

Economic and Security Implications
of Structural Change

The Washington Hilton, Washington, D.C.

3 - 4 June 1985

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Economic and Security Implications of Structural Change

The Washington Hilton, Washington, D.C.
3 - 4 June 1985

DAY I. TECHNOLOGY AND STRUCTURAL CHANGE

Moderator: [] Office of Global Issues

8:30 - 9:00 Coffee and pastries

9:00 - 9:10 Welcoming remarks
William J. Casey
Director of Central Intelligence

9:10 - 9:30 Keynote for Day I
"Defining the Problem: The Determinants of
Structural Change and its Inevitability"
Leo Cherne
President's Foreign Intelligence Advisory Board

9:30 - 9:50 Structural Change and the Future of the International
Economic System
Overview: Peter G. Peterson
Chairman, Peterson, Jacobs and Company

9:50 - 10:10 Structural Change and International Competitiveness
Overview: C. Fred Bergsten
Director, Institute for International Economics

10:10 - 10:30 Break

10:30 - 11:15 Panel discussion:
Charles P. Kindleberger, MIT
Mordechai Kreinin, Michigan State University
[] Office of Global Issues

11:15 - 12:00 Open discussion (all conference participants)

12:00 - 1:00 Lunch (Speaker: James Fallows, Washington editor
of The Atlantic; author of "The Changing American
Economic Landscape")

- 1:30 - 1:50 Structural Change and Adjustment to Competition in the Industrialized Countries: The Coming Trade Wars?
Overview: Roy E. Moor
Chief Economist, First Chicago Bank
- 1:50 - 2:35 Panel discussion:
Robert E. Baldwin, University of Wisconsin
Paul R. Krugman, MIT
Howard Rosen, Institute for International Economics
- 2:35 - 3:05 Open discussion
- 3:05 - 3:25 Break
- 3:25 - 3:45 Implications of Structural Change for Third World Economies: Winners and Losers
Overview: Richard Feinberg
Overseas Development Council
- 3:45 - 4:30 Panel discussion:
Henry Owen, Consultants International Group
Kent Calder, Princeton University
Peter Morici, National Planning Association
- 4:30 - 5:00 Open discussion
- 5:00 - 6:30 Cocktails

DAY II. GEOPOLITICAL IMPLICATIONS OF STRUCTURAL CHANGE
Moderator: Office of Global Issues

- 8:30 - 9:00 Coffee and pastries
- 9:00 - 9:20 Keynote for Day II
"Assessing Structural Change from the Standpoint of Intelligence Analysis"
James R. Schlesinger
Georgetown Center for Strategic and International Studies
- 9:20 - 9:40 Implications of Structural Change for the Western Alliance
Overview: Robert Gilpin
Princeton University
- 9:40 - 10:25 Panel discussion:
Robert Keohane, Brandeis University
Michael Aho, Council on Foreign Relations
 Office of European Analysis

- 10:25 - 10:45 Break
- 10:45 - 11:30 Open discussion
- 11:45 - 12:45 Lunch (Speaker: Robert J. Samuelson, syndicated columnist, Newsweek magazine)
- 1:00 - 1:20 Structural Change and East-West Relations
Overview: Raymond Vernon
Harvard University
- 1:20 - 2:00 Panel discussion:
Robert Campbell, Indiana University
John Hardt, Congressional Research Service
[redacted] Office of Soviet Analysis
- 2:00 - 2:30 Open discussion
- 2:30 - 2:50 Break
- 2:50 - 3:10 Structural Change and National Security:
Implications for Strategic Vulnerability and
Dependence
Overview: John L. McLucas
Executive Vice President, COMSAT Corporation
- 3:10 - 3:55 Panel discussion:
Klaus Knorr, Princeton University
Stephen Krasner, Stanford University
[redacted] Office of Global Issues
- 3:55 - 4:20 Open discussion
- 4:20 - 4:30 Concluding remarks
John N. McMahon
Deputy Director of Central Intelligence

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DEFINING THE PROBLEM: THE DETERMINANTS AND INEVITABILITY OF STRUCTURAL CHANGE

Structural change is a far-reaching process in which the major components of a national economy shift in relative importance over time.

By altering the basic framework of an economic system, structural change can trigger shifts in a country's internal political system as well as its political, economic and strategic relationships internationally.

- Major structural changes can re-arrange the relative importance of entire sectors (manufacturing, services, agriculture).
- Particular industries can also be affected (high-technology vs. basic industry, etc.).
- Shifts between regions of large economies -- or regions composed of several countries -- are often the most visible evidence of structural change.

Because the process has so many implications, it can be difficult to define what is meant by "structural change." There are two elements that are usually involved in to all changes of this type:

- The economic forces at work are broader than cyclical or market-oriented changes;
- The changes are brought about by shifts in technological advance prompted by technological advance.

Technology can thus be considered a key driving element behind structural change -- because the development and propagation of new technologies increase opportunities to invest and expand output, and so alter a country's comparative advantage. Technology further enables gains in productivity, the principal factor in increased industrial dynamism.

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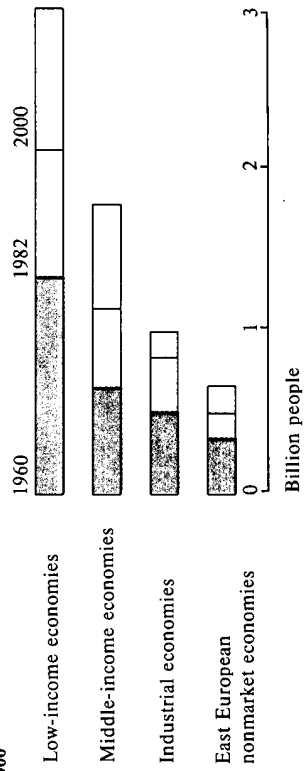
Background

Current Population Trends, 1960-2000

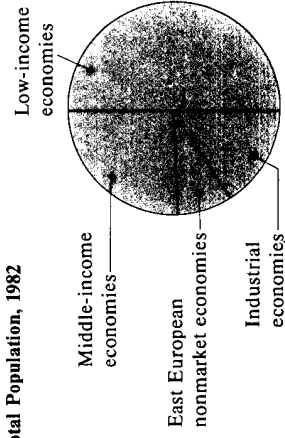


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Population by Country Group, 1960, 1982, 2000

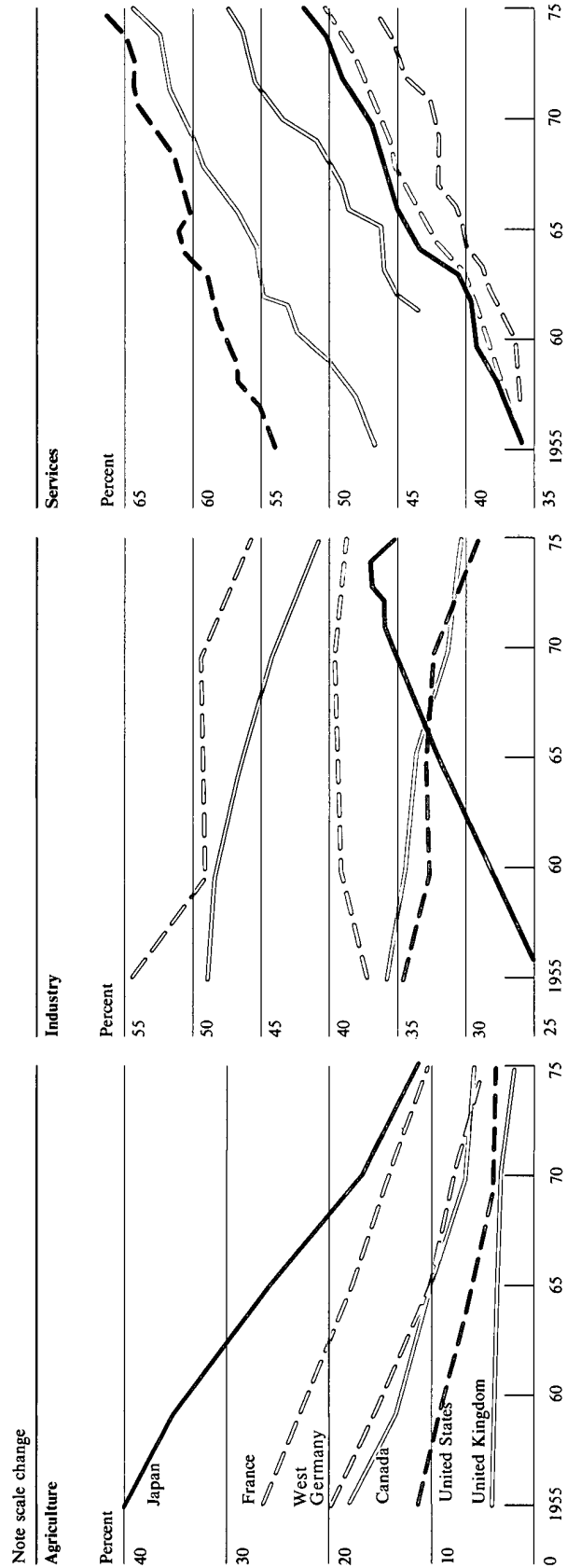


Shares of Total Population, 1982



Source: The World Bank.

**Structural Change in Composition of the Labor Force
in Six Industrial countries, 1955-75**



Million Persons at Midyear

Population

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD	641.9	681.5	715.7	751.3	775.2	781.6	787.1	792.6	798.2
United States	180.7	194.3	205.1	216.0	225.1	227.7	230.0	232.3	234.5
Australia	10.4	11.4	12.7	13.8	14.4	14.6	14.8	15.1	15.3
Austria	7.0	7.3	7.4	7.6	7.6	7.6	7.6	7.6	7.5
Canada	17.9	19.7	21.3	22.7	23.8	24.1	24.4	24.6	24.9
Finland	4.4	4.6	4.6	4.7	4.8	4.8	4.8	4.8	4.8
Iceland	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Japan	94.1	98.9	104.3	111.6	115.9	116.8	117.6	118.4	119.3
New Zealand	2.4	2.6	2.8	3.1	3.1	3.1	3.1	3.2	3.2
Norway	3.6	3.7	3.9	4.0	4.1	4.1	4.1	4.1	4.1
Portugal	9.0	9.1	9.0	9.4	9.8	9.9	9.9	10.0	10.0
Spain	30.6	32.1	33.9	35.6	37.2	37.5	37.8	38.0	38.2
Sweden	7.5	7.7	8.0	8.2	8.3	8.3	8.3	8.3	8.3
Switzerland	5.4	5.9	6.3	6.4	6.4	6.4	6.4	6.4	6.5
Turkey	28.2	32.0	35.8	40.8	45.0	46.0	47.1	48.1	49.2
European Community	240.5	252.0	260.4	267.2	269.5	270.4	271.1	271.6	272.1
Belgium	9.1	9.4	9.6	9.8	9.8	9.8	9.9	9.9	9.9
Denmark	4.6	4.8	4.9	5.1	5.1	5.1	5.1	5.1	5.1
France	45.7	48.8	50.8	52.8	53.6	53.9	54.1	54.4	54.7
Greece	8.3	8.6	8.8	9.0	9.5	9.6	9.7	9.8	9.9
Ireland	2.8	2.9	3.0	3.2	3.4	3.4	3.5	3.5	3.5
Italy	50.2	52.0	53.7	55.6	56.4	56.5	56.5	56.6	56.8
Luxembourg	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Netherlands	11.5	12.3	13.0	13.7	14.0	14.1	14.2	14.3	14.4
United Kingdom	52.6	54.4	55.5	56.0	55.9	56.0	56.0	56.0	56.0
West Germany	55.4	58.6	60.7	61.8	61.3	61.6	61.7	61.6	61.5
Less developed countries									
Bangladesh	54.6	60.3	67.4	76.2	85.4	88.1	90.8	93.6	96.5
Burma	22.8	24.9	27.4	30.2	32.7	33.4	34.1	34.8	35.5
Brazil	71.7	83.1	95.7	108.7	119.6	122.4	125.3	128.3	131.3
Egypt	26.3	29.8	33.2	36.8	40.9	42.1	43.4	44.6	45.8
India	445.9	494.9	553.6	617.2	670.8	685.1	699.9	715.1	730.6
Indonesia	100.7	112.3	122.7	137.5	151.4	154.9	158.5	162.1	165.8

(continued)

Million Persons at Midyear

Population
(continued)

	1960	1965	1970	1975	1979	1980	1981	1982	1983
Less developed countries (continued)									
Iran	21.6	25.0	28.9	33.4	37.6	38.8	40.0	41.2	42.5
Mexico	38.6	45.1	52.8	61.5	68.4	70.1	71.9	73.8	75.7
Nigeria	42.4	48.7	56.3	65.7	74.6	77.1	79.7	82.4	85.2
Pakistan	50.4	57.5	65.7	74.7	82.4	85.2	88.4	91.5	94.1
Philippines	28.6	33.3	38.7	44.4	49.3	50.5	51.7	53.0	54.3
South Korea	25.1	29.1	33.0	36.7	39.0	39.6	40.1	40.7	41.4
Thailand	27.5	32.1	37.1	42.4	46.6	47.7	48.7	49.7	50.7
Communist countries	1,039.5	1,134.8	1,264.8	1,386.6	1,459.1	1,475.4	1,491.6	1,510.1	1,528.0
USSR and Eastern Europe	311.0	330.7	345.8	360.5	372.1	374.9	377.6	380.4	383.4
USSR	214.3	230.9	242.8	254.5	263.4	265.5	267.7	270.0	272.5
Eastern Europe	96.7	99.8	103.0	106.0	108.7	109.4	109.9	110.4	110.9
Bulgaria	7.9	8.2	8.5	8.7	8.8	8.9	8.9	8.9	8.9
Czechoslovakia	13.7	14.1	14.3	14.8	15.2	15.3	15.3	15.4	15.4
East Germany	17.1	17.0	17.1	16.8	16.7	16.7	16.7	16.7	16.7
Hungary	10.0	10.2	10.3	10.5	10.7	10.7	10.7	10.7	10.7
Poland	29.6	31.3	32.5	34.0	35.3	35.6	35.9	36.2	36.6
Romania	18.4	19.0	20.3	21.2	22.0	22.2	22.4	22.5	22.6
Other	1.6	1.9	2.1	2.4	2.6	2.7	2.7	2.8	2.8
Albania	650.7	715.5	820.4	917.9	971.8	983.4	994.9	1,008.2	1,020.9
China	7.0	7.8	8.5	9.3	9.7	9.7	9.7	9.8	9.9
Cuba	5.4	6.5	7.1	6.7	5.8	5.7	5.8	5.9	6.0
Kampuchea	2.4	2.7	3.0	3.3	3.4	3.5	3.5	3.6	3.6
Laos	1.0	1.1	1.2	1.4	1.6	1.7	1.7	1.8	1.8
Mongolia	10.5	12.1	13.9	15.9	17.5	17.9	18.3	18.7	19.2
North Korea	31.5	37.1	42.4	47.9	52.5	53.6	54.9	56.2	57.6
Vietnam	18.4	19.4	20.4	21.3	22.1	22.3	22.5	22.7	22.8
Yugoslavia									

Million Persons at Midyear

Labor Force ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD									
United States ^b	71.49	76.40	84.89	95.45	106.56	108.54	110.32	111.87	113.23
Canada ^b	6.58	7.32	8.49	10.05	11.31	11.65	11.98	12.03	12.26
Japan ^b	44.33	47.01	50.97	52.77	55.45	55.98	56.56	57.22	58.35
European Community									
France	19.81	20.32	21.41	22.23	23.08	23.15	23.27	23.54	23.50
Italy	21.10	20.20	20.03	20.42	21.33	21.63	21.81	21.86	21.96
United Kingdom	24.10	25.09	24.88	25.49	26.09	26.24	26.32	26.10	26.05
West Germany ^b	26.28	26.85	26.74	26.65	26.77	27.03	27.16	27.12	27.08
Communist countries									
USSR and Eastern Europe	158	165	177	190	200	202	204	205	NA
USSR ^c	110.13	116.49	125.61	135.77	144.20	146.07	147.75	149.22	150.52
Eastern Europe	47.4	48.8	51.9	54.3	56.1	56.3	56.3	56.0	NA
Bulgaria	4.42	4.26	4.55	4.66	4.73	4.72	4.72	4.80	NA
Czechoslovakia	6.06	6.48	7.03	7.44	7.67	7.74	7.77	7.81	NA
East Germany	8.51	8.39	8.53	8.71	8.93	9.07	8.76	8.81	NA
Hungary	4.74	4.78	4.99	5.09	5.08	4.85	5.00	5.00	4.97
Poland	14.13	15.21	16.89	18.28	19.33	19.58	19.65	19.12	NA
Romania ^d	9.54	9.68	9.88	10.15	10.32	10.35	10.38	10.43	NA
Other									
China ^e	NA	286.70	NA	381.68	405.81	418.96	432.80	447.06	NA
Cuba	NA	NA	4.18 ^f	4.45	4.85	4.99	5.22	5.43	NA
Vietnam ^g	8.50	9.70	10.95	12.50	25.50	26.50	27.50	27.9	29.0
Yugoslavia ^h	7.07	7.81	8.07	8.21	8.85	9.03	9.21	NA	NA

^a Unless otherwise indicated, data include the armed forces and the unemployed.

^b Annual averages of monthly data.

^c Data are from *Estimates and Projections of the Labor Force and Civilian Employment in the USSR*, by Stephen Rapawy, Foreign Economic Report No. 10, US Department of Commerce, September 1976, p. 19.

^d Excluding the armed forces.

^e Data are as of the end of the year.

^f Data are for 1971.

^g Excluding the armed forces and prior to 1979 South Vietnam.

^h Excluding those employed abroad and the armed forces.

Million Persons at Midyear

Agricultural Labor Force

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD									
United States	5.57	4.48	3.57	3.50	3.51	3.53	3.52	3.57	3.54
Canada	0.80	0.69	0.60	0.56	0.59	0.58	0.60	0.56	0.59
Japan	12.80	10.50	8.49	6.38	5.86	5.51	5.33	5.25	NA
European Community									
France	4.30	3.58	2.82	2.10	1.89	1.84	1.79	1.76	NA
Italy	6.51	5.03	3.84	3.24	2.98	2.90	2.73	2.52	NA
United Kingdom	0.98	0.95	0.78	0.67	0.65	0.66	0.64	0.64	NA
West Germany	3.62	2.88	2.26	1.77	1.48	1.44	1.40	1.38	1.37
Communist countries									
USSR and Eastern Europe	65.7	57.9	53.8	49.2	45.9	45.2	44.7	NA	NA
USSR ^a	45.44	40.04	37.50	34.85	32.72	32.19	31.66	31.13	30.60
Eastern Europe	20.2	17.9	16.3	14.4	13.2	13.0	13.0	NA	NA
Bulgaria	2.49	1.93	1.64	1.40	1.23	1.19	1.15	NA	NA
Czechoslovakia	1.47	1.26	1.18	1.03	0.98	0.98	0.98	0.99	NA
East Germany	1.56	1.38	1.08	0.93	0.86	0.91	0.92	0.92	NA
Hungary	1.83	1.42	1.26	1.09	1.02	1.01	1.05	1.06	1.08
Poland	6.66	6.39	6.32	6.09	5.90	5.88	5.92	5.92	NA
Romania	6.22	5.48	4.85	3.84	3.17	3.05	3.00	2.99	NA
Other									
China ^b	NA	235.34	NA	NA	305.82	313.71	322.27	332.78	NA
Cuba	NA	NA	0.92 ^c	0.92	0.77	0.77	0.77	0.77	NA
Vietnam ^d	6.50	6.75	7.65	8.70	15.10	15.65	16.35	15.70	15.80
Yugoslavia	4.14	4.12	4.01	3.21	2.69	2.53	2.40	NA	NA

^a Data are from *Estimates and Projections of the Labor Force and Civilian Employment in the USSR*, by Stephen Rapawy, Foreign Economic Report No. 10, US Department of Commerce, September 1976, p. 19.

^b Yearend data are for collective and individual laborers in rural area; include some nonagricultural workers.

^c Data are for 1971.

^d Including South Vietnam beginning in 1979.

Million Persons at Midyear

Nonagricultural Labor Force ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD									
United States	65.92	71.92	81.32	91.95	103.05	105.02	106.80	108.30	109.69
Canada	5.79	6.62	7.88	9.49	10.72	11.07	11.39	11.47	11.67
Japan	31.53	36.51	42.48	46.39	49.59	50.47	51.23	51.97	NA
European Community									
France	15.50	16.74	18.59	20.13	21.19	21.31	21.48	21.78	NA
Italy	14.59	15.17	16.19	17.18	18.34	18.73	19.08	19.33	NA
United Kingdom	23.12	24.14	24.10	24.82	25.44	25.58	25.67	25.46	NA
West Germany	22.66	23.97	24.48	24.88	25.29	25.59	25.76	25.74	25.71
Communist countries									
USSR and Eastern Europe	91.8	107	124	141	154	157	159	NA	NA
USSR ^b	64.70	76.46	88.11	100.92	111.48	113.88	116.09	118.08	119.92
Eastern Europe	27.2	30.9	35.6	40.0	43.0	43.3	43.3	NA	NA
Bulgaria	1.93	2.34	2.91	3.27	3.50	3.53	3.57	NA	NA
Czechoslovakia	4.59	5.22	5.85	6.41	6.69	6.76	6.79	6.82	NA
East Germany	6.95	7.00	7.46	7.78	8.07	8.16	7.85	7.89	NA
Hungary	2.90	3.35	3.73	4.00	4.06	3.84	3.95	3.94	3.89
Poland	7.47	8.82	10.57	12.19	13.50	13.70	13.73	13.20	NA
Romania ^c	3.31	4.20	5.03	6.31	7.15	7.30	7.38	7.44	NA
Other									
China ^d	NA	51.36	NA	NA	99.99	105.25	110.53	114.28	117.46
Cuba ^e	NA	NA	1.48 ^f	1.71	1.87 ^g	NA	NA	NA	NA
Vietnam ^h	2.00	2.95	3.30	3.80	10.40	10.85	11.15	12.20	13.20
Yugoslavia ⁱ	2.93	3.69	4.06	5.00	6.16	6.50	6.81	NA	NA

^a Unless otherwise indicated, data include the armed forces.

^b Data are from *Estimates and Projections of the Labor Force and Civilian Employment in the USSR*, by Stephen Rapawy, Foreign Economic Report No. 10, US Department of Commerce, September 1976, p. 19.

^c Excluding the armed forces.

^d Year-end data are workers and staff plus individual workers in cities and towns.

^e State sector only.

^f Data are for 1971.

^g Data are for 1978.

^h Excluding the armed forces and prior to 1979, South Vietnam.

ⁱ Excluding those employed abroad and the armed forces.

Million Persons, Annual Average

Industrial Employment ^a

OECD	1960	1965	1970	1975	1979	1980	1981	1982	1983
United States	22.00	24.31	26.08	25.30	29.80	29.14	29.00	27.02	27.02
Canada	1.91	2.23	2.36	2.61	2.88	2.93	2.98	2.70	2.62
Japan	12.38	15.01	17.88	18.37	18.74	19.18	19.30	19.21	NA
European Community									
France	6.98	7.64	7.92	7.85	7.49	7.41	7.20	7.05	NA
Italy	6.86	7.17	7.59	7.66	7.64	7.77	7.72	7.59	NA
United Kingdom	11.18	11.12	10.53	9.67	9.34	8.95	8.03	7.57	NA
West Germany	11.91	12.50	12.46	11.24	11.09	11.15	10.89	10.49	10.12
Communist countries									
USSR and Eastern Europe	34.7	41.1	47.2	51.6	54.7	55.1	55.5	NA	NA
USSR	22.62	27.45	31.59	34.05	36.50	36.89	37.24	37.61	37.79
Eastern Europe	12.1	13.7	15.6	17.6	18.2	18.2	18.3	NA	NA
Bulgaria	0.72	0.90	1.09	1.22	1.22	1.22	1.25	NA	NA
Czechoslovakia	2.26	2.48	2.67	2.83	2.94	2.95	2.95	2.96	NA
East Germany	2.78	2.78	2.85	3.07	3.13	3.15	3.16	3.35	NA
Hungary	1.39	1.57	1.81	1.82	1.66	1.61	1.62	1.60	1.58
Poland	3.01	3.50	4.12	4.68	4.77	4.76	4.74	4.49	NA
Romania	1.91	2.47	3.04	3.94	4.52	4.54	4.55	4.61	NA
Other									
China ^b	29.79	18.28	28.09	42.84	53.40	56.00	57.96	59.30	NA
Cuba ^c	NA	NA	0.57 ^d	0.68	0.90	0.85	0.87	0.89	NA
Vietnam ^e	0.75	0.95	1.10	1.25	2.01	2.15	2.25	2.25	2.25
Yugoslavia	1.07	1.38	1.45	1.84	2.10	2.17	2.23	NA	NA

^a Including employment in manufacturing, mining, and construction.

^b Yearend data.

^c State sector only.

^d Data are for 1971.

^e Including South Vietnam beginning in 1979.

C. The International
Economic System

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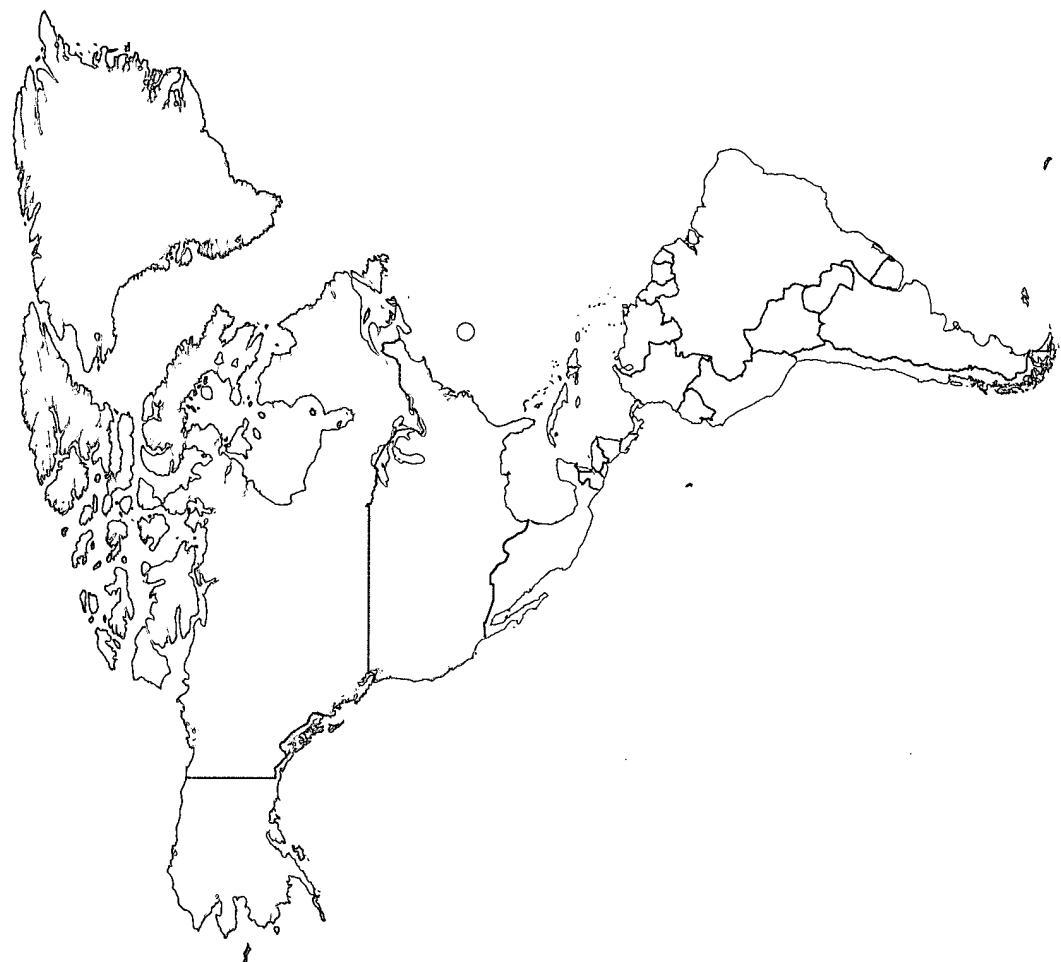
Background

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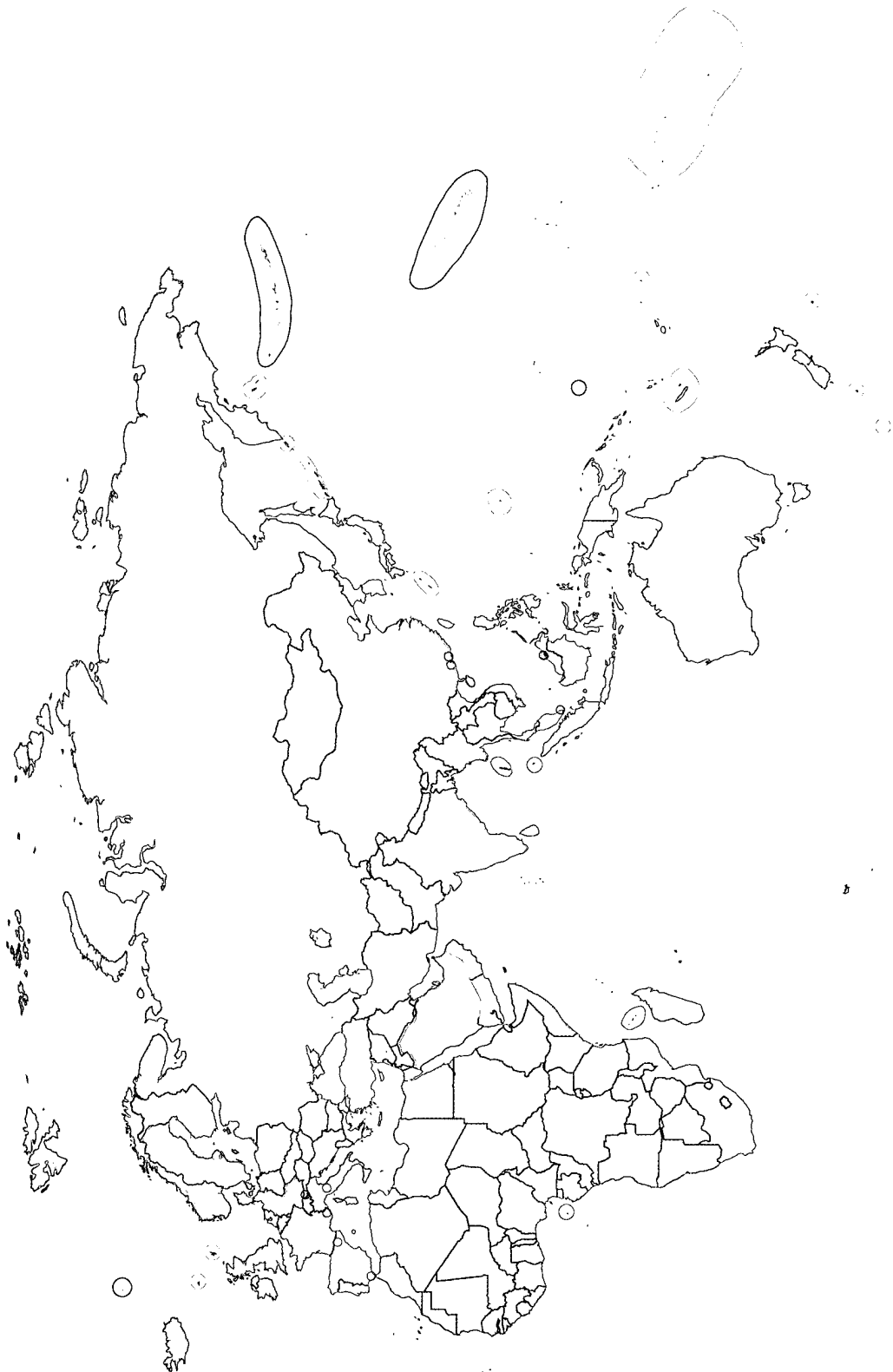
C

Gross National Product Per Capita, 1983 (in 1983 US \$)

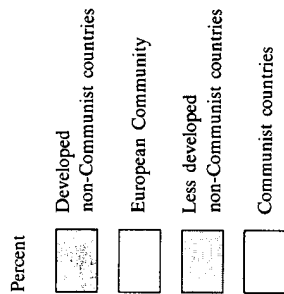
More than \$10,000	
Bermuda	Switzerland
Brunei	United Arab Emirates
Canada	United States
Denmark	West Germany
American Samoa	New Zealand
Australia	Oman
Austria	Poland
Bahamas, The	Singapore
Belgium	Trinidad and Tobago
Bulgaria	United Kingdom
Czechoslovakia	USSR
East Germany	Virgin Islands (U.S.)
Faroe Islands	Yugoslavia
Finland	
France	
French Polynesia	
Gabon	
Guam	
Hong Kong	
Hungary	
Iceland	
Ireland	
Israel	
Italy	
Japan	
Libya	
Luxembourg	
Martinique	
Monaco	
Netherlands	
New Caledonia	
Norway	
Oman	
Saudi Arabia	
Sweden	
Switzerland	
United Arab Emirates	
United States	
West Germany	
Yugoslavia	
\$5,001 to \$10,000	
Algeria	Reunion
Andorra	Romania
Antigua and Barbuda	St. Lucia
Argentina	San Marino
Bahrain	Seychelles
Barbados	South Africa
Belize	Spain
Brazil	Suriname
Chile	Syria
China-Taiwan	Tunisia
Colombia	Turkey
Cook Islands	Uruguay
Costa Rica	Venezuela
Cuba	
Cyprus	
Dominican Republic	
Ecuador	
Falkland Islands	
Fiji	
French Guiana	
Gibraltar	
Greece	
Guadeloupe	
Guatemala	
Iran	
Iraq	
Ivory Coast	
Jamaica	
Jordan	
Macau	
Malaysia	
Malta	
Mauritius	
Mexico	
Mongolia	
Netherlands	
Antilles	
Panama	
Paraguay	
Peru	
Portugal	
Puerto Rico	
Nicaragua	
Nigeria	
North Korea	
Papua New Guinea	
Philippines	
St. Christopher and Nevis	
St. Vincent and the Grenadines	
Senegal	
Solomon Islands	
Sri Lanka	
Sudan	
Swaziland	
Thailand	
Togo	
Turks and Caicos Islands	
Tuvalu	
Vanuatu	
Wallis and Futuna Islands	
Western Samoa	
Yemen Arab Republic	
Yemen, People's Democratic Republic of	
Zambia	
Zimbabwe	
Zaire	
Tanzania	
Togo	
Uganda	
Upper Volta	
Vietnam	
Western Sahara	
Zaire	
\$401 to \$1,000	
Ghana	Mali
Grenada	Mozambique
Guyana	Nepal
Honduras	Niger
Indonesia	Pakistan
Kenya	Rwanda
Kiribati	Sao Tome and Principe
Lebanon	Sierra Leone
Liberia	Somalia
Madagascar	
Maldives	
Mauritania	
Morocco	
Namibia	
Comoros	
Ethiopia	
Guinea	
Guinea-Bissau	
Haiti	
Burma	
Burundi	
Central African Republic	
Chad	
China-Mainland	
Malawi	
Less than \$401	



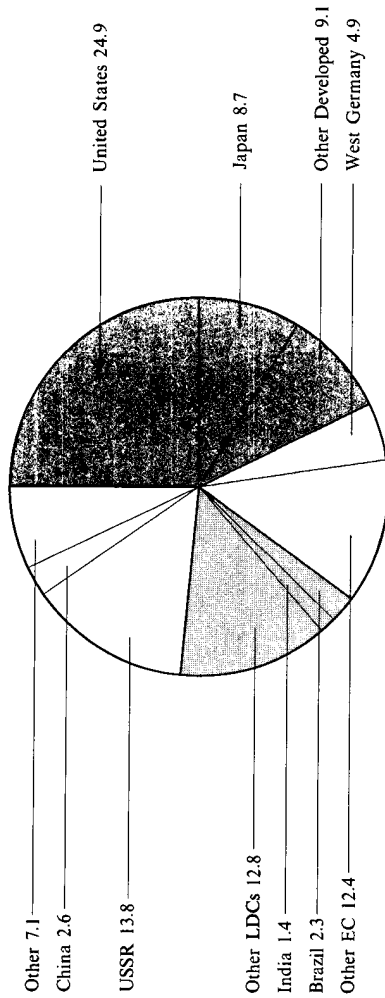
The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. This boundary representation is not necessarily authoritative.



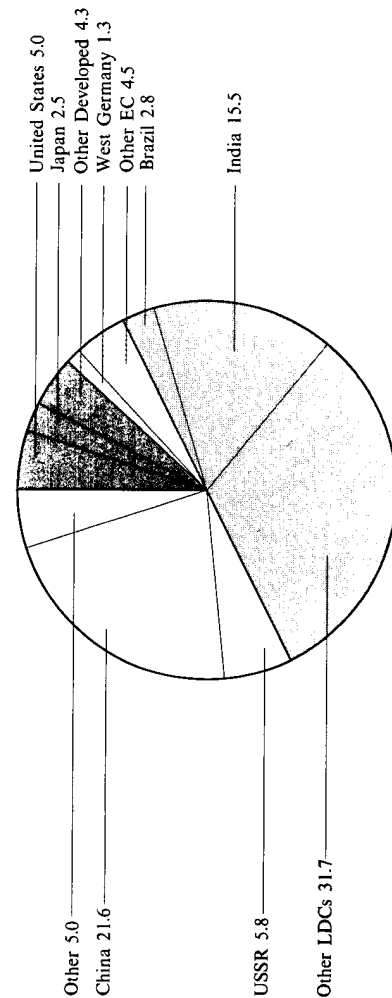
World Gross National Product and Population, 1983



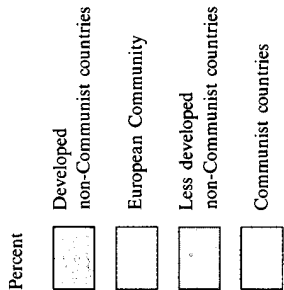
Total GNP: 13,300 Billion 1983 US \$



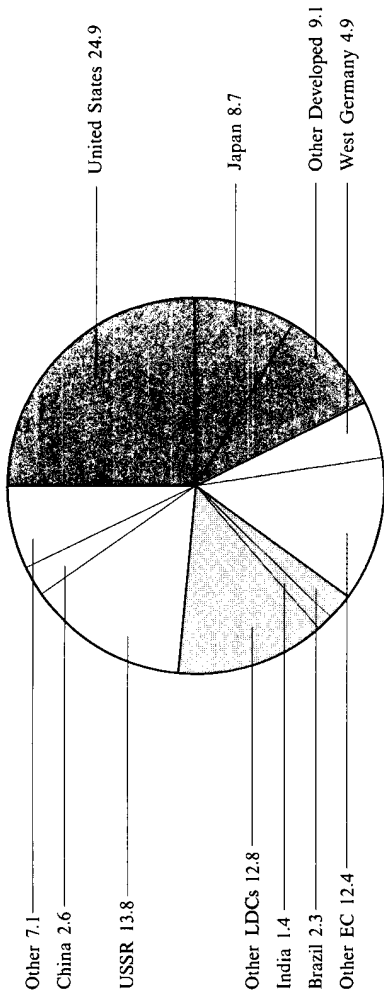
Total Population: 4.7 Billion Persons



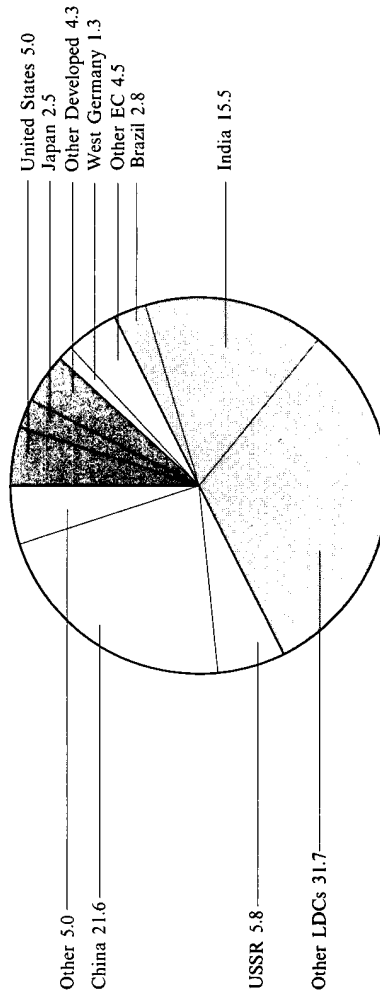
World Gross National Product and Population, 1983



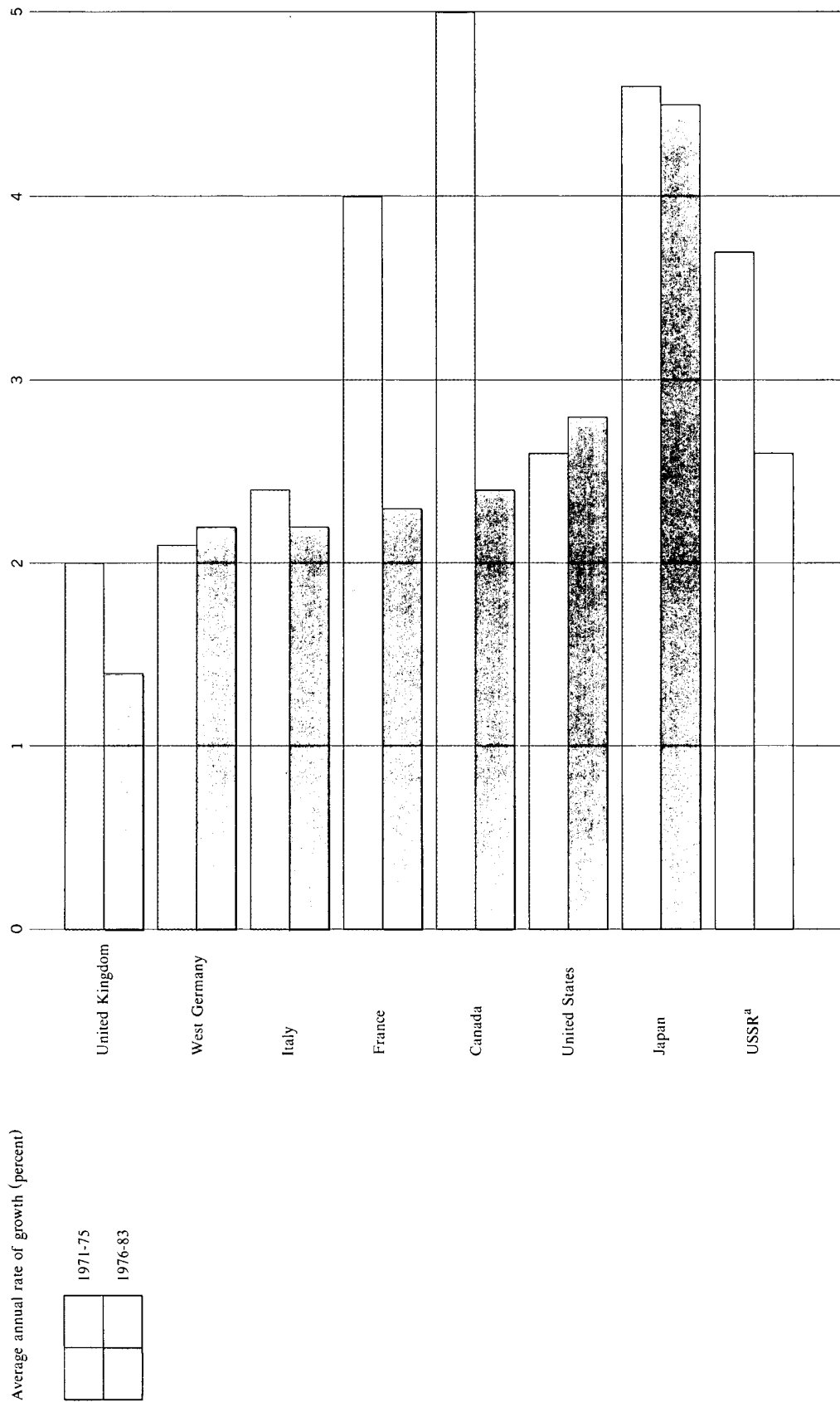
Total GNP: 13,300 Billion 1983 US \$



Total Population: 4.7 Billion Persons



Real Gross National Product Comparisons



^a Growth at factor cost.

Billion 1983 US \$

Estimated Real Gross National Product at Market Prices ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983
World	5,350	6,850	8,800	10,700	12,500	12,700	13,000	13,000	13,300
Developed countries	3,460	4,470	5,580	6,490	7,590	7,680	7,830	7,790	7,970
United States	1,589.7	2,003.8	2,340.9	2,655.7	3,190.0	3,180.4	3,264.2	3,202.9	3,310.5
Australia	64.6	82.0	108.0	130.2	145.3	147.6	153.6	152.4	150.5
Canada	127.5	168.2	212.3	270.6	315.4	318.5	331.2	317.3	326.9
Japan	236.4	381.4	649.5	814.7	997.1	1,046.4	1,088.6	1,123.3	1,157.0
Spain	52.6	79.0	106.8	139.7	151.6	154.0	154.3	156.2	159.4
Sweden	46.9	60.3	74.3	84.4	88.7	90.2	89.7	90.1	91.6
Switzerland	54.5	70.4	86.5	90.1	93.6	97.9	99.3	98.1	98.2
European Community	1,100	1,380	1,720	1,960	2,260	2,280	2,280	2,290	2,300
Belgium	37.1	47.4	60.1	70.4	79.0	81.5	80.6	81.5	81.5
France	204.8	271.0	352.0	428.2	497.6	503.0	504.4	512.4	514.9
Italy	152.4	196.3	265.5	299.1	347.6	361.2	361.7	360.4	355.1
Netherlands	61.2	77.4	101.2	118.2	133.7	134.8	133.7	131.6	133.3
United Kingdom	275.0	321.6	363.2	401.9	445.5	433.8	428.3	438.3	449.2
West Germany	318.3	405.8	497.9	552.5	645.0	656.9	656.3	649.5	657.7
Less developed countries	620	840	1,160	1,630	2,030	2,130	2,160	2,180	2,190
Argentina	60.3	74.9	93.0	107.7	117.3	118.1	111.1	104.6	106.7
Brazil	64.1	95.2	137.8	230.6	296.8	320.2	309.2	309.2	296.8
China (Taiwan)	8.1	12.3	19.3	28.3	43.7	46.6	49.2	50.9	53.9
Egypt	10.3	13.6	15.2	19.8	27.5	30.0	32.4	34.3	36.0
India	80.3	92.2	117.0	133.2	147.2	159.0	167.2	168.1	179.0
Mexico	66.7	94.1	131.6	175.8	223.4	242.0	261.7	264.3	251.1
Pakistan	17.1	23.0	19.1	21.8	27.7	29.5	31.2	33.1	35.6
South Korea	13.2	18.1	29.6	47.0	69.9	65.5	69.8	73.8	80.5
OPEC	146	204	296	457	571	581	574	571	565
Iran	57.7	79.7	137.9	225.3	152.2	101.9	74.4	72.5	76.1
Nigeria	26.8	34.5	36.1	52.6	66.2	68.7	67.1	59.7	59.1
Saudi Arabia	15.6	25.1	41.7	76.0	109.4	121.4	131.2	138.0	128.3
Venezuela	27.9	39.8	50.5	64.2	77.3	77.1	77.0	75.4	72.4

(continued)

Billion 1983 US \$

Estimated Real Gross National Product at Market Prices^a
(continued)

	1960	1965	1970	1975	1979	1980	1981	1982	1983
Communist countries	1,270	1,540	2,050	2,570	2,890	2,940	2,970	3,030	3,130
USSR and Eastern Europe	1,110	1,330	1,760	2,180	2,410	2,430	2,460	2,500	2,570
USSR ^b	738.6	904.9	1,246.5	1,536.8	1,700.4	1,720.3	1,752.1	1,787.0	1,843.4
Eastern Europe ^c	350	424	511	648	714	711	704	710	723
Bulgaria	21.9	30.0	38.4	48.3	52.2	50.6	52.1	53.8	53.8
Czechoslovakia	67.5	75.9	89.9	106.0	115.3	117.8	117.1	118.8	120.8
East Germany	82.8	95.8	111.8	132.5	145.6	148.7	151.8	151.8	154.8
Hungary	38.8	47.1	54.7	64.3	70.4	71.1	71.1	72.1	71.8
Poland	101.1	125.9	153.2	209.8	222.8	217.4	205.8	204.6	212.3
Romania	38.1	49.4	62.8	86.9	107.3	105.5	106.0	108.5	109.7
Other									
China	NA	108.3	161.7	212.2	269.3	283.3	291.9	313.5	341.7
North Korea	4.6	7.3	9.6	15.8	17.0	17.7	18.1	18.1	18.1
Yugoslavia ^d	36.3	50.6	68.7	92.2	118.5	121.2	122.9	123.8	122.3

^a Data for the non-Communist countries were converted from national currencies by using the 1983 Par Rate/Market Rate factors.

^b The estimate of Soviet GNP presented here is expressed in "geometric mean dollars," which are derived by applying an average of the US- and Soviet-weighted purchasing power parity ratios to an estimate of Soviet GNP in rubles. As a result, geometric mean dollars are neither dollars nor rubles, but a mix of the two. They approximate an estimate falling midway between a comparison of the Soviet Union and the United States in dollars and one in rubles. The purchasing power parity ratios used in this estimate are based on

a study in 1976 dollar prices. The US GNP implicit price deflator rebased to 1983 was used to convert Soviet GNP in 1976 dollars to 1983 dollars.

^c GNP estimates for Hungary, Poland, and Romania are based on benchmark figures for 1975 in 1975 dollars in Kravis, Heston, and Summers, *World Product and Income: International Comparisons of Real Gross Product*, Baltimore: Johns Hopkins University Press, 1982. GNP indices in constant domestic currencies derived from official data were combined with the 1975 benchmarks to yield time series in 1975 dollars. The US GNP deflator was then applied to the series to convert 1975 dollars into 1983

dollars. For Bulgaria, Czechoslovakia, and East Germany, 1970 benchmarks were shifted to 1975 in proportion to the geometric mean of the benchmark shifts for Hungary, Poland, and Romania. The 1970 benchmarks were taken from *UN Economic Bulletin for Europe*, Vol. 31, No. 2, 1980.

^d For Yugoslavia, the 1970 benchmark from *UN Economic Bulletin for Europe*, Vol. 31, No. 2, 1980, was shifted to 1975 in proportion to the geometric mean of the benchmark shifts for Hungary, Poland, and Romania. Official Yugoslav growth rates for gross social product were then applied to this 1975 benchmark.

Real Gross National Product Growth

Percent

	Average Annual Rate of Growth									
	1961-65	1966-70	1971-75	1976-78	1979	1980	1981	1982	1983	
OECD	5.2	4.6	3.1	4.3	3.1	1.2	2.0	-0.5	2.4	
United States	4.7	3.2	2.6	5.3	2.8	-0.3	2.6	-1.9	3.4	
Australia	4.9	5.7	3.8	2.3	4.3	1.6	4.1	-0.8	-1.2	
Canada	5.7	4.8	5.0	4.1	3.4	1.0	4.0	-4.2	3.0	
Japan	10.0	11.2	4.6	5.2	5.1	4.9	4.0	3.2	3.0	
Spain	8.5	6.2	5.5	2.7	0.2	1.5	0.2	1.2	2.0	
Sweden	5.2	4.3	2.6	0.4	3.8	1.7	-0.5	0.4	1.7	
Switzerland	5.2	4.2	0.8	0.4	2.5	4.6	1.5	-1.2	0.1	
European Community	4.7	4.5	2.7	3.6	3.5	1.1	-0.3	0.5	0.8	
Belgium	5.0	4.8	3.2	3.1	2.5	3.2	-1.1	1.1	NEGL	
France	5.8	5.4	4.0	4.0	3.3	1.1	0.3	1.6	0.5	
Italy	5.2	6.2	2.4	3.5	4.9	3.9	0.1	-0.3	-1.5	
Netherlands	4.8	5.5	3.2	3.4	2.4	0.9	-0.8	-1.6	1.3	
United Kingdom	3.2	2.5	2.0	2.8	2.0	-2.6	-1.3	2.3	2.5	
West Germany	5.0	4.2	2.1	3.9	4.2	1.8	-0.1	-1.0	1.3	
Less developed countries	6.3	6.7	7.0	5.8	5.2	4.9	1.4	0.9	0.5	
OPEC	6.9	7.7	9.1	6.3	4.0	1.8	-1.2	0.5	-1.1	
Communist countries										
USSR and Eastern Europe										
USSR ^a	5.1	5.3	3.7	3.8	0.2	1.7	2.1	2.6	3.0	
Eastern Europe	3.9	3.8	4.9	2.9	1.0	-0.3	-1.0	-0.8	1.9	
Bulgaria	6.4	5.1	4.7	1.4	3.8	-3.0	3.0	3.1	NEGL	
Czechoslovakia	2.4	3.4	3.4	2.5	0.9	2.1	-0.5	1.4	1.7	
East Germany	2.9	3.1	3.5	2.2	2.8	2.2	2.0	NEGL	2.0	
Hungary	3.9	3.0	3.3	3.0	0.3	1.0	-0.1	1.5	-0.5	
Poland	4.5	4.0	6.5	2.6	-1.8	-2.4	-5.3	-0.6	3.8	
Romania	5.4	4.9	6.7	6.0	3.7	-1.6	0.5	2.3	1.1	
Other										
China	NA	8.3	5.6	10.0	7.0	5.2	3.0	7.4	9.0	
North Korea	9.7	5.8	10.4	-1.6	3.8	3.7	2.5	NEGL	NEGL	
Yugoslavia	6.9	6.3	6.1	6.3	7.0	2.3	1.4	0.7	-1.2	

^a At factor cost.

Real Gross National Product Per Capita Growth

Percent

	Average Annual Rate of Growth									
	1961-65	1966-70	1971-75	1976-78	1979	1980	1981	1982	1983	
OECD										
United States	3.2	2.1	1.5	4.3	1.7	-1.5	1.6	-2.8	2.4	
Australia	2.8	3.5	2.1	1.1	3.0	0.3	2.5	-2.3	-2.5	
Canada	3.7	3.1	3.6	2.8	2.4	-0.2	2.8	-5.2	2.0	
Japan	8.9	10.0	3.2	4.2	4.3	4.1	3.3	2.5	2.3	
Sweden	4.5	3.4	2.2	0.1	3.6	1.5	-0.7	0.3	1.7	
Switzerland	3.1	3.1	0.4	0.8	2.3	4.1	0.8	-1.5	-0.2	
European Community	3.8	3.8	2.2	3.4	3.2	0.7	-0.5	0.3	0.6	
Belgium	4.3	4.4	2.9	2.9	2.5	3.1	-1.2	1.1	-0.1	
France	6.6	4.5	3.2	3.6	2.9	0.6	-0.2	1.1	0.1	
Italy	4.5	5.6	1.7	4.7	-0.2	3.8	NEGL	-0.5	-1.9	
Netherlands	3.4	3.3	3.2	2.7	1.7	NEGL	-1.5	-2.0	0.8	
United Kingdom	2.5	2.0	1.9	2.9	1.9	-2.7	-1.3	2.4	2.5	
West Germany	3.8	3.4	1.7	4.2	4.1	1.5	-0.2	-1.0	1.3	
Communist countries										
USSR and Eastern Europe										
USSR	3.5	4.2	2.7	2.8	-0.7	0.9	1.3	1.7	2.1	
Eastern Europe	3.2	3.2	4.2	2.3	0.5	-0.9	-1.5	0.3	1.5	
Bulgaria	5.6	4.4	4.1	1.0	3.7	-3.4	2.6	2.8	-0.2	
Czechoslovakia	1.7	3.2	2.7	1.8	1.0	1.6	-0.6	1.1	1.4	
East Germany	3.0	3.1	3.7	2.4	2.9	2.2	2.1	0.2	2.2	
Hungary	3.6	2.7	2.9	2.5	NEGL	0.9	-0.1	1.6	-0.4	
Poland	3.2	3.3	5.5	1.7	-2.4	-3.3	-6.2	-1.5	2.8	
Romania	4.7	3.6	5.7	5.0	2.8	-2.3	-0.2	1.7	0.7	
Other										
China	NA	5.5	3.3	8.6	5.8	4.0	1.6	5.8	7.3	
North Korea	6.6	2.6	7.1	-4.6	0.5	0.3	-0.3	-3.5	-3.5	
Yugoslavia	5.6	5.4	5.1	5.3	6.1	1.7	0.7	NEGL	-1.9	

1970 = 100

Agricultural Production Index

	1965	1970	1975	1979	1980	1981	1982	1983
Developed countries	92	100	113	122	121	127	128	118
United States	98	100	113	132	123	140	139	118
Canada	107	100	116	120	129	141	148	148
European Community								
France	95	100	108	121	124	124	128	126
Italy	89	100	108	116	122	120	118	121
United Kingdom	92	100	105	117	124	122	126	127
West Germany	85	100	102	110	112	112	120	117
Oceania	85	100	121	139	128	139	128	144
Less developed countries	85	100	115	129	131	138	140	143
Africa	88	100	108	115	119	120	124	124
Far East	81	100	116	127	131	139	138	147
Latin America	88	100	114	131	133	141	142	143
Middle East	85	100	122	134	136	138	142	144
Communist countries								
USSR and Eastern Europe								
USSR	83	100	98	107	104	104	111	115
Eastern Europe ^a	91	100	119	129	127	123	123	119
Bulgaria	91	100	110	121	117	123	129	120
Czechoslovakia	83	100	114	122	125	124	122	126
East Germany	94	100	118	124	126	128	122	126
Hungary	91	100	125	137	145	141	148	144
Poland	92	100	118	124	114	105	100	104
Romania	92	100	133	161	156	149	157	154
Other								
China ^b	82	100	121	150	154	163	181	198
North Korea ^c	90	100	154	180	180	176	190	186
Yugoslavia	87	100	117	132	134	136	146	144

^a Estimates based on the value of crop production plus the value of livestock products, with allowance for changes in livestock numbers, but minus feed (including grain imported for feed), seed, and waste.

^b Index of gross value of agricultural output.

^c Based on official grain claims.

International Reserves ^a

Million US \$

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD									
United States	19,359	15,450	14,487	15,882	19,984	27,395	29,683	33,003	32,279
Australia	743	1,317	1,693	3,257	1,790	2,044	1,994	6,677	9,160
Austria	714	1,305	1,751	4,439	5,048	6,223	6,145	6,116	5,289
Canada	1,998	3,037	4,679	5,325	3,878	3,978	4,326	3,781	4,205
Japan	1,949	2,152	4,840	12,815	20,639	25,717	29,196	24,270	25,489
Norway	308	476	811	2,237	4,269	6,100	6,302	6,919	6,672
Spain	541	1,422	1,817	6,090	13,898	12,516	11,400	8,218	7,937
Switzerland	2,324	3,444	5,132	10,428	20,275	19,373	17,372	18,676	18,086
European Community									
Belgium	1,507	2,334	2,847	5,797	7,020	9,349	6,345	5,247	5,967
France	2,272	6,343	4,960	12,593	21,357	30,994	25,597	19,691	22,851
Italy	3,251	4,800	5,352	4,774	21,274	26,117	22,850	16,665	22,548
Netherlands	1,861	2,413	3,241	7,109	9,618	13,607	11,130	11,829	11,781
United Kingdom	3,719	3,004	2,827	5,459	20,585	21,492	16,013	13,131	12,036
West Germany	7,033	7,430	13,610	31,034	56,942	52,840	47,597	48,436	46,162
Latin America									
Brazil	345	484	1,187	4,034	9,045	5,853	6,693	3,934	4,375
Venezuela	609	819	1,021	8,860	7,849	7,116	8,631	7,021	8,036
Middle East									
Kuwait	72	124	203	1,655	2,988	4,042	4,170	6,011	5,285
Saudi Arabia	185	726	662	23,320	19,483	23,641	32,422	29,727	27,455
Africa									
Libya	82	246	1,590	2,195	6,458	13,229	9,149	7,198	5,350
Nigeria	343	239	222	5,610	5,580	10,266	3,924	1,639	1,016
Communist countries									
China	NA	NA	NA	NA	2,744	3,117	5,565	11,830	15,318
USSR	2,800	1,500	2,800	5,625	11,150	11,150	10,900	12,625	12,400
Yugoslavia	13	103	140	871	1,336	1,467	1,673	847	1,045

^a Including gold and foreign exchange. Data for the non-Communist countries also include special drawing rights and the reserve position in the International Monetary Fund. Data before 1975 are expressed in terms of US dollars at the official par values and, in 1975-83, reflect the realignments of the exchange rates and the revaluations of the dollar price of gold. Gold is valued at 35 SDR per ounce.

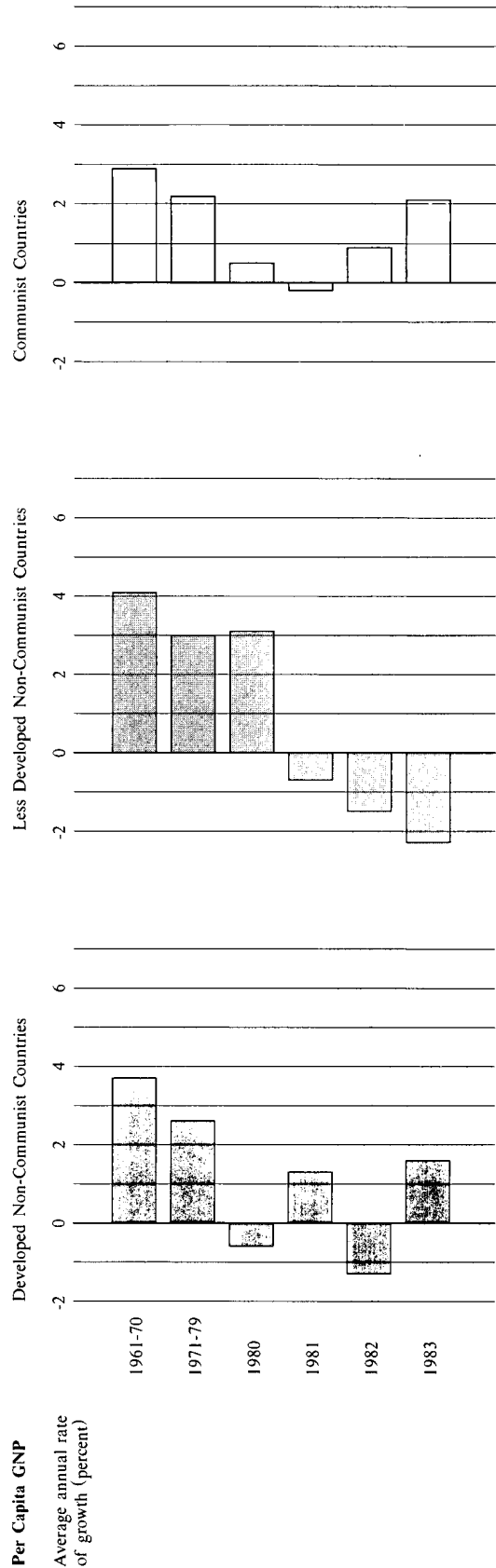
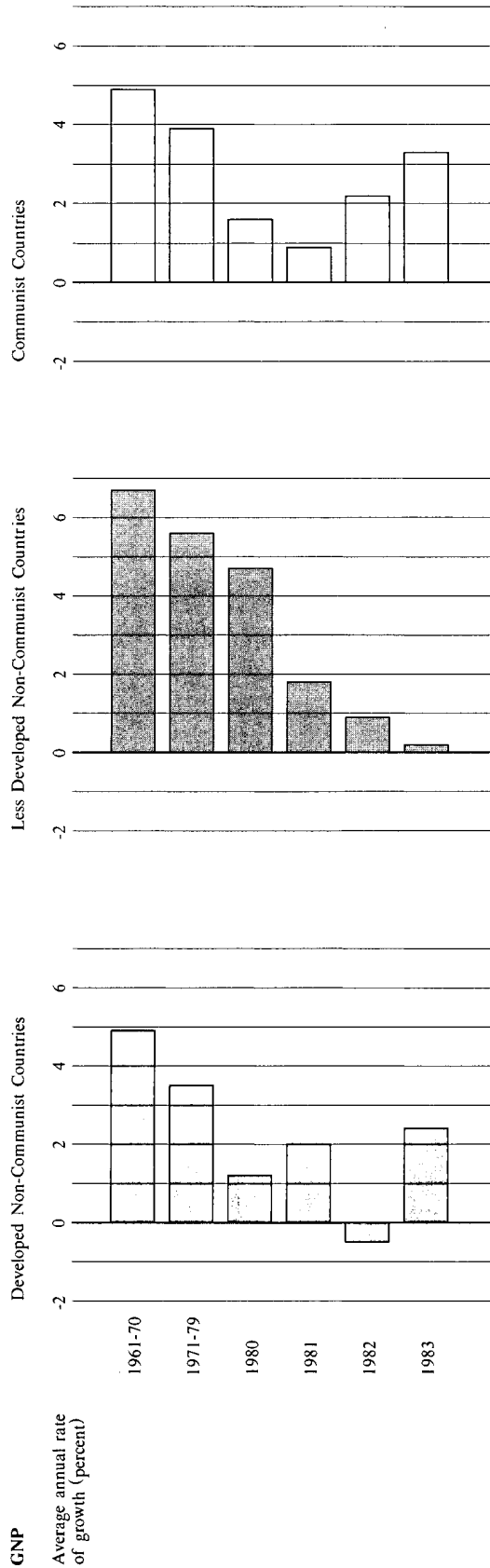
D. International Competitiveness

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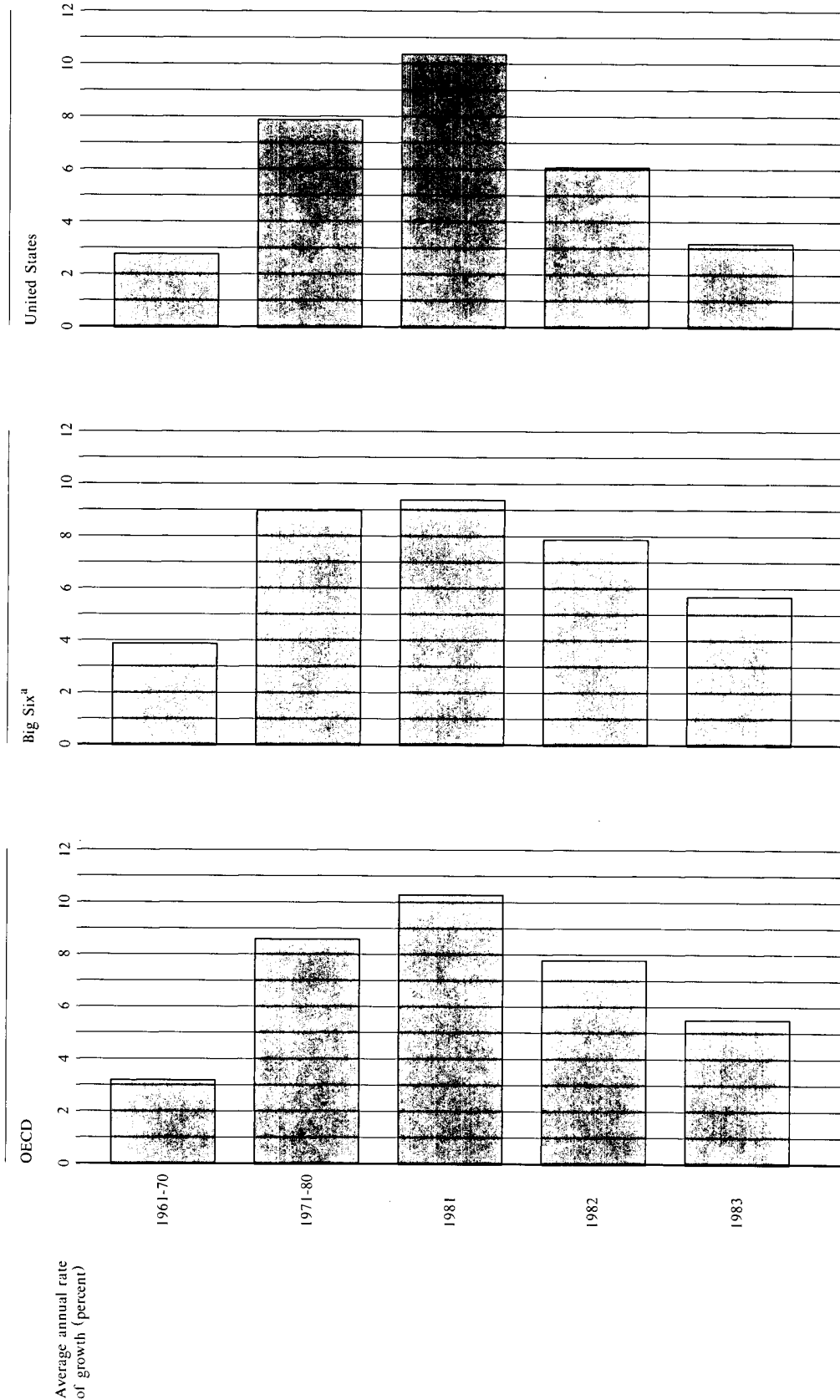
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Background

Real Gross National Product Trends

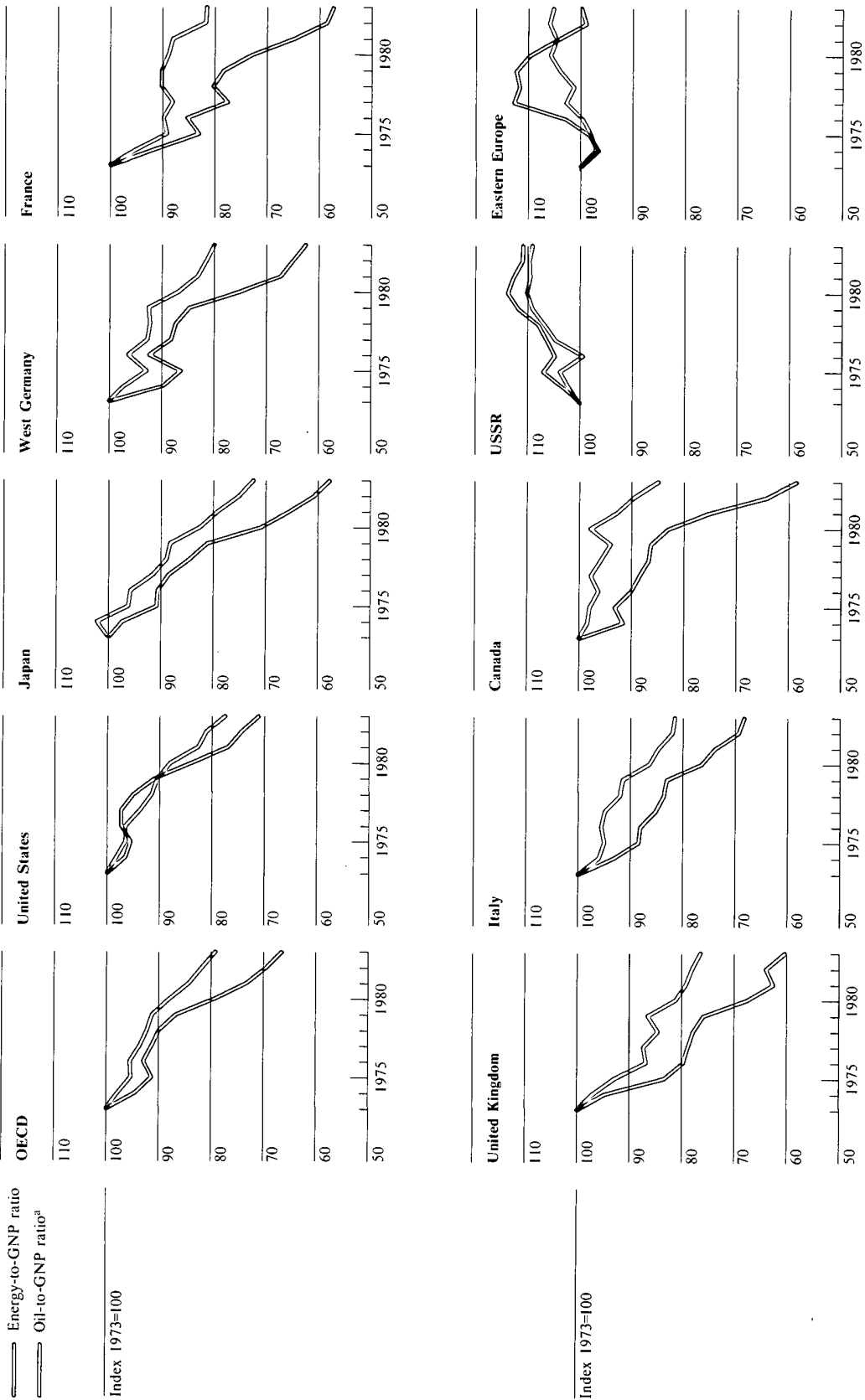


Developed Countries: Aggregate Inflation-Rate Trends



^a Japan, West Germany, France, United Kingdom, Italy, and Canada.

Measures of Energy Efficiency



^a Care should be taken in comparing Soviet oil-to-GNP ratio directly with the ratio of Western countries. The Soviet series is based on apparent oil consumption because the Soviets do not publish data on oil consumption. The apparent consumption series does not take into consideration possible changes in year-to-year oil stock levels and is based on reported oil production and estimates of oil exports and imports.

Economic Indicators for Selected Industrial Countries ^a

Percent

	Average Annual Rate of Growth							
	1961-70	1971-75	1976-78	1979	1980	1981	1982	1983
Industrial production								
United States	5.0	1.8	7.4	4.4	-3.6	2.6	-8.1	6.4
Canada	6.2	4.0	4.0	6.2	-1.5	0.9	-10.7	5.9
Japan	13.6	1.5	7.1	7.1	4.6	1.0	0.4	3.5
France	5.8	3.0	3.7	5.2	-1.2	-2.6	-1.5	1.2
Italy	7.0	1.6	5.0	6.6	5.6	-2.4	-2.2	-4.8
United Kingdom	2.8	0.6	3.8	3.8	-6.6	-3.9	2.0	2.9
West Germany	5.8	0.9	4.0	4.8	0.3	-2.3	-3.2	0.4
Consumer prices								
United States	2.7	6.7	6.6	11.3	13.6	10.3	6.2	3.2
Canada	2.7	7.3	8.1	9.1	10.2	12.5	10.8	5.8
Japan	5.7	11.5	7.0	3.6	8.0	4.9	2.6	1.8
France	4.1	8.8	9.3	10.8	13.5	13.3	12.0	9.5
Italy	3.9	11.3	15.3	14.8	21.2	19.3	16.4	14.9
United Kingdom	4.1	13.0	13.5	13.4	18.0	11.9	8.6	4.6
West Germany	2.6	6.1	3.6	4.1	5.5	6.0	5.3	3.0
Export prices (unit values, US dollar basis)								
United States	2.0	12.0	4.8	13.8	13.6	9.2	1.5	1.0
Canada	1.4	12.2	1.9	17.7	17.4	3.9	-2.0	-1.2
Japan	-0.4	12.5	9.2	4.9	7.5	5.5	-6.4	-2.4
France	1.3	15.2	6.2	16.4	11.6	-12.0	-5.5	-5.0
Italy	0.5	14.3	5.9	20.3	17.6	-7.8	-3.2	-5.8
United Kingdom	NA	12.7	10.4	22.4	25.2	-5.1	-7.3	-5.9
West Germany	2.6	16.0	8.8	12.9	7.9	-14.9	-2.8	-3.2
Import prices (unit values, US dollar basis)								
United States	1.5	16.7	6.5	19.3	25.4	5.3	-2.0	-3.7
Canada	1.4	10.6	4.4	11.4	16.7	8.7	-1.1	-3.4
Japan	0.6	20.4	2.4	25.0	34.2	3.6	-7.3	-5.1
France	0.6	16.0	5.8	17.0	19.2	-7.8	-7.2	-7.0
Italy	1.1	19.6	5.6	21.1	26.4	1.1	-7.3	-7.6
United Kingdom	NA	17.0	7.7	24.9	13.9	-6.0	-6.1	-5.2
West Germany	1.5	16.1	8.3	20.3	15.2	-8.6	-4.7	-5.2

(continued)

Economic Indicators for Selected Industrial Countries ^a
(continued)

Percent

	Average Annual Rate of Growth							1982	1983
	1961-70	1971-75	1976-78	1979	1980	1981	1982		
Productivity in manufacturing (output per hour)									
United States	2.8	3.4	2.6	0.7	0.2	3.5	1.1	6.2	
Canada	4.3	3.5	3.7	2.8	-2.1	2.5	-2.5	6.9	
Japan	10.8	6.8	8.1	8.8	9.5	5.5	8.2	5.7	
France	6.7	5.0	6.2	4.4	1.5	2.7	5.6	6.1	
Italy	7.1	4.6	4.2	7.3	5.8	3.5	2.6	0.6	
United Kingdom	3.7	4.0	2.3	1.1	-1.1	6.5	3.1	6.1	
West Germany	5.8	5.1	4.4	4.8	1.3	2.4	1.7	4.6	
Unit labor costs in manufacturing (in US dollars)									
United States	1.8	4.7	5.5	8.9	11.5	6.1	7.2	-0.7	
Canada	0.4	7.8	3.0	5.0	12.9	9.9	11.7	0.6	
Japan	3.2	17.0	11.8	-6.6	-5.2	4.4	-14.1	2.5	
France	1.2	16.3	5.6	15.5	13.4	-11.9	-8.5	-7.4	
Italy	4.5	15.6	3.5	12.0	9.2	-10.0	-2.8	3.2	
United Kingdom	2.1	13.1	6.8	27.3	34.7	-4.4	-8.5	-11.6	
West Germany	5.1	15.6	10.9	12.0	8.3	-15.3	-3.7	-5.8	
Export Volume									
United States	5.9	7.4	5.1	11.3	6.8	-3.0	-10.2	-6.5	
Canada	9.8	2.8	10.3	1.8	-1.3	2.5	0.4	9.6	
Japan	17.5	9.9	10.4	0.2	17.1	10.1	-2.4	8.6	
France	8.5	7.6	7.2	10.1	2.1	2.9	-2.9	3.7	
Italy	12.8	6.2	10.5	7.1	-7.9	6.6	-0.4	5.2	
United Kingdom	4.8	4.5	6.7	5.0	0.9	-0.7	2.2	0.8	
West Germany	9.5	4.6	6.9	7.1	4.1	5.3	2.2	0.4	
Import Volume									
United States	8.7	2.5	13.7	0.5	-6.6	0.9	-5.0	10.3	
Canada	7.9	9.2	3.8	10.8	-5.4	3.0	-16.1	15.5	
Japan	14.7	3.9	8.5	11.3	-5.0	-2.6	-0.7	1.4	
France	10.9	6.2	8.6	11.6	6.3	-3.4	3.6	-1.8	
Italy	11.0	0.7	7.5	13.5	1.9	-8.8	1.3	1.5	
United Kingdom	4.4	3.9	4.0	10.6	-5.4	-2.7	3.5	6.8	
West Germany	10.3	3.5	8.5	9.0	2.2	-3.7	0.7	5.2	

^a Growth rates were derived from unrounded data.

1970=100

Selected Non-OPEC LDCs: Indexes of Export
Prices, Import Prices, and Terms of Trade ^a

	1974	1975	1976	1977	1978	1979	1980	1981	1982
Non-OPEC LDCs									
Export	191	185	194	226	233	273	314	298	279
Import	206	217	217	230	252	295	358	371	357
Terms of Trade	93	85	89	98	92	93	88	80	78
Brazil									
Export	189	189	217	266	246	269	285	268	252
Import	210	217	224	232	247	297	380	422	408
Terms of Trade	90	87	97	115	100	91	75	64	62
Colombia									
Export	172	175	257	376	315	311	347	311	308
Import	158	173	180	192	215	237	260	276	282
Terms of Trade	109	101	143	196	147	131	133	113	109
El Salvador									
Export	161	164	241	317	266	302	312	290	275
Import	179	197	193	193	215	240	305	339	362
Terms of Trade	90	83	125	164	124	126	102	86	76
Ethiopia									
Export	138	123	219	222	220	229	221	NA	NA
Import	147	155	164	177	197	214	240	263	NA
Terms of Trade	94	79	134	125	112	107	92	NA	NA
India									
Export	160	172	170	199	211	230	NA	NA	NA
Import	194	226	219	201	224	292	NA	NA	NA
Terms of Trade	82	76	78	99	94	79	NA	NA	NA
Jordan									
Export	256	291	253	245	271	280	335	346	355
Import	189	259	223	251	262	284	355	389	371
Terms of Trade	135	112	113	98	103	99	94	89	96
Kenya									
Export	156	175	206	297	270	297	360	326	296
Import	179	221	225	245	278	333	440	459	439
Terms of Trade	87	79	92	121	97	89	82	71	67
Malaysia									
Export	220	183	214	246	273	351	414	381	350
Import	234	249	239	254	276	314	378	409	401
Terms of Trade	94	73	90	97	99	112	110	93	87

(continued)

1970=100

Selected Non-OPEC LDCs: Indexes of Export Prices, Import Prices, and Terms of Trade^a
(continued)

	1974	1975	1976	1977	1978	1979	1980	1981	1982
Mauritius									
Export	364	454	336	332	350	385	436	405	369
Import	239	257	257	283	324	382	458	460	428
Terms of Trade	152	177	131	117	108	101	95	88	86
Morocco									
Export	265	308	222	203	234	NA	NA	NA	NA
Import	213	232	211	162	NA	NA	NA	NA	NA
Terms of Trade	124	133	105	125	NA	NA	NA	NA	NA
Pakistan									
Export	196	173	189	227	258	299	319	331	295
Import	194	220	211	218	231	259	323	371	355
Terms of Trade	101	79	90	104	112	115	99	89	83
Philippines									
Export	212	168	148	150	168	207	216	211	176
Import	247	258	255	283	289	339	420	467	399
Terms of Trade	86	65	58	53	58	61	51	45	44
South Korea									
Export	160	148	166	181	200	241	252	260	251
Import	210	217	212	217	230	295	355	374	346
Terms of Trade	76	68	78	83	87	82	71	70	73
Sri Lanka									
Export	162	143	140	209	223	244	265	233	199
Import	235	261	196	222	240	367	493	550	558
Terms of Trade	69	55	71	94	93	66	54	42	36
Syria									
Export	338	291	358	381	404	531	690	766	669
Import	245	273	327	297	317	397	515	669	628
Terms of Trade	138	107	109	128	127	134	134	114	107
Thailand									
Export	240	212	206	210	229	272	321	301	257
Import	215	239	251	270	294	338	418	449	450
Terms of Trade	112	89	82	78	78	80	77	67	57
Tunisia									
Export	359	395	328	340	375	529	770	724	NA
Import	178	215	198	202	213	236	267	258	234
Terms of Trade	202	184	166	168	176	224	288	281	NA

^a Data are from the *International Financial Statistics*. US dollar indexes for total exports and total imports converted from national data, with the original 1975 comparison base shifted to 1970.

Million US \$

Current Account Balance

	1960	1965	1970	1975	1979	1980	1981	1982	1983 ^a
OECD									
United States	2,830	5,410	2,320	18,320	-480	480	4,640	-11,200	-40,840
Canada	-1,616	-1,173	1,078	-4,696	-4,119	-915	-4,805	2,398	1,274
Japan	140	920	2,000	-690	-8,750	-10,750	4,770	6,850	21,030
European Community	1,750	-129	2,872	3,530	-9,070	-36,600	-11,600	-9,440	NA
Belgium ^b	110	-478	717	181	-3,077	-4,945	-4,174	-2,804	NA
Denmark	-59	-214	-544	-490	-2,965	-2,466	-1,875	-2,259	-1,313
France	719 ^c	581 ^c	55	2,745	5,139	-4,208	-4,809	-12,084	NA
Greece	-55	-272	-402	-877	-1,886	-2,209	-2,408	-1,892	-2,432
Ireland	-11	-131	-198	-56	-1,679	-2,745	-2,000	-1,300	-400
Italy	316	2,251	902	-580	5,414	-9,801	-8,604	-5,767	NA
Netherlands	347	49	-483	1,990	-2,068	-2,974	2,887	3,697	3,551
United Kingdom	-723	-215	1,975	-3,463	-1,669	8,741	15,151	9,529	3,047
West Germany	1,110	-1,700	850	4,080	-6,280	-15,960	-5,720	3,340	3,910
Non-OPEC less developed countries									
Argentina	-204	222	-163	-1,287	-513	-4,774	-4,712	-2,510	-2,570
Brazil	-517	284	-837	-7,008	-10,478	-12,806	-11,751	-16,312	-6,900
China (Taiwan)	-125	-80	5	-690	-241	-825	4,970	2,193	NA
India	-802	-1,422	-530	-342	-690	-4,100	-3,840	-3,500	NA
Malaysia	-2	39	8	-494	988	-192	-2,286	-3,445	2,850
Mexico	-324	-403	-1,068	-4,042	-5,459	-8,162	-13,899	-2,943	-4,000
Philippines	-4	122	-48	-923	-1,562	-2,046	-2,327	-3,368	-3,200
South Korea	13	8	-623	-1,889	-4,151	-5,321	-4,646	-2,650	-1,600
Thailand	-3	-15	-250	-606	-2,086	-2,070	-2,569	-1,006	-1,900
OPEC									
Iran	-92	-96	-507	4,707	12,000	400	-1,100	6,100	-700
Saudi Arabia	190	89	152	15,300	13,900	49,000	58,000	13,800	-13,700
Venezuela	394	35	-104	2,171	350	4,728	4,000	-4,246	1,300

^a Preliminary.^b Including Luxembourg.^c Excluding overseas departments and territories.

Gross Domestic Product in Purchasing Power and Exchange Rate Equivalents, 1983

	Purchasing Power Equivalents ^a (Kravis)	Purchasing Power Equivalents ^b (Gilbert)	Average 1983 Par Rate/Market Rate	Average 1982 Exchange Rate	Average 1973 Exchange Rate	February 1973 Exchange Rate	May 1972 Exchange Rate	April 1971 Exchange Rate
Gross Domestic Product, 1983 (Billion US \$)								
OECD								
Belgium	108.8	108.0	81.5	91.2	106.9	103.3	93.0	83.4
Denmark	60.8	51.7	56.0	61.5	84.7	81.6	73.4	68.3
France	640.6	600.6	514.9	597.1	881.3	853.1	767.1	706.5
Italy	444.1	375.1	355.1	398.8	925.1	951.9	927.5	862.9
Japan	1,339.4	1,065.3	1,157.0	1,103.4	1,009.6	1,017.8	892.2	763.4
Netherlands	149.1	121.3	133.3	142.5	136.1	130.3	117.3	105.1
United Kingdom	498.1	457.7	449.2	518.4	726.1	737.3	771.6	710.7
West Germany	748.2	597.6	657.7	692.0	628.5	579.1	521.1	458.8

Gross Domestic Product Per Capita, 1983 (United States= 100)

OECD								
Belgium	74	85	59	65	77	74	67	60
Denmark	79	79	78	85	117	113	102	95
France	78	86	67	77	114	111	99	92
Italy	52	51	44	50	115	119	116	108
Japan	75	70	69	66	60	60	53	45
Netherlands	69	66	66	70	67	64	58	52
United Kingdom	59	64	57	66	92	93	98	90
West Germany	81	76	76	80	72	67	60	53

^a For the individual OECD countries, the ratios for converting GNP in national currencies at 1983 prices into 1983 US dollars on the basis of purchasing power equivalents are derived from the 1975 ratios in *World Product and Income: International Comparisons of Real GDP*, published for the World Bank by the Johns Hopkins University Press, Baltimore and London, 1981, using the geometric mean of foreign and US weighted ratios. These 1975 GDP parities were moved to 1983 by applying the following factor: the derived price index for each OECD country for 1976-83 divided by a derived price index for the United States for 1976-83. These price indexes were derived for each

country by dividing the growth of GDP in current prices by the growth of GDP in constant prices. The ratios thus obtained were applied to the GDP values, given in the national currencies in 1983 prices.

^b For the individual European OECD countries, the ratios for converting GDP in national currencies at 1983 prices into 1983 US dollars on the basis of US purchasing power equivalents are derived from the 1950 ratios in Milton Gilbert and Associates, *Comparative National Products and Price Levels*, OEEC, Paris, 1958, using the geometric mean

of European and US weighted ratios. These 1950 ratios were moved to 1983 by applying the following factor: the derived price index for each European country for 1951-83 divided by a derived price index for the United States for 1951-83. The ratios thus obtained were applied to the GDP values, given in the national currencies in 1983 prices.

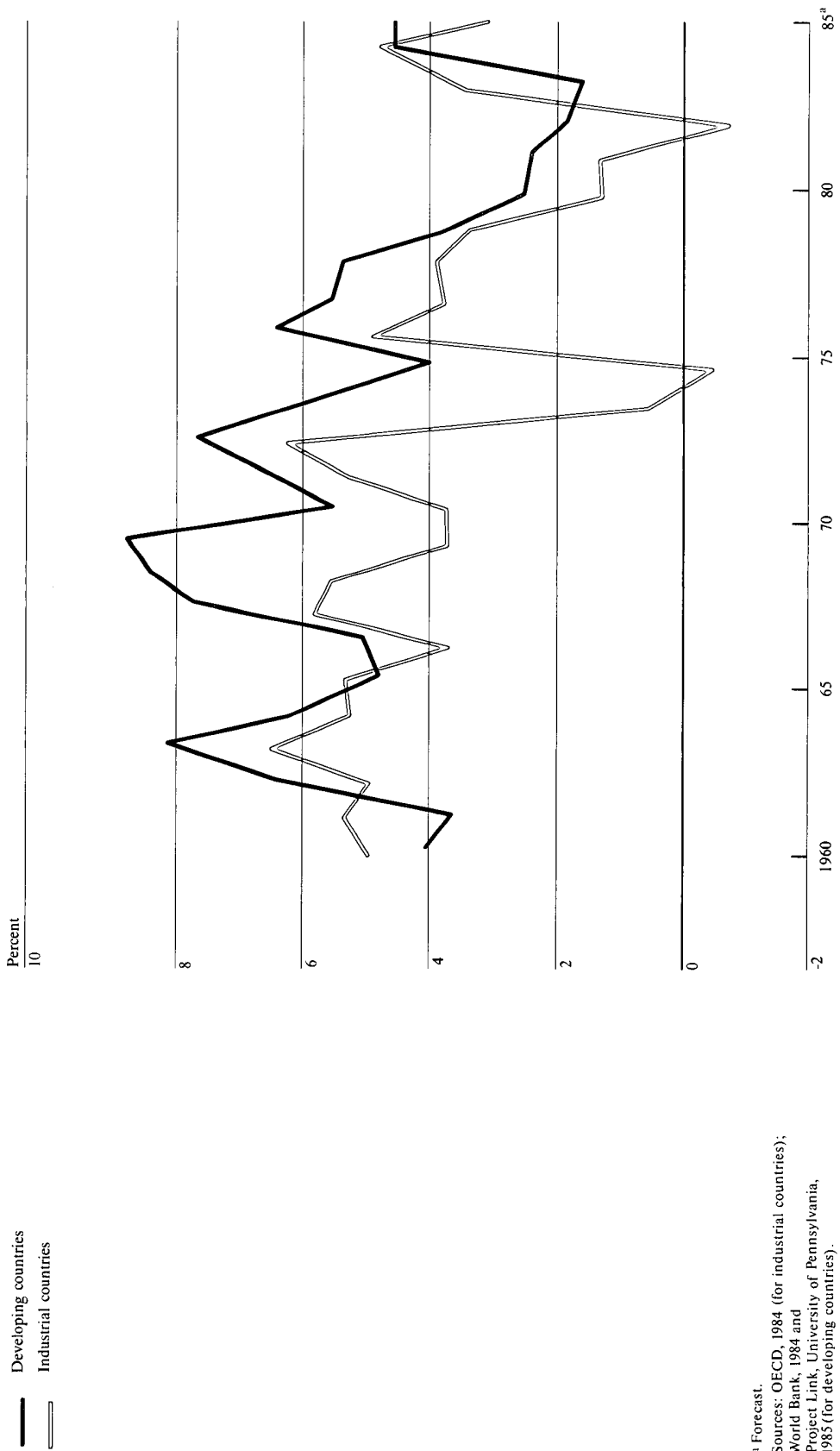
E. Industrialized Countries

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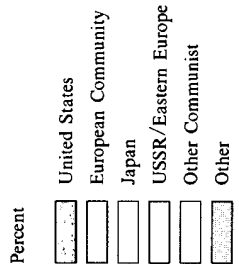
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Background

Growth Rates of GDP for Developing and Industrial Countries, 1960-85

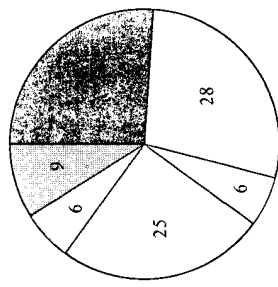


World Crude Steel Production



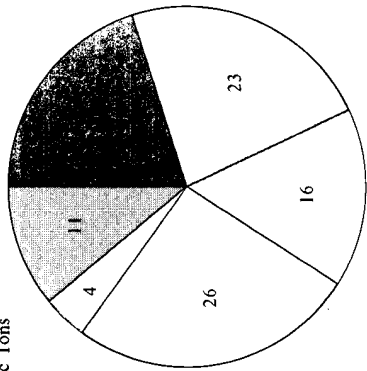
1960

Total: 346 Million Metric Tons



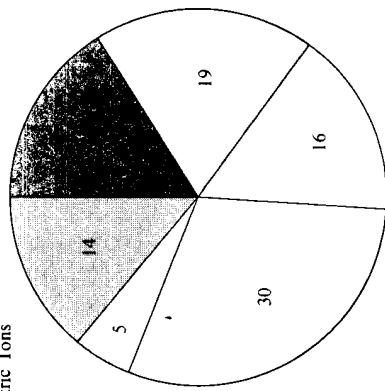
1970

Total: 594 Million Metric Tons



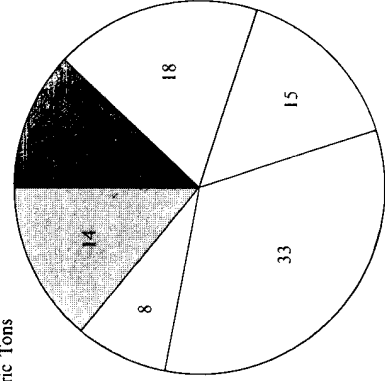
1975

Total: 651 Million Metric Tons

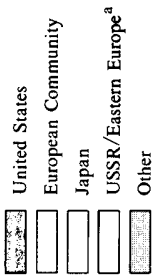


1983

Total: 640 Million Metric Tons

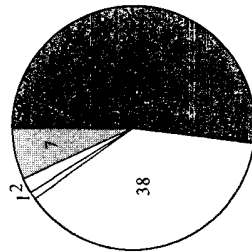


World Passenger Automobile Production



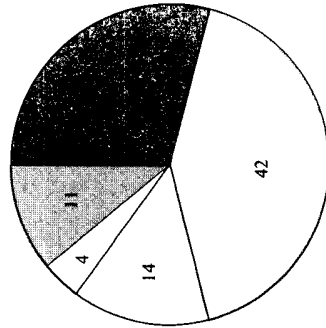
1960

Total: 12.8 Million Units



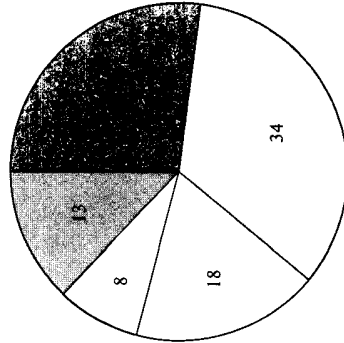
1970

Total: 22.5 Million Units



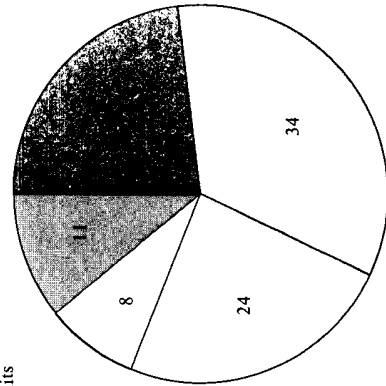
1975

Total: 25.2 Million Units



1983

Total: 30.0 Million Units



^aData include production in Yugoslavia.

Million US \$

Big Seven: Trade Balance, by Commodity

	1970	1975	1979	1980	1981	1982
Big Seven	5,626	7,719	-56,364	-80,053	-45,448	-35,695
Foodstuffs	-11,282	-15,622	-25,178	-16,700	-8,263	-14,152
Raw materials	-14,508	-21,418	-41,212	-42,811	-36,020	-32,330
Fuels	-11,744	-83,279	-161,932	-231,664	-228,186	-188,358
Manufactures	43,294	128,433	172,821	212,431	227,059	-199,043
Other	-136	-393	-869	-1,314	-42	99
United States	3,264	10,711	-40,667	-33,364	-40,706	-42,104
Foodstuffs	473	10,587	13,304	18,820	21,352	15,809
Raw materials	-573	-578	-943	2,560	-2,122	283
Fuels	-1,386	-21,923	-58,048	-74,070	-73,966	-54,647
Manufactures	4,774	22,435	5,499	20,330	15,551	-2,430
Other	-24	191	-481	-1,004	-1,521	-1,121
Canada	2,836	-1,654	2,495	5,398	3,384	12,718
Foodstuffs	823	1,582	2,450	3,472	4,221	4,801
Raw materials	4,123	5,872	10,523	11,884	10,916	9,557
Fuels	229	1,243	2,396	1,867	1,498	4,128
Manufactures	-2,255	-10,229	-12,382	-11,151	-12,833	-5,081
Other	-83	-121	-492	-675	-417	-689
Japan	437	-2,112	-7,144	-10,349	11,080	8,256
Foodstuffs	-2,521	-9,536	-15,288	-15,145	-16,410	-15,084
Raw materials	-6,755	-10,158	-21,988	-23,902	-20,342	-19,597
Fuels	-3,858	-25,422	-44,930	-69,488	-72,009	-65,207
Manufactures	13,584	42,788	75,869	98,502	120,333	108,470
Other	-13	216	-808	-319	-494	-317

(continued)

Million US \$

Big Seven: Trade Balance, by Commodity
(continued)

	1970	1975	1979	1980	1981	1982
West Germany						
Foodstuffs	4,375	15,814	13,755	5,725	12,593	21,407
Raw materials	-4,335	-7,850	-12,266	-12,603	-10,116	-9,762
Fuels	-3,917	-5,452	-9,577	-11,286	-8,371	-7,872
Manufactures	-1,616	-10,286	-25,272	-34,761	-32,829	-29,954
Other	14,624	39,946	61,498	64,162	62,098	67,563
France						
Foodstuffs	-382	-545	-630	211	1,810	1,431
Raw materials	-1,184	-2,002	-8,752	-23,463	-19,032	-23,096
Fuels	5	1,148	1,773	3,981	4,810	3,008
Manufactures	-1,476	-2,422	-4,041	-4,884	-3,855	-3,441
Other	-1,915	-10,850	-19,458	-31,241	-29,947	-27,166
United Kingdom						
Foodstuffs	2,044	9,842	13,196	9,234	10,051	4,376
Raw materials	158	280	-223	-554	-93	127
Fuels	-2,373	-9,935	-12,128	-3,522	983	-2,490
Manufactures	-4,007	-7,124	-8,692	-7,790	-6,765	-6,710
Other	-3,151	-4,087	-5,337	-6,019	-4,517	-3,855
Italy						
Foodstuffs	-1,773	-7,815	-3,029	-1,030	5,084	6,649
Raw materials	6,348	9,502	3,580	10,541	6,385	501
Fuels	211	-412	1,349	776	796	926
Manufactures	-1,729	-3,103	-3,921	-20,478	-13,750	-10,396
Other	-1,719	-4,428	-6,459	-7,435	-5,355	-6,215
Japan						
Foodstuffs	-2,760	-4,592	-9,848	-11,163	-7,730	-7,405
Raw materials	-1,426	-8,227	-13,592	-22,942	-26,016	-22,159
Fuels	4,177	14,147	25,561	20,811	25,473	25,642
Manufactures	-3	-2	416	250	-123	-259
Other						

Percent

Big Seven: Unemployment Rates ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983
United States	5.5	4.5	4.9	8.5	5.8	7.1	7.5	9.6	9.4
Canada	7.0	3.9	5.7	6.9	7.5	7.5	7.5	11.1	11.9
France	1.8	1.6	2.6	4.3	5.9	6.2	7.6	8.4	8.5
Italy ^b	3.8	3.5	3.1	3.2	3.8	3.8	4.2	4.6	5.0
Japan	1.7	1.2	1.2	1.9	2.1	2.0	2.2	2.4	2.7
United Kingdom ^c	2.2	2.2	3.1	4.1	5.7	6.5	10.0	11.7	12.4
West Germany	1.1	0.5	0.6	4.1	3.8	4.0	5.6	7.7	9.2

^a Unemployment as a share of total civilian labor force.^b Data adjusted to US concepts.^c Excluding Northern Ireland.

Percent

Big Seven: Personal Savings Rates ^a

	1960	1970	1975	1978	1979	1980	1981	1982	1983
United States	5.6	8.0	8.6	6.1	5.9	6.0	6.6	5.8	4.8
Canada	3.3	5.3	10.9	10.8	11.3	12.1	13.8	15.1	12.9
Japan	17.4	18.2	22.1	20.6	-18.7	19.2	19.7	17.7	NA
France	9.8	16.7	18.6	17.5	16.2	14.7	15.6	15.5	NA
Italy	NA	21.6	23.2	23.8	25.3	22.0	24.0	24.0	NA
United Kingdom	7.2	9.3	12.7	12.1	12.9	14.8	12.5	10.8	8.4
West Germany	8.5	14.6	16.4	13.3	13.9	14.2	14.9	14.4	13.2

^a Savings as a share of disposable personal income.

Billion US \$

NICs: Trade with the Big Seven

	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983
NICs										
Exports	0.3	18.4	24.4	29.4	37.6	48.2	57.8	64.8	67.4	71.5
Imports	9.3	28.0	29.6	32.6	44.4	55.7	69.2	74.2	64.3	63.1
Balance	-9.0	-9.6	-5.2	-3.2	-6.8	-7.5	-11.4	-9.4	3.1	8.4
Brazil										
Exports	0.2	4.2	4.5	5.8	6.4	7.9	9.4	10.2	10.5	10.7
Imports	1.7	6.6	6.1	5.6	6.9	7.7	9.4	8.2	7.1	6.7
Balance	-1.5	-2.4	-1.6	0.2	-0.5	0.2	NEGL	2.0	3.4	4.0
China (Taiwan)										
Exports	NEGL	3.3	4.8	5.7	8.2	10.2	11.5	12.9	13.4	16.3
Imports	1.3	3.9	4.4	4.9	6.7	8.7	10.6	10.8	10.1	11.2
Balance	-1.3	-0.6	0.4	0.8	1.5	1.5	0.9	2.1	3.3	5.1
Hong Kong										
Exports	0.1	3.1	4.5	4.9	6.3	7.9	9.3	9.8	9.6	9.4
Imports	1.5	2.9	3.8	4.7	6.4	7.9	9.9	10.5	9.9	10.5
Balance	-1.4	0.2	0.7	0.2	-0.1	NEGL	-0.6	-0.7	-0.3	-1.1
Mexico										
Exports	0.1	3.3	3.9	5.1	6.5	9.2	13.9	16.4	18.3	19.7
Imports	2.3	6.8	6.5	6.3	8.9	12.5	19.1	23.2	15.5	11.4
Balance	-2.2	-3.5	-2.6	-1.2	-2.4	-3.3	-5.2	-6.8	2.8	8.3
Singapore										
Exports	NEGL	1.3	1.7	2.0	2.5	3.9	4.6	5.0	5.0	4.5
Imports	0.9	3.2	3.3	3.8	5.0	6.6	9.0	9.5	9.9	10.0
Balance	-0.9	-1.9	-1.6	-1.8	-2.5	-2.7	-4.4	-4.5	-4.9	-5.5
South Korea										
Exports	NEGL	3.2	5.0	5.9	7.7	9.1	9.1	10.5	10.6	10.9
Imports	1.6	4.6	5.5	7.3	10.5	12.3	11.2	12.0	11.8	13.3
Balance	-1.6	-1.4	-0.5	-1.4	-2.8	-3.2	-2.1	-1.5	-1.2	-2.4

F. Third World Economies

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Background

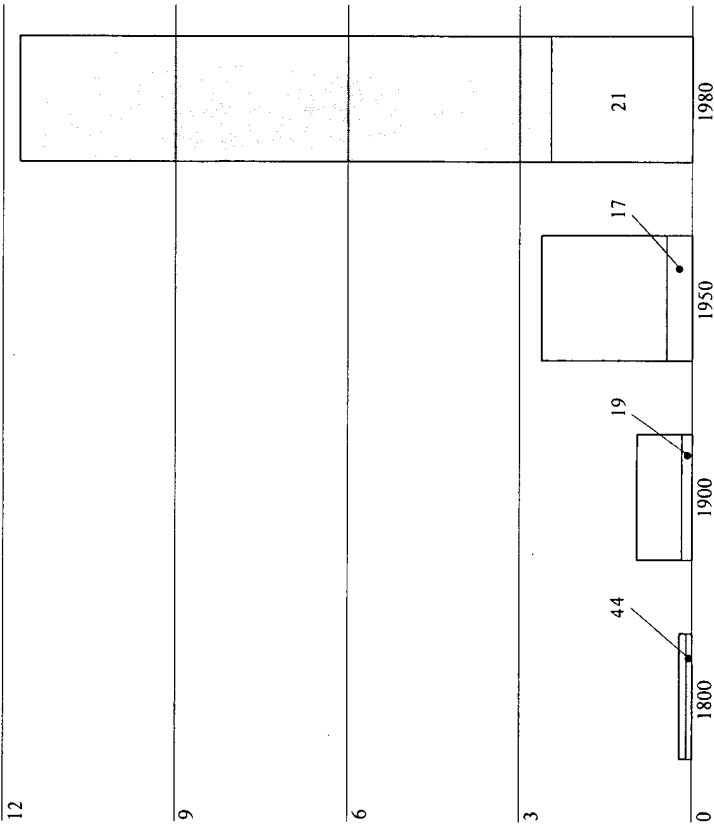


Developing Countries' Share of World Population and Production, 1800-1980

□ Developing countries □ Developed countries

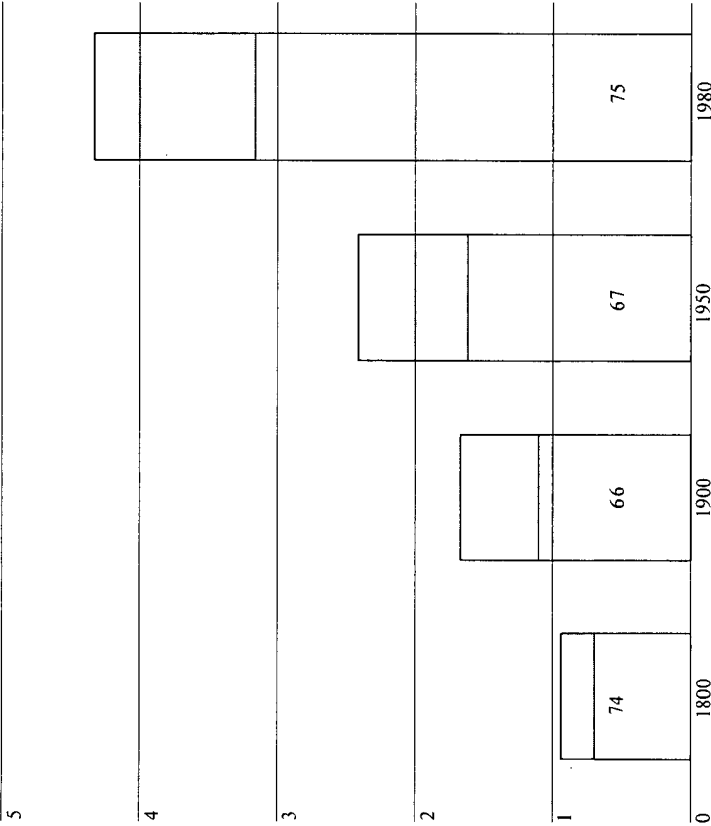
Percent of Total World Production

Trillion US \$



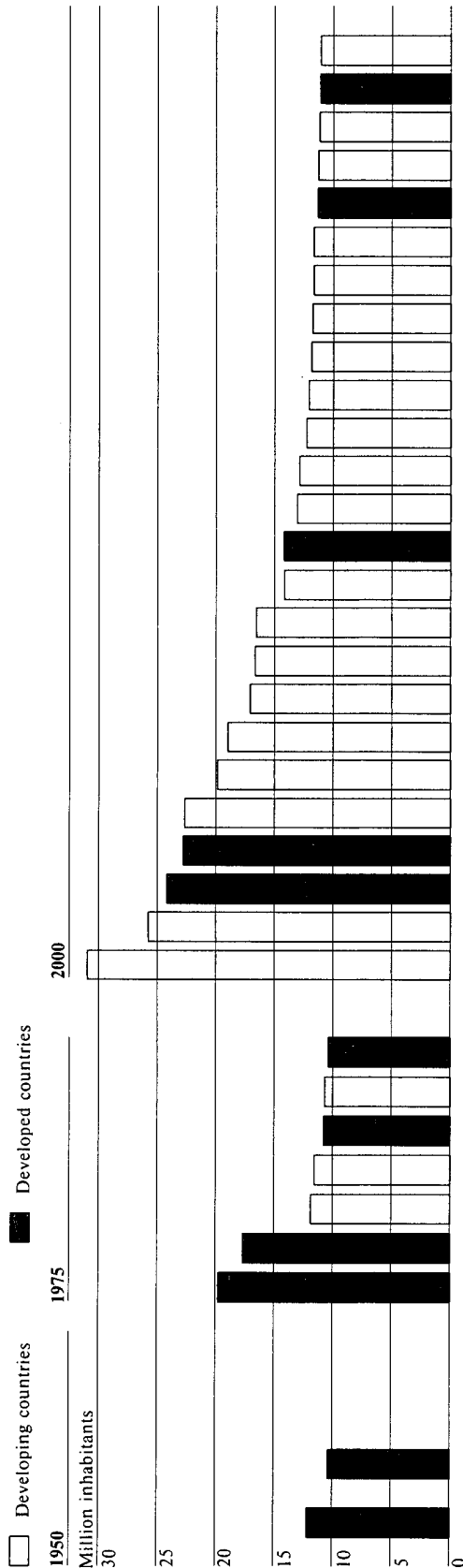
Percent of Total World Population

Billion people



Source: The World Bank.

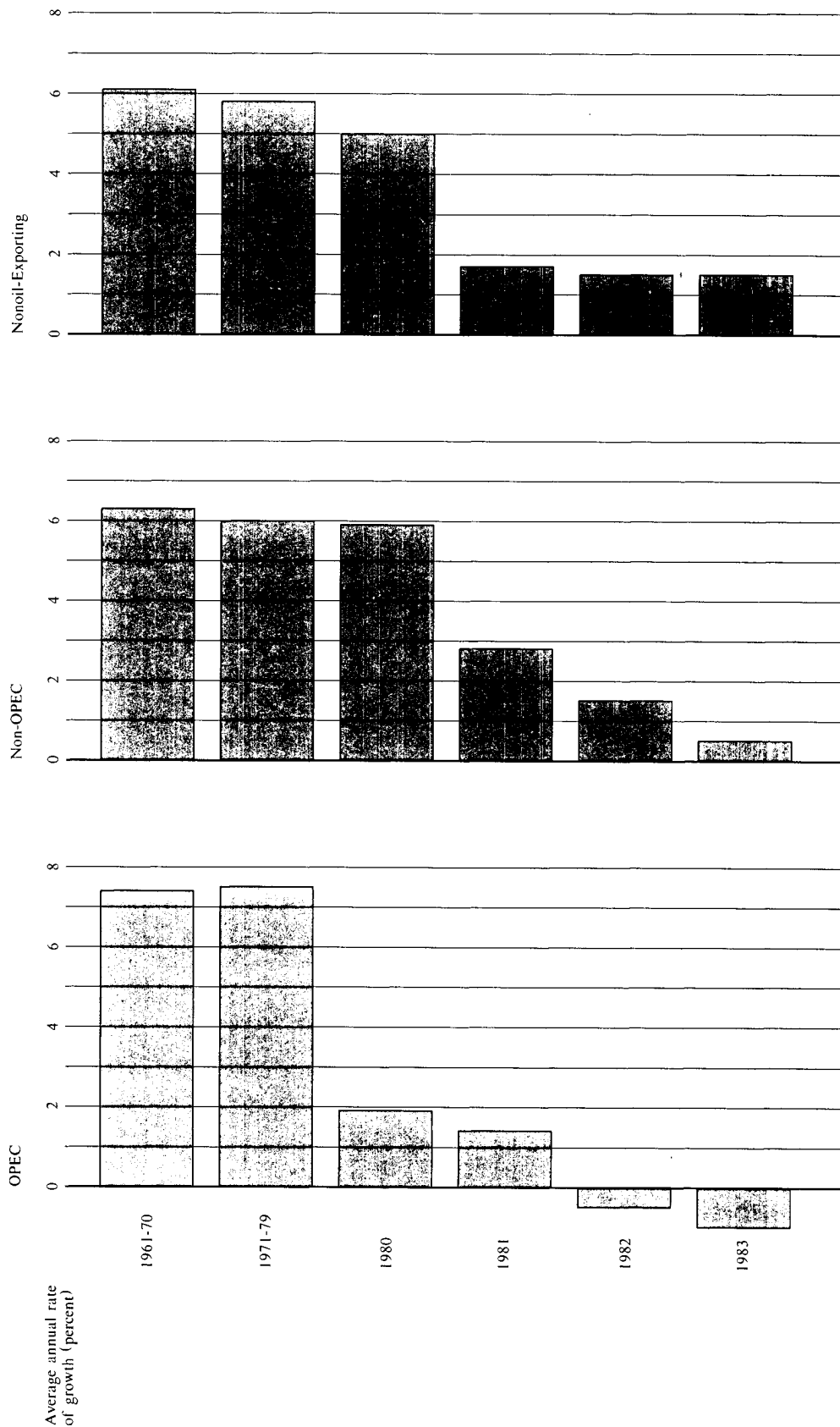
Urban Agglomerations With More Than 10 Million Inhabitants, 1950-2000



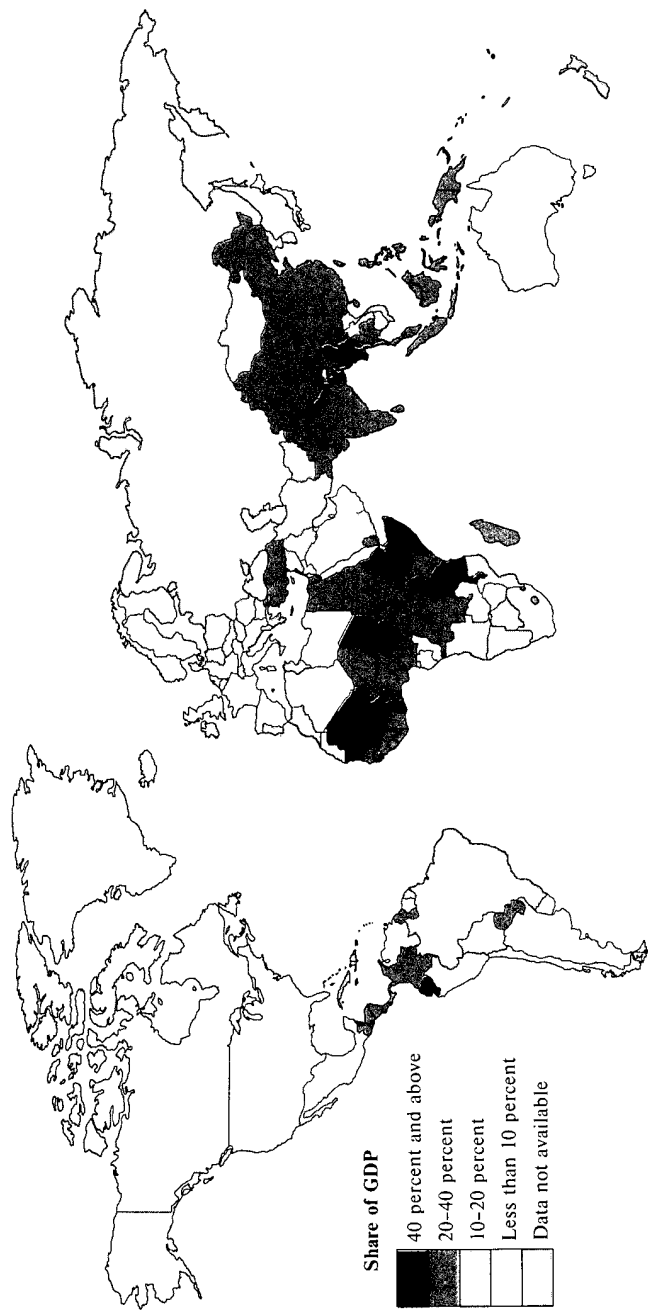
Country/Region	1950 (Million Inhabitants)	2000 (Million Inhabitants)
New York/northeast	12.2	31.0
New Jersey	10.4	24.2
London	10.4	22.7
Los Angeles/Long Beach	10.8	19.9
Tokyo/Yokohama	17.7	17.1
Shanghai	11.6	16.6
São Paulo	10.7	14.2
Mexico City	19.8	14.2
Tokyo/Yokohama	11.9	12.9
Shanghai	11.9	11.8
Beijing	10.8	11.7
Greater Bombay	10.4	11.3
Jakarta	17.7	11.1
Los Angeles/Long Beach	11.6	11.1
Madras	10.7	11.1
Karachi	10.7	11.1
Bogotá	10.7	11.1
Tehrán	10.7	11.1
Baghdad	10.7	11.1
São Paulo	10.7	11.1
New York/northeast	10.7	11.1
New Jersey	10.7	11.1
Rio de Janeiro	10.7	11.1
Calcutta	10.7	11.1
Seoul	10.7	11.1
Cairo/Al Jizah/Imbābah	10.7	11.1
Manila	10.7	11.1
Greater Buenos Aires	10.7	11.1
New Delhi	10.7	11.1
Paris	10.7	11.1
Istanbul	10.7	11.1
Osaka/Kobe	10.7	11.1

Source: United Nations.

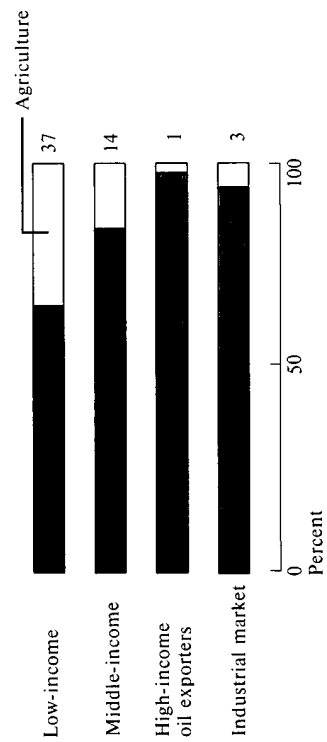
Less Developed Countries: Aggregate Real GNP Growth Rates



Share of Agriculture in Total Output



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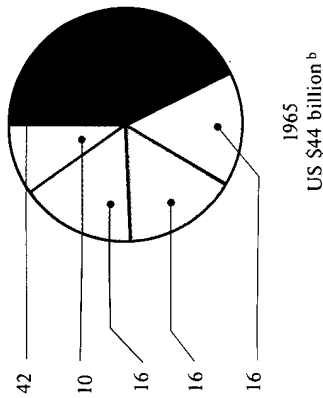
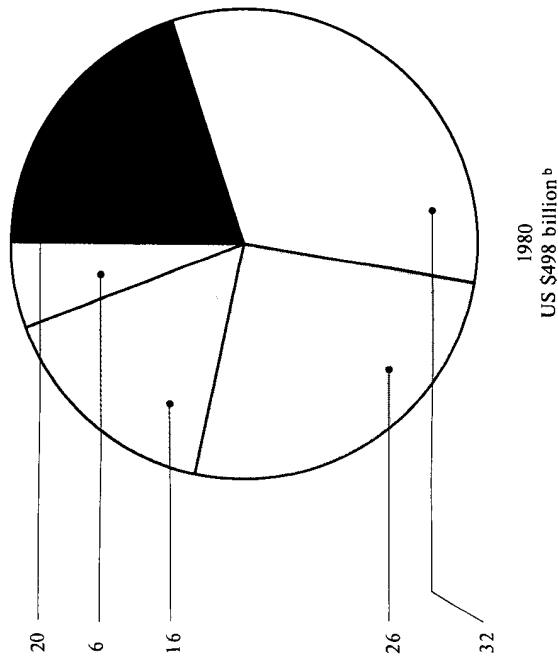


Source: The World Bank.

Volume and Composition of Export Earnings of Developing Countries, 1965 and 1980

Percent

- Agriculture
- Fuels
- Manufactures
- Nonfactor services
- Metals and minerals^a



^a Excluding gold.

^b Current prices.

Source: The World Bank.

Economic Profile: Selected Less Developed Countries, 1983

	Africa		Asia			Latin America			Middle East and South Asia							
	Ivory Coast	Kenya	Morocco	Zaire	Zimbabwe	Malaysia	Philippines	Thailand	Chile	Colombia	Peru	Bangladesh	Egypt	India	Pakistan	Syria
Aggregate data																
Population																
Million persons at midyear	9.3	18.6	22.9	31.2	8.1	15.0	54.3	50.7	11.5	28.3	18.6	96.5	45.8	730.6	94.1	9.8
Percent increase	3.2	4.1	2.9	2.9	2.9	2.3	2.4	2.0	1.5	2.1	2.6	3.1	2.7	2.1	2.9	3.4
Gross domestic product																
Billion 1983 US \$	10.7	8.1	21.6	5.7	5.4	30.4	43.9	46.5	26.6	36.1	23.2	15.1	36.0	179.0	35.6	14.6
Percent real growth	2.0	3.0	4.0	-1.0	-3.0	6.0	1.5	6.0	NEGL	1.0	-11.0	3.0	5.0	6.5	7.5	6.0
Per capita (1983 US \$)	1,150	440	940	180	670	2,030	810	920	2,310	1,280	1,250	160	790	250	380	1,490
Industry																
Per capita manufacturing (US \$) ^a	242	55	151	15	131	330	185	129	523	240	231	9	82	38	42	185
Electricity production (billion kilowatt-hours)	1.7	1.8	5.4	4.4 ^b	4.2	11.0	19.0	18.4	12.6	25.6 ^c	9.3 ^c	3.7	18.5 ^b	131.3	19.3	6.2
Agriculture																
Per capita agriculture (US \$) ^a	342	107	159	40	72	393	174	180	182	302	88	53	105	76	81	308
Grain production (million metric tons)	0.8	2.6	3.5	1.0	1.2	2.0	11.5	22.4	1.6	3.3	1.5	22.8	8.1	153.7	19.0	2.7
Trade and international reserves																
Exports, f.o.b. (million US \$)	2,299 ^c	1,047 ^c	2,006	569 ^c	1,279 ^c	14,130	4,890	6,368	3,836	3,001	3,015	725	3,120 ^c	8,512	3,077	2,026 ^c
Imports, c.i.f. (million US \$)	2,180 ^c	1,745 ^c	3,592	480 ^c	1,643 ^c	13,207	7,959	10,232	2,754	4,963	2,510	2,162	9,078 ^c	13,323	5,329	4,015 ^c
International reserves (million US \$) ^d	5	379	132	296	97	3,869	797	1,698	2,102	2,056	2,075	526	890	5,894	2,041	231
Living standard indicators																
Literacy rate (percent) ^e	25	50	25	17	74	58	76	82	90	75	74	26	43	36	31	47
Life expectancy (years) ^e	44	53	51	40	52	60	61	61	62	59	55	48	54	50	48	62

^a Value added, 1980.^b Data are for 1980.^c Data are for 1982.^d Including gold valued at SDR 35 per ounce.^e Latest year available.

Economic Profile: Selected Newly Industrializing Countries, 1983

	Argentina ^a	Brazil	China (Taiwan)	Hong Kong	Mexico	Singapore	South Korea
Aggregative data							
Population							
Million persons at midyear	29.7	131.3	18.8	5.3	75.7	2.5	41.4
Percent increase	1.6	2.3	1.7	1.5	2.6	1.2	1.7
Gross domestic product							
Billion 1983 US \$	106.7	296.8	53.9	30.2	251.1	15.4	80.5
Percent real growth	2.0	-4.0	6.0	6.0	-5.0	7.9	9.1
Per capita (1983 US \$)	3,590	2,260	2,870	5,700	3,320	6,160	1,940
Industry							
Per capita manufacturing (US \$) ^b	1,593	455	992	1,074	582	1,362	334
Electricity production (billion kilowatt-hours)	38.8	142.4 ^c	45.5	14.4	80.4	8.6	48.6
Agriculture							
Per capita agriculture (US \$) ^b	380	223	165	42	197	61	220
Grain production (million metric tons)	29.9	29.3	2.6	NEGL	25.3	NEGL	8.6
Trade and international reserves							
Exports, f.o.b. (million US \$)	7,625 ^c	21,899	25,094	21,954	21,119	21,833	24,445
Imports, c.i.f. (million US \$)	5,337 ^c	16,801	19,077	24,013	8,207	28,158	26,192
International reserves (million US \$) ^d	1,333	4,375	11,860	NA	3,997	9,264	2,358
Living standard indicators							
Literacy rate (percent) ^e	93	75	90	90	83	84	93
Life expectancy at birth (years) ^e	68	60	72	71	65	68	66

^a Argentina is included because its economy closely resembles the NIC economies.^b Value added, 1980.^c Data are for 1982.^d Including gold valued at SDR 35 per ounce.^e Latest available data.

**Economic Indicators for Selected Non-OPEC
Less Developed Countries**

	1973	1975	1976	1978	1979	1980	1981	1982	1983
Industrial production									
China (Taiwan)	20.5	5.4	24.3	25.0	8.1	7.6	4.2	-0.8	12.4
India	1.6	4.7	9.8	6.9	1.2	0.7	9.1	4.7	4.1
Mexico	10.1	4.7	5.1	10.9	11.2	9.8	8.8	-2.0	-8.2
South Korea	33.5	18.9	29.7	22.9	11.7	-1.8	12.8	4.4	16.7
Consumer price inflation									
Brazil	12.7	28.9	42.0	38.7	52.7	95.3	91.2	97.9	179.0
China (Taiwan)	8.2	5.2	2.5	5.8	9.8	19.0	16.3	4.0	1.4
India	17.8	5.6	-7.8	2.5	6.4	11.4	13.0	7.9	11.9
Mexico	12.0	15.2	15.8	17.5	18.2	26.3	28.0	58.9	101.9
South Korea	3.2	25.3	15.3	14.4	18.3	28.7	21.3	7.3	3.4
Wholesale price inflation									
Brazil	15.3	27.8	40.4	37.6	55.9	106.5	108.2	92.0	168.2
China (Taiwan)	22.9	-5.1	2.8	3.5	13.8	21.5	7.6	-0.7	-1.4
India	16.4	4.0	-2.0	-0.3	11.4	20.3	12.2	2.5	7.7
Mexico	16.0	10.4	22.4	15.7	18.3	24.4	24.5	56.1	107.3
South Korea	6.9	26.1	12.1	11.7	18.8	38.9	20.4	4.7	0.2
Money supply									
Brazil	41.8	33.6	40.3	42.2	73.6	70.0	74.7	69.7	92.0
China (Taiwan)	49.3	26.9	23.0	37.0	7.7	22.7	13.8	15.6	18.1
India	16.5	8.1	15.5	20.4	20.8	12.3	15.7	7.7	16.5
Mexico	24.2	21.3	30.9	33.0	33.1	33.1	32.8	61.9	42.1
South Korea	51.4	26.1	30.8	28.2	20.7	16.3	4.7	45.6	17.0

Billion US \$

Medium- and Long-Term Debt of Selected Less Developed Countries

	1975	1978	1979	1980	1981	1982	1983
Algeria	5.9	15.0	17.0	17.3	16.9	16.8	16.0
Argentina	4.9	9.8	14.0	16.9	26.1	28.8	29.5
Brazil	23.4	46.2	51.4	56.1	64.3	70.7	78.1
Chile	4.4	5.9	7.5	9.6	12.6	14.9	14.9
Ecuador	0.6	2.8	3.3	4.0	4.9	5.0	5.5
Egypt	5.1	10.4	12.2	13.8	15.2	16.6	17.9
India	12.7	15.8	16.5	18.2	18.9	20.7	21.5
Indonesia	8.7	14.5	15.1	16.6	17.5	20.2	24.7
Ivory Coast	0.9	3.1	3.8	4.6	4.8	5.2	5.4
Malaysia	1.8	3.1	3.5	4.4	6.7	10.2	13.6
Mexico	16.6	32.5	37.7	43.5	53.5	60.4	63.4
Morocco	1.8	5.6	6.7	7.5	8.4	9.6	10.2
Nigeria	1.4	2.7	4.2	5.6	6.7	10.0	11.9
Pakistan	5.4	7.8	8.3	9.2	9.2	9.9	9.9
Peru	4.4	7.2	7.9	8.1	8.2	9.3	10.9
Philippines	2.8	6.3	7.2	8.9	10.3	12.0	13.5
South Korea	6.0	12.7	15.5	17.6	21.0	23.4	26.8
Sudan	1.5	2.9	3.5	4.1	5.3	6.8	7.0
Taiwan	1.9	3.5	3.9	4.9	5.4	6.2	7.1
Thailand	1.4	2.8	4.1	5.8	7.3	8.5	9.9
Venezuela	2.3	9.4	12.3	14.2	15.9	19.6	21.3

G. Assessing Structural Change

ASSESSING STRUCTURAL CHANGE
FROM THE STANDPOINT OF INTELLIGENCE ANALYSIS

Structural change offers the Intelligence Community a useful framework to assess fundamental re-alignments in foreign countries' internal economic and political systems as well as changes that these can trigger in their political, economic and strategic relationships internationally. It can help policymakers understand such complex issues as competitive problems and industrial re-structuring in Europe, North America, and East Asia; long-range changes in East-West relations; and the underpinnings of political development and instability in the Third World.

A central concern is that structural change almost inevitably has differential effects on different countries (and on regions within countries, as well as regions composed of several countries). Some nations will therefore fare better than others as they undergo structural change. The Intelligence Community has a responsibility to provide information and analysis to support policymakers seeking to ensure that the United States will be in the former category of countries in the coming years -- as well as to anticipate and assess the possible consequences of being in the latter.

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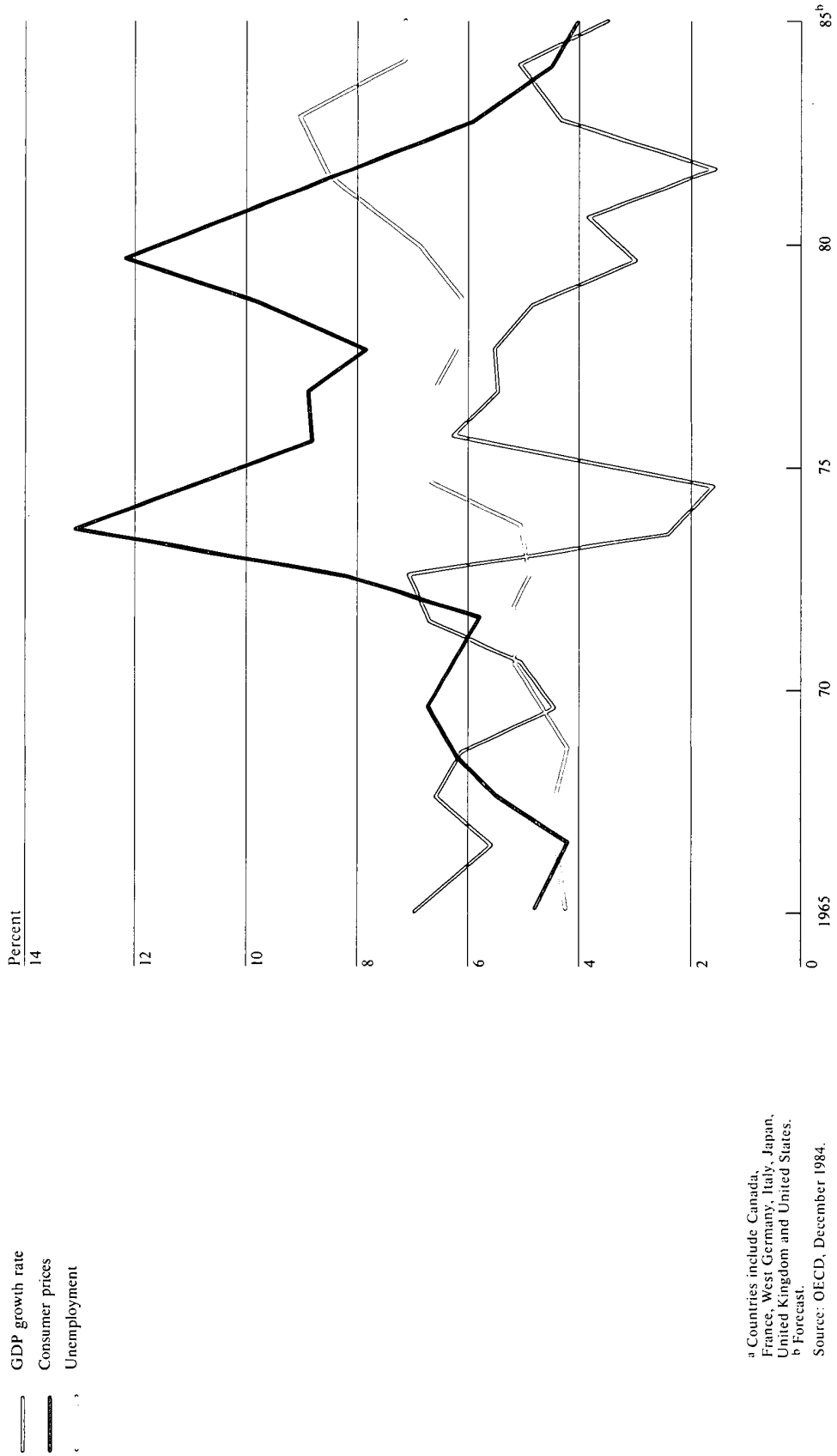
H. The Western Alliance

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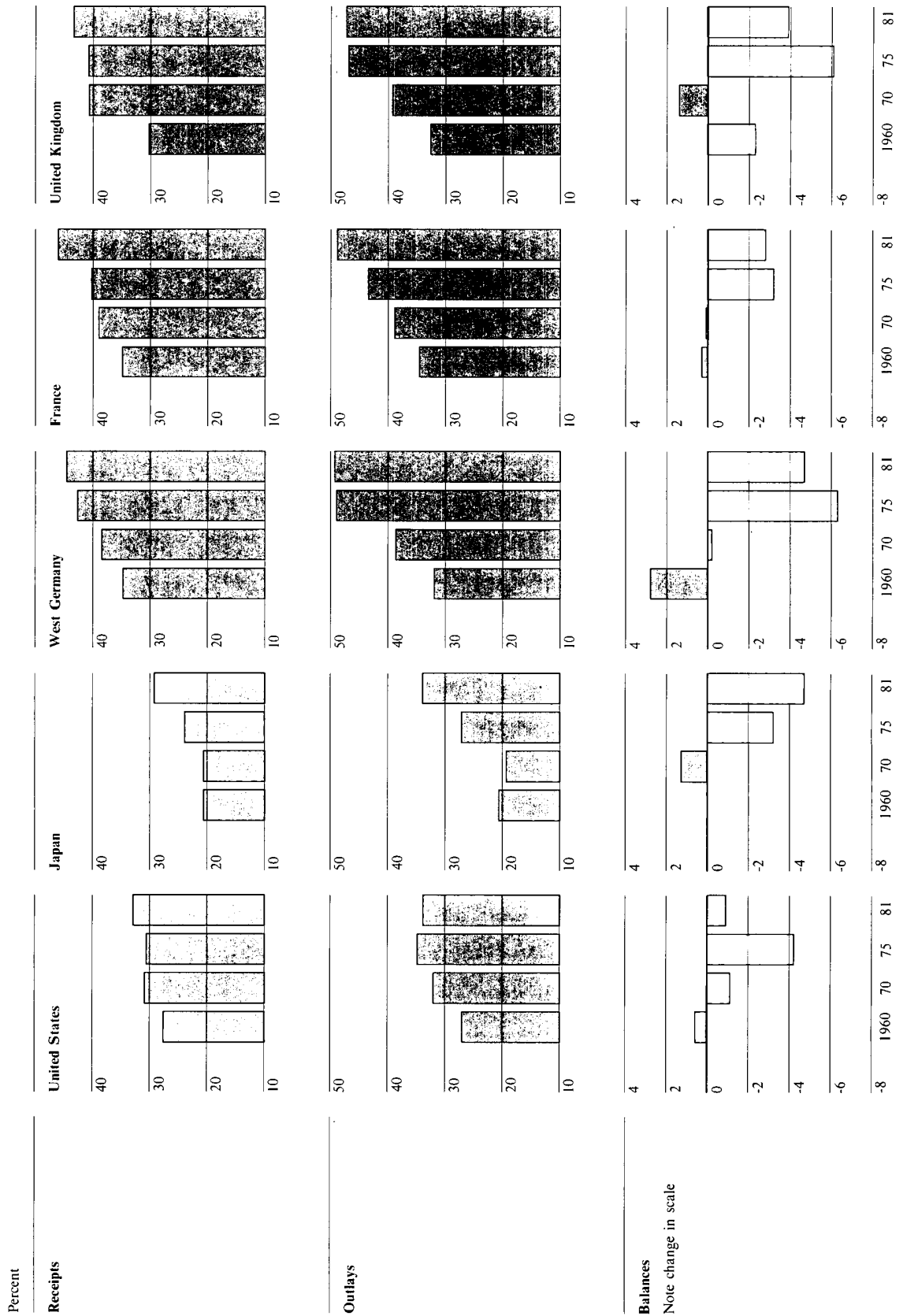
Background

Growth, Inflation, and Unemployment in the Big Seven,^a 1965-85



^a Countries include Canada, France, West Germany, Italy, Japan, United Kingdom and United States.
^b Forecast.
Source: OECD, December 1984.

Government Receipts, Outlays, and Balances, as a Share of GNP



Economic Profile: Developed Countries, 1983

	United States	Canada	Japan	European Community				West Germany
				Total	France	Italy	Netherlands	United Kingdom
Aggregative data.								
Population								
Million persons at midyear	234.5	24.9	119.3	272.1	54.7	56.8	14.4	56.0
Percent change	0.9	-1.2	0.7	0.2	0.5	0.4	0.7	NEGL
Gross national product								
Billion 1983 US \$ ^a	3,310.5	326.9	1,157.0	2,300	514.9	355.1	133.3	449.2
Percent real growth	3.4	3.0	3.0	0.8	0.5	-1.5	1.3	2.5
Per capita (1983 US \$)	14,120	13,130	9,700	8,450	9,410	6,250	9,260	8,020
Industrial production (percent growth)	6.4	5.9	3.5	NA	1.2	-4.8	2.3	2.9
Industry								
Primary energy (million b/d oil equivalent)	30.8	4.9	1.2	11.4	1.5	0.5	1.5	5.0
Electricity (billion kilowatt-hours)	2,459	405	603	1,260	269	183	58	276
Crude steel (million metric tons)	75.6	12.7	97.2	112	17.6	24.0	4.5	15.0
Cement (million metric tons)	63.9	7.9	80.4	135	25.0	40.2	3.1	13.4
Trade and international reserves								
Exports, f.o.b. (billion US \$)	200.5 ^b	76.7	147.0	590.0 ^c	94.9	72.7	65.5	91.6
Imports, c.i.f. (billion US \$)	269.9	65.1	126.4	615.9 ^c	105.4	80.4	62.6	100.2
Trade balance (billion US \$)	-69.3	11.7	20.5	-25.9 ^c	-10.5	-7.6	2.9	-8.5
International reserves (billion US \$)	32.3	4.2	25.5	129	22.9	22.5	11.8	12.0
Indicators of living standards								
Grain production (kilograms per capita)	890	1,890	120	460	840	320	90	380
Meat production (kilograms per capita)	107	98	27	83	96	59	144	57
Automobile registrations (units per thousand persons)	538 ^c	443 ^d	209 ^d	321 ^d	365 ^d	331 ^d	324 ^d	279 ^d
Energy consumption (barrels oil equivalent per capita) ^e	55	64	21	25	25	18	33	26
Consumer prices (percent growth in 1983)	3.2	5.8	1.8	NA	9.5	14.9	2.8	4.6
Telephones in use (units per thousand persons) ^e	791 ^f	656	476	413	414	318	486	477
Life expectancy (years) ^f	73	73	75	NA	74	72	75	71

^a Data were converted from national currencies at average 1983 Par Rate/Market Rate factors.^c Data are for 1979.^d Data are for 1981.^e Excluding Department of Defense shipments.^f Latest available data.

Percent

Defense Expenditures as a Share of Gross National Product

	1965	1970	1975	1976	1977	1978	1979	1980	1981	1982
OECD ^a										
Australia	4.4	3.3	2.2	2.2	2.4	2.3	2.3	2.3	2.4	2.5
Austria	1.2	1.1	1.1	1.1	1.1	1.2	1.2	1.1	1.1	1.2
Belgium	3.1	2.9	3.0	3.1	3.1	3.3	3.3	3.3	3.5	3.4
Canada	3.0	2.4	1.9	1.9	2.0	2.0	1.9	1.9	1.9	2.2
Denmark	2.8	2.3	2.5	2.3	2.3	2.4	2.4	2.5	2.5	2.6
Finland	1.7	1.5	1.5	1.3	1.4	1.4	1.5	1.7	1.5	1.8
France	5.2	4.2	3.8	3.8	3.9	4.0	3.9	4.0	4.2	4.2
Greece	3.5	4.7	6.6	6.7	6.8	6.5	6.1	5.5	6.8	6.9
Ireland	1.4	1.1	1.8	1.6	1.6	1.6	1.6	1.7	1.7	2.0
Italy	3.3	2.5	2.5	2.3	2.4	2.4	2.4	2.4	2.5	2.6
Japan	1.0	0.8	0.9	0.9	0.9	0.9	1.0	0.9	1.0	1.0
Luxembourg	1.4	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	1.0
Netherlands	4.0	3.4	3.2	3.0	3.3	3.1	3.2	3.1	3.2	3.3
New Zealand	2.1	2.0	1.7	1.6	1.7	1.7	1.6	1.9	2.1	2.1
Norway	3.8	3.5	3.3	3.2	3.2	3.3	3.2	3.0	3.0	3.1
Portugal	6.0	6.5	5.2	4.0	3.5	3.5	3.5	3.7	3.7	3.7
Spain	2.7	3.1	2.7	2.5	1.7	1.7	1.8	1.9	2.0	2.1
Sweden	3.9	3.6	3.3	3.2	3.3	3.3	3.2	3.1	3.2	3.3
Switzerland	2.6	2.1	1.9	2.2	2.0	2.0	2.1	2.0	1.9	2.0
Turkey	5.0	4.2	5.6	6.0	5.7	5.1	4.2	4.2	4.8	5.2
United Kingdom	5.9	4.7	4.9	4.9	4.8	4.6	4.7	5.1	4.9	5.1
United States	7.1	7.4	5.4	5.0	4.8	4.6	4.6	5.0	5.2	5.8
West Germany	4.3	3.3	3.6	3.5	3.3	3.3	3.2	3.3	3.4	3.4
Less developed countries	NA	5.8	6.2	6.1	5.7	5.7	5.4	5.2	5.4	5.7
OPEC	NA	5.6	8.6	8.7	7.9	8.9	7.2	7.5	8.7	9.5
Iran	NA	7.8	14.7	13.2	11.3	15.8	6.1	7.3	10.6	NA
Nigeria	NA	5.9	5.4	3.8	3.9	3.5	2.8	2.7	2.8	2.3
Saudi Arabia	NA	11.9	17.4	19.1	15.3	15.9	18.1	14.4	13.1	15.4

^a Except for the United States, data are from the United States Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers*, based on the ratio of military expenditures to GNP at current market prices. Military expenditures are for current and capital expenditures to meet the needs of the armed forces, including expenditures of national defense agencies for military programs; expenditures for the military components of such mixed activities as atomic energy, space, and research and development; military assistance to foreign countries; and expenditures on paramilitary forces where they contribute substantially to a country's military capabilities.

1970=100

Consumer Price Index

	1960	1965	1970	1975	1979	1980	1981	1982	1983
OECD									
United States	76	81	100	139	187	212	234	249	257
Canada	77	83	100	142	197	217	244	270	286
Japan	57	77	100	171	219	237	248	255	260
European Community									
Belgium	74	84	100	150	189	201	217	236	254
France	67	81	100	153	221	251	284	319	348
Italy	68	88	100	171	301	364	433	503	579
Netherlands	66	79	100	151	190	203	216	229	236
United Kingdom	67	80	100	185	306	361	404	438	459
West Germany	77	93	100	132	156	164	174	183	189
Communist countries									
USSR ^a	90	97	100	110	118	121	124	129	NA
Eastern Europe ^b									
Bulgaria ^c	73	86	100	116	138	161	168	176	NA
Czechoslovakia	73	81	100	111	121	126	127	NA	NA
East Germany	89	94	100	102	110	113	114	NA	NA
Hungary	81	87	100	122	154	166	178	190	204
Poland	78	87	100	130	179	201	256	513	NA
Romania	NA	NA	100	116	127	131	137	NA	NA
Other									
China ^d	93	101	100	101	107	115	118	120	122
Yugoslavia	32	61	100	243	429	559	787	1,036	1,459

^a Implicit price index obtained from a comparison of indexes of goods sold in the retail trade network in constant and in current prices. The current price index is based on the values of total retail and collective farm market sales in current prices regularly published in Soviet statistical abstracts. The index in constant prices is derived from the goods components of the CIA index of total consumption. A more complete explanation of the methodology and a discussion of the relative merits of an "official" or "alternative" price

index are contained in "Soviet Economy in a New Perspective," US Congress, Joint Economic Committee, 14 October 1976, p. 631.

^b Calculated differently from that for the USSR; the official index of personal consumption in current prices was deflated by a calculated index of personal consumption in constant prices. An explanation of the methodology used to calculate personal consumption is presented in T. P. Alton, "Index of Personal Consumption in Poland, 1937 and 1946-1967,"

Occasional Papers of the Research Projection National Income in East Central Europe (NY: L. W. International Financial Research, Inc., 1973).

^c Price indexes are calculated from official figures for total consumption of the population, including estimates of health and education expenses.

^d Cost of living index for workers and staff members.

I. East-West Relations

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Background

Economic Profile: Communist Countries, 1983

	USSR	Eastern Europe					China	Yugo- slavia		
		Total	Bulgaria	Czecho- slovakia	East Germany	Hungary			Poland	Romania
Aggregative data										
Population										
Million persons at midyear	272.5	110.9	8.9	15.4	16.7	10.7	36.6	22.6	1,020.9	22.8
Percent increase	0.9	0.4	0.3	0.3	NEGL	0.3	0.9	0.5	1.3	0.4
Gross national product ^a										
Billion 1983 US \$	1,843.4	723.0	53.8	120.8	154.8	71.8	212.3	109.7	341.7	122.3
Percent real growth	3.0	1.9	NEGL	1.7	2.0	-0.5	3.8	1.1	9.0	-1.2
Per capita (1983 US \$)	6,765	6,520	6,040	7,850	9,270	6,710	5,800	4,850	335	5,365
Industrial production (percent growth)	3.4	2.8	2.4	1.4	2.1	0.8	4.7	2.0	7.8	NEGL
Industry										
Primary energy (million b/d oil equivalent)	29.2	6.5	0.2	1.0	1.3	0.3	2.5	1.2	9.9	0.6
Electricity (billion kilowatt-hours)	1,416	445	43	76	105	26	126	70	351	66
Crude steel (million metric tons)	153.0	57.4	2.8	15.0	7.2	3.6	16.2	12.6	39.9	4.2
Cement (million metric tons)	128.0	61.5	5.7	10.5	12.0	4.2	16.2	13.0	106.0	9.9
Trade										
Exports (billion US \$)	91.6	96.2	12.2	17.2	24.2	14.7	16.7	11.0	24.0	9.9
Imports (billion US \$)	80.4	91.0	12.5	17.1	22.8	13.8	16.0	8.7	18.4	12.2
Trade balance (billion US \$)	11.2	5.2	-0.3	0.1	1.4	0.9	0.7	2.3	5.6	-2.3
Indicators of living standards										
Grain production (kilograms per capita)	715	760	910	720	600	1,260	600	880	380	760
Meat production (kilograms per capita)	59	92 ^b	95	114	110	166	66	71 ^b	14	62
Automobile registrations (units per thousand persons) ^c	35	88	98	158	152	95	73	11	NA	114
Energy consumption (barrels oil equivalent per capita) ^b	32	28	28	35	40	20	24	22	3	13
Telephones in use (units per thousand persons)	84 ^d	115 ^c	120 ^e	201 ^d	183 ^d	111 ^d	91 ^d	59 ^c	NA	85 ^d
Life expectancy (years) ^f	69	NA	71	71	72	70	71	70	63	68

^a Data were converted at US purchasing power equivalents.^b Data are for 1981.^c Data are for 1982.^d Data are for 1979.^e Data are for 1978.^f Latest available data.

1970 = 100

Index of Industrial Production for Communist Countries

	1960	1965	1970	1975	1979	1980	1981	1982	1983 ^a
USSR and Eastern Europe ^b									
USSR									
Official	44	67	100	143	172	178	184	190	198
Adjusted	54	74	100	133	152	156	160	163	169
Eastern Europe ^c									
Adjusted	55	76	100	131	145	147	144	144	148
Bulgaria									
Official	34	60	100	155	201	209	219	230	241
Adjusted	34	66	100	132	151	155	160	164	168
Czechoslovakia									
Official	55	72	100	138	168	174	177	179	184
Adjusted	64	81	100	121	135	138	141	142	144
East Germany									
Official	55	73	100	137	164	172	181	188	197
Adjusted	65	83	100	118	133	137	141	143	146
Hungary									
Official	52	74	100	136	163	161	166	169	170
Adjusted	56	84	100	114	129	127	126	126	127
Poland									
Official	45	67	100	164	207	207	184	180	NA
Adjusted	51	74	100	144	150	148	130	127	133
Romania									
Official	30	51	100	184	272	290	298	301	316
Adjusted	35	58	100	155	186	193	193	196	200
Other									
North Korea ^d									
Official	30	58	100	228	370	433	476	556	NA

^a Preliminary.

^b The official indexes purportedly measure changes in the gross value of industrial production. In general, the gross value of production equals the sum of the value of output of all industrial enterprises. As a result, since both intermediate and final goods are included in the value of output of each enterprise, industrial products are double-counted. If, as the evidence suggests, intermediate product (for example rolled metal) increases relative to final product (for example machine tools) inflation of output from increased double-

counting takes place. In addition to inflation in the official indicator from this source, disguised inflation also enters the index through new-product pricing, where minor product improvements result in a new-product price that is substantially higher than can be justified by either improved quality or increased production costs. Because output of these "new" products grows from a small base, their rates of growth will proceed at a higher rate than those of "old" products. Adjusted indexes of industrial production—parallel to those

used by the Federal Reserve Board for measuring US industrial output—are constructed in order to circumvent most of these distortions, that is, price-weighted samples of several final products form output indexes for various industrial components and these component indexes are combined into an aggregate index for industry by use of value-added weights.

^c An official index is not published.

^d An adjusted index is not available.

USSR: Percent Distribution of Gross National Product at Factor Cost,^a by End Use

	1960		1965		1970		1975		1979		1980		1981		1982		1983 ^b	
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Total	58	54	54	54	54	54	54	54	53	53	54	54	54	54	53	53	53	53
Consumption ^c	24	27	28	31	31	32	32	33	32	32	33	33	33	33	34	34	34	34
Investment	20	22	23	25	25	25	25	25	25	25	25	25	26	26	26	26	26	26
New fixed ^d	18	19	18	16	16	14	14	14	14	14	13	13	13	13	13	13	13	13
Defense, administration, R&D, inventory change, net exports, and outlays n.e.c.																		

^a Because of the well-known difficulties in using Soviet established prices as a measure of resource burden, the shares of GNP in this table are based on GNP at factor cost. In calculating GNP at factor cost, 1970 end-use weights have been revised from an established price basis to a factor

cost basis by subtracting turnover taxes and profits and adding implicit amortization and capital charges and subsidies. These revised weights are then moved over time by indexes of the various end uses in constant prices.

^b Preliminary.

^c Including consumption of food, soft goods, durables, personal services, and personal and government outlays for education and health.

^d Including machinery and equipment, construction and other capital outlays, and net additions to livestock.

USSR: Growth of Gross National Product at Factor Cost, by End Use^a

	Average Annual Rate of Growth								
	1961-65	1966-70	1971-75	1976-80	1979	1980	1981	1982	1983 ^b
Total	5.1	5.3	3.7	2.6	0.2	1.7	2.1	2.6	3.0
Consumption ^c	3.7	5.3	3.6	2.7	2.9	3.0	2.1	0.8	2.6
Investment	7.6	6.0	5.4	4.0	0.3	3.1	4.0	3.4	4.2
New fixed ^d	7.3	6.4	4.8	3.2	-0.8	1.9	3.2	3.1	3.7
Defense, administration, R&D, inventory change, net exports, and outlays n.e.c.	6.0	4.0	1.2	-0.6	-8.9	-6.6	-2.3	8.1	1.5

^a Because of the well-known difficulties in using Soviet established prices as a measure of resource burden, the shares of GNP in this table are based on GNP at factor cost. In calculating GNP at factor cost, 1970 end-use weights have been revised from an established price basis to a factor

cost basis by subtracting turnover taxes and profits and adding implicit amortization and capital charges and subsidies. These revised weights are then moved over time by indexes of the various end uses in constant prices.

^b Preliminary.

^c Including consumption of food, soft goods, durables, personal services, and personal and government outlays for education and health.

^d Including machinery and equipment, construction and other capital outlays, and net additions to livestock.

USSR: Share of Gross National Product,^a by Sector of Origin

	Percent									
	1965	1970	1975	1979	1980	1981	1982	1983 ^b		
GNP	100	100	100	100	100	100	100	100	100	100
Agriculture	23	21	16	15	14	14	14	14	14	14
Industry	30	32	36	36	37	37	37	37	37	37
Construction	7	7	8	8	8	8	8	8	8	8
Transportation	8	9	10	10	10	11	10	10	10	10
Communications	1	1	1	1	1	1	1	1	1	1
Trade	7	7	8	8	8	8	8	8	8	8
Services	21	20	20	20	20	20	20	20	20	20
Other	2	2	2	2	2	2	2	2	2	2

^a Calculated at factor costs.^b Preliminary.USSR: Growth of Gross National Product,^a by Sector of Origin

	Percent									
	Average Annual									
	1961-65	1966-70	1971-75	1976-80	1979	1980	1981	1982	1983 ^b	
GNP	5.1	5.3	3.7	2.6	0.2	1.7	2.1	2.6	3.0	
Agriculture ^c	3.6	3.9	-0.4	1.2	-6.3	-3.2	0.5	6.1	3.7	
Industry	6.8	6.4	5.9	3.2	1.9	2.9	2.4	2.3	3.5	
Construction	5.2	5.8	5.6	1.9	-1.2	2.0	2.1	0.8	3.5	
Transportation	9.0	6.7	6.5	3.5	2.4	3.8	3.8	0.9	2.7	
Communications	7.1	8.9	7.3	5.8	5.7	5.6	5.0	3.2	3.2	
Trade	4.8	7.0	4.6	2.9	2.2	2.8	2.4	0.7	2.2	
Services	4.4	4.3	3.4	2.8	3.0	3.2	2.5	2.2	2.3	
Other	5.1	5.3	3.7	2.6	0.2	1.7	2.1	2.6	3.0	

^a Calculated at factor cost.^b Preliminary.^c Excluding intra-agricultural use of farm products but does not make an adjustment for purchases by agriculture from other sectors.

USSR: Aggregate Factor Productivity

Average Annual Rate of Growth in Percent

	1961-65 ^a	1966-70 ^a	1971-75 ^a	1976-80 ^a	1979	1980	1981	1982	1983 ^b
Gross national product ^c	5.1	5.3	3.7	2.6	0.2	1.7	2.1	2.6	3.0
Factor productivity	0.6	1.1	-0.5	-0.8	-3.1	-1.5	-0.8	-0.5	NEGL
Manhours	3.4	3.2	2.0	1.4	-0.8	0.6	1.3	1.7	2.2
Capital	-3.4	-2.0	-4.0	-4.1	-6.4	-4.6	-4.0	-3.5	-3.1
Land	4.5	5.6	2.9	2.7	-0.1	2.2	3.4	2.2	3.0
Combined inputs ^d	4.5	4.1	4.2	3.5	3.4	3.2	3.0	3.1	3.0
Manhours	1.6	2.0	1.7	1.1	1.0	1.0	0.8	0.9	0.8
Capital	8.8	7.4	8.0	6.9	7.0	6.5	6.4	6.3	6.3
Land	0.6	-0.3	0.8	-0.1	0.3	-0.5	-1.3	0.4	NEGL

^a For computing average annual rates of growth, the base year is the year prior to the stated period.

^b Preliminary.

^c Based on indexes of GNP (1970 rubles), by sector of origin, at factor cost.

^d Inputs of manhours, capital, and land are combined using weights of 55.8 percent, 41.2 percent, 3.0 percent, respectively, in a Cobb-Douglas (linear homogeneous) production function. These weights represent the distribution of labor costs (wages, other income, and social insurance deductions),

capital costs (depreciation and a calculated capital charge), and land rent in 1970, the base year for all indexes underlying the growth rate calculations.

USSR: Industrial Factor Productivity

Average Annual Rate of Growth in Percent

	1961-65 ^a	1966-70 ^a	1971-75 ^a	1976-80 ^a	1979	1980	1981	1982	1983 ^b
Industrial production	6.8	6.4	5.9	3.2	1.9	2.9	2.4	2.3	3.5
Factor productivity	-0.5	0.3	0.6	-1.3	-2.5	-1.1	-1.9	-1.6	-0.3
Manhours	3.7	3.2	4.4	1.9	0.9	2.1	1.8	1.7	3.0
Capital	-4.2	-2.2	-2.6	-4.2	-5.5	-3.9	-5.0	-4.4	-3.2
Combined inputs ^c	7.3	6.0	5.2	4.6	4.5	4.0	4.3	4.0	3.8
Manhours	2.9	3.1	1.5	1.3	1.0	0.7	0.6	0.7	0.5
Capital	11.4	8.8	8.7	7.7	7.9	7.1	7.8	7.0	6.9

^a For computing the average annual rates of growth, the base year is the year prior to the stated period.

^b Preliminary.

^c Inputs of manhours and capital are combined using weights of 47.8 percent and 52.2 percent, respectively, in a Cobb-Douglas (linear homogeneous) production

function. These weights represent the distribution of labor costs (wages and social insurance deductions) and capital costs (depreciation and a capital charge) in 1970, the base year for all indexes underlying the growth rate calculations.

Billion Rubles

USSR: Gross Fixed Capital Investment, by Function and by Sector ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983
Total investment	41.3	56.0	80.6	112.9	130.6	133.7	138.8	143.8	150.9
By function									
Construction and installation	29.1	35.5	49.9	66.2	69.1	69.0	70.3	71.6	NA
Equipment	10.0	16.9	24.4	37.1	48.3	50.8	53.4	55.9	NA
Other capital outlays ^b	2.2	3.6	6.3	9.6	13.2	13.9	15.1	16.3	NA
By sector									
Industry ^c	14.9	20.6	28.5	39.7	45.7	47.6	49.5	50.9	NA
Ferrous metallurgy	1.4	1.8	2.0	2.8	3.2	2.8	3.1	3.2	NA
Chemicals and petrochemicals	1.0	2.2	2.4	3.8	4.5	4.0	3.8	4.0	NA
Fuels and power	4.4	6.6	8.2	11.1	14.0	15.5	16.6	17.7	NA
Machine building and metalworking	2.0	3.1	6.0	9.4	11.1	11.9	12.4	12.5	NA
Construction materials	1.2	1.0	1.7	1.9	1.9	1.9	2.0	1.8	NA
Consumer goods	2.0	2.4	3.5	4.5	4.4	4.9	5.0	5.1	NA
Other ^d	2.9	3.5	4.7	6.2	6.6	6.6	6.6	6.6	NA
Construction industry	1.2	1.5	3.0	4.4	5.3	5.4	5.4	5.9	NA
Transport and communications	4.1	5.6	8.0	12.7	16.2	16.1	16.7	17.6	NA
Agriculture	5.4	9.5	14.3	23.3	26.3	26.9	27.6	28.0	NA
Housing	9.4	9.6	13.4	16.3	17.3	17.9	19.0	20.3	NA
Other sectors ^e	6.3	9.2	13.4	16.5	19.8	19.8	20.6	21.1	NA

^a The construction portion of gross fixed investment is reported in standard project costs ("estimate prices" in Soviet terminology) of 1 January 1976. Investment in machinery and equipment is in wholesale prices of 1 January 1973.

^b Other capital outlays are for surveys, designs, technical documentation, and the like.

^c Investment data for 1980-82 in the industrial sector includes expenditures of collective farms on the construction of industrial enterprises. Such expenditures were previously excluded so that the data are not strictly comparable with earlier years. However, the differential in most cases is quite small.

^d Computed as a residual; includes investment in nonferrous metallurgy, timber, paper, woodworking, and miscellaneous other branches of industry.

^e Computed as a residual. It includes investment in such activities as trade, material and technical supplies, services and procurements; science, education, culture, and art; health, social insurance, physical culture, tourism, commercial economy, and personal services.

USSR: Stock of Fixed Capital, by Sector ^a

Billion Rubles

	1960	1965	1970	1975	1979	1980	1981	1982	1983
Total capital stock ^b	398	601	860	1,256	1,637	1,742	1,851	1,968	2,090
Industry	100	168	255	385	514	554	593	634	NA
Ferrous metallurgy	10	17	26	38	47	51	53	57	NA
Chemicals and petrochemicals	5	13	23	36	51	56	60	65	NA
Fuels and power	32	51	78	112	146	157	167	178	NA
Machine building and metalworking	18	32	51	82	118	129	139	149	NA
Construction materials	6	9	14	22	29	30	32	34	NA
Consumer goods	14	22	32	47	59	62	66	70	NA
Timber, woodworking, and paper	6	9	13	18	24	25	27	28	NA
Other	9	15	18	30	40	44	49	53	NA
Construction industry	7	12	22	35	52	55	60	65	NA
Trade, public dining, material, technical supply	11	20	31	47	62	66	70	73	NA
Agriculture ^b	54	77	106	167	223	238	254	272	NA
Transport and communications	54	83	117	171	223	237	252	267	NA
Housing	120	159	204	267	323	338	354	372	NA
Services	52	82	125	184	240	254	268	285	NA

^a The fixed capital series presented here is expressed in prices of 1973 with the value of stocks estimated as of 31 December of the respective year.

^b Including the value of basic herds.

Average Annual Rate of Growth in Percent

USSR: Industrial Production, by
Branch of Industry ^a

	1961-65 ^b	1966-70 ^b	1971-75 ^b	1976-80 ^b	1979	1980	1981	1982	1983 ^c
Industrial materials	7.1	5.8	5.4	2.3	0.1	2.1	1.8	1.4	3.5
Electricity	11.5	7.9	7.0	4.5	2.9	4.5	2.5	3.1	3.6
Fuels	6.3	5.0	5.0	3.1	2.9	1.8	1.3	1.8	1.2
Ferrous metals	7.2	5.1	4.0	0.9	-0.8	-0.4	-0.2	-0.4	4.0
Nonferrous metals	8.2	7.9	5.9	2.3	2.6	1.7	1.3	1.5	3.0
Wood, pulp, and paper products	4.0	2.6	2.6	-0.5	-3.0	0.6	1.8	0.4	3.6
Construction materials	5.4	5.8	5.4	1.1	-4.9	0.9	1.3	NEGL	3.1
Chemicals	12.0	8.9	8.6	3.6	-0.2	4.7	4.0	1.8	6.0
Total machinery	7.4	7.2	7.8	5.0	4.1	4.4	3.2	3.8	4.0
Producer durables	8.5	8.0	8.7	5.8	3.1	4.9	3.3	4.3	4.5
Consumer durables	9.8	11.5	11.2	6.6	3.4	6.9	5.3	4.6	2.0
Nondurable consumer goods	4.9	6.4	3.6	1.9	2.2	1.2	2.0	1.3	3.0
Soft goods	2.6	7.2	2.7	2.6	1.8	2.3	1.9	-0.5	1.0
Processed foods	6.9	5.8	4.2	1.3	2.5	0.4	2.0	2.8	4.7
Total industrial production	6.8	6.4	5.9	3.2	1.9	2.9	2.4	2.3	3.5

^a Based on CIA estimates rather than Soviet official series. The latter are believed to contain an upward bias in rates of growth because of double-counting and disguised inflation. The branch indexes shown above are formed by combining a sample of products in which intrabranch purchases have been excluded. The indexes for industrial materials,

consumer nondurables, and total industrial production are formed by combining the component branch indexes using 1970 value-added weights.

^b The base year is the year prior to the stated period. Rates of growth are derived from unrounded data.

^c Preliminary.

USSR: Hard Currency Balance of Payments

Million US \$

	1960	1965	1970	1975	1979	1980	1981	1982	1983 ^a
Trade balance	-250	-186	-320	-4,797	1,837	1,714	95	4,476	4,695
Exports, f.o.b. ^b	768	1,374	2,664	9,780	23,272	27,784	27,978	31,977	32,392
Imports, f.o.b.	1,018	1,560	2,984	14,577	21,435	26,070	27,778	27,501	27,697
Net interest	-5	-15	-80	-570	-800	-710	-1,300	-1,500	-1,300
Other invisibles and hard currency trade not included elsewhere ^c	-65	-45	500	760	1,140	900	1,000	1,100	1,100
Current account balance	-320	-246	100	-4,607	2,177	1,904	-205	4,076	4,495
Borrowing from abroad ^d	90	40	290	5,400	1,675	-185	3,000	-865	560
Change in assets ^e	0	0	-25	395	-2,825	235	140	-1,575	400
Gold sales	200	550	0	725	1,490	1,580	2,700	1,100	750
Capital account balance	290	590	265	6,520	340	1,630	5,840	-1,340	1,710
Errors and omissions ^f	30	-344	-365	-1,913	-2,517	-3,534	-5,635	-2,736	-6,205

^a Estimated.^b Including military exports to the LDCs.^c Including Soviet hard currency aid to and trade with other CEMA countries and trade credits extended to finance Soviet exports—including arms—to non-Communist hard currency trade partners.^d Including estimated net receipts from tourism, transportation, and official transfers.^e Soviet drawings less repayments on Western credits.^f Net change in Soviet assets held with Western commercial banks.

Million US \$

Soviet Foreign Trade ^a

	Total Trade	Communist Countries					Non-Communist Countries				
		Total	Eastern Europe	China	Other Asia	Other ^b	Total	Developed Countries	Less Developed Countries	Total	
										Total	Unspecified
1960	Exports Imports	4,210 3,974	3,071 2,792	816 847	66 98	256 237	1,348 1,649	1,022 1,120	326 529	31 33	
1965	Exports Imports	5,555 5,605	4,551 4,668	192 225	165 120	647 592	2,611 2,444	1,506 1,647	1,105 797	270 2	
1970	Exports Imports	12,787 11,720	8,359 6,627	6,752 22	25 156	415 826	4,428 4,090	2,453 2,849	1,975 1,241	792 16	
1975	Exports Imports	33,407 37,070	16,494 15,723	129 150	480 277	3,168 3,265	13,136 17,655	8,588 13,566	4,548 4,089	1,899 31	
1978	Exports Imports	52,435 50,798	31,244 24,661	241 257	726 521	5,367 5,055	21,190 20,304	12,920 16,244	8,270 4,060	4,219 65	
1979	Exports Imports	64,912 57,958	36,152 26,761	268 240	1,081 618	6,423 5,191	28,760 25,148	19,578 20,405	9,182 4,743	4,367 49	
1980	Exports Imports	76,437 68,473	41,431 29,407	261 226	1,201 681	7,752 6,106	35,006 32,053	24,934 24,386	10,072 7,667	4,766 168	
1981	Exports Imports	79,377 73,158	43,353 37,172	115 131	1,445 582	8,019 7,060	36,024 35,986	24,416 25,356	11,608 10,630	5,058 209	
1982	Exports Imports	87,168 77,847	47,107 42,525	166 143	1,638 788	9,015 8,028	40,061 35,322	26,224 26,204	13,837 9,118	6,424 6,173	
1983	Exports Imports	91,648 80,440	51,006 45,502	345 314	1,768 764	9,538 7,262	40,642 34,938	26,610 26,364	14,032 9,574	7,069 287	

^a Official Soviet statistics using US dollar exchange rates for the Soviet foreign exchange ruble as announced by the State Bank of the USSR. Exports and imports are f.o.b.

^b Cuba, Mongolia, and Yugoslavia.

Chinese Foreign Trade ^a

Million US \$

	Total Trade	Communist Countries				Non-Communist Countries			
		Total	Eastern Europe	USSR	Other ^b	Total	Developed Countries	Less Developed Countries ^c	
1965	Exports Imports	650 515	95 110	225 190	330 215	1,385 1,165	575 805	810 360	
1970	Exports Imports	480 390	255 225	20 25	205 140	1,675 1,655	660 1,370	1,015 285	
1975	Exports Imports	1,375 1,005	630 595	150 130	595 280	5,755 5,825	2,610 4,985	3,145 840	
1978	Exports Imports	1,645 1,570	910 935	255 240	480 395	8,530 8,780	3,775 7,265	4,755 1,515 ^d	
1979	Exports Imports	1,755 1,945	1,050 1,200	240 270	465 475	11,980 12,545	5,645 10,170	6,335 2,375	
1980	Exports Imports	1,885 1,945	1,130 1,110	230 295	525 540	17,040 17,360	8,270 13,515	8,770 3,845	
1981	Exports Imports	1,240 1,270	745 700	130 115	365 455	20,255 16,670	10,045 12,740	10,210 3,930	
1982	Exports Imports	1,210 1,670	660 925	145 165	405 580	22,230 15,020	10,225 10,805	12,005 4,215	
1983	Exports Imports	1,290 1,720	600 865	310 340	380 515	22,695 16,680	9,945 11,715	12,750 4,965	

^a Data are f.o.b. and rounded to the nearest US \$5 million.^b Including data for Albania, Cuba, Mongolia, North Korea, Vietnam, and Yugoslavia.^c Including data for Hong Kong and Macao.

Million US \$

East European Foreign Trade ^a

	Total Trade	Communist Countries				Non-Communist Countries			
		Total	USSR	Eastern Europe	Other ^b	Total	Developed Countries	Less Developed Countries	
1960	Exports 7,624	5,523	2,817	2,102	604	2,101	1,603	498	
	Imports 7,754	5,541	2,954	2,084	503	2,213	1,772	441	
1965	Exports 11,789	8,423	4,692	3,172	559	3,366	2,581	785	
	Imports 11,611	8,114	4,436	3,111	567	3,497	2,765	732	
1970	Exports 18,159	12,546	6,612	4,955	979	5,613	4,426	1,187	
	Imports 18,522	12,503	6,803	4,908	792	6,019	5,052	967	
1975	Exports 45,269	30,193	15,619	12,230	2,344	15,076	11,282	3,794	
	Imports 51,314	30,607	16,345	12,238	2,024	20,707	17,687	3,020	
1978	Exports 65,512	44,574	22,997	18,071	3,506	20,938	15,324	5,614	
	Imports 72,597	46,091	24,778	18,046	3,267	26,506	21,889	4,617	
1979	Exports 76,862	51,021	27,082	20,372	3,567	25,841	18,836	7,005	
	Imports 82,586	51,579	28,516	19,834	3,229	31,007	24,392	6,615	
1980	Exports 86,169	54,899	29,940	20,523	4,436	31,270	22,611	8,659	
	Imports 91,190	56,046	32,254	20,433	3,359	35,144	26,171	8,973	
1981	Exports 83,758	53,646	29,413	18,832	5,401	30,112	19,903	10,209	
	Imports 87,501	57,330	33,758	19,311	4,261	30,171	22,850	7,321	
1982 ^c	Exports 91,422	60,519	33,953	21,715	4,851	30,903	20,319	10,584	
	Imports 87,136	62,317	36,820	20,106	4,391	25,819	19,014	6,805	
1983 ^c	Exports 96,156	65,863	37,149	23,296	5,418	30,293	20,370	9,923	
	Imports 91,001	66,272	39,341	21,345	5,586	24,729	18,009	6,720	

^a Official East European statistics. Trade with the Communist countries was derived by converting the value of the trade expressed in the currency of each East European country to rubles and then to dollars at the prevailing foreign exchange rate. Exports are on an f.o.b. basis.

^b Imports are f.o.b. except for Hungary, which is on a c.i.f. basis. Including data for Albania, China, Cuba, Mongolia, North Korea, Vietnam, and Yugoslavia.

^c Preliminary.

Million US \$

East European Exports, by Country ^a

	1960	1965	1970	1975	1979	1980	1981	1982	1983 ^b
Bulgaria	571	1,176	2,004	4,807	9,013	10,491	10,590	11,679	12,249
USSR	307	614	1,078	2,643	4,673	5,267	5,142	5,972	6,819
Eastern Europe	151	275	431	968	1,622	1,741	1,559	1,979	2,096
Developed countries	73	190	289	474	1,298	1,638	1,418	1,288	1,278
Less developed countries	18	52	125	463	1,037	1,383	1,844	2,010	1,601
Czechoslovakia	1,929	2,688	3,792	8,158	13,313	15,286	15,230	16,683	17,249
USSR	659	1,023	1,222	2,664	4,771	5,493	5,705	6,609	7,314
Eastern Europe	561	789	1,213	2,621	4,046	4,294	4,101	4,603	4,625
Developed countries	335	468	783	1,673	2,690	3,242	2,993	2,962	2,680
Less developed countries	200	255	331	706	1,044	1,302	1,410	1,395	1,462
East Germany ^c	2,207	3,085	4,647	10,680	16,610	18,848	19,723	22,496	24,228
USSR	924	1,311	1,742	3,700	6,080	6,666	7,169	8,067	8,901
Eastern Europe	588	852	1,386	3,368	5,783	5,303	4,929	5,412	5,861
Developed countries	446	657	1,078	2,631	3,564	4,542	5,446	6,515	6,766
Less developed countries	89	131	183	431	977	1,356	1,268	1,797	1,700
Hungary	874	1,510	2,317	5,694	11,117	12,503	11,950	13,835	14,727
USSR	256	525	790	2,154	3,779	4,579	4,590	5,232	5,408
Eastern Europe	278	468	648	2,666	3,303	3,282	3,147	3,925	4,304
Developed countries	192	342	630	1,327	2,636	3,040	2,437	2,672	2,825
Less developed countries	58	107	137	364	723	848	1,015	1,198	1,133
Poland	1,326	2,228	3,548	10,510	16,860	17,249	13,654	15,687	16,703
USSR	390	781	1,251	3,362	6,092	5,609	4,480	5,722	6,460
Eastern Europe	335	528	882	2,671	3,739	3,801	3,265	3,935	4,265
Developed countries	403	647	1,024	3,278	5,056	5,857	3,826	3,672	3,621
Less developed countries	93	172	258	845	1,294	1,649	1,174	1,550	1,227
Romania	717	1,102	1,851	5,420	9,949	11,792	12,611	11,042	11,000
USSR	281	438	529	1,096	1,687	2,326	2,327	2,351	2,247
Eastern Europe	189	260	395	1,011	1,879	2,102	1,831	1,861	2,145
Developed countries	154	277	622	1,899	3,592	4,292	3,783	3,210	3,200
Less developed countries	40	68	153	985	1,930	2,121	3,498	2,634	2,800

^a Domestic currency converted into US dollars at the exchange rate prevailing at time of transactions. Exports are on an f.o.b. basis. Trade with the Communist countries was derived by converting the value of the trade expressed in the currency of each East European country to rubles and then to dollars at the prevailing foreign exchange rate.

^b Preliminary.

^c The official West German deutsche mark/US dollar rate was used to convert intra-German trade in East German marks to US dollars because using the East German mark/

US dollar rate understates the value of trade. East Germany converts West German marks into East German marks at parity, but actually the East German mark is worth less than the West German mark.

East European Imports, by Country ^a

Million US \$

	1960	1965	1970	1975	1979	1980	1981	1982	1983 ^b
Bulgaria	625	1,178	1,831	5,528	8,580	9,777	10,905	11,887	12,526
USSR	332	589	955	2,826	5,042	5,639	6,084	6,822	7,437
Eastern Europe	174	236	372	1,007	1,587	1,777	1,702	1,956	2,274
Developed countries	89	266	355	1,289	1,321	1,657	2,128	1,961	1,673
Less developed countries	13	37	81	209	300	378	492	723	742
Czechoslovakia	1,816	2,673	3,695	8,874	14,371	15,537	15,295	16,449	17,126
USSR	630	955	1,209	2,818	5,131	5,658	6,095	7,145	7,924
Eastern Europe	524	851	1,123	2,839	4,401	4,505	4,212	4,442	4,553
Developed countries	360	514	917	2,244	3,408	3,691	3,321	3,117	2,708
Less developed countries	161	197	214	501	709	829	758	725	663
East Germany ^c	2,194	2,823	4,923	11,947	18,384	20,774	20,014	20,899	22,803
USSR	958	1,205	1,945	4,172	6,546	7,508	7,685	8,966	9,174
Eastern Europe	496	693	1,246	3,147	5,105	4,947	4,735	4,588	4,711
Developed countries	484	656	1,378	3,704	5,681	6,332	5,886	5,700	6,378
Less developed countries	90	120	182	483	885	1,288	762	965	1,000
Hungary	976	1,520	2,505	6,795	11,919	12,628	12,672	13,279	13,823
USSR	303	553	832	2,284	4,325	4,620	4,599	5,178	5,476
Eastern Europe	317	415	726	1,813	2,875	3,186	3,183	3,268	3,715
Developed countries	237	383	678	1,966	3,330	3,719	3,654	3,195	2,893
Less developed countries	58	113	177	498	712	848	845	913	1,102
Poland	1,495	2,340	3,608	12,752	18,164	19,437	16,158	15,063	16,023
USSR	465	728	1,361	3,294	5,831	6,698	6,821	6,721	7,117
Eastern Europe	400	706	1,000	2,354	3,729	3,963	3,517	3,724	4,236
Developed countries	447	583	938	6,199	6,665	6,699	4,336	3,176	2,857
Less developed countries	99	210	196	597	1,373	1,789	924	598	713
Romania	648	1,077	1,960	5,418	11,168	13,037	12,457	9,559	8,700
USSR	266	406	501	951	1,641	2,131	2,474	1,988	2,213
Eastern Europe	173	210	441	1,078	2,137	2,055	1,962	2,128	1,856
Developed countries	155	363	786	2,285	3,987	4,073	3,525	1,865	1,500
Less developed countries	20	55	117	732	2,636	3,841	3,540	2,881	2,500

^a Imports are f.o.b. except for Hungary, which is on a c.i.f. basis.
^b Preliminary.
^c The official West German deutsche mark/US dollar rate was used to convert intra-German trade in East German marks to US dollars because using the East German mark/US dollars rate understates the value of trade. East Germany converts West German marks into East German marks at parity, but actually the East German mark is worth less than the West German mark.

USSR: Hard Currency Debt to the West

Billion US \$

	1971	1975	1976	1977	1979	1980	1981	1982	1983 ^a
Commercial debt	0.4	6.9	9.7	9.8	10.5	10.0	13.0	11.3	11.5
Government-backed debt	1.4	3.6	5.0	5.8	7.6	7.8	7.9	8.7	9.0
Gross debt	1.8	10.5	14.7	15.6	18.1	17.8	20.9	20.0	20.5
Assets with Western banks	1.2	3.1	4.7	4.4	8.8	8.6	8.4	10.0	9.6
Net debt	0.6	7.4	10.0	11.2	9.3	9.2	12.5	10.0	10.9
Debt service	0.3	1.8	2.4	3.1	4.2	4.7	5.4	5.8	6.0
Debt-service ratio (percent) ^b	10	15	16	17	16	15	17	16	17

^a Estimated.^b Debt service as a share of commodity export earnings plus sales of arms, gold, interest receipts, net invisibles, and transfers.

USSR: Gold Production and Reserves

Million Troy Ounces

	1975	1976	1977	1979	1980	1981	1982	1983
Production	5.33	5.94	6.23	6.59	7.00	7.20	7.81	8.03
Reserves	29.61	36.84	41.37	46.77	52.43	57.77	59.22	56.16
Production	8.29	8.87	9.19	9.54	9.87	10.20	10.50	10.60
Reserves	61.08	57.77	54.72	49.08	50.83	58.22	60.72	68.10
Production	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70
Reserves	76.87	76.87	76.87	76.87	76.87	76.87	76.87	76.87

Million US \$

Eastern Europe: Gross and Net Hard Currency Debt to the West

	1971	1974	1975	1977	1978	1979	1980	1981	1982	1983
Total										
Gross	6,072	15,352	23,233	36,743	47,490	58,190	70,340	66,810	62,080	62,560
Net	4,927	12,732	18,857	32,908	42,856	51,742	58,480	59,490	55,550	53,950
Bulgaria										
Gross	743	1,703	2,640	3,707	4,263	4,032	3,550	3,050	2,750	2,460
Net	723	1,360	2,257	3,169	3,710	3,292	2,760	2,225	1,750	1,400
Czechoslovakia										
Gross	485	1,048	1,132	2,616	3,206	4,099	9,200	4,500	4,050	3,700
Net	160	640	827	2,121	2,513	3,050	3,670	3,400	3,300	2,700
East Germany										
Gross	1,408	3,136	5,388	7,828	9,666	12,300	14,100	14,900	13,000	12,650
Net	1,205	2,592	3,748	6,842	8,320	10,340	11,600	12,300	10,700	9,000
Hungary										
Gross	1,071	2,129	3,135	5,020	7,290	8,140	9,090	8,700	7,700	8,250
Net	848	1,537	2,195	3,856	6,349	6,910	7,000	7,050	6,600	6,750
Poland										
Gross	1,138	4,643	8,014	13,967	17,844	22,669	25,000	25,500	24,800	26,500
Net	764	4,120	7,381	13,532	16,972	21,500	24,350	24,700	23,800	25,350
Romania										
Gross	1,227	2,693	2,924	3,605	5,221	6,950	9,400	10,160	9,780	9,000
Net	1,227	2,483	2,449	3,388	4,992	6,650	9,100	9,815	9,400	8,750

J. National Security

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Background

Potential Strategic Vulnerability as a Function of Areas of Dependence and Foreign Involvement

Potential vulnerability

- Critical
- Moderate
- Low to none

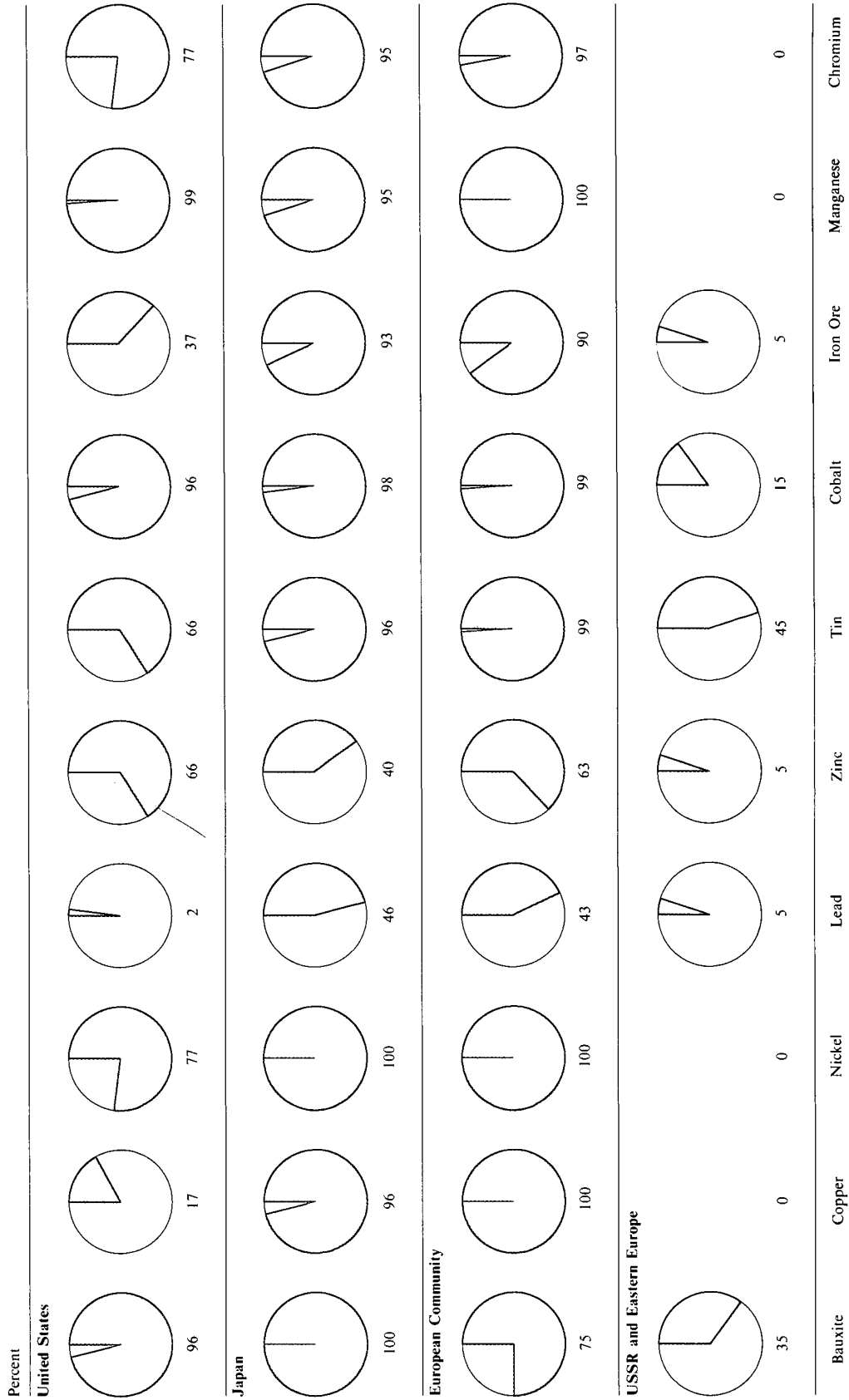
Foreign Involvement

Dependence Areas	Foreign owned/ foreign based	US owned/ foreign based	Foreign owned/ US based
Research	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Know-how	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Manufacturing	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Manufacturing equipment	<input type="radio"/> ^a	<input type="radio"/>	<input checked="" type="radio"/>
Finished product/systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/> ^b
Components/parts	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Feedstock/materials	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Service support	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

^a Multiple sources of supply helps the issue and converse.

^b Assuming high-value added parts from overseas.

Minerals and Metals: Net Imports as a Share of Consumption, 1983



Percent

Importance of Soviet-Western Trade to Selected Western Countries

Soviet Trading Partner	Exports to USSR as a Share of Total Exports			Imports From USSR as a Share of Total Imports			Share of Trading Partner's GNP					
							Exports to the USSR			Imports From the USSR		
	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982
Argentina	20.1	32.4	31.4	0.1	0.3	0.6	0.8	1.1	2.0	NEGL	NEGL	NEGL
Australia	5.2	3.3	3.1	0.1	NEGL	0.5	0.8	0.6	0.5	NEGL	NEGL	NEGL
Austria	2.7	3.1	3.5	4.2	6.2	5.1	0.6	0.6	0.6	1.3	0.7	0.5
Brazil	1.8	2.7	2.5	0.2	0.1	1.0	0.2	0.2	0.5	NEGL	NEGL	NEGL
Canada	1.9	2.1	2.3	0.1	0.1	0.1	0.5	0.5	0.2	NEGL	NEGL	NEGL
France	2.1	1.8	1.6	2.6	2.8	2.5	0.4	0.3	0.1	0.6	0.6	0.9
Italy	1.6	1.7	2.0	3.1	3.4	4.1	0.4	0.4	0.1	0.8	0.9	1.1
Japan	2.1	2.1	2.8	1.3	1.4	1.3	0.3	0.3	0.7	0.2	0.2	0.1
Netherlands	0.7	0.9	0.6	1.6	2.6	4.0	0.3	0.4	0.1	0.8	1.2	0.2
United Kingdom	1.0	0.8	0.6	0.8	0.8	1.1	0.2	0.2	0.1	0.4	0.2	0.1
United States	0.7	1.0	1.2	0.2	0.1	0.1	0.1	0.1	0.5	NEGL	0.1	NEGL
West Germany	2.3	1.9	2.2	2.2	2.5	3.0	0.5	0.5	0.6	0.5	0.6	0.7

**Gross National Product, by End Use,
in the US and the USSR, 1983**

	Billion 1970 Rubles		Billion 1976 US \$		Geometric Mean of the Comparisons in Dollars and Rubles ^a USSR as a Percent of US		
	USSR ^b	US	USSR as a Percent of US	USSR		US	USSR as a Percent of US
GNP	544.3	1,196.3	45.5	1,357.3	2,031.1	66.8	55.1
Consumption	293.5	908.9	32.3	668.6	1,387.6	48.2	39.5
New fixed investment	165.7	170.7	97.1	452.7	352.0	128.6	111.7

^a A generally preferred procedure for making international economic comparisons is to convert each country's GNP to the currency of the other. Two comparisons can then be made, one in rubles and one in dollars, and, in contrast to the Table in last year's *Handbook*, both are presented above. The two comparisons will yield different answers. This phenomenon is commonly known as the "index number problem," and it results from differences in the relative price and quantity structures found in each country. Goods produced in relatively large quantities in either country tend to sell at relatively low prices in that country, and vice versa. Soviet GNP is, therefore, a larger share of US GNP when comparisons are made in dollars since dollars place a greater weight than ruble prices do on investment and defense goods, which account for larger shares of output in the Soviet Union than in the United States. The important point about index numbers is that valuations in either rubles or dollars are equally correct. When a single estimate is required, economists by convention often resort to the geometric mean of the two as a reasonable point estimate that falls between the ruble and dollar comparisons.

The geometric mean comparison is presented here, although the reader is cautioned that it is used for its presentational convenience and does not, strictly speaking, represent a more valid result than that presented in either currency.

The estimate of Soviet GNP in dollars presented here is not consistent with that given in Table 9, which is expressed in "geometric mean dollars" for consistency with the other data in that table. The approach used in this table, however, is theoretically preferable.

^b The above Soviet GNP data in established prices should not be used in conjunction with Soviet foreign trade data appearing in Tables 64-66. These latter tables use official foreign exchange rates to derive dollar values for trade; we have yet to estimate the value of Soviet foreign trade in terms of actual purchasing power, which would allow for an estimate of the share of foreign trade in Soviet national income.

The magnitudes for the Soviet end-use components were calculated to measure value of output compared with the United States but not the cost in resources. The share of total economic resources devoted to a particular end use (such as defense) or the share of total output originating in

an individual sector (for example, agriculture or industry) in the USSR should be measured in internal ruble prices and costs.

The identified end uses of GNP are defined as follows:

- (1) Consumption includes personal expenditures for goods and services for all purposes and noninvestment outlays by government for goods and services for health and education.
- (2) New fixed investment is defined as the sum of expenditures for gross private domestic investment net of inventories; for public construction other than that for military facilities; and for equipment purchased by the government except that for defense. Since part of new fixed investment in the United States is capital repair, one-half of Soviet expenditures on capital repair is included in Soviet new fixed investment.

Other uses of GNP include defense, space, research and development, inventory change, administration, net exports, and a statistical discrepancy. The total value for these expenditures cannot be derived for the USSR by subtraction, however.

Production of Selected Consumer Goods in the US and USSR

	1960	1965	1970	1975	1979	1980	1981	1982	1983
Food									
Grain production ^a (kilograms per capita)									
United States ^b	1,003	944	910	1,154	1,345	1,184	1,450	1,456	889
USSR ^c	586	524	769	551	681	712	598	667	716
Meat production ^d (kilograms per capita)									
United States	71	74	110	106	104	106	107	104	107
USSR	41	43	51	59	58	57	57	57	59
Persons supplied per farmworker									
United States	32	43	57	62	64	65	65	65	66
USSR	5	6	6	7	8	8	8	9	9
Transportation									
Passenger automobile production (units per hundred persons)									
United States ^e	3.69	4.79	3.19	3.11	3.74	2.81	2.71	2.17	2.87
USSR	0.06	0.09	0.14	0.47	0.50	0.50	0.49	0.48	0.48
Household equipment									
Washing machine production (units per thousand persons)									
United States ^e	18	22	20	20	22	20	19	17	20
USSR	4	15	22	13	14	14	15	15	15
Washing machines in use ^f (units per thousand persons)									
United States ^g	158	170	194	238	273	269	266	262	260
USSR	13	59	141	189	205	205	205	205	205
Refrigerator production (units per thousand persons)									
United States ^e	19	25	26	21	25	23	22	19	23
USSR	2	7	17	22	23	22	22	21	21
Refrigerators in use ^f (units per thousand persons)									
United States ^g	281	295	336	340	352	352	352	349	NA
USSR	10	29	89	178	240	252	262	268	NA

^a The data do not necessarily represent food available for consumption, because imports of foreign grain and exports of domestically produced grain are not included.

^b Excluding corn silage and forage but including sorghum for grain.

^c Including miscellaneous grains and pulses. Measured in bunker weight, that is, gross output from the combine, which

includes excess moisture, unripe and damaged kernels, weed seeds, and other trash. For comparison with US or other

country grain output, an average discount of 11 percent should be applied.

^d Data are on a carcass weight, bone-in basis.

^e Data are for factory sales and include complete units exported for assembly.

^f As of the end of the year.

^g Data are understated because they are based on the number of households with one or more units; thus, a household with more than one is counted as having only one.

Billion US \$

Selected Countries: Oil Import Bill ^a

	1965	1970	1973	1975	1979	1980	1981	1982	1983
Developed Countries									
United States ^b	2.1	2.3	7.0	23.8	57.5	74.0	74.8	53.4	47.7
Israel	0.1	0.1	0.2	0.6	1.4	2.1	2.0	1.9	1.6
Japan	1.3	2.7	6.7	20.8	37.8	57.6	58.3	51.0	45.5
Spain	0.2	0.4	0.9	3.5	6.7	11.1	11.2	9.8 ^c	8.7 ^c
European Community									
France	0.9	1.6	3.3	9.3	16.3	26.8	24.9	22.0	18.1
Italy	0.6	1.2	2.4	7.3	12.0	20.4	22.2	18.7	17.3
Netherlands	0.2	0.3	0.5	1.6	4.5	6.6	5.6	4.4	3.9
United Kingdom	1.4	1.8	3.3	7.7	2.2	0.2	-5.7	-7.6	-10.7
West Germany	1.0	2.0	5.1	10.7	24.5	32.2	29.0	25.6	22.8
Less developed countries									
Brazil	NA	0.2	0.7	2.7	7.0	9.5	9.5	8.7	6.6
India	NA	0.2	0.7	1.4	4.0	6.7	5.6	4.6	3.5
South Korea	NA	0.1	0.3	1.2	3.4	6.1	6.9	6.8	6.3
China (Taiwan)	NA	0.1	0.2	0.7	2.4	4.5	4.6	3.7	3.9
Philippines	NA	0.1	0.2	0.8	1.5	2.2	2.9	2.1	1.8
Thailand	NA	0.1	0.2	0.7	1.7	2.9	2.9	2.7	2.2
Colombia	NA	-0.1	-0.1	0.1	0.4	0.4	0.5	0.5	0.6 ^b
Pakistan	NA	0.1	0.1	0.4	0.5	1.1	1.3	1.3	1.4 ^b
Hong Kong	NA	0.1	0.1	0.4	0.9	1.4	1.6	1.8	1.5
Chile	NA	0.1	0.1	0.3	0.8	0.9	0.9	0.7	0.6 ^b

^a Total cost of imported crude oil and petroleum products (on a c.i.f. basis) less earnings of exports of these items (on an f.o.b. basis).
^b On an f.o.b. basis.
^c Estimated.