



National
Foreign
Assessment
Center

~~Secret~~

NOFORN-NOCONTRACT-

RELEASE IN PART
EXEMPTIONS: (b)(1)
(b)(3)
DATE: OCT 2001

Economic Intelligence Weekly Review

22 February 1980

~~Secret~~ 80-008

ER EIWR 80-008
22 February 1980

COPY 000

Warning Notice

Intelligence Sources
and Methods Involved
(WNINTEL)

National Security
Information

Unauthorized Disclosure
Subject to Criminal Sanctions

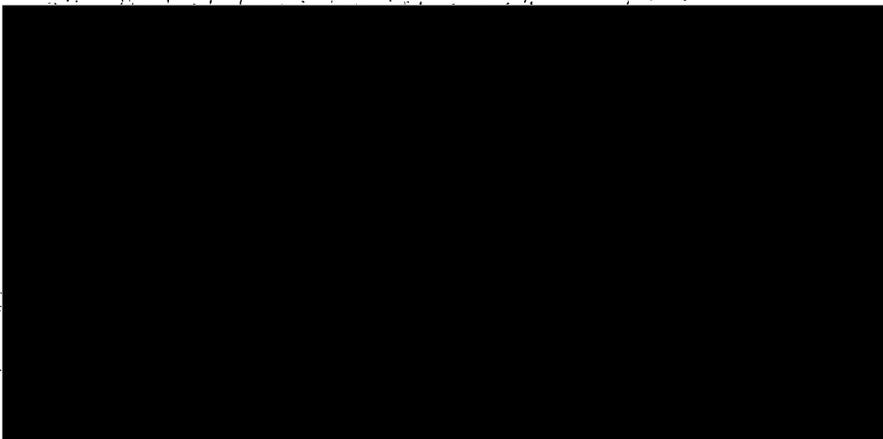
Dissemination Control Abbreviations	NOFORN (NF)	Not Releasable to Foreign Nationals
	NOCONTRACT (NC)	Not Releasable to Contractors or Contractor/Consultants
	PROPIN (PP)	Caution—Proprietary Information Involved
	NFIBONLY (NO)	NFIB Departments Only
	ORCON (OC)	Dissemination and Extraction of Information Controlled by Originator
	REL...	This Information Has Been Authorized for Release to...
FGI	Foreign Government Information	

All material on this page
is unclassified.

~~SECRET~~
~~NOFORN-NOCONTRACT~~

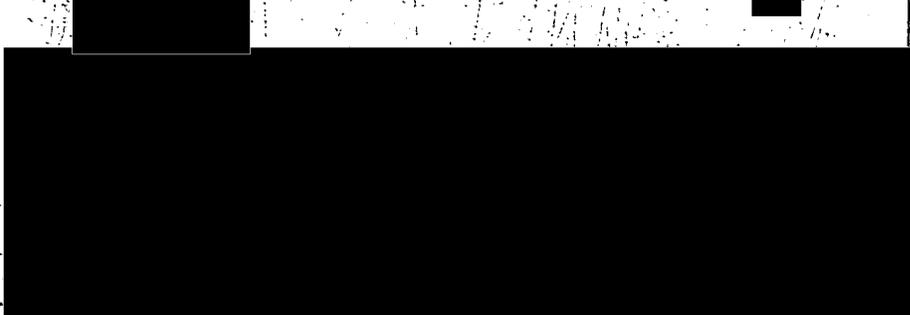
ECONOMIC INTELLIGENCE WEEKLY REVIEW

22 February 1980



OPEC: The 1980 Current Account Surplus and Its Placement 71

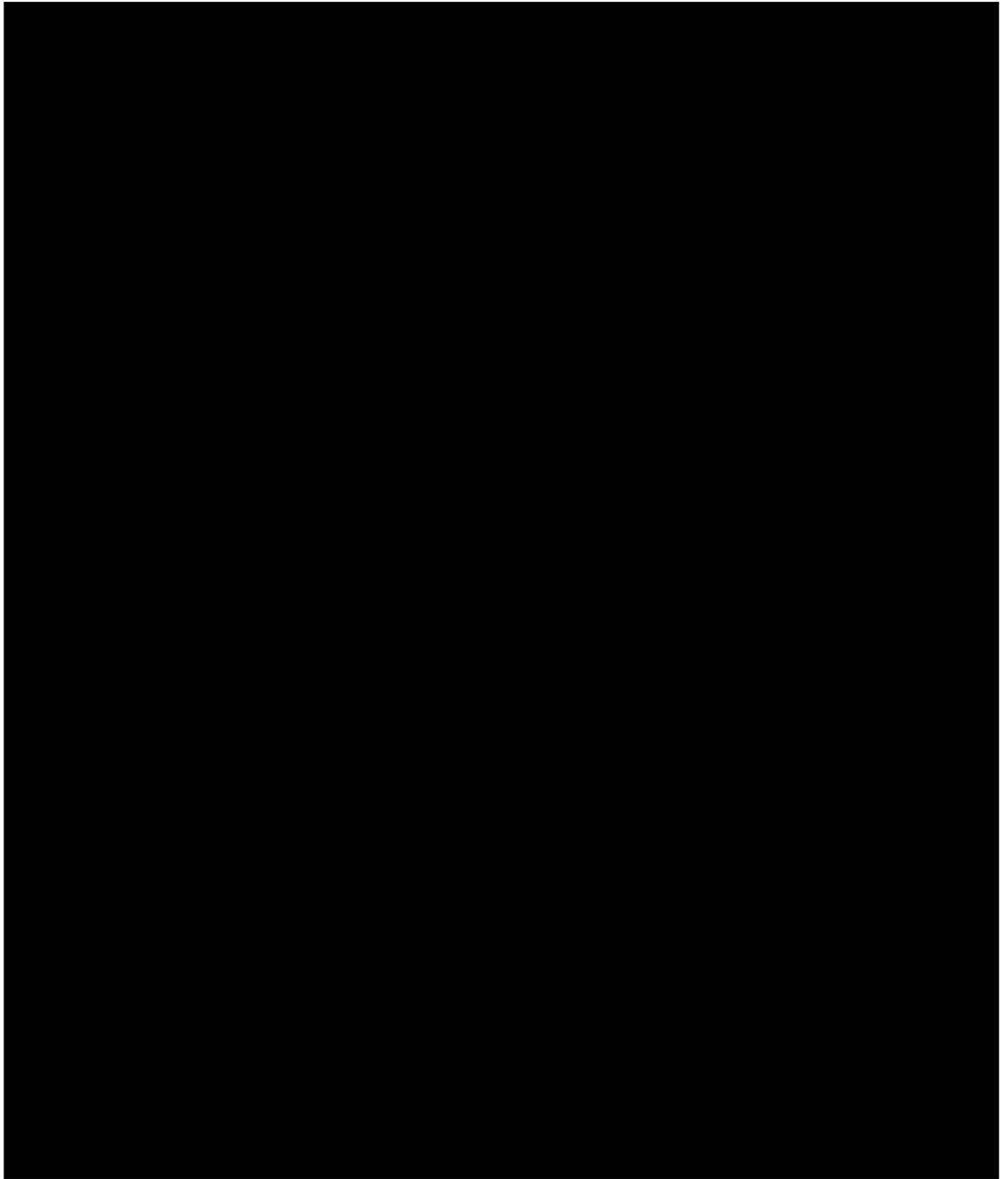
Scarce revenues, combined with relatively slow growth in imports, should drive the surplus up to \$132 billion, compared with an estimated \$69 billion in 1979; placement should follow traditional patterns.



~~SECRET~~

~~SECRET~~
~~NOFORN-NOCONTRACT~~

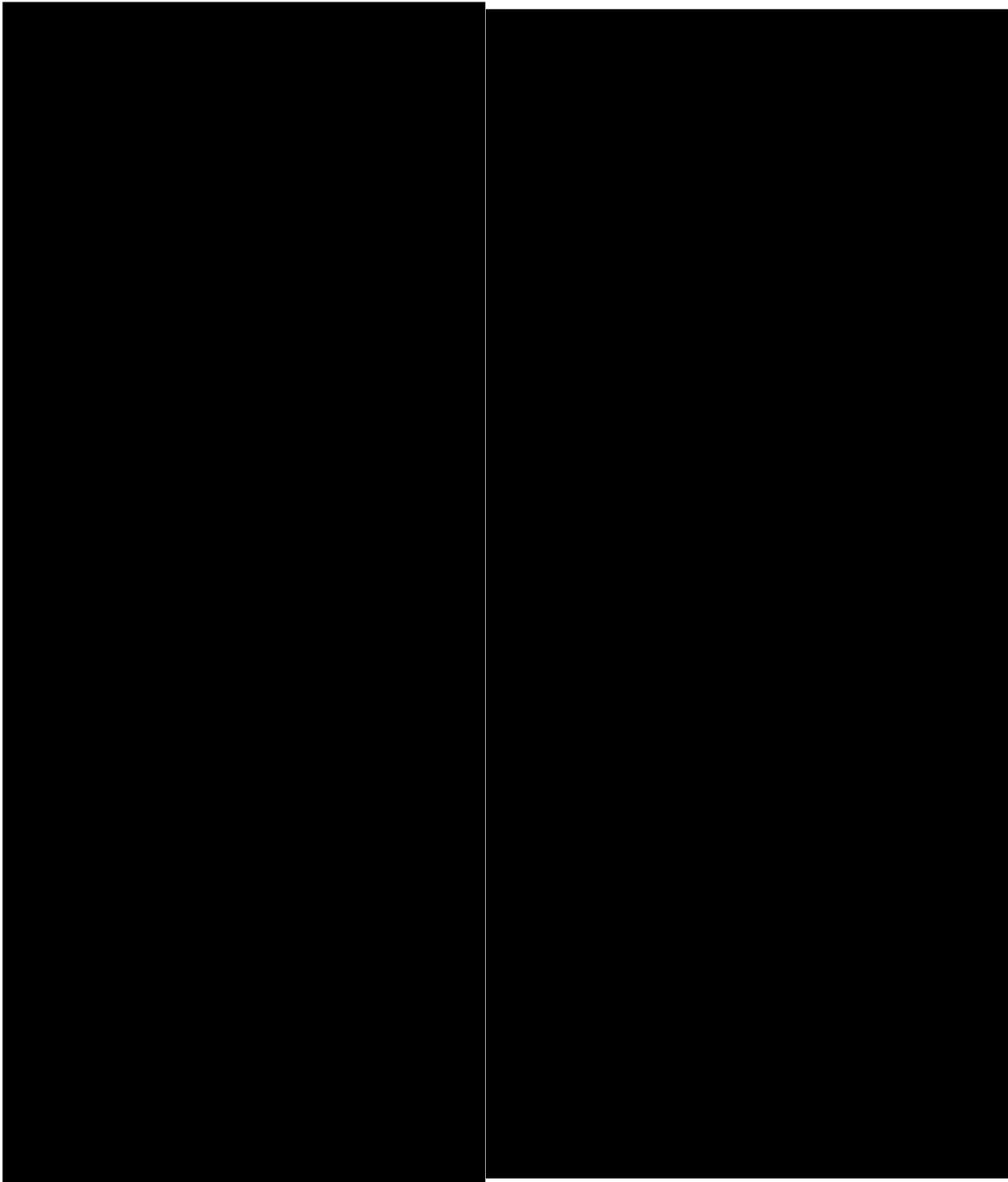
Articles



22 February 1980

~~SECRET~~

~~SECRET~~



~~SECRET~~

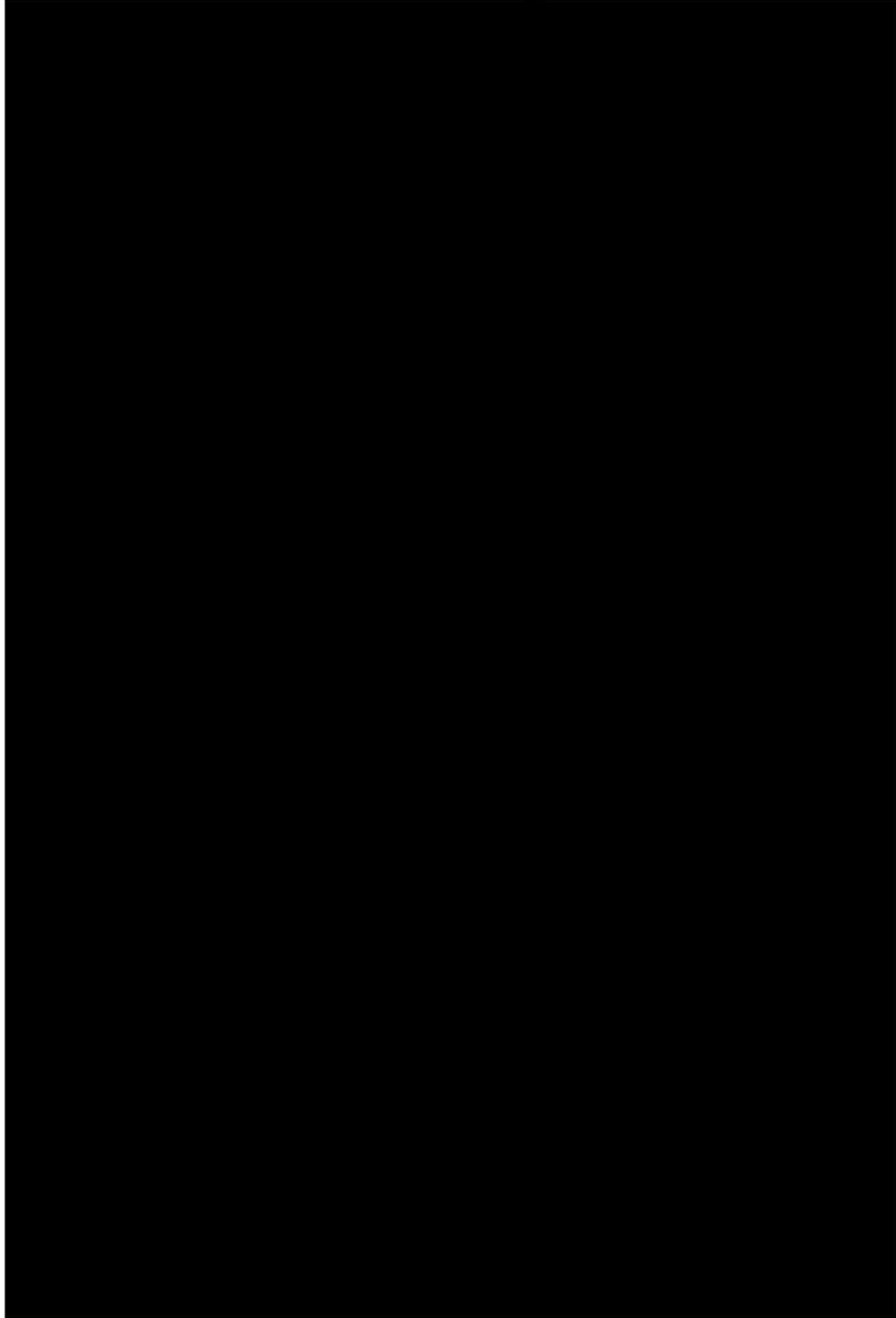
22 February 1960

~~SECRET~~



~~SECRET~~

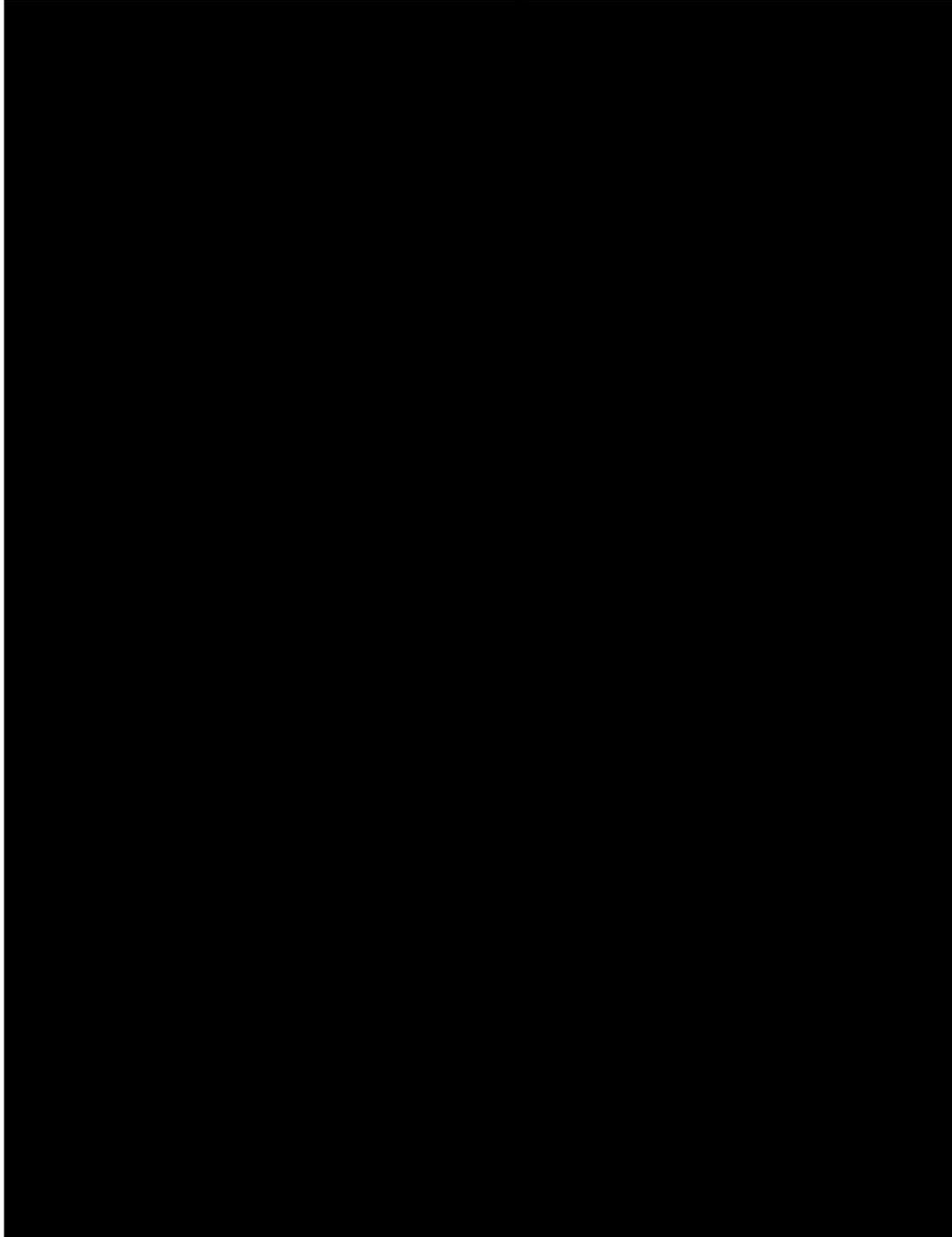
~~SECRET~~



~~SECRET~~

22 February 1980

~~SECRET~~

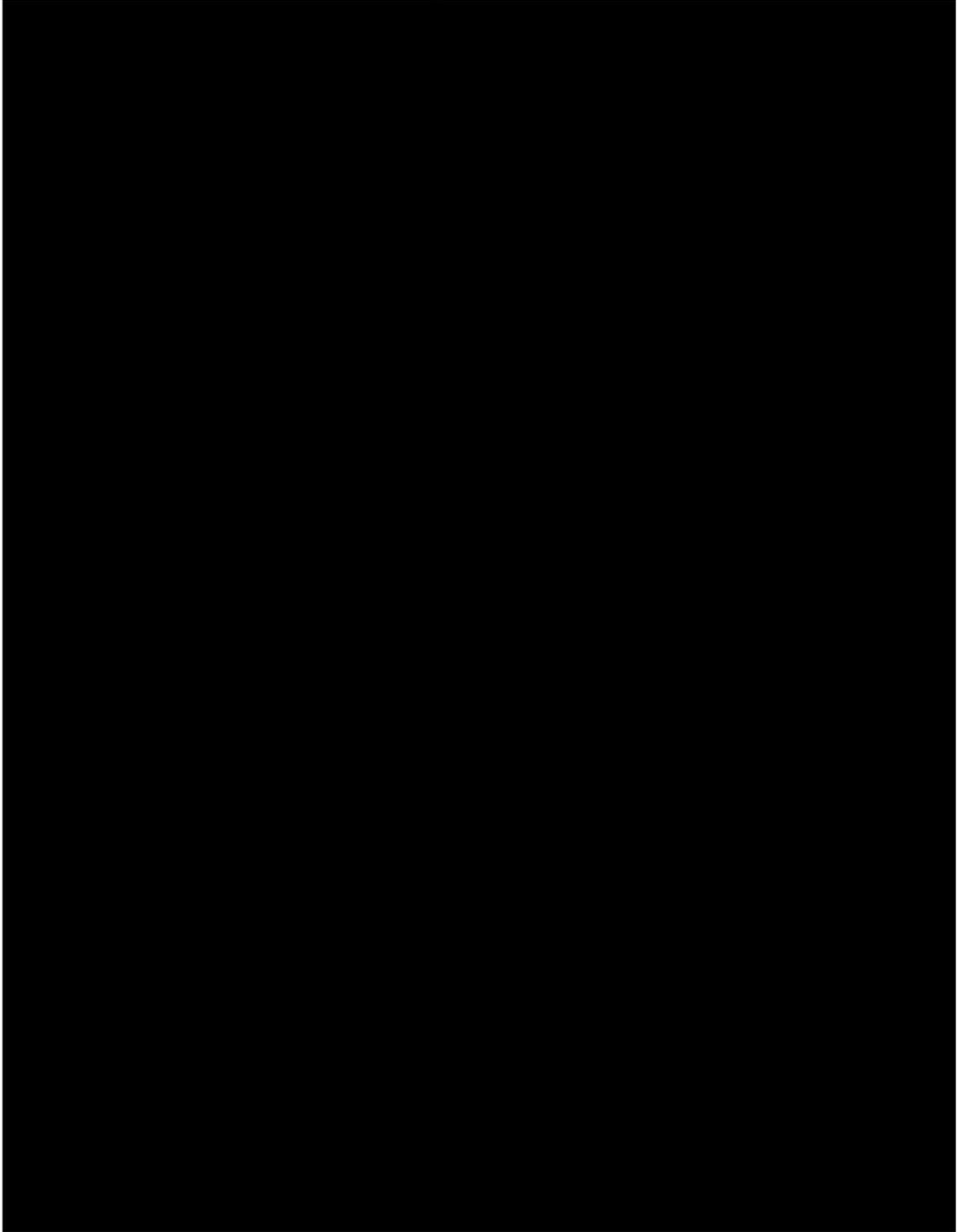


22 February 1980

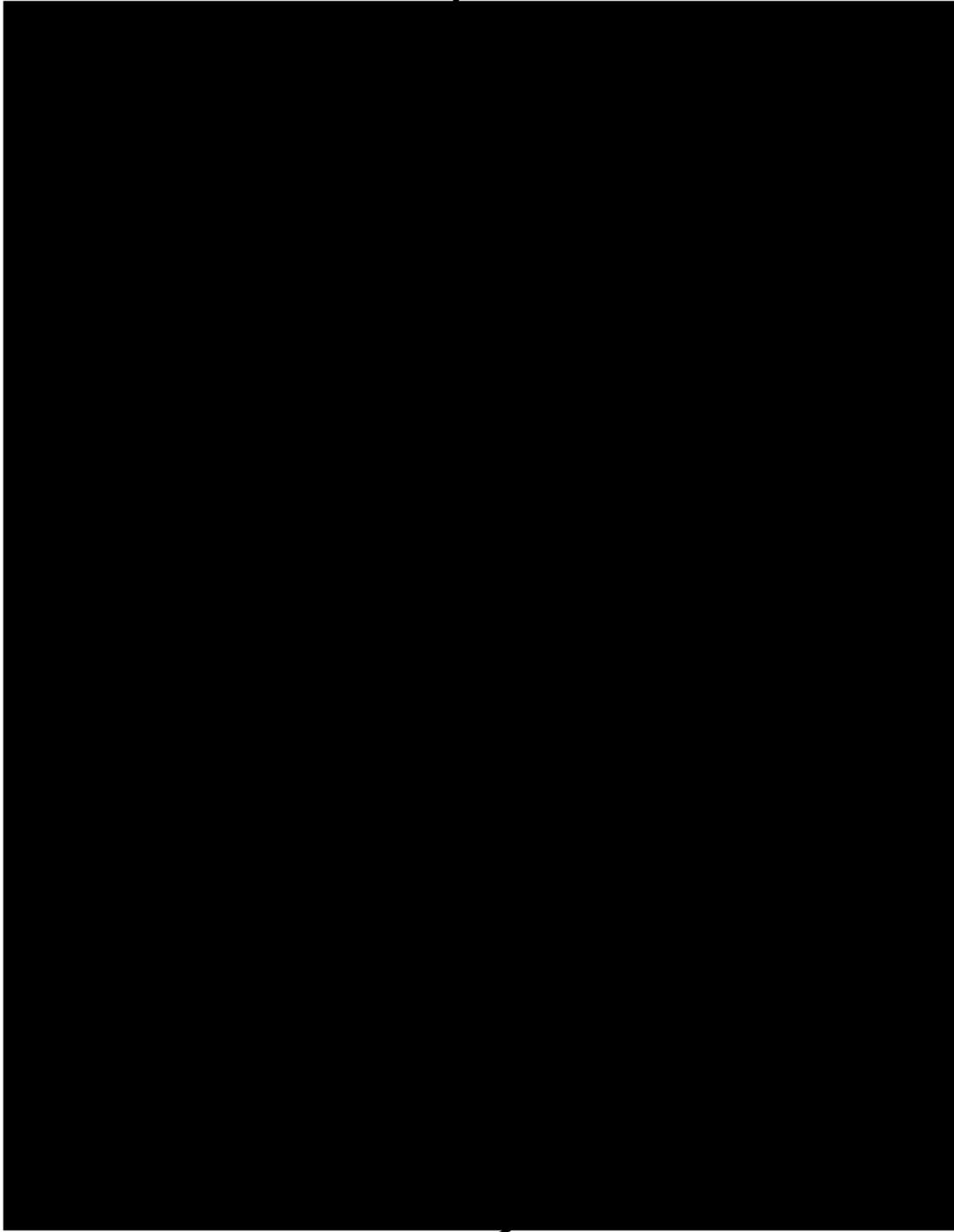
~~SECRET~~

5

SECRET



~~SECRET~~

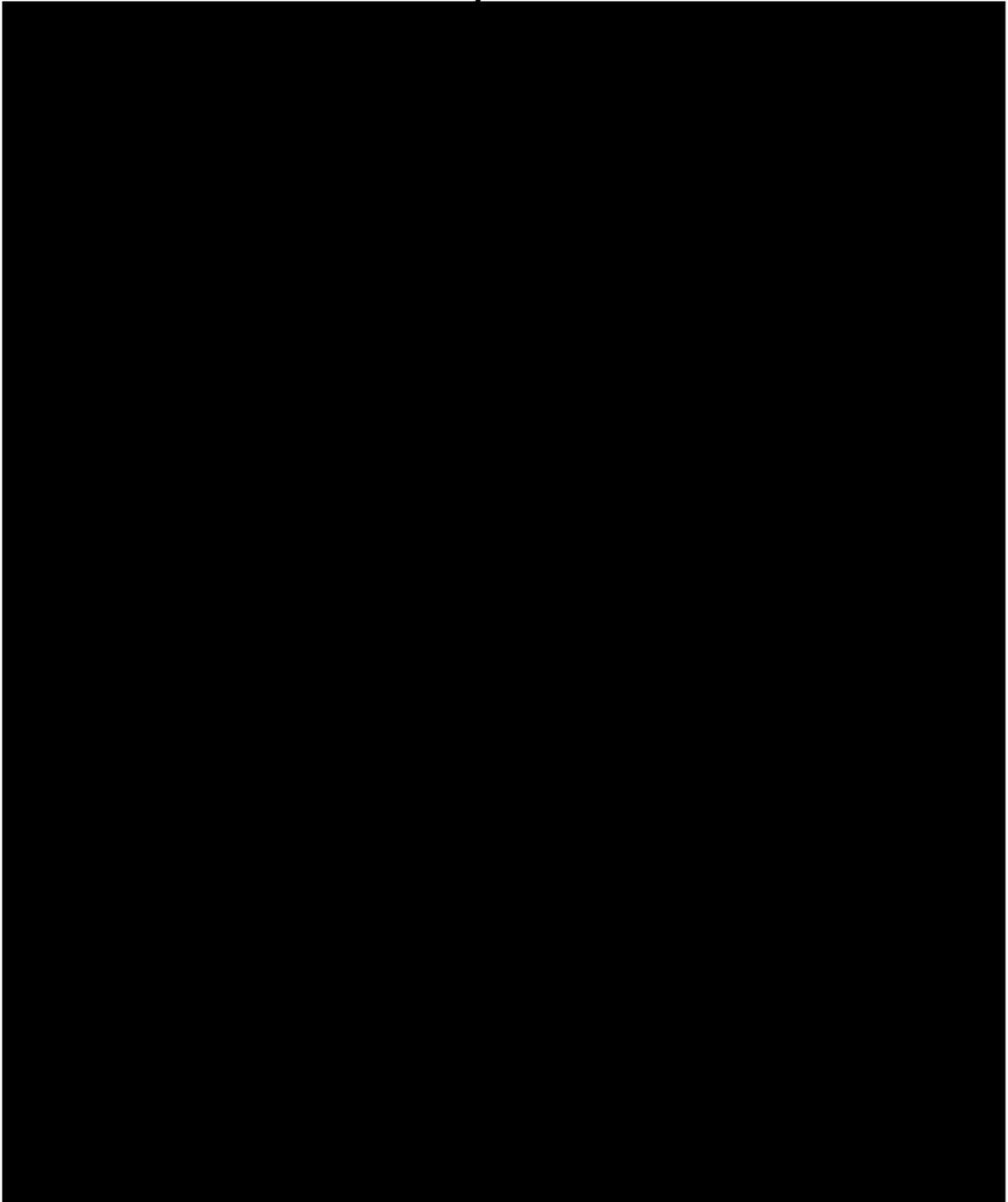


22 February 1980

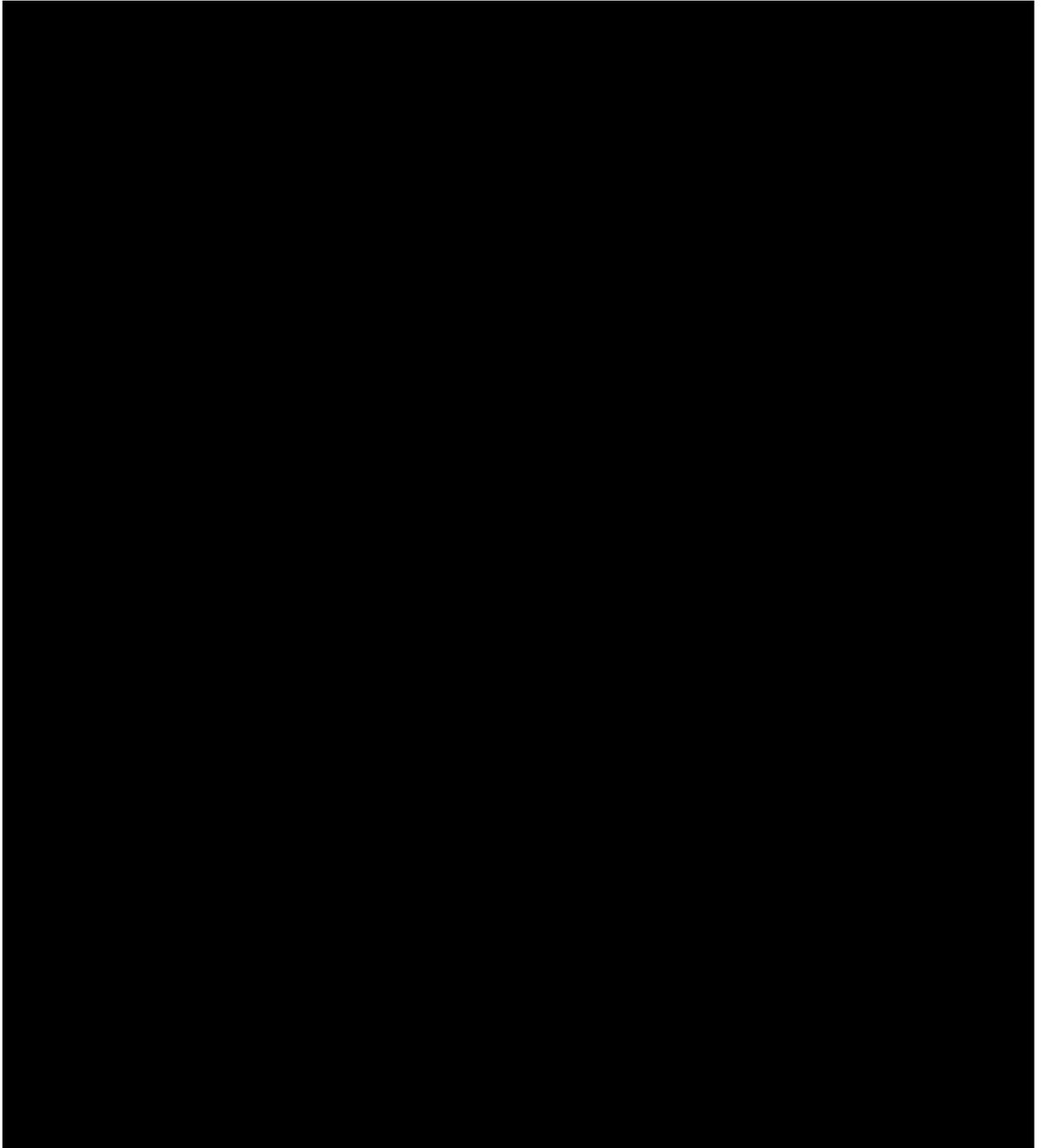
~~SECRET~~

7

~~SECRET~~



~~SECRET~~

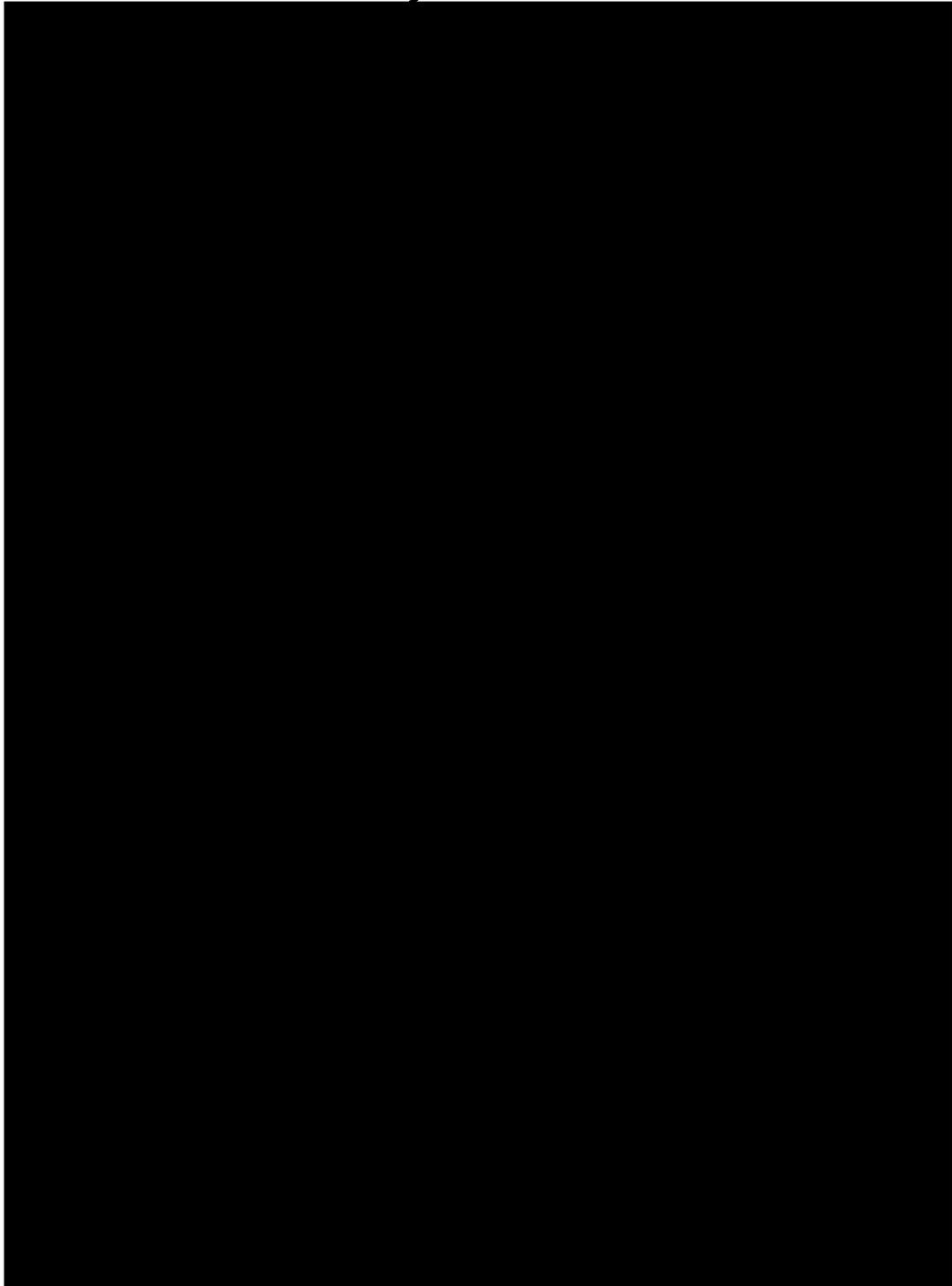


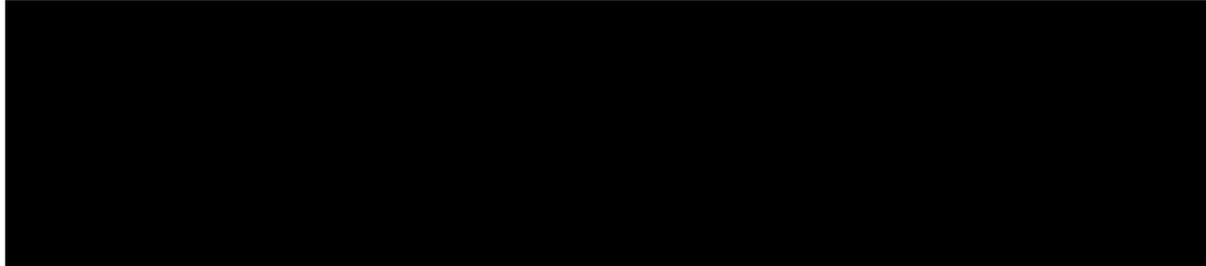
22 February 1980

~~SECRET~~

9

~~SECRET~~





OPEC: THE 1980 CURRENT ACCOUNT SURPLUS AND ITS PLACEMENT *

Soaring revenues, combined with relatively slow growth in imports, seem likely to drive this year's OPEC current account surplus to \$132 billion, following an estimated \$69 billion surplus in 1979. While nominally twice as large as the \$66 billion reached in 1974, the 1980 surplus is roughly equivalent when allowance is made for inflation and growth in the world economy. For instance, the 1974 OPEC surplus amounted to about 1.8 percent of the then nominal OECD GNP of \$3.6 trillion; the comparable 1980 figure is calculated at 1.7 percent. As in 1974, the surplus will be concentrated among the largest Persian Gulf producers: Saudi Arabia should account for one-third and Iran, Iraq, and Kuwait together for another 45 percent.

The placement of the 1980 surplus by OPEC countries should follow historical patterns, with only subtle shifts occurring in some as a result of the higher oil revenues and the US-Iranian crisis. While several OPEC members have talked a lot about stepping up the diversification of their placements to more countries and currencies, such a move will be tempered by interest rate and exchange rate considerations as well as by the availability of investment instruments.

OPEC: Current Account Balances

	Billion US \$						
	1974	1975	1976	1977	1978	1979 ¹	1980 ²
Trade balance	80.4	49.4	61.1	57.7	40.1	104.0	174.7
Exports (f.o.b.)	118.2	107.9	131.4	146.4	140.3	208.1	306.6
Oil	111.6	101.6	123.5	137.1	129.7	195.2	292.0
Nonoil	6.5	6.4	7.9	9.3	10.7	11.8	14.6
Imports (f.o.b.)	37.7	58.5	70.3	88.7	100.3	104.1	131.9
Net services and private transfers	-8.8	-15.6	-22.4	-27.6	-33.3	-30.4	-35.7
Freight and insurance	-4.5	-8.1	-10.8	-12.1	-13.6	-14.0	-17.8
Investment income receipts ..	4.4	5.0	6.6	8.4	11.2	16.1	20.8
Other	-8.7	-12.5	-18.3	-24.0	-29.9	-32.5	-39.6
Grants	-5.4	-3.7	-3.6	-4.5	-3.4	-4.5	-6.4
Current account balance	66.2	30.1	35.1	25.8	4.4	69.1	131.6

¹ Estimated.

² Projected.

* This article summarizes a forthcoming OER intelligence assessment.

~~SECRET~~

Unlike the 1974-78 experience, when the OPEC surplus surged in the first year following the big oil price increases and then dwindled to less than \$5 billion in the ensuing four years, we expect the surplus to remain formidably high, in part because OPEC producers seem determined to maintain their real purchasing power. For instance, if OECD growth recovers to 2.5 percent in 1981 (a rate consistent with oil market balance at a price of \$33 per barrel), the OPEC surplus would register \$120 billion. Lower growth would reduce this figure, whereas substantial supply disruptions resulting in a further increase in the real OPEC oil price would raise it. ■

OPEC Export Earnings

Official OPEC prices now average \$29 per barrel; spot market premiums, \$10 or higher in mid-1979, have largely disappeared. Discrepancies persist, however, among official prices for competitive types of crude produced in different countries, making future price adjustments likely. These adjustments are more likely to be upward than downward, leading to an average OPEC price of perhaps \$30 for the year. ■

Higher prices and increased non-OPEC energy supplies, combined with much slower growth (the OECD economies are now expected to grow on average less than 1 percent this year), should reduce non-OPEC demand for OPEC oil by about 2 million b/d below last year's 29.0 million b/d. This should permit the market to absorb most, if not all, of the planned production cuts by Saudi Arabia, Kuwait, Venezuela, the United Arab Emirates, and possibly Libya and Nigeria without pushing the average price much above \$30. ■

After allowing for transfers of oil under equity and buy-back arrangements, we expect the average price realized by OPEC producers to fall, as it has in the past, some 25 cents below the average of official prices. Multiplying our projected price and quantity figure by the 366 days in 1980 yields a projected figure of \$292 billion for OPEC oil revenues, 50 percent over 1979 oil revenues and 125 percent higher than the 1978 figure. ■

Nonoil OPEC exports are expected to rise from \$11.8 billion in 1979 to \$14.6 billion in 1980, falling as a share of total export revenues from 5.7 percent last year to about 5 percent this year. Indonesia, which accounts for nearly half of the total, should benefit from strong demand for its wood, rubber, tin, and coffee. ■

Imports

In 1974, the value of OPEC merchandise imports jumped by 84 percent; in 1980 it is expected to increase by 25 percent. The import base has grown much larger in the interim, making a slowdown in percentage rates of growth almost inevitable; the 1973 import base was about \$20 billion, whereas the estimated 1979 figure is \$104 billion. In addition, several important OPEC countries have undergone a marked change in views toward the desired pace of economic development, most strikingly Iran. ■

~~SECRET~~

Events in Iran, moreover, have been interpreted prophetically in other Middle Eastern OPEC countries which have seen their traditional social values threatened by modernization programs and have experienced distribution bottlenecks, accelerated inflation, increased exposures to foreign influence, widened income disparities, and expanding corruption. Their response is to hold a tight rein on spending, despite enormous revenue increases. The notable exception in the Persian Gulf to the policy of slowed import growth is Iraq, which is scheduled to receive substantial military shipments in the next several years. ■

Net Services, Private Transfers, and Grants

Net services and private transfers—an important negative item in the OPEC current account—are expected to rise 21 percent this year, considerably more slowly than in the years immediately following the 1973/74 price hikes. Two factors are primarily responsible for the lower rate: (a) the rapid growth of investment income (the only positive subcomponent in this category) and (b) the slower growth policies adopted by some OPEC countries. ■

In 1974-79, member states of OPEC disbursed \$25 billion in bilateral grants, (\$4.5 billion in 1979 alone). Saudi Arabia was the largest donor in the period, with grants of \$14 billion, or 55 percent of the total. OPEC grant aid is likely to increase in 1980 because the donors will be awash with funds and the oil price increases will have intensified the need of recipients. The pattern of distribution among donors and beneficiaries should change in response to political circumstances, the most prominent case being Egypt's fall from grace as a result of the Israeli peace agreement. ■

Placement of the Surplus

Foreign investment by OPEC governments during the next year should generally follow historical patterns. In the wake of the US-Iranian crisis, some OPEC government ministers indicate that they will make placements in more financial centers than in the past and gradually shift a larger share of assets into currencies other than the dollar. In no case, however, do we yet have any evidence that official OPEC investors will make large or rapid diversification moves. ■

Most official foreign placements will, at least initially, be channeled into bank deposits and government securities; the share of these assets to total assets will doubtless rise above the 55-percent level of first quarter 1979. However, Saudi Arabia and Kuwait probably will shift more quickly than in the past to other forms of investment; the number of banks and investment houses now authorized by these two governments to seek out diversified investments has increased substantially in recent years. ■

The geographic placement and currency denomination of OPEC assets will depend on the balance between political decisions on the one hand and the rate of

~~SECRET~~

return and exchange rates on the other. The variety of assets and present high interest rates available in US financial markets should ensure petrodollar inflows. OPEC countries concerned over the safety of their assets and willing to bear the extra costs, however, are apt to make more placements with institutions in Western Europe which in turn can invest in the United States under their own name. [REDACTED]

The Outlook for 1981 and Beyond

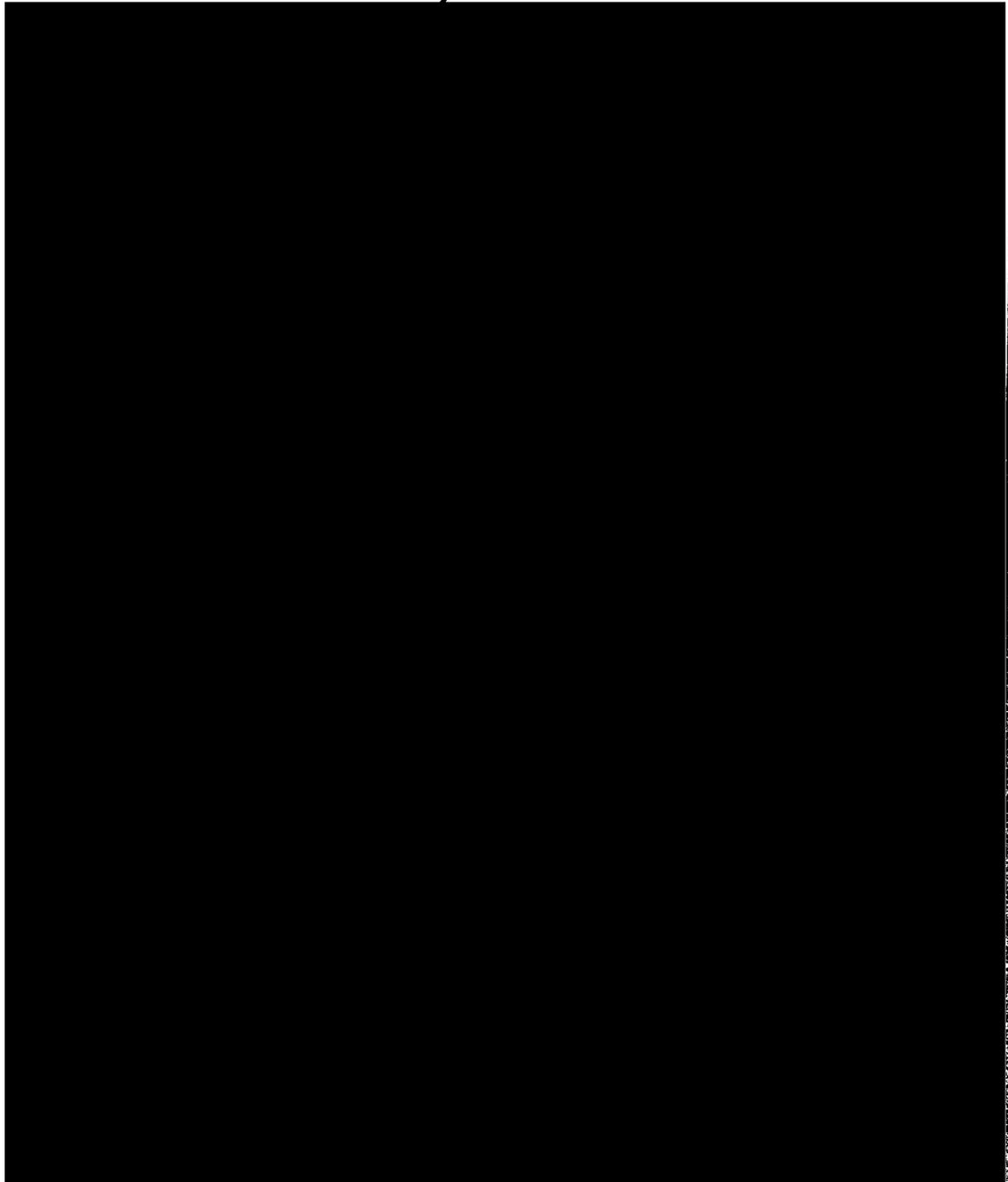
The chances that the OPEC surplus will ebb substantially in the next few years are slim. While we do not anticipate severe pressure developing on oil prices in 1981 (barring further disruptions in oil supplies), we believe that OPEC will seek to maintain the real price of its oil. In these circumstances, the nominal price of OPEC oil could average in the neighborhood of \$33 per barrel in 1981. With a constant real OPEC price, some recovery from the anticipated 1980 economic slowdown seems likely; OECD growth next year might then approach 2.5 percent. Given moderate growth in OPEC imports, services, and transfers, these developments would lead to an OPEC surplus on the order of \$120 billion [REDACTED]

Other 1981 scenarios are also plausible. Economic recovery in the industrial countries might well be slower than expected; even with a constant real oil price, OECD growth near 1.5 percent is a distinct possibility since governments may well react to inflation and payments problems this year with more restrictive economic policy. Alternatively, further OPEC supply disruptions or significant voluntary production cuts might occur, raising the price above \$33 and depressing what otherwise would have been a more rapid OECD recovery [REDACTED]

[REDACTED]

[REDACTED]

~~SECRET~~

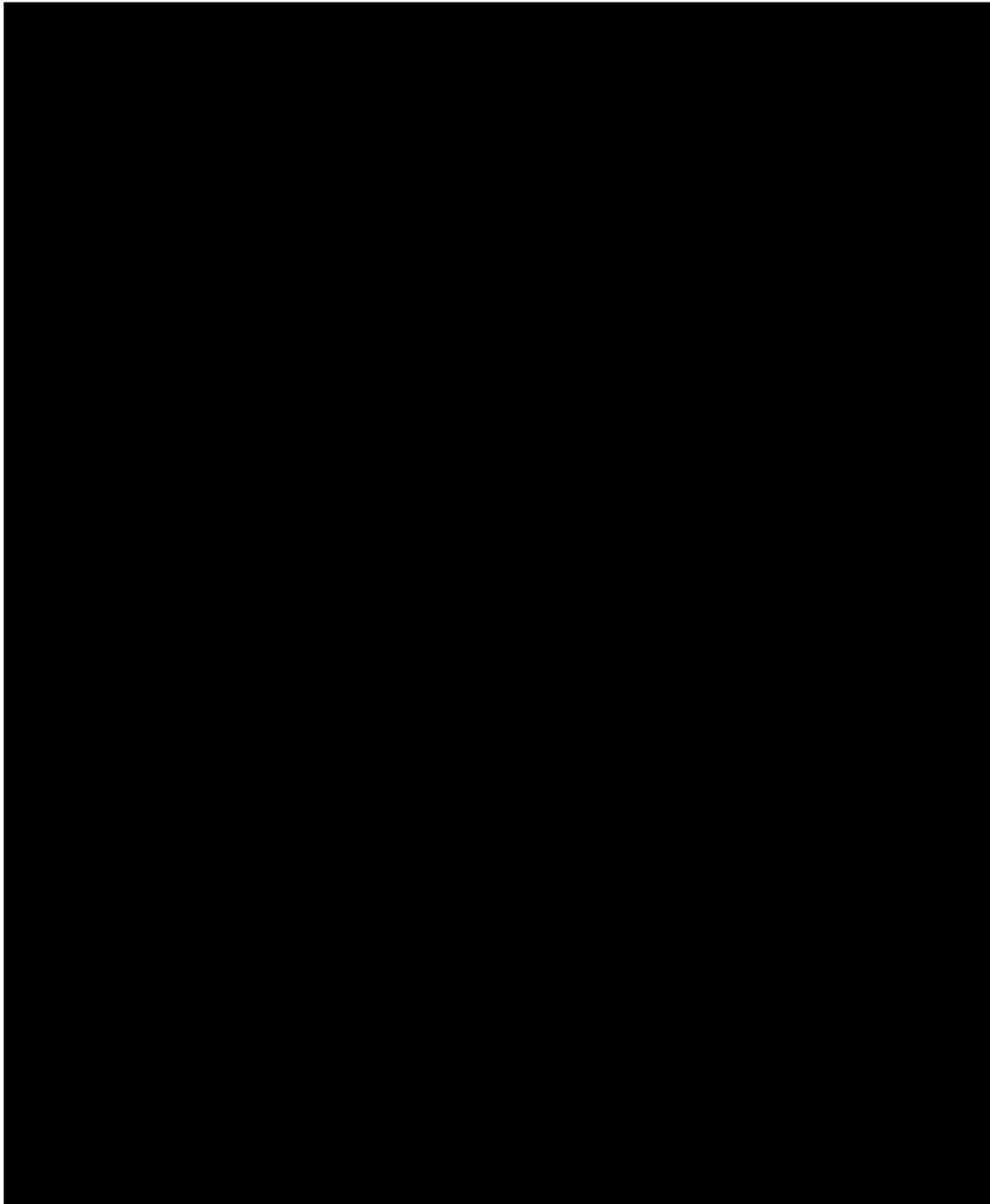


22 February 1980

~~SECRET~~

15

~~SECRET~~



~~Secret~~





**National
Foreign
Assessment
Center**

Economic Indicators Weekly Review

22 February 1980

*ER EI 80-005
22 February 1980*

This publication is prepared for the use of US Government officials, and the format, coverage, and content are designed to meet their specific requirements. US Government officials may obtain additional copies of this document directly or through liaison channels from the Central Intelligence Agency.

Requesters outside the US Government may obtain subscriptions to CIA publications similar to this one by addressing inquiries to:

**Document Expediting (DOCEX) Project
Exchange and Gift Division
Library of Congress
Washington, D.C. 20540**

or: **National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161**

Requesters outside the US Government not interested in subscription service may purchase specific publications either in paper copy or microform from:

**Photoduplication Service
Library of Congress
Washington, D.C. 20540**

or: **National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161
(To expedite service call the
NTIS Order Desk (703) 557-4650)**

FOREWORD

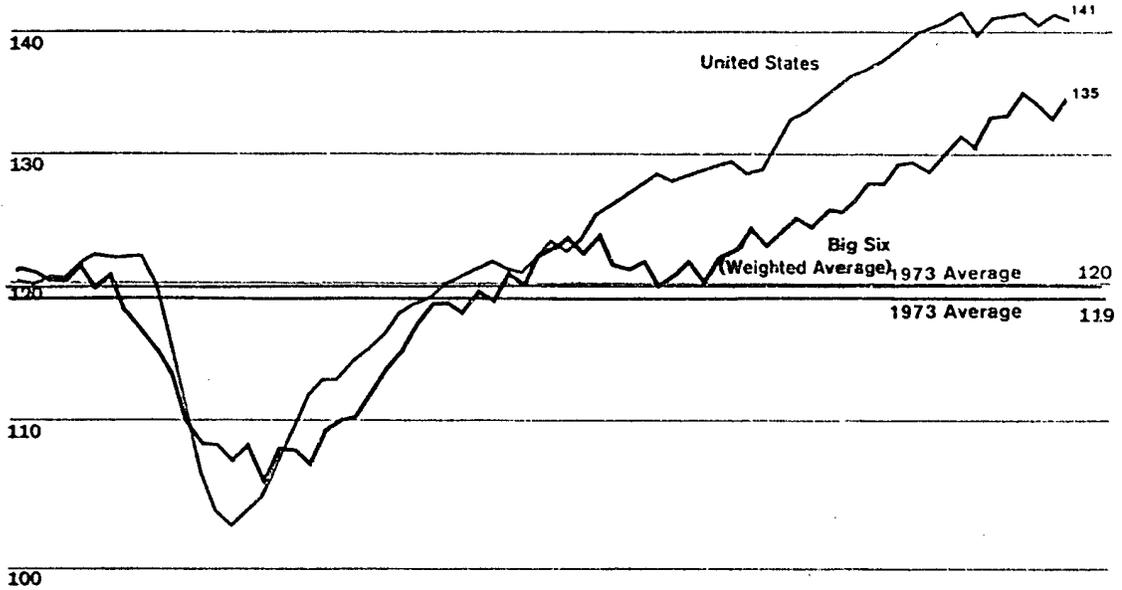
1. The **Economic Indicators Weekly Review** provides up-to-date information on changes in the domestic and external economic activities of the major non-Communist developed countries. To the extent possible, the **Economic Indicators Weekly Review** is updated from press ticker and Embassy reporting,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

2. Source notes for the **Economic Indicators Weekly Review** are revised every few months. The most recent date of publication of source notes is 16 February 1979. Comments and queries regarding the **Economic Indicators Weekly Review** are welcomed.

Big Six Foreign Countries¹ Composite Indicators

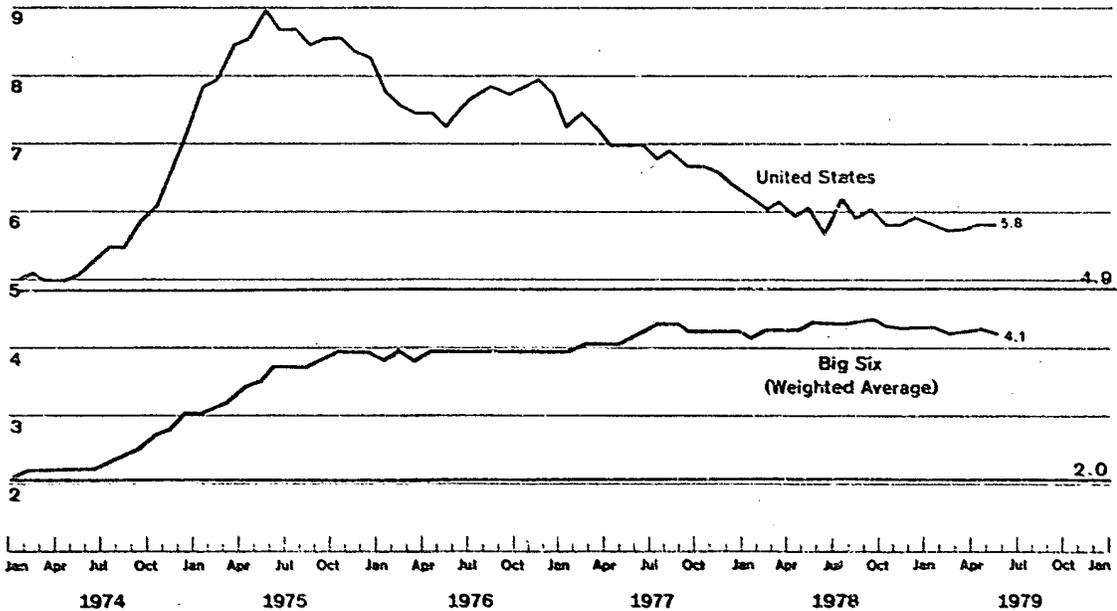
Industrial Production

Index: 1970=100, seasonally adjusted
Semi-logarithmic Scale

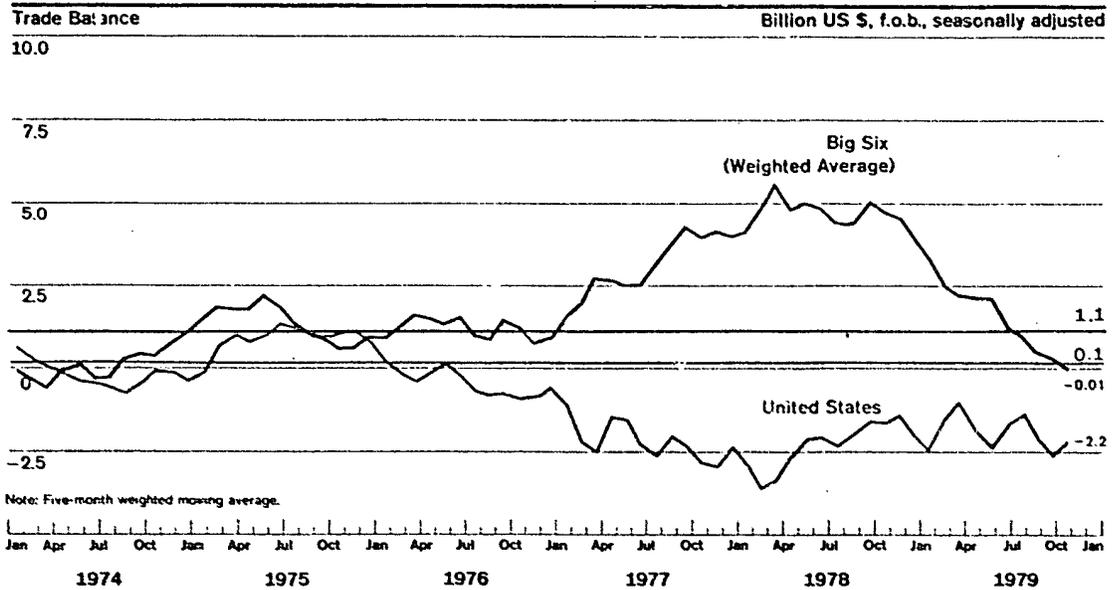
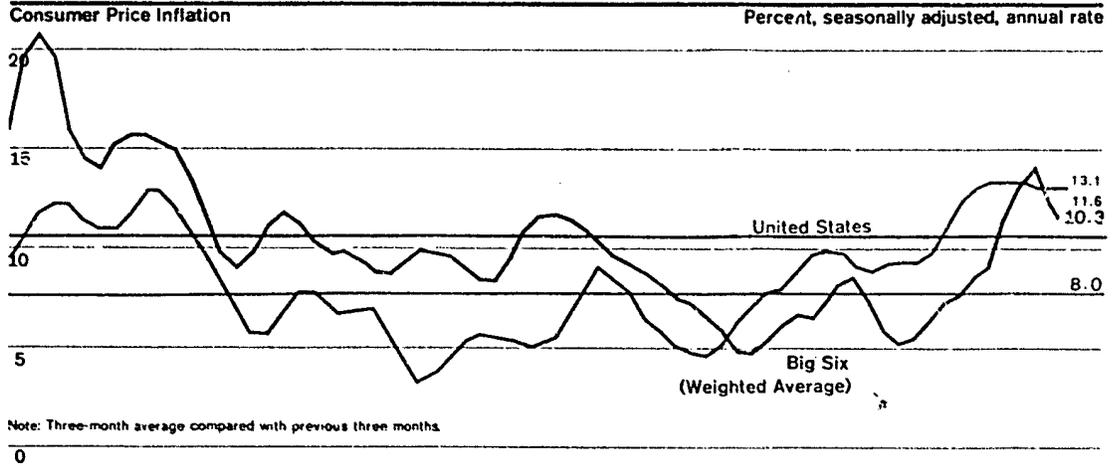


Unemployment Rate

Percent



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



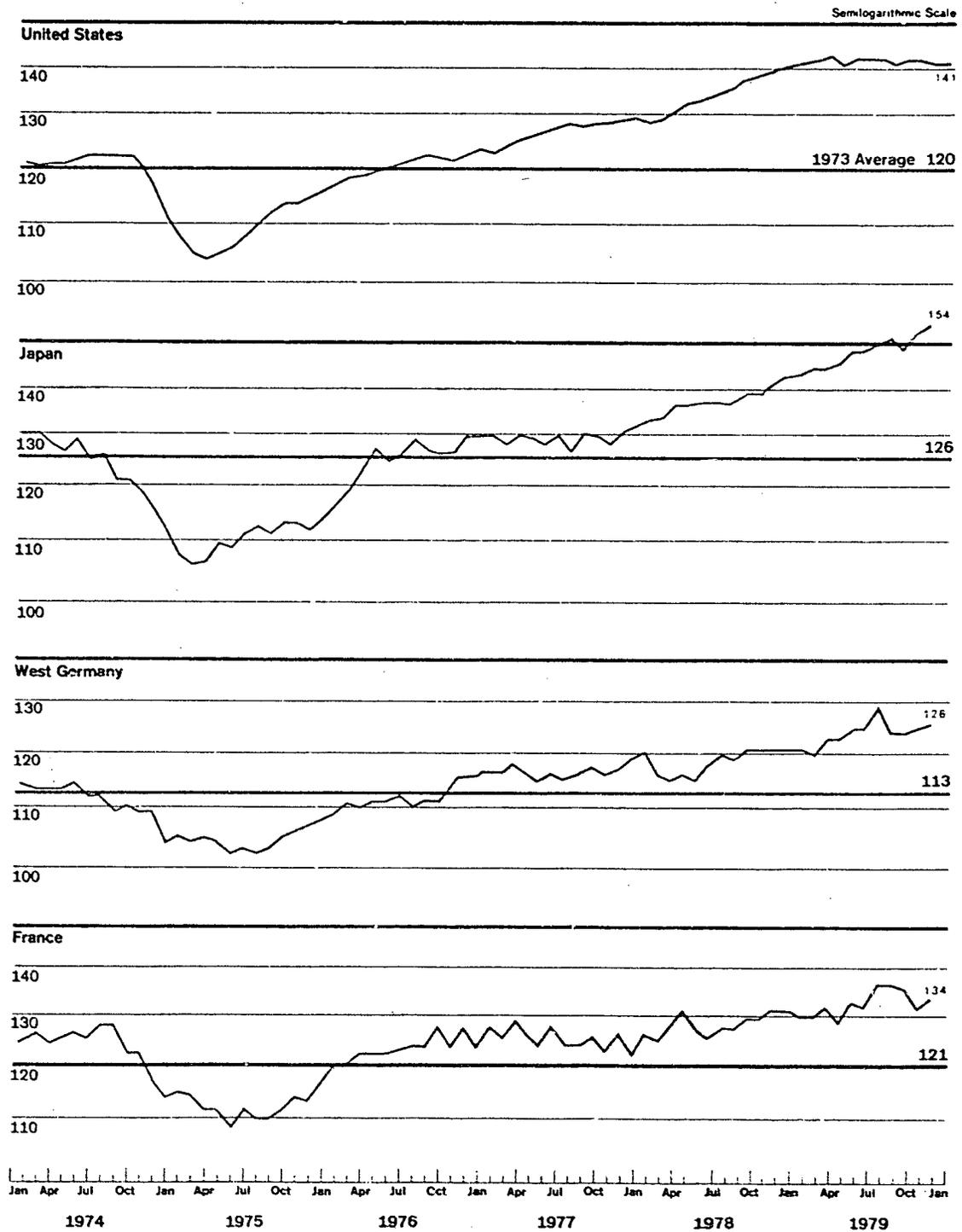
	Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier ²
Industrial Production					
Big Six	Oct 79	1.6	3.3	5.9	1.2
United States	Oct 79	0	3.8	2.5	-1.2
Consumer Prices					
Big Six	Nov 79	0.7	9.2	10.2	11.6
United States	Nov 79	1.1	7.4	12.6	13.1

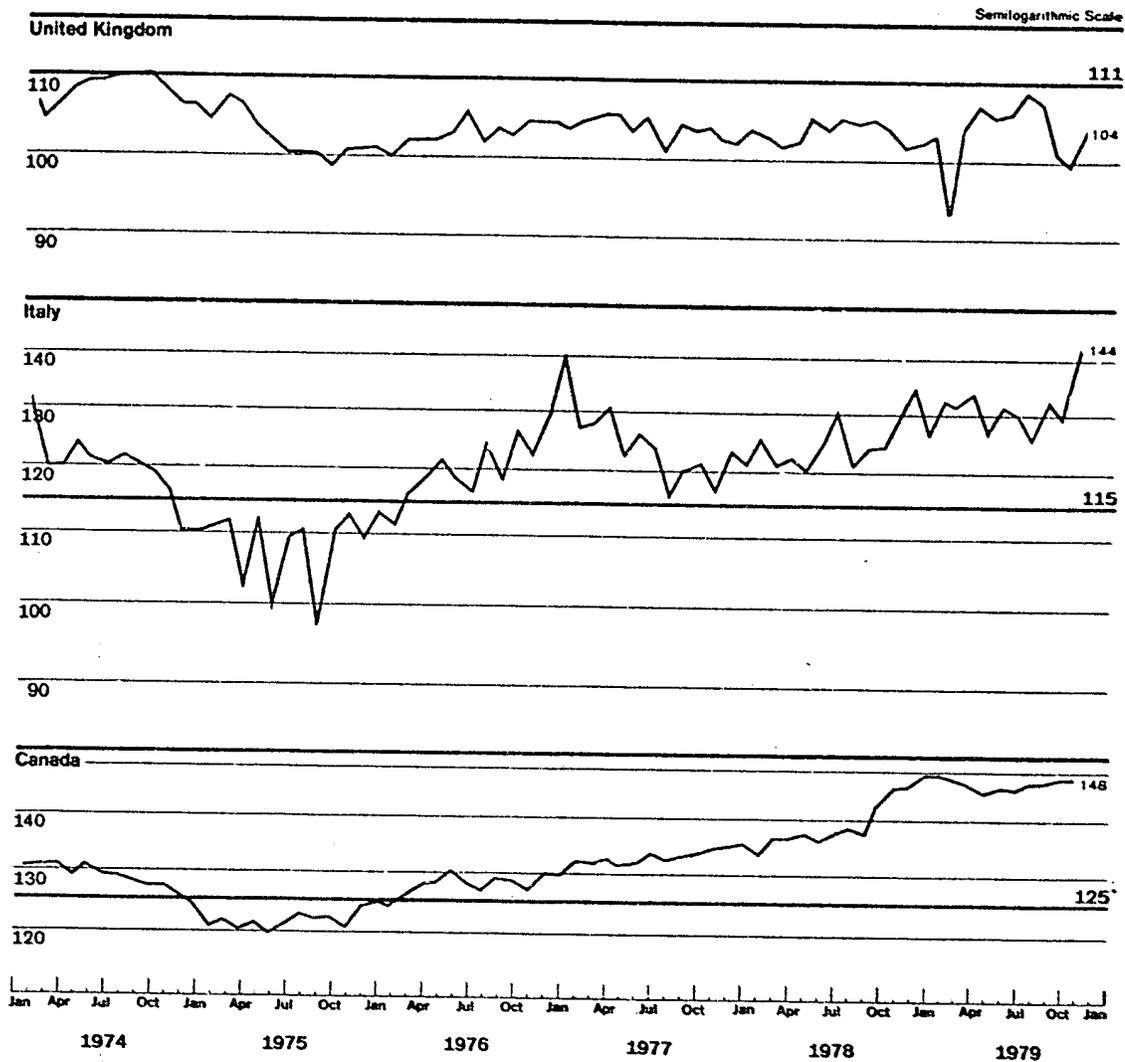
² Average for latest 3 months compared with average for previous 3 months, seasonally adjusted at annual rate.

	Latest Month	1 Year Earlier	3 Months Earlier
Unemployment Rate			
Big Six	May	4.1	4.3
United States	May 79	5.8	6.1
	Latest Month	Cumulative (Million US \$)	
		1979	1978
Trade Balance			
Big Six	Oct 79	113	11,594
United States	Oct 79	-2,018	-16,969
			Change
		46,594	-25,415
			8,446

Industrial Production

Index: 1970=100, seasonally adjusted





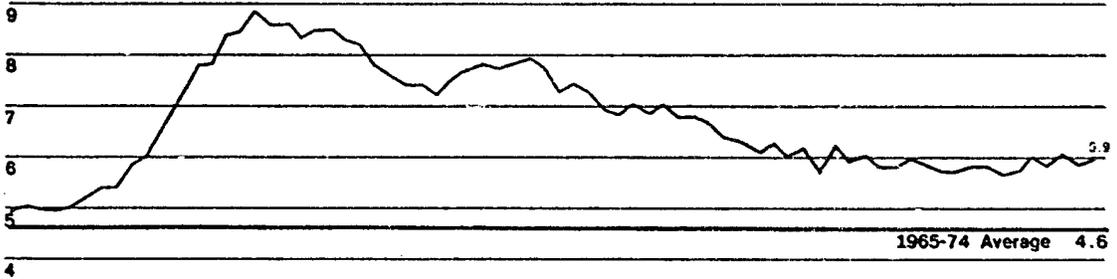
	Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since			Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since			
			1970	1 Year Earlier	3 Months Earlier ¹			1970	1 Year Earlier	3 Months Earlier ¹	
United States	Dec 79	0.3	3.7	0.9	-0.3	United Kingdom	Oct 79	4.6	0.5	2.7	-21.4
Japan	Nov 79	1.0	4.7	10.0	6.5	Italy	Oct 79	9.8	4.0	10.9	22.1
West Germany	Nov 79	0.8	2.5	4.1	-3.1	Canada	Oct 79	-0.1	4.3	3.6	4.5
France	Nov 79	1.5	3.2	2.3	-3.9						

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

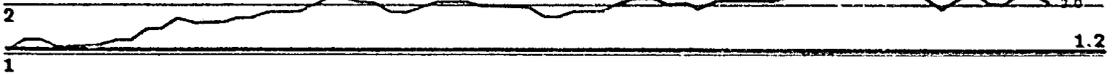
Unemployment Rate

Percent

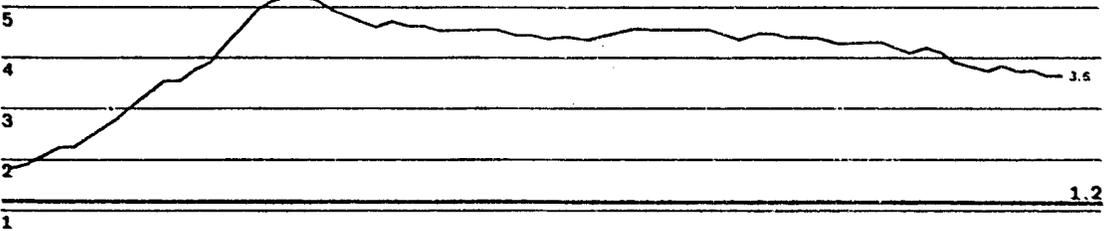
United States



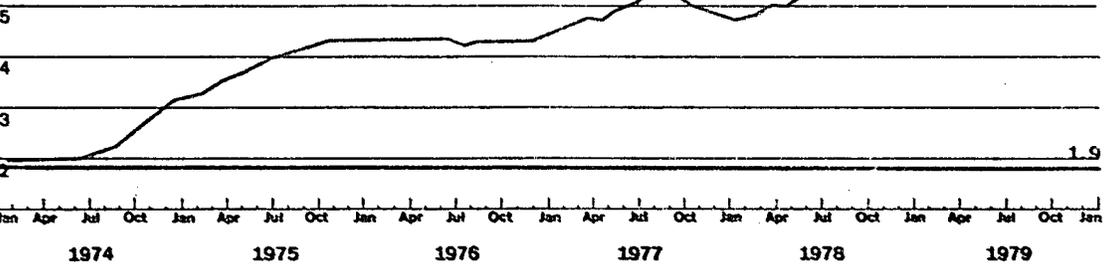
Japan



West Germany



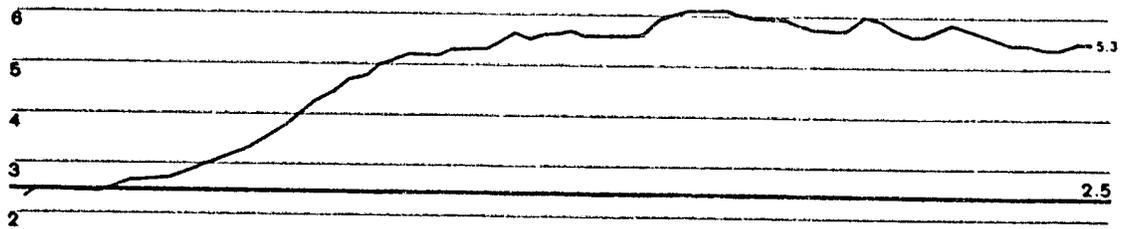
France



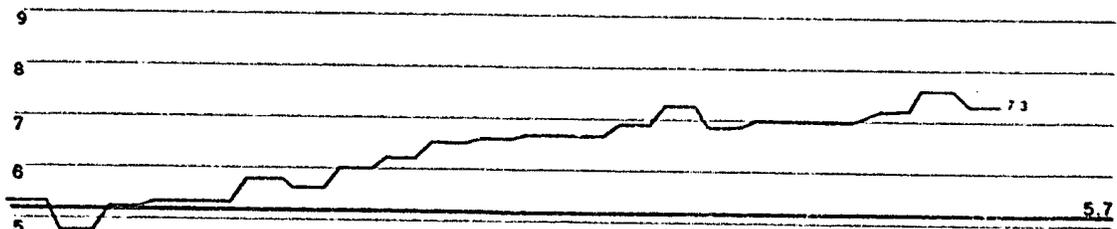
Jan Apr Jul Oct Jan

1974 1975 1976 1977 1978 1979

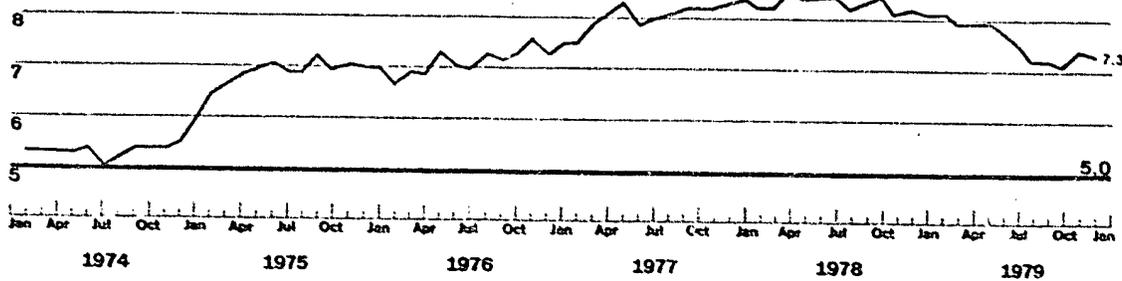
United Kingdom



Italy (Quarterly)



Canada



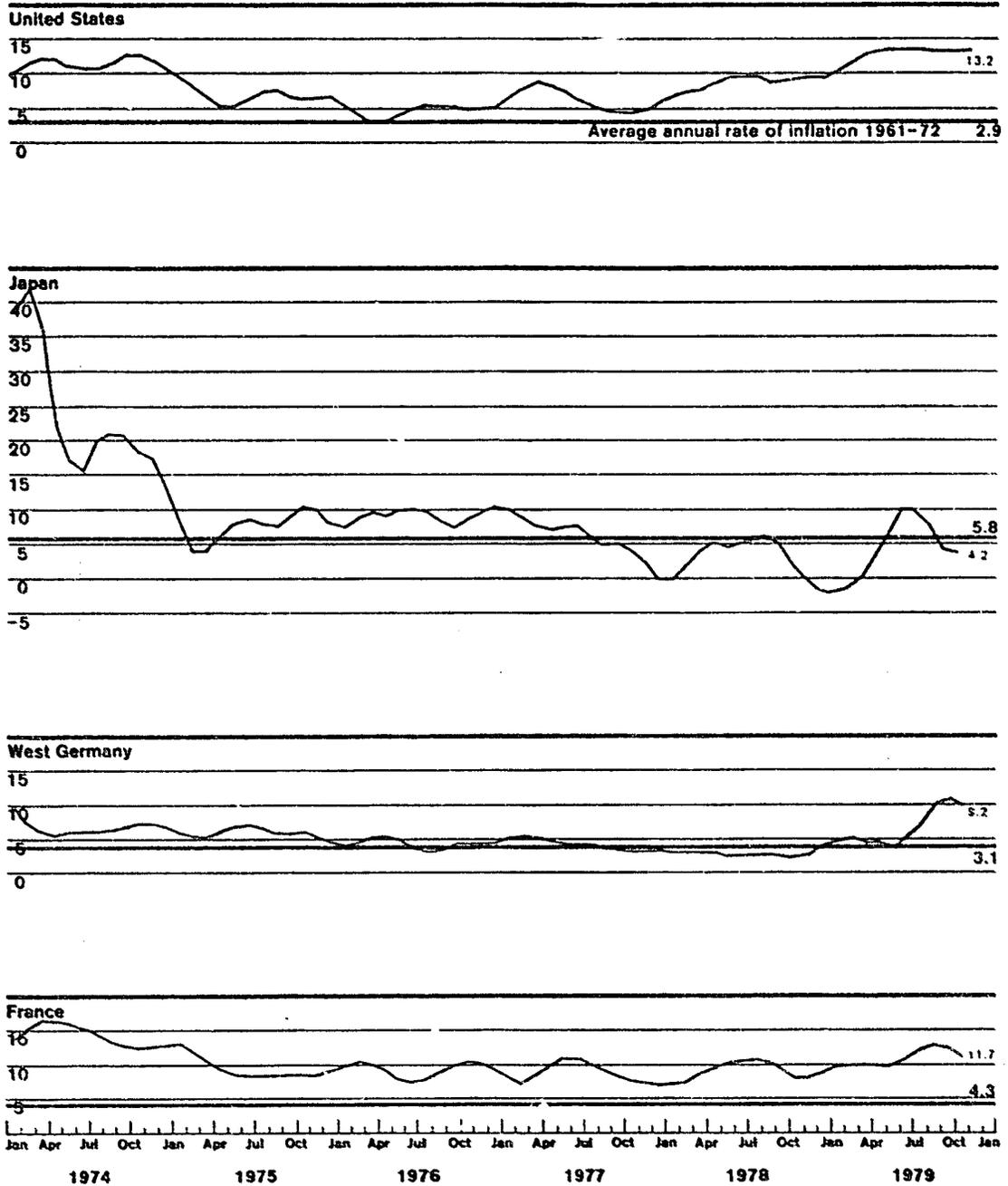
Thousands of Persons Unemployed

	Latest Month	1 Year Earlier	3 Months Earlier		Latest Month	1 Year Earlier	3 Months Earlier		
United States	Dec 79	6,097	6,012	6,985	United Kingdom	Dec 79	1,295	1,320	1,264
Japan	Sep 79	1,130	1,330	1,110	Italy	79 II	1,580	1,556	1,632
West Germany	Nov 79	820	953	851	Canada	Nov 79	827	906	809
France	Nov 79	1,370	1,215	1,406					

Note: Data are seasonally adjusted. Unemployment rates for France are estimated. The rates shown for Japan and Canada are roughly comparable to US rates. For 1975-79, the rates for France and the United Kingdom should be increased by 5 percent and 15 percent respectively, and those for West Germany decreased by 20 percent to be roughly comparable with US rates. Italian rates should be decreased by 50 percent to be roughly comparable to US rates.

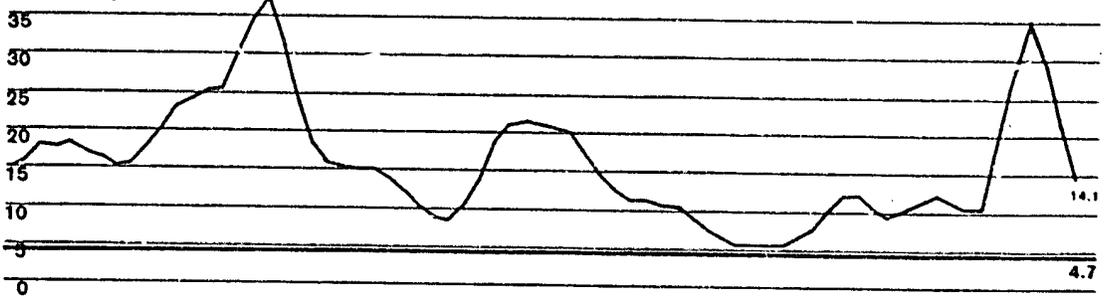
Consumer Price Inflation

Percent, seasonally adjusted, annual rate¹

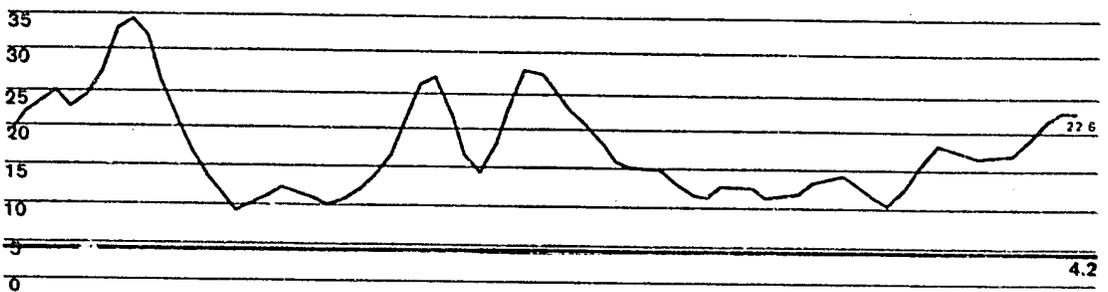


¹ Three-month average compared with previous three months.

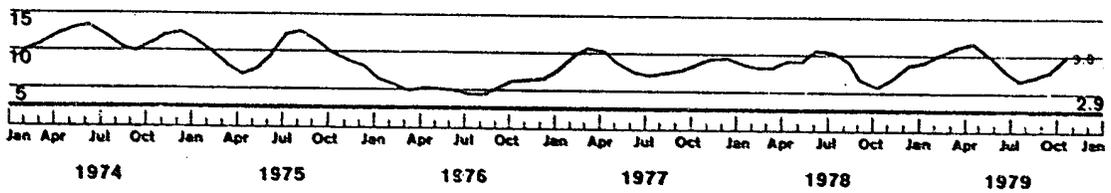
United Kingdom



Italy



Canada



	Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since			Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since			
			1970	1 Year Earlier	3 Months Earlier ²			1970	1 Year Earlier	3 Months Earlier ²	
United States	Dec 79	1.2	7.5	13.3	13.2	United Kingdom	Dec 79	0.7	13.4	17.2	14.1
Japan	Nov 79	0.4	8.9	4.9	4.2	Italy	Dec 79	2.1	13.2	19.8	22.6
West Germany	Nov 79	0.3	5.2	6.2	9.2	Canada	Nov 79	1.1	7.9	9.4	9.8
France	Nov 79	0.6	9.3	11.5	11.7						

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

GNP ¹

Constant Market Prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
			United States	79 IV	0.4
Japan	79 III	1.8	5.5	7.1	7.4
West Germany	79 IV	1.1	3.0	5.2	4.4
France	79 II	0.6	3.9	2.3	2.5
United Kingdom	79 II	1.3	2.0	0.7	5.4
Italy	79 III	1.0	2.8	4.4	4.2
Canada	79 I	1.7	4.6	4.6	7.1

¹ Seasonally adjusted.

RETAIL SALES ¹

Constant Prices

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier ²
			United States	Sep 79	1.1
Japan	Sep 79	-2.1	1.0	-1.6	-11.5
West Germany	Aug 79	4.1	2.7	1.6	-5.1
France	Oct 79	4.3	0.6	5.4	0.6
United Kingdom	Dec 79	-0.3	1.5	-0.3	10.7
Italy	Sep 79	-3.8	3.3	5.9	-5.8
Canada	May 79	3.2	6.6	1.5	4.7

¹ Seasonally adjusted.

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

FIXED INVESTMENT ¹

Nonresidential; constant prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
			United States	79 IV	-1.8
Japan	79 III	1.6	3.6	18.9	6.5
West Germany	79 III	4.6	3.3	13.9	19.6
France	79 II	-0.5	2.4	2.3	-2.1
United Kingdom	79 II	3.6	3.0	-1.0	15.2
Italy	79 III	5.5	3.0	7.7	24.1
Canada	79 I	3.9	6.5	16.0	16.4

¹ Seasonally adjusted.

WAGES IN MANUFACTURING ¹

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier ²
			United States	Nov 79	0.8
Japan	Sep 79	-6.2	14.0	3.7	13.3
West Germany	79 II	1.2	8.5	5.8	5.0
France	79 I	2.6	13.9	12.9	10.8
United Kingdom	Sep 79	0.1	15.4	10.0	5.7
Italy	Oct 79	0	20.0	21.2	30.0
Canada	Oct 79	0.8	10.5	9.1	10.5

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

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

MONEY MARKET RATES

	Representative rates	Latest Date	Percent Rate of Interest			
			1 Year Earlier	3 Months Earlier	1 Month Earlier	
United States	Commercial paper	Dec 12	12.98	10.27	11.76	14.09
Japan	Call money	Dec 14	7.94	4.63	6.81	7.50
West Germany	Interbank loans (3 months)	Dec 12	9.60	4.07	7.90	9.60
France	Call money	Dec 14	12.25	6.75	11.50	12.13
United Kingdom	Sterling interbank loans (3 months)	Dec 12	16.69	12.25	14.14	15.53
Canada	Finance paper	Dec 12	13.95	10.38	12.00	14.39
Eurodollars	Three-month deposits	Dec 12	15.00	11.56	12.83	15.43

EXPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970		
			1970	1 Year Earlier	3 Months Earlier
United States	Oct 79	1.6	9.7	13.0	13.2
Japan	Nov 79	3.9	5.2	26.6	32.3
West Germany	Oct 79	1.0	3.9	5.1	5.5
France	Oct 79	0.2	9.0	11.6	7.3
United Kingdom	Dec 79	0.9	14.6	12.8	15.9
Italy	Sep 79	1.1	15.6	18.3	10.6
Canada	Oct 79	-0.3	10.8	21.7	7.7

IMPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970		
			1970	1 Year Earlier	3 Months Earlier
United States	Oct 79	2.7	13.9	25.8	35.9
Japan	Nov 79	9.8	11.0	79.0	101.9
West Germany	Oct 79	-0.7	4.0	13.5	0
France	Oct 79	0.3	9.6	17.6	28.0
United Kingdom	Dec 79	1.3	16.4	14.2	22.4
Italy	Sep 79	4.4	19.1	26.4	45.1
Canada	Oct 79	4.5	10.7	16.5	20.0

OFFICIAL RESERVES

	Latest Month	Billion US \$			
		End of	Billion US \$	1970	
				Jun 1970	1 Year Earlier
United States	Nov 79	19.3	14.5	18.0	20.0
Japan	Dec 79	20.3	4.1	33.0	25.3
West Germany	May 79	49.5	8.8	40.0	50.1
France	May 79	18.9	4.4	11.2	14.9
United Kingdom	Oct 79	19.1	2.8	17.5	20.2
Italy	Feb 79	15.9	4.7	11.4	14.1
Canada	May 79	4.1	9.1	4.7	4.1

MONEY SUPPLY¹

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970		
			1970	1 Year Earlier	3 Months Earlier
United States	Nov 79	0.1	6.2	5.1	7.3
Japan	Sep 79	3.1	15.3	11.4	0.8
West Germany	Aug 79	-0.3	9.9	5.9	0.1
France	Jul 79	-0.4	12.0	13.0	10.8
United Kingdom	Nov 79	-2.2	11.9	10.8	11.1
Italy	Jul 79	3.6	19.2	21.1	22.3
Canada	Nov 79	-1.5	-14.0	2.7	3.4

¹ Seasonally Adjusted.

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

CURRENT ACCOUNT BALANCE¹

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1979		
			1979	1978	Change
United States ²	79 II	-965	-550	-10,910	10,360
Japan	Dec 79	-335	-6,847	16,885	-23,732
West Germany	Oct 79	-546	-4,414	5,895	-10,310
France	79 III	-135	679	2,349	-1,670
United Kingdom	79 II	-2,268	-4,789	-437	-4,352
Italy	79 I	1,080	1,080	384	696
Canada	79 I	-1,430	-1,430	-857	-573

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

² Seasonally adjusted.

BASIC BALANCE¹

Current and Long-Term Capital Transactions

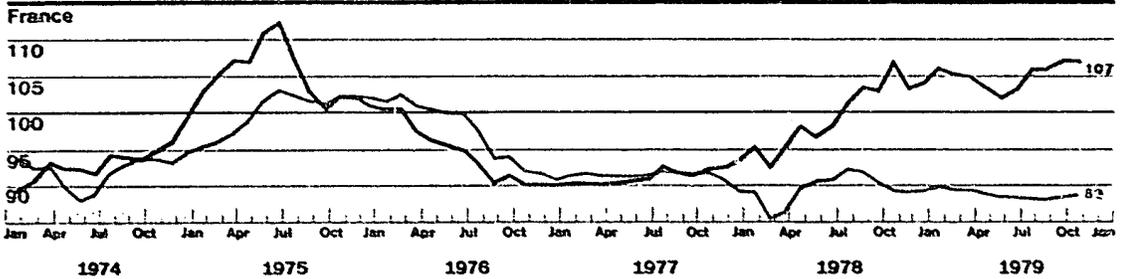
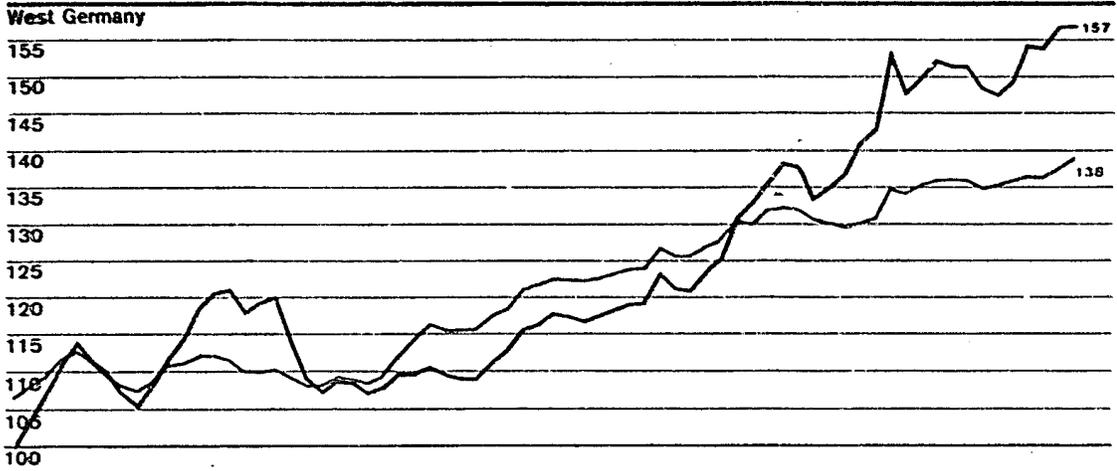
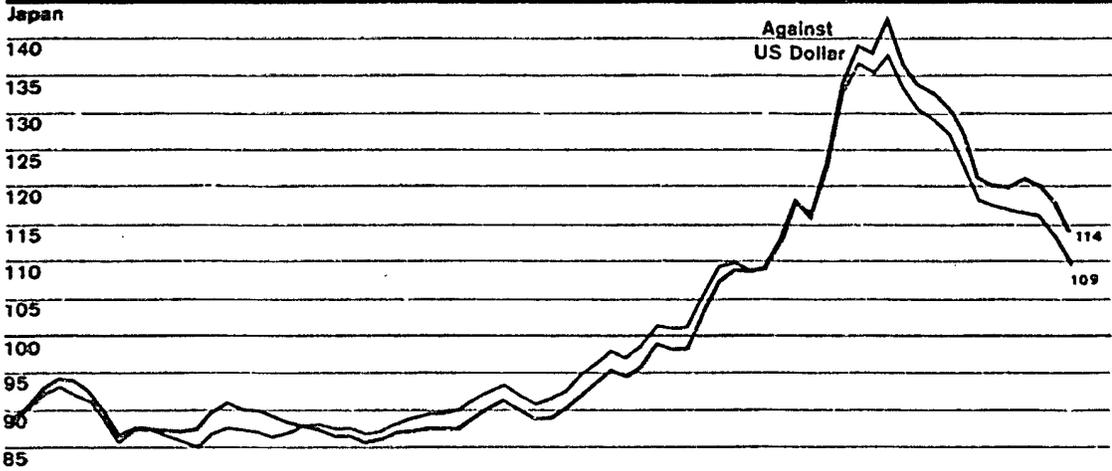
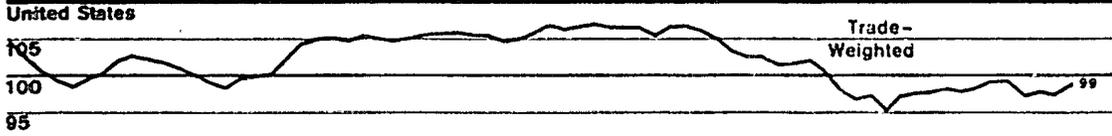
	Latest Period	Cumulative (Million US \$)			
		Million US \$	1979		
			1979	1978	Change
United States		No longer published ²			
Japan	Dec 79	-1,135	-19,576	4,617	-24,193
West Germany	Oct 79	-16	2,496	6,339	-3,843
France	78 IV	1,135	NA	NA	NA
United Kingdom	79 II	-1,109	-4,634	-69	-4,565
Italy	78 I	519	NA	NA	NA
Canada	79 I	425	425	-313	737

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

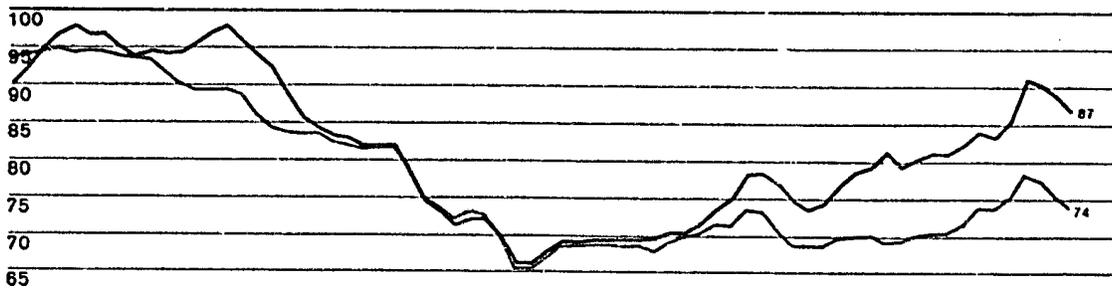
² As recommended by the Advisory Committee on the Presentation of Balance of Payments Statistics, the Department of Commerce no longer publishes a basic balance.

Exchange Rate Trends

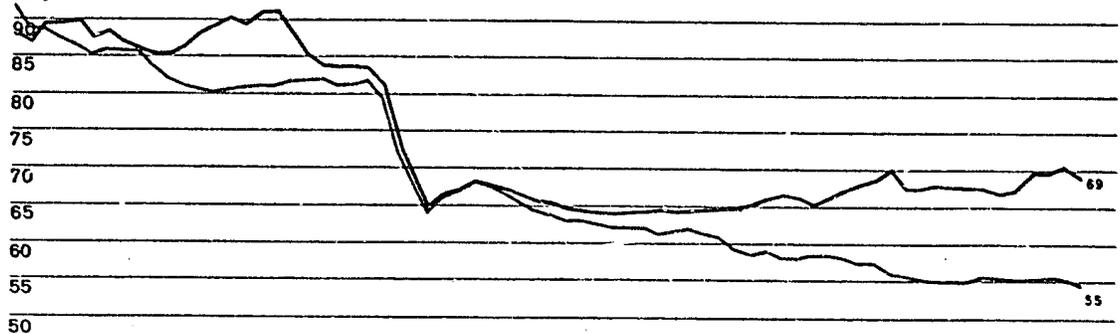
Index: March 1973=100



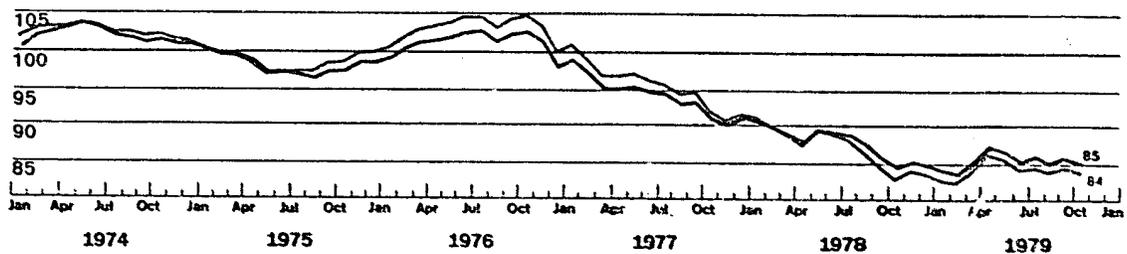
United Kingdom



Italy



Canada



Exchange Rates

Spot Rate	USS Per Unit	Percent Change From			
		19 Mar 73	1 Year Earlier	3 Months Earlier	21 Dec 79
Japan (yen)	0.0042	9.32	-19.01	-6.10	-0.22
West Germany (Deutsche mark)	0.5789	62.84	5.21	1.71	0.52
France (franc)	0.2484	11.96	3.35	2.75	0.87
United Kingdom (pound sterling)	2.2290	-9.84	9.21	2.34	1.30
Italy (lira)	0.0012	-29.90	2.24	0.73	0.08
Canada (dollar)	0.8543	-14.85	1.34	-0.37	0.21

Trade-weighted Exchange Rates¹

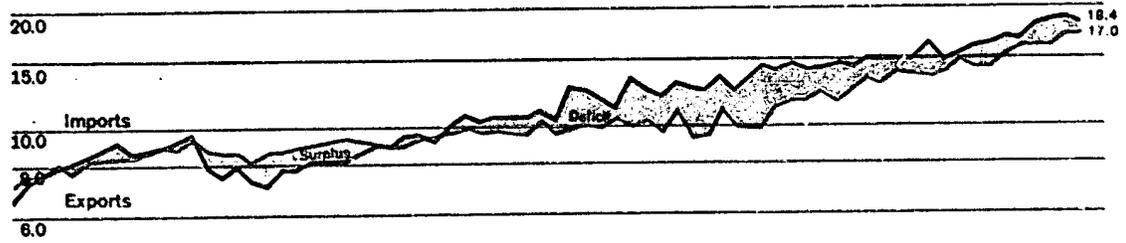
As of 28 Dec 79	Percent Change From			
	19 Mar 73	1 Year Earlier	3 Months Earlier	21 Dec 79
United States	-1.68	2.09	0.86	-0.34
Japan	10.41	-19.61	-6.15	-0.50
West Germany	40.75	2.88	0.50	-0.00
France	-9.36	0.13	1.53	0.31
United Kingdom	-22.31	7.95	1.91	0.76
Italy	-45.25	-0.97	-0.66	-0.53
Canada	-16.28	1.80	-0.24	0.09

¹Weighting is based on each listed country's trade with 16 other industrialized countries to reflect the competitive impact of exchange variations among major currencies.

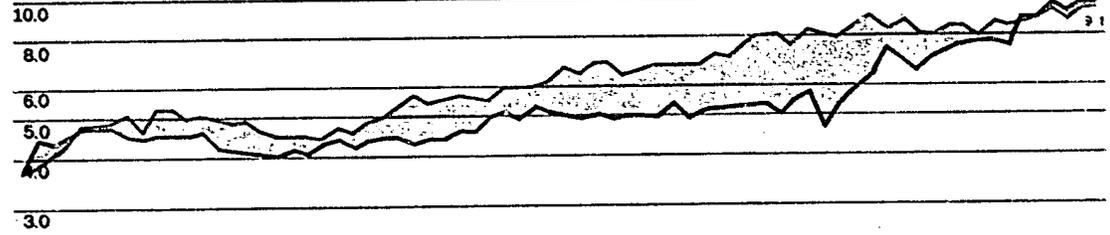
Foreign Trade Billion US \$, f.o.b., seasonally adjusted

Semilogarithmic Scale

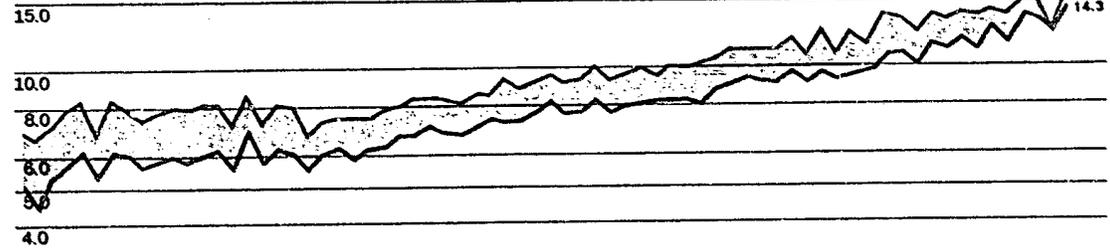
United States



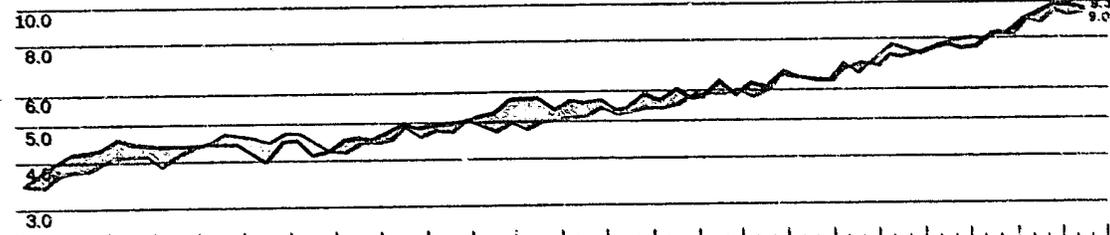
Japan



West Germany



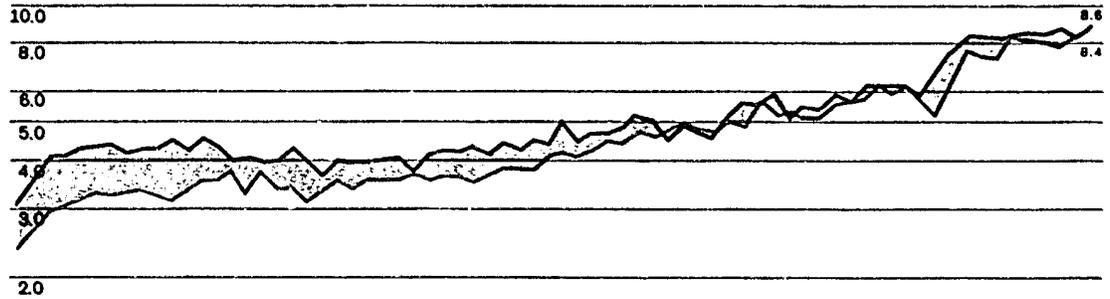
France



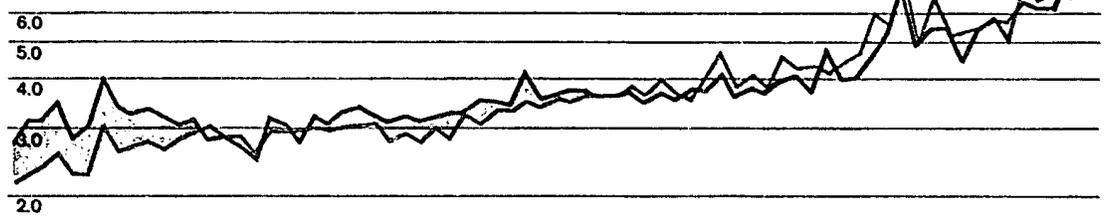
Jan Apr Jul Oct Jan
 1974 1975 1976 1977 1978 1979

Semi-logarithmic Scale

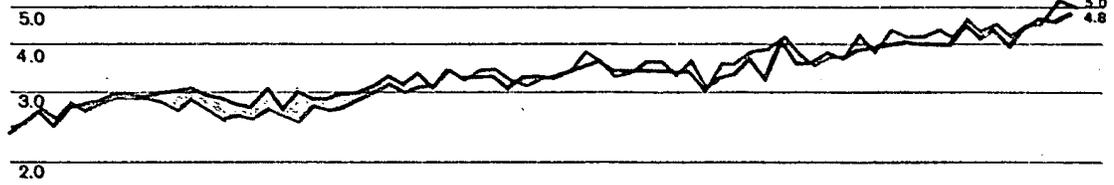
United Kingdom



Italy



Canada



Jan Apr Jul Oct Jan
1974 1975 1976 1977 1978 1979

	Latest Month	Million US \$	Cumulative (Million US \$)		
			1979	1978	Change
United States	Nov 79	17,004	165,036	130,221	26.7%
		18,422	186,523	157,010	18.8%
	Balance	-1,418	-21,487	-26,789	5,302
Japan	Dec 79	9,083	101,188	95,579	5.9%
		9,418	98,692	70,789	39.4%
	Balance	-335	2,496	24,790	-22,294
West Germany	Oct 79	15,688	140,377	115,388	21.7%
		14,309	123,705	94,556	30.8%
	Balance	1,379	16,672	20,832	-4,161
France	Nov 79	8,974	91,020	72,650	25.3%
		9,260	93,543	71,909	30.1%
	Balance	-305	-2,523	742	-3,265

	Latest Month	Million US \$	Cumulative (Million US \$)		
			1979	1978	Change
United Kingdom	Dec 79	8,411	86,752	68,147	27.3%
		8,570	93,915	70,338	33.5%
	Balance	-158	-7,163	-2,192	-4,971
Italy	Nov 79	6,338	64,217	48,522	32.3%
		8,033	63,527	45,040	41.0%
	Balance	-1,695	890	3,482	-2,792
Canada	Oct 79	5,038	45,159	38,017	18.8%
		4,775	43,570	35,680	22.1%
	Balance	263	1,588	2,337	-749

Developed Countries: Direction of Trade¹

Million US \$

	Exports to (f.o.b.)			
	Latest Month	CUMULATIVE		Percent Change
		1979	1978	
UNITED STATES	Jun 79			
World	15,366	85,531	68,017	25.7
Big Seven	6,667	38,689	29,790	29.9
Other OECD	2,433	13,483	9,846	36.9
OPEC	1,322	7,248	8,191	-11.5
Communist	687	3,390	2,615	29.6
Other	4,257	22,722	17,575	29.3
JAPAN	Jun 79			
World	8,715	47,807	46,187	3.5
Big Seven	3,160	17,530	16,391	6.9
Other OECD	802	4,783	4,867	-1.7
OPEC	1,140	5,584	6,897	-19.0
Communist	700	4,010	3,130	28.1
Other	2,893	15,900	14,902	6.7
WEST GERMANY	Jun 79			
World	13,693	81,628	67,143	21.6
Big Seven	4,995	29,640	23,107	28.3
Other OECD	5,483	33,145	26,768	23.8
OPEC	806	4,877	5,772	-15.5
Communist	1,061	6,391	5,329	19.9
Other	1,348	7,578	6,170	22.8
FRANCE	Jun 79			
World	8,490	48,423	38,909	24.5
Big Seven	3,598	20,411	15,964	27.9
Other OECD	2,415	13,485	10,669	26.4
OPEC	581	3,457	3,277	5.5
Communist	489	2,650	1,780	48.9
Other	1,406	8,420	7,223	16.6
UNITED KINGDOM	Apr 79			
World	6,885	25,236	22,614	11.6
Big Seven	2,337	8,343	6,817	22.4
Other OECD	2,635	9,936	8,457	17.5
OPEC	519	1,976	2,765	-28.5
Communist	249	839	824	1.8
Other	1,146	4,142	3,750	10.5
ITALY	May 79			
World	5,885	26,295	19,851	32.5
Big Seven	2,780	12,897	9,562	34.9
Other OECD	1,399	6,135	4,362	40.6
OPEC	714	2,768	2,555	8.3
Communist	349	1,549	1,204	28.7
Other	643	2,945	2,169	35.8
CANADA	May 79			
World	5,124	22,425	19,475	15.1
Big Seven	4,154	18,322	15,936	15.0
Other OECD	312	1,154	807	43.0
OPEC	87	498	514	-3.1
Communist	125	504	478	5.4
Other	446	1,947	1,743	11.7

¹ Source: International Monetary Fund, Direction of Trade.

Developed Countries: Direction of Trade¹

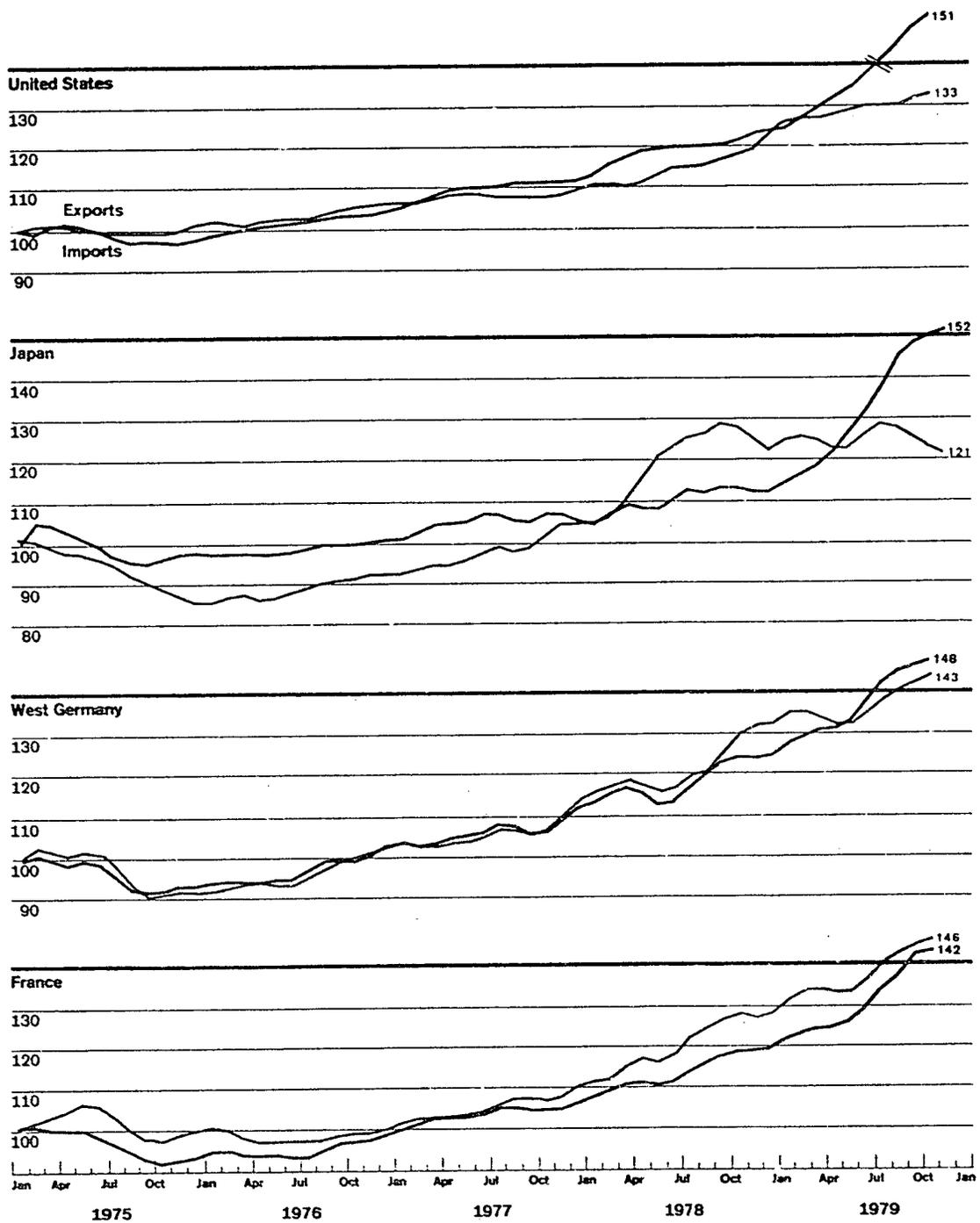
Million US \$

	Imports from (c.i.f.)			
	CUMULATIVE			Percent Change
	Latest Month	1979	1978	
UNITED STATES	Jun 79			
World	18,508	101,478	89,128	13.9
Big Seven	8,444	47,515	42,917	10.7
Other OECD	1,513	8,002	7,182	11.4
OPEC	3,330	18,767	16,046	17.0
Communist	310	1,293	1,178	9.8
Other	4,911	25,901	21,809	18.8
JAPAN	Jun 79			
World	8,468	48,795	37,711	29.4
Big Seven	2,597	14,557	10,552	38.0
Other OECD	930	5,111	4,359	17.3
OPEC	2,352	14,143	12,410	14.0
Communist	456	2,472	1,881	31.4
Other	2,132	12,513	8,508	47.1
WEST GERMANY	Jun 79			
World	13,693	81,628	67,143	27.0
Big Seven	4,995	29,640	23,107	29.4
Other OECD	5,483	33,145	26,768	25.8
OPEC	806	4,877	5,772	37.3
Communist	1,061	6,391	5,329	28.9
Other	1,348	7,578	6,170	15.6
FRANCE	Jun 79			
World	8,469	50,301	40,193	25.1
Big Seven	3,765	22,606	17,746	27.4
Other OECD	2,343	13,828	11,017	25.5
OPEC	1,301	7,184	5,828	23.3
Communist	259	1,614	1,404	15.0
Other	802	5,068	4,198	20.7
UNITED KINGDOM	Apr 79			
World	7,875	29,743	24,539	21.2
Big Seven	3,417	12,443	9,717	28.1
Other OECD	2,740	10,814	8,727	23.9
OPEC	403	1,916	2,188	-12.4
Communist	335	1,060	739	43.4
Other	980	3,510	3,163	10.8
ITALY	May 79			
World	6,711	27,892	20,640	35.1
Big Seven	2,955	12,757	9,296	37.2
Other OECD	1,261	5,488	3,853	42.4
OPEC	1,249	4,665	3,773	23.6
Communist	495	1,747	1,309	33.5
Other	751	3,236	2,410	34.3
CANADA	May 79			
World	5,523	24,457	19,920	22.8
Big Seven	4,570	20,205	16,036	26.0
Other OECD	203	949	781	21.5
OPEC	240	1,160	1,271	-8.7
Communist	41	221	156	41.7
Other	469	1,921	1,678	14.5

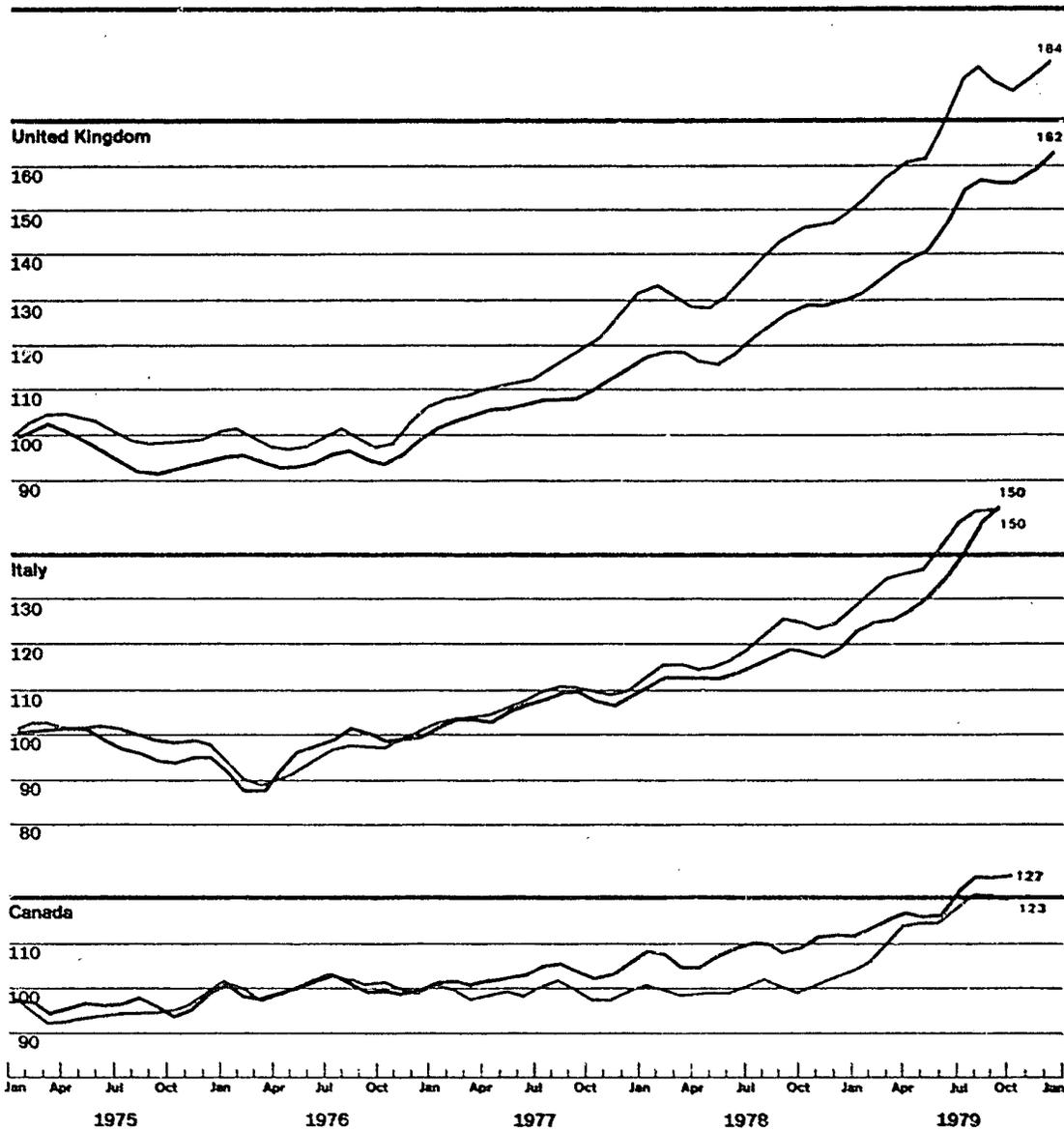
¹ Source: International Monetary Fund, Direction of Trade.

Foreign Trade Prices in US \$¹

Index: Jan 1975=100



¹Export and import plots are based on five-month weighted moving averages.



Export Prices

	Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier
United States	Oct 79	1.6	9.7	13.0	13.2
Japan	Nov 79	-2.3	9.6	-1.1	-17.1
West Germany	Oct 79	1.4	12.2	8.3	14.1
France	Oct 79	0.3	12.3	12.3	12.8
United Kingdom	Dec 79	3.9	13.6	25.2	16.5
Italy	Sep 79	2.0	12.4	21.0	30.3
Canada	Oct 79	-1.2	9.4	22.6	3.7

Import Prices

	Latest Month	Percent Change From Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier
United States	Oct 79	2.7	13.9	25.8	35.9
Japan	Nov 79	3.3	15.7	39.9	26.5
West Germany	Oct 79	-0.3	12.4	17.0	8.2
France	Oct 79	0.4	13.0	18.3	34.6
United Kingdom	Dec 79	4.4	15.3	26.7	23.1
Italy	Sep 79	5.3	15.7	29.3	71.0
Canada	Oct 79	3.6	9.3	17.2	15.6

SELECTED DEVELOPING COUNTRIES

INDUSTRIAL PRODUCTION ¹

	Latest Month	Percent Change from Previous Period	Average Annual Growth Rate Since		
			Percent Change		
			1970	1 Year Earlier	3 Months Earlier ²
India	Sep 79	-1.7	4.1	-0.4	4.2
South Korea	Oct 79	-8.5	20.0	2.2	-9.0
Mexico	Jul 79	2.9	7.1	10.4	38.0
Nigeria	78 II	6.3	9.7	-9.0	27.7
Taiwan	May 79	6.0	0.2	17.0	42.8

¹ Seasonally adjusted.

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

MONEY SUPPLY ¹

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			Percent Change		
			1970	1 Year Earlier	3 Months Earlier ²
Brazil	Jun 79	5.7	35.8	47.4	30.3
India	Jul 79	0.6	14.6	19.2	17.2
Iran	Mar 79	2.5	31.4	51.4	133.9
South Korea	Sep 79	9.5	29.9	28.0	27.9
Mexico	Aug 79	1.2	22.4	33.5	24.2
Nigeria	Dec 78	-5.0	30.8	0.5	15.1
Taiwan	May 79	2.7	26.0	32.8	13.1
Thailand	Jun 79	-0.3	13.6	16.6	-2.3

¹ Seasonally adjusted.

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

CONSUMER PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			Percent Change	
			1970	1 Year Earlier
Brazil	Sep 79	5.5	31.4	57.2
India	Sep 79	0.8	7.7	8.0
Iran	Aug 79	0.4	11.7	10.9
South Korea	Nov 79	1.5	15.0	18.8
Mexico	Aug 79	1.4	15.2	17.9
Nigeria	Dec 78	3.6	15.7	9.1
Taiwan	Aug 79	2.6	10.0	11.7
Thailand	Aug 79	1.5	8.8	10.8

WHOLESALE PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			Percent Change	
			1970	1 Year Earlier
Brazil	Sep 79	8.3	32.0	61.1
India	Sep 79	1.8	9.0	17.9
Iran	Aug 79	1.1	10.8	17.6
South Korea	Nov 79	-0.2	16.4	22.9
Mexico	Sep 79	1.4	16.5	20.8
Taiwan	Aug 79	1.0	9.1	17.5
Thailand	Aug 79	1.2	9.8	15.6

EXPORT PRICES US \$

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since	
			Percent Change	
			1970	1 Year Earlier
Brazil	Mar 79	9.6	10.5	-6.3
India	Jul 78	-10.3	9.2	-3.6
South Korea	79 II	2.4	10.1	21.4
Taiwan	Feb 79	0.2	-13.5	-87.2
Thailand	Jun 79	0.9	12.4	23.6

OFFICIAL RESERVES

	Latest Month	Million US \$			
		Annual Growth Rate Since			
		End of	Million US \$	1 Year Earlier	3 Months Earlier
Brazil	Jul 79	10,091	1,013	8,921	11,343
India	Jun 79	7,747	1,006	6,140	7,357
Iran	Sep 79	12,628	208	11,725	11,190
South Korea	Aug 79	4,743	602	4,354	5,003
Mexico	Jul 79	1,951	695	1,731	2,075
Nigeria	Sep 79	4,479	148	1,558	2,900
Taiwan	Sep 79	1,455	531	1,555	1,448
Thailand	Oct 79	1,822	978	2,481	2,135

FOREIGN TRADE, f.o.b.

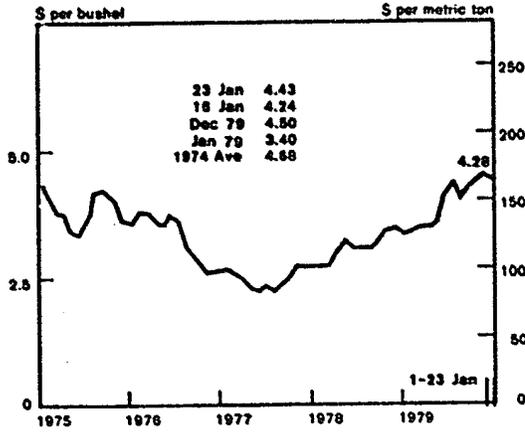
			Latest 3 Months Percent Change from		Cumulative (Million US \$)		
Latest Period			3 Months Earlier ¹	1 Year Earlier	1979	1978	Change
Brazil	Sep 79	Exports	71.1	27.8	10,945	9,108	20.2%
	Sep 79	Imports	165.9	44.7	12,475	9,789	27.4%
	Sep 79	Balance			-1,530	-681	-850
India	Jul 79	Exports	-35.6	16.9	4,398	3,776	16.5%
	Jun 79	Imports	-22.5	16.8	3,892	3,643	6.8%
	Jun 79	Balance			-83	-443	360
Iran	Sep 79	Exports	73.5	1.5	12,516	17,951	-30.3%
	Oct 78	Imports	-1.2	-3.0	NA	10,446	NA
	Oct 78	Balance			NA	9,232	NA
South Korea	Sep 79	Exports	45.3	24.4	10,809	8,949	20.8%
	Sep 79	Imports	-11.4	42.4	14,844	9,784	51.7%
	Sep 79	Balance			-4,034	-835	-3,199
Mexico	Sep 79	Exports	18.0	43.9	5,924	3,839	54.3%
	Sep 79	Imports	38.6	43.1	7,894	5,186	52.2%
	Sep 79	Balance			-1,970	-1,347	-623
Nigeria	79 II	Exports	126.3	214.3	4,710	1,793	162.7%
	78 IV	Imports	-21.8	-31.4	NA	3,876	NA
	78 IV	Balance			NA	327	NA
Taiwan	Jul 79	Exports	88.3	20.4	9,296	6,820	36.3%
	Jul 79	Imports	77.1	33.2	7,396	5,489	34.7%
	Jul 79	Balance			1,900	1,330	570
Thailand	Jul 79	Exports	-35.2	24.1	2,967	2,246	32.1%
	Jul 79	Imports	43.8	32.4	3,593	2,697	33.2%
	Jul 79	Balance			-626	-450	-176

¹ At annual rates.

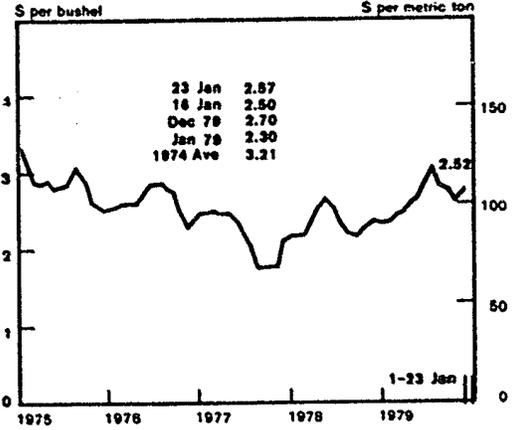
Agricultural Prices

Monthly Average Cash Price

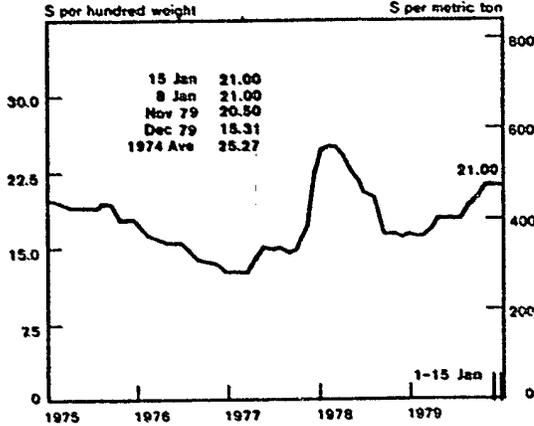
Wheat Kansas City No. 2 Hard Winter



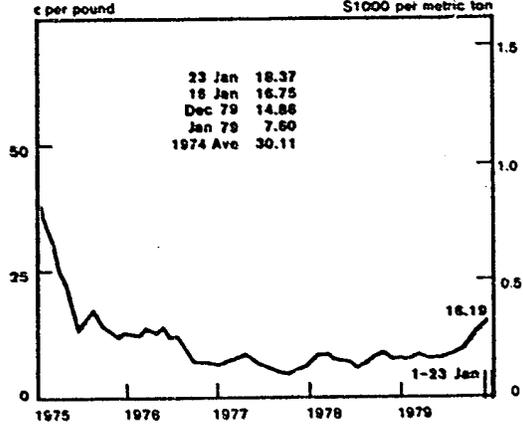
Corn Chicago No. 2 Yellow



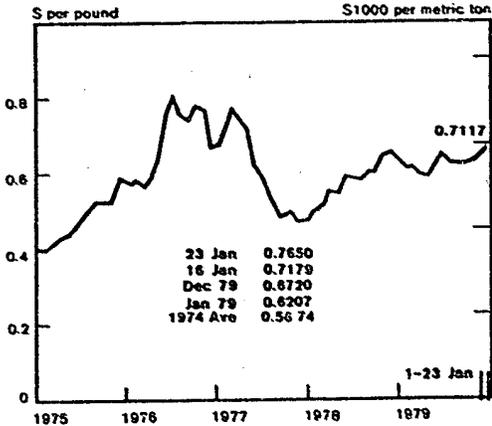
Rice No. 2 Medium Grain, 4% Broken, f.o.b. Mills, Houston, Texas



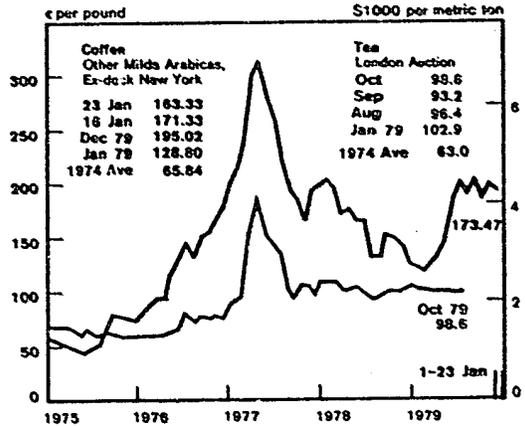
Sugar World Raw London, Bulk



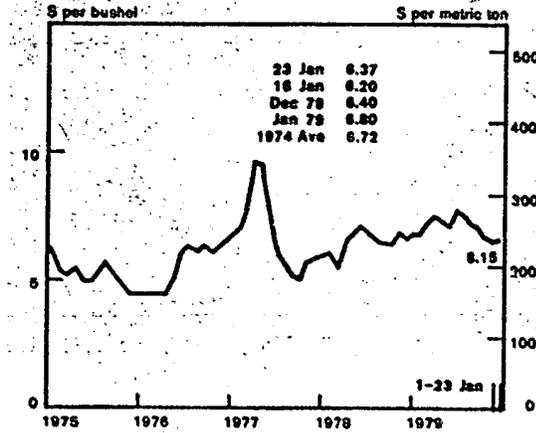
Cotton Memphis Middling 1 1/16 inch



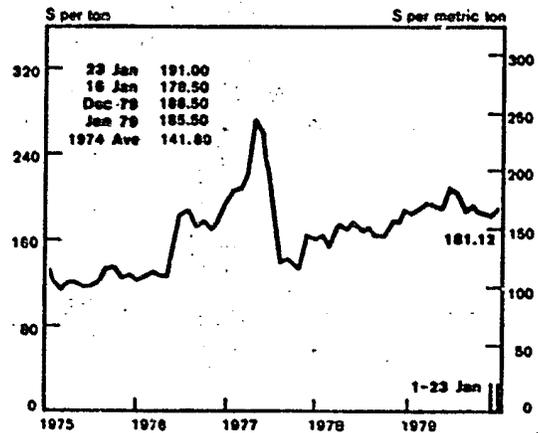
Coffee/Tea



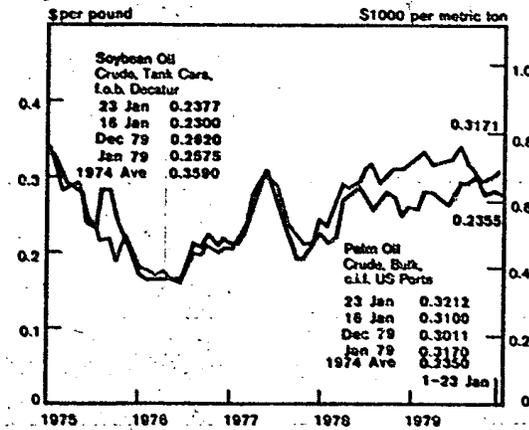
Soybeans Chicago No. 1 Yellow



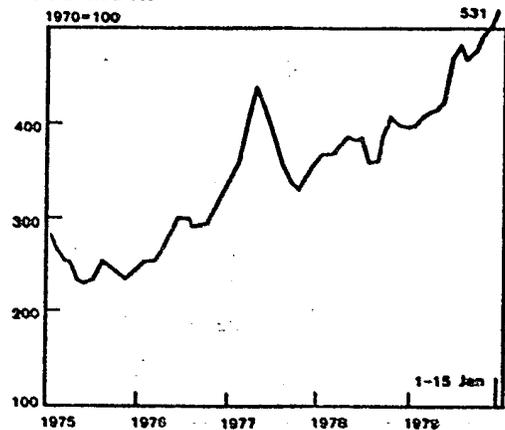
Soybean Meal 44% Bulk, f.o.b. Decatur



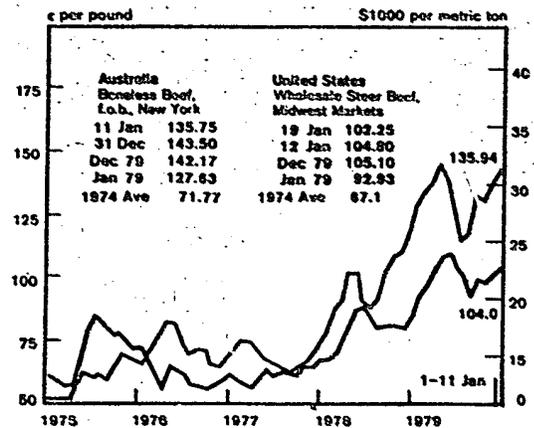
Soybean Oil/Palm Oil



Food Index



Beef

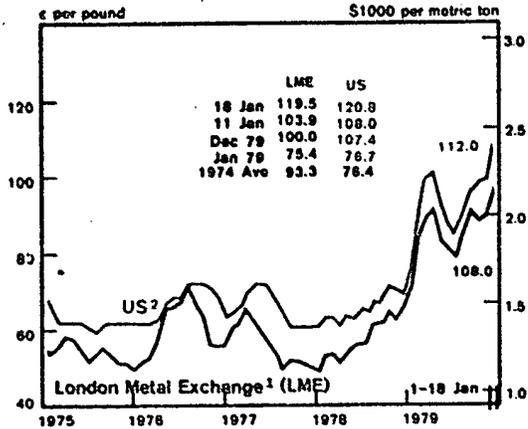


Note: The food index is compiled by the Economist for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

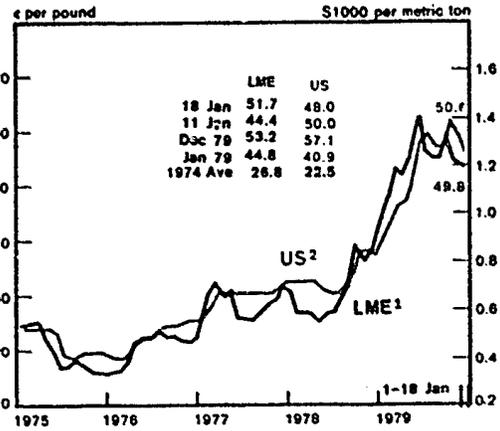
Industrial Materials Prices

Monthly Average Cash Price

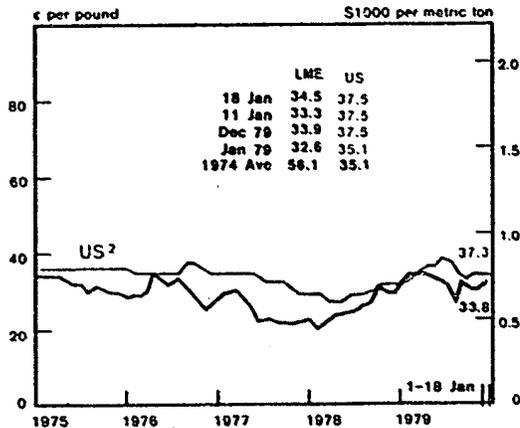
Copper Wire Bar



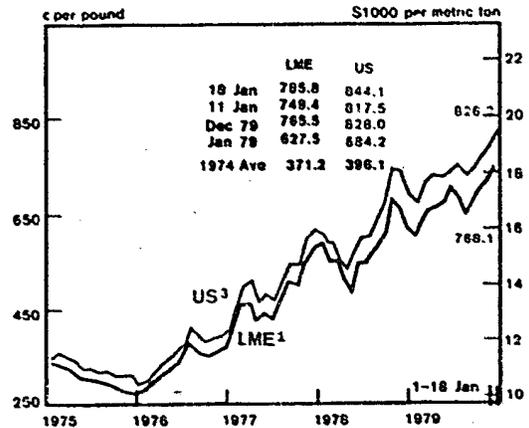
Lead



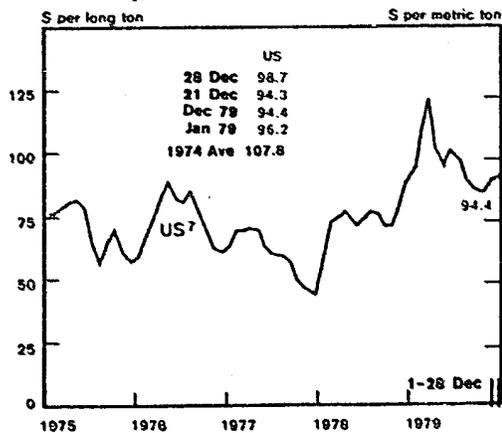
Zinc



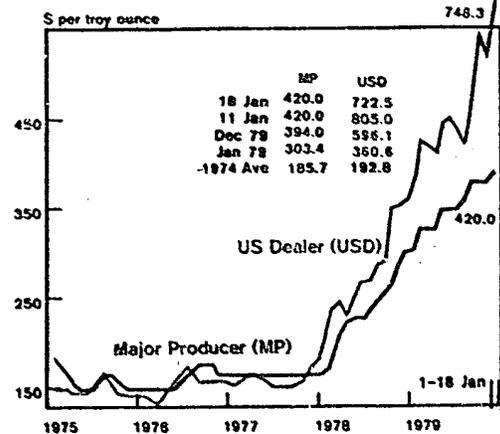
Tin



Steel Scrap



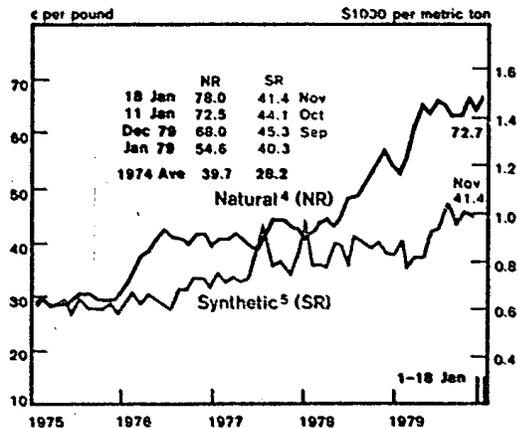
Platinum



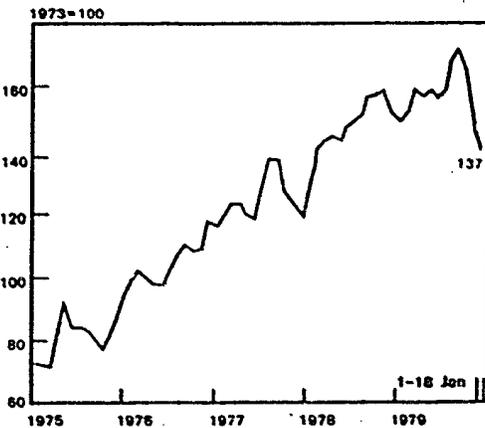
Selected Materials

			Current	July 78	Jan 78	Jan 78
Aluminum	Major US Producer	¢ per pound	66.25	58.90	58.00	53.00
US Steel	Composite	\$ per long ton	460.20	519.04	437.90	359.38
Iron Ore	Non-Bessemer Old Range	\$ per long ton	24.85	22.55	22.55	21.43
Chrome Ore	Russian, Metallurgical Grade	\$ per metric ton	N.A.	N.A.	N.A.	150.00
Chrome Ore	S. Africa, Chemical Grade	\$ per metric ton	56.00	56.00	56.00	58.50
Ferrochrome	US Producer, 66-70 Percent	¢ per pound	48.00	48.50	43.00	41.00
Nickel	Composite US Producer	\$ per pound	3.22	3.02	2.08	2.08
Manganese Ore	48 Percent Mn	\$ per long ton	67.20	67.20	67.20	72.24
Tungsten Ore	Contained Metal	\$ per metric ton	18,033.00	17,838.00	16,568.00	21,034.00
Mercury	New York	\$ per 76 pound flask	385.00	300.52	194.60	140.67
Silver	LME Cash	¢ per troy ounce	3,331.02	918.39	918.18	484.89
Gold	London Afternoon Fixing Price	\$ per troy ounce	607.20	294.65	227.27	173.18

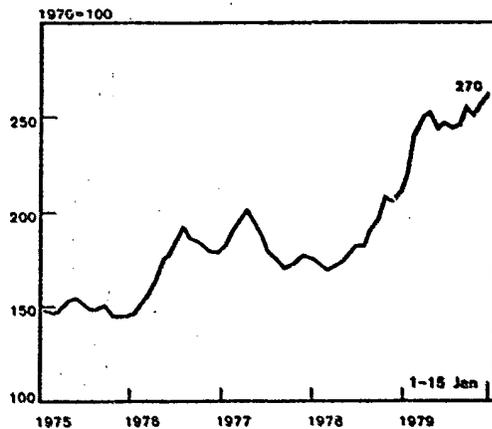
Rubber



Lumber Index⁶



Industrial Materials Index



¹ Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.

² Producers' price, covers most primary metals sold in the US.

³ As of 1 Dec 75, US tin price quoted is "Tin NY lb composite."

⁴ Quoted on New York market.

⁵ S-type styrene, US export price.

⁶ This index is compiled by using the average of 13 types of lumber whose prices are regarded as bellwethers of US lumber construction costs.

⁷ Composite price for Chicago, Philadelphia, and Pittsburgh.

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

END OF

FICHE

DATE FILMED

29 Feb 80

RRB