,000-b/d pipeline to the Pacific. The government's oil policy also discouraged the Cayman Group from going ahead this year with plans to construct a pipeline spur to its concession.

Ecuador: Trends in Trade and Foreign Reserves



To force Quito to come to terms, Texaco-Gulf shut down production for two weeks in May and suspended operations indefinitely in early June. At the same time, it offered to make new investments totaling $165 million in exchange for more conciliatory policies. On 9 July, the government agreed to cut taxes by 43 cents per barrel, falling short of the consortium's demand for a cut of at least 60 cents. We believe that Quito will soon make additional concessions because it cannot afford a prolonged loss of oil revenues.

Accelerated expenditures on economic development and welfare will bring an estimated 38% jump in imports in 1975. Although Quito has temporarily banned automobile imports and has restricted credit financing of other purchases abroad, it has avoided severe curbs for fear of hurting development programs and aggravating inflation. Even if oil exports are promptly resumed, a current account deficit of nearly $400 million is likely.

Because foreign reserves totaled only $274 million at the end of May, Quito will seek foreign capital to cover the deficit. It probably will be forced to rely mainly on commercial sources. A request for $1 billion in credits from Middle Eastern governments thus far has been ignored. (Confidential) ■

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SAUDI ARABIA: AID AS A FOREIGN POLICY TOOL

In the months since King Faysal's death, the Saudi government has been using a growing, though still small, part of its vast oil wealth to pursue longstanding foreign policy goals through aid programs. These policy goals are Arab unity, regional stability, [redacted] reduction of Soviet influence, and the creation and strengthening of moderate governments throughout the Arab world. King Khalid and Crown Prince Fahd have increased both the volume of aid commitments and the sophistication with which aid is used as a foreign policy tool.

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Saudi Arabian Aid Commitments
1st Half 1975

Million US $

Recipient	Amount
Total	2,936.4
Middle East	1,828.8
Egypt	760.0
Iraq	200.0
Jordan	257.0
Lebanon	23.5
North Yemen	18.3
Oman	200.0
Syria	370.0
Africa	915.6
Algeria	400.0
Gambia	4.5
Guinea	10.0
Mauritius	34.6
Morocco	100.0
Senegal	10.0
Somalia	11.5
Uganda	50.0
Sudan	260.0
Tunisia	35.0
Asia	192.0
Indonesia	100.0
Malaysia	70.0
Pakistan	22.0

In the first half of 1975, Riyadh pledged $2.9 billion in new aid, compared with $2.5 billion in all of 1974. About $1.8 billion of the new commitments is earmarked for the Middle East alone. Egypt continues to be the major beneficiary, receiving $760 million in Saudi commitments in the first half – nearly all untied aid for balance-of-payments relief.

The granting of untied aid is a recent development in Saudi aid practices. Under Faysal, the Saudis followed a fairly conservative policy of funding development projects supported by international organizations such as the World Bank. The shift in emphasis is an outgrowth of Saudi Arabia's enormous financial resources and the desire to exert more influence in the Arab world. Aid to Egypt is designed to strengthen Sadat's 25X6 moderate leadership [redacted] among other Arabs [redacted] The recent 25X6 pledge of $200 million in aid to Baghdad is intended to encourage Iraqi political moderation and perhaps helped in arranging a 50/50 division of the former Saudi/Iraqi neutral zone. A desire to resolve a border dispute probably also played a role in the Saudi decision in May to grant $200 million to Oman – so far, with inconclusive results.

Regional political stability is a key consideration in Saudi aid to both the Yemens. The Saudis have been traditional sources of aid for the Yemen Arab Republic and reportedly are considering giving $300 million in military assistance to the regime. Saudi delay in reaching a decision recently prompted San'a to threaten to turn again to the USSR for aid. Riyadh has given further assurances that aid will be forthcoming.

At Cairo's urging, the Saudis have improved relations with the People's Democratic Republic of Yemen [redacted] 25X6
25X6 . Substantial additional aid to the PDRY is unlikely, since it will not adopt more moderate policies just to please the Saudis.

The recent unpublicized transfer of $400 million to Algiers probably represented an effort to encourage Algerian moderation in OPEC councils and at the next Producer-Consumer Conference. An alternative, much less likely explanation is that the sum is earmarked for eventual relending to Egypt, to satisfy earlier Algerian aid promises to Cairo.

Political considerations have been instrumental in Saudi denials of several loan requests. Riyadh turned down Morocco's request for $80 million in military aid for the liberation of Spanish Sahara because of indications that Spain plans to give up the Sahara shortly. A Libyan request for a reported $200 million was rejected out of hand owing to the strained relations and conflicting ideology of the regimes. Although the Saudis probably will approve project aid of up to $100 million for South Korea, no balance of payments relief will be forthcoming [redacted] 25X6
25X6

Where political considerations are not dominant, the Saudis have generally pursued their traditional, conservative lending policies. Riyadh shelved an Indian request for financing of a major power project, indicating that it might consider smaller projects already screened by the World Bank. The Saudis also have rejected an Ecuadorean request for nearly $700 million unless guarantees from international financial institutions are obtained. (Secret No Foreign Dissem)

RISING OPEC ECONOMIC AID TO LDCs

Although OPEC economic aid to the LDCs continues to grow, a few donors and recipients account for most of the assistance, and credit terms are stiffening.

Recent Disbursements

OPEC countries disbursed $4.5 billion in bilateral aid to LDCs in the first half of 1975, compared with $3 billion in all of 1974. An additional $1.1 billion was funneled to multilateral aid institutions, mainly the IMF Oil Facility. Financial transfers to special Arab funds and regional development banks have been small.

Intra-Arab flows have accounted for about 70% of bilateral aid to LDCs so far this year. Saudi Arabia and Kuwait alone disbursed about $1.9 billion in newly committed funds, mainly to Egypt. Intra-Arab transfers under 1974 commitments reached more than $1 billion and consisted almost entirely of Rabat "war chest" grants for Egypt, Syria, and Jordan.

Iranian disbursements have jumped mainly because of large prepayments to Communist countries. Romania, Bulgaria, and North Korea together have received some $680 million in payments against future delivery of goods needed to support Tehran's development goals. Egypt is the only other major recipient of bilateral aid from Iran.

Bilateral aid to non-oil LDCs* totaled only $295 million in the first half. Transfers from OPEC-funded multilateral institutions provided an additional $935 million. Nearly all of this sum was channeled through the IMF Oil Facility, which provided $590 million for Spain, Turkey, and Chile alone.

Impact on Non-Oil LDCs

OPEC bilateral and multilateral aid has been covering a little less than one-third of the $10 billion increase in non-oil LDC import bills that has resulted from higher oil prices. Some of the poorer countries, particularly Moslem states such as Afghanistan, Bangladesh, North Yemen, and Pakistan, have fared well. OPEC aid to other hard-hit countries–India, for example–has barely made a dent in skyrocketing oil bills.

* Excluding Communist countries.

Non-oil LDCs designated by the United Nations as most seriously affected drew about $2 billion in aid from OPEC countries and OPEC-funded sources in 1974. So far this year, they have received only $415 million, and this downward trend is likely to continue until new sources of OPEC concessional aid are available. Most of the more advanced LDCs in Latin America and East Asia have had to draw heavily on foreign reserves to meet their oil bills.

Non-Oil LDCs Able to Cover a Substantial Share of Higher Oil Costs Through OPEC Aid

Percent of Rise in Oil Import Bill Covered

	1974	Projected 1975[1]
Afghanistan[2]	100+	100+
Bangladesh[2]	100+	100+
Jordan	100+	100+
North Yemen[2]	100+	100+
Pakistan[2]	100+	100+
Somalia[2]	100+	100+
Sudan[2]	100+	100+
Uganda[2]	100+	100+
Costa Rica	79	100+
Zaire	9	100+
Lebanon	100+	88
Malagasy Republic[2]	41	82
Guyana[2]	33	78
Mauritania[2]	92	77
South Yemen[2]	100+	71
Senegal[2]	59	69
El Salvador[2]	58	63
Nicaragua	9	57
Honduras[2]	54	54
Mali[2]	92	50
Chad[2]	100	36
Sri Lanka[2]	98	36
Ethiopia[2]	52	33
Tanzania[2]	68	15
Togo	50	13
Guinea[2]	100	5
Uruguay	91	....

1. Excluding any transfers through multilateral institutions in second half.
2. Included in UN list of countries most seriously affected by higher prices for essential imports.

Outlook

OPEC pledges of bilateral economic aid to the LDCs and to multilateral agencies totaled $10.3 billion in the first half of 1975, compared with $9.2 billion in the second half of 1974. More than half of the new bilateral pledges involve cash or commodity assistance that can be transferred rapidly; the remainder consists of project aid that will take considerably longer to implement. We expect OPEC bilateral disbursements and payments to multilateral agencies to rise to $8 billion in 1975, up from $5 billion last year.

Because several OPEC members have seen their current account surpluses decline or disappear in recent months, Saudi Arabia, Iran, and Kuwait account for 80% of new bilateral commitments. The range of recipients has remained narrow; two-thirds of the pledges so far in 1975 have gone to Middle Eastern and South Asian countries, especially Egypt, Syria, and Afghanistan. At the same time, outright grants have dropped to about one-fifth of bilateral aid flows, down from one-third last year.

OPEC Countries: Estimated Economic Aid[1] to LDCs, by Donor

Million US $

	Disbursements				Pledges			
	Bilateral		Multilateral		Bilateral		Multilateral	
	2d Half 1974	1st Half 1975	2d Half 1974	1st Half 1975	2d Half 1974	1st Half 1975	2d Half 1974	1st Half 1975
Total	**1,839.5**	**4,514.7**	**1,809**	**1,121**	**4,911.4**	**7,098.1**	**4,332[2]**	**3,163[2]**
Abu Dhabi (UAE)	292.9	316.6	147	51	902.2	625.5	280	6
Algeria	11.0	15.0	67	6	17.5	2.8	51	17
Indonesia	....	....	....	6	....	1.0	31	....
Iran	330.5	806.0	258	129	605.1	1,455.5	720	500
Iraq	68.5	219.6	63	7	268.5	567.5	16	11
Kuwait	250.7	950.0	266	129	527.9	1,305.1	587	264
Libya	47.0	6.9	131	....	177.1	152.9	229	....
Nigeria	0.6	1.4	....	98	1.2	1.4	121	29
Qatar	57.5	106.8	15	....	310.7	21.3	20	....
Saudi Arabia	765.8	2,040.2	602	427	1,917.5	2,936.4	1,651	1,584
Venezuela	15.0	52.2	260	268	183.7	28.6	626	752

1. Excluding credits carrying maturities of less than five years, bond purchases, and private assistance.
2. Including all money pledged to the IMF Oil Facility, part of which may be disbursed to developed countries.

Pledges to multilateral institutions, which reached $3.2 billion in the first half, consist mostly of OPEC support for the IMF Oil Facility and Venezuela's contribution to a special Trust Fund managed by the Inter-American Development Bank. We estimate that at least $3 billion more will be pledged in the second half through capital subscriptions to the IMF, the new $1 billion International Fund for Agricultural Development, and the Third Window of the World Bank.

OPEC Countries: Estimated Bilateral Economic Aid to LDCs, by Recipient*

Million US $

	Disbursements		Pledges	
	2d Half 1974	1st Half 1975	2d Half 1974	1st Half 1975
Total	**1,839.5**	**4,514.7**	**4,911.4**	**7,098.1**
Africa	**305.7**	**451.8**	**434.8**	**1,424.1**
Algeria	....	400.0	13.5	454.1
Burunei	....	....	....	1.0
Chad	3.0	....	....	....
Ethiopia	1.0	....	....	....
Gabon	15.0	....	15.0	....
Gambia	1.1	....	....	4.5
Guinea	32.0	1.0	10.0	15.0
Guinea-Bissau	....	N.A.	0.5	N.A.
Lesotho	....	....	....	1.0
Malagasy Republic	....	....	3.0	....
Mali	1.0	1.2	2.1	35.3
Mauritania	2.5	5.5	12.5	15.2
Morocco	57.6	1.0	8.1	160.4
Niger	3.1	....	3.1	....
Rwanda	....	....	....	5.5
Senegal	15.0	....	33.0	10.0
Somalia	13.1	19.4	39.5	56.9
Sudan	125.4	2.8	59.4	465.2
Tanzania	0.3	....	112.0	14.4
Togo	2.0	....	....	....
Tunisia	6.0	....	6.8	58.8
Uganda	27.6	4.9	15.1	125.8
Upper Volta	....	....	....	1.0
Zaire	....	16.0	100.0	....
Zambia	....	....	1.2	....
East Asia	....	**200.0**	**3.0**	**671.0**
Indonesia	....	100.0	....	300.0
Laos	....	....	....	1.0
Malaysia	....	....	....	170.0
North Korea	....	100.0	....	200.0
North Vietnam	....	....	3.0	....
Europe	**5.0**	**755.0**	**425.0**	**580.0**
Bulgaria	....	160.0	....	160.0
Malta	5.0	....	5.0	....
Romania	....	420.0	420.0	....
Yugoslavia	....	175.0	....	420.0

(Continued on next page)

OPEC Countries: Estimated Bilateral Economic Aid to LDCs, by Recipient *
(Continued)

Million US $

	Disbursements		Pledges	
	2d Half 1974	1st Half 1975	2d Half 1974	1st Half 1975
Latin America	**15.2**	**68.2**	**188.7**	**29.6**
Costa Rica	....	4.6	18.6	....
El Salvador	....	6.0	29.1	....
Grenada	0.2	1.0	....	1.0
Guatemala	....	8.0	37.8	....
Guyana	15.0	18.8	5.0	....
Honduras	....	5.0	44.6	....
Jamaica	....	....	....	28.6
Nicaragua	....	5.5	20.4	....
Panama	....	19.3	33.2	....
Middle East	**983.3**	**2,862.7**	**3,118.0**	**3,509.5**
Bahrain	14.0	5.8	87.9	35.0
Cyprus	0.1	....	0.1	....
Egypt	480.0	1,876.4	1,870.6	1,760.2
Iraq	....	100.0	....	200.0
Jordan	114.5	198.4	181.2	309.5
Lebanon	3.0	1.8	27.9	38.5
North Yemen	67.7	10.3	51.1	77.7
Oman	29.9	102.0	....	268.5
South Yemen	24.1	6.8	69.1	79.1
Syria	250.0	561.2	580.1	741.0
Turkey	....	....	250.0	....
South Asia	**530.3**	**177.0**	**741.9**	**883.9**
Afghanistan	17.8	15.0	88.3	719.0
Bangladesh	62.5	62.0	153.5	29.0
India	....	N.A.	33.8	98.6
Nepal	....	....	....	0.3
Pakistan	406.0	100.0	354.0	37.0
Sri Lanka	44.0	....	112.3	....

* For a detailed breakdown of donor/recipient flows, please call [redacted] Code 143, Extension 5291. 25X1A

(Secret No Foreign Dissem)

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ECONOMIC INDICATORS

Prepared by

The Office of Economic Research

July 16, 1975

Approved For Release 2000/09/14 : CIA-RDP86T00608R000500140027-4

Foreword

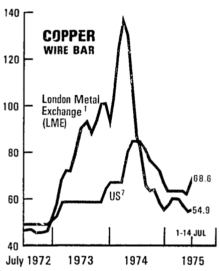
The *Economic Indicators* provide up-to-date information on changes in the domestic and external economic activities of the major non-Communist developed countries. To the extent possible, the *Economic Indicators* are updated from press ticker and Embassy reporting, so that the results are made available to the reader weeks - or sometimes months - before receipt of official statistical publications.

Comments and queries regarding the *Economic Indicators* are welcomed. They may be directed to [redacted] the Office of Economic Research, Code 143, Extension 7402 or 351-7402. 25X1A

25X6

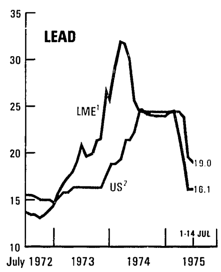
Next 4 Page(s) In Document Exempt

INDUSTRIAL MATERIALS PRICES Monthly Average Cash Price



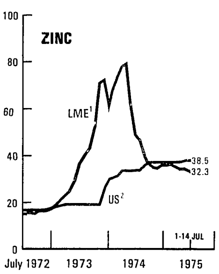
¢ Per Pound

	LME	US
14 Jul	56.2	60.6
7 Jul	53.8	60.6
Jun 75	54.1	62.3
Jul 74	87.3	85.6



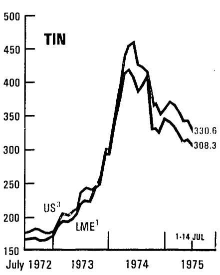
¢ Per Pound

	LME	US
14 Jul	16.3	19.0
7 Jul	15.6	19.0
Jun 75	16.0	19.5
Jul 74	24.8	24.5



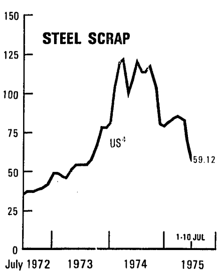
¢ Per Pound

	LME	US
14 Jul	32.2	38.5
7 Jul	32.1	38.5
Jun 75	33.8	38.5
Jul 74	50.0	34.8



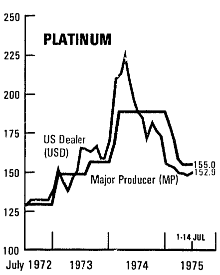
¢ Per Pound

	LME	US
14 Jul	307.5	328.5
7 Jul	306.7	330.5
Jun 75	314.0	342.4
Jul 74	386.8	426.6



$ Per Long Ton

	US
14 Jul	NA
7 Jul	59.67
Jun 75	68.94
Jul 74	126.30



$ Per Troy Ounce

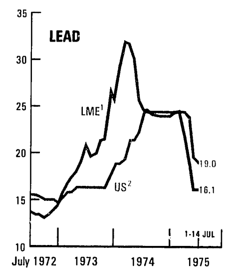
	MP	USD
14 Jul	155.0	153.5
7 Jul	155.0	153.5
Jun 75	155.0	147.9
Jul 74	195.0	190.1

[1] Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.
[2] Producers' price, covers most primary metals sold in the United States.
[3] Quoted on New York market. [4] Composite price for Chicago, Philadelphia, and Pittsburgh.
[5] S-type styrene, US f.a.s. export price.

RICES Monthly Average Cash Price

¢ Per Pound

	LME	US
14 Jul	56.2	60.6
7 Jul	53.8	60.6
Jun 75	54.1	62.3
Jul 74	87.3	85.6



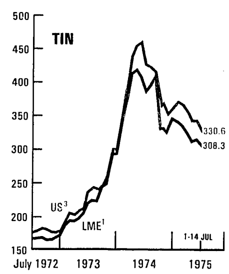
¢ Per Pound

	LME	US
14 Jul	16.3	19.0
7 Jul	15.6	19.0
Jun 75	16.0	19.5
Jul 74	24.8	24.5

SELECTED MATERIALS	Current	Jan 75	Jan 74	Jan 73
Aluminum Major US Prod., c/Lb	39.00	39.00	29.00	25.00
Steel Composite, $/LT	289.23	289.59	212.13	209.66
Iron Ore Non-Bessemer Old Range, $/LT	18.14	17.00	12.16	11.96
Chrome Ore Russian, $/MT	135.00	107.35	38.00	45.75
Chrome Ore S. Africa, $/LT	57.50	57.50	33.50	25.50
Ferrochrome US Charge, c/Lb	53.50	52.50	22.50	20.00
Nickel Major US Prod. Cathode, $/Lb	2.01	2.01	1.62	1.53
Manganese Ore 48% Mn., $/LT	67.20	67.20	52.80	31.40
Tungsten Ore 65% WO_3, $/ST	4,893.98	5,308.02	2,872.40	2,241.20
Mercury NY, $/76Lb Flask	145.00	227.73	275.54	282.50
Silver LME cash, c/Troy Oz	459.86	422.20	360.29	200.15

¢ Per Pound

	LME	US
14 Jul	32.2	38.5
7 Jul	32.1	38.5
Jun 75	33.8	38.5
Jul 74	50.0	34.8



¢ Per Pound

	LME	US
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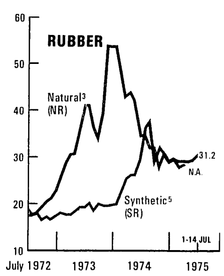
7 Jul	306.7	330.5
Jun 75	314.0	342.4
Jul 74	386.8	426.6

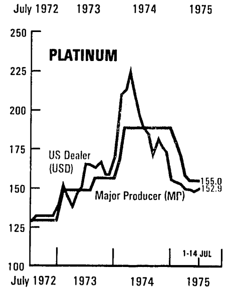


¢ Per Pound

	NR	SR
14 Jul	32.0	NA
7 Jul	31.5	NA
Jun 75	29.5	NA
Jul 74	35.2	29.6

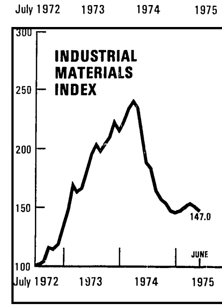
$ Per Long Ton

	US
14 Jul	NA
7 Jul	59.67
Jun 75	68.94
Jul 74	126.30



$ Per Troy Ounce

	MP	USD
14 Jul	155.0	153.5
7 Jul	155.0	153.5
Jun 75	155.0	147.9
Jul 74	195.0	190.1



1970=100

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

producers and traders.
d on the LME.
States.

16 JULY 1975
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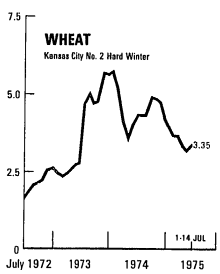
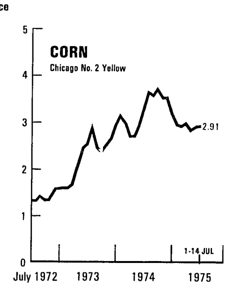
AGRICULTURAL PRICES Monthly Average Cash Price



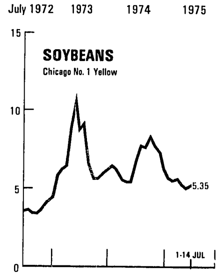
$ Per Bushel

14 Jul	3.64
7 Jul	3.15
Jun75	3.25
Jul 74	4.34



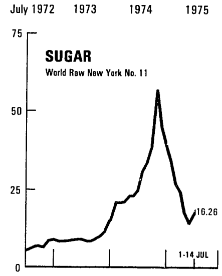
$ Per Bushel

14 Jul	2.93
7 Jul	2.86
Jun75	2.91
Jul 74	3.29



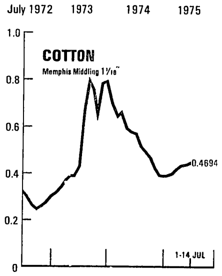
$ Per Bushel

14 Jul	5.60
7 Jul	5.16
Jun75	5.15
Jul 74	6.80



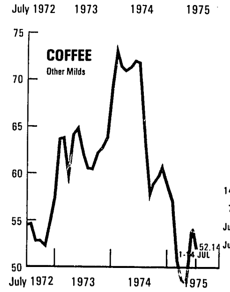
¢ Per Pound

14 Jul	18.50
7 Jul	14.50
Jun75	13.83
Jul 74	25.40



$ Per Pound

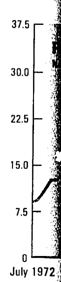
14 Jul	0.4675
7 Jul	0.4775
Jun75	0.4521
Jul 74	0.5680



¢ Per Pound

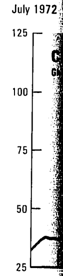
14 Jul	52.38
7 Jul	52.00
Jun75	53.99
Jul 74	71.75

thly Average Cash Price



$ Per Bushel

14 Jul	3.64
7 Jul	3.15
Jun75	3.25
Jul 74	4.34



$ Per Bushel

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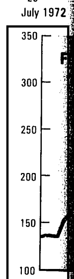
Jun75	5.15
Jul 74	6.80



$ Per Pound

14 Jul	0.4675
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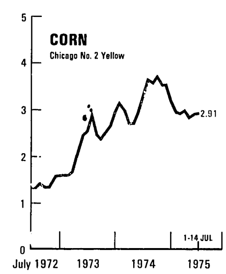
Jun75	0.4521
Jul 74	0.5680



$ Per Bushel

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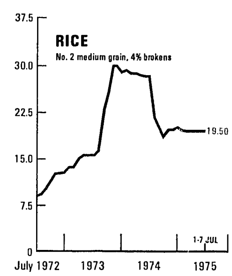
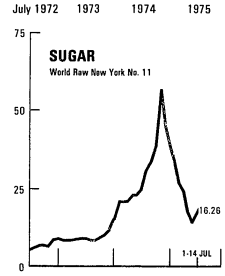
Jun75	2.91
Jul 74	3.29



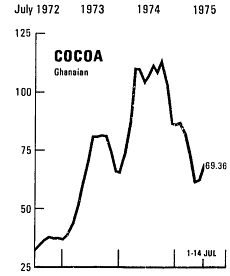
$ Per cwt.
f.o.b. mills, Houston, Tex.

7 Jul	19.50
30Jun	19.50
Jun75	19.50
Jul 74	28.50



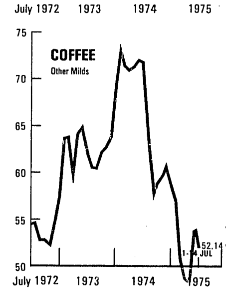
¢ Per Pound

14 Jul	18.50
7 Jul	14.50
Jun75	13.83
Jul 74	25.40



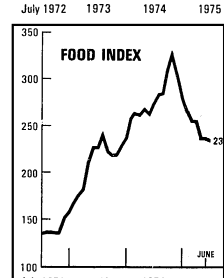
¢ Per Pound
New York price

14 Jul	75.00
7 Jul	68.00
Jun75	63.48
Jul 74	108.90



¢ Per Pound

14 Jul	52.36
7 Jul	52.00
Jun75	53.99
Jul 74	71.75



1970=100

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

16 JULY 1975
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