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The Role of LDC Trade Linkages in the Debt Problem



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An Intelligence Assessment

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October 1983

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The Role of LDC Trade Linkages in the Debt Problem

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An Intelligence Assessment

This paper was prepared by of
the Office of Global Issues. Comments and queries
are welcome and may be directed to the Chief,
International Trade Branch, OGI,

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*GI 83-10233
October 1983*

**The Role of
LDC Trade Linkages
in the Debt Problem**

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Summary

*Information available
as of 15 August 1983
was used in this report.*

We believe two factors have been instrumental in spreading the debt problem from one less developed country to another over the past year. First, banker confidence has been severely shaken by the problems of several large debtors. This has led to loan cutbacks not only to countries in financial trouble but also to neighboring states in stronger financial shape. Second, the debt problem has been spread among the LDCs through trade linkages. Much has been said about the impact of banker confidence on regional lending. Little has been said, however, about the significance of intra-LDC trade linkages because the effects are less obvious. This paper examines these linkages and estimates the impact of import cuts by 15 key debt-troubled LDCs on the export and growth performance of Third World countries facing financial problems—that is, the debt-troubled and potentially debt-troubled LDCs.

Intra-LDC trade presently accounts for about a third of total LDC trade, up from just 20 percent in 1970. The trade linkages in some cases are quite large. Brazil, for example, buys 60 percent of its foreign purchases from other developing countries. Brazilian import reductions, therefore, can have an important impact on LDCs. For some other countries, like Mexico, the dependence on LDC suppliers is quite small. Focusing on trade shares in isolation, however, generally leads to an underestimation of the potential impact that import cuts can have because they do not capture feedback effects. Because import cuts by one country are transformed into lower exports for others, this means slower economic growth and yet another drop in import demand, which feeds back to the country that initially lowered its import demand. Taking into account these feedbacks, we calculate that, if the key debt-troubled LDCs reduce their imports by 18 percent this year, as we expect, the GNP of all financially troubled LDCs would be nearly 1 percent lower than if the debt-troubled countries had continued to import at the 1975-81 trend rate. Moreover, the financially troubled LDCs would see their exports reduced by 2.7 percent, or \$5 billion.

In view of the trade linkages among the Third World countries, import cuts by debt-troubled LDCs will reduce LDC export gains this year and next, making it more difficult for developing countries to work through their financial difficulties. To the extent that the trade links inhibit LDC recovery, they also slow the confidence building needed to maintain the flow of commercial bank and supplier credits. In addition, as LDCs seek

ways to limit imports while simultaneously boosting exports, they are likely to set up new trade barriers. With export prospects to other LDCs limited, pressure to increase sales to the developed world could intensify protectionist pressures in industrial countries.

While the effects of trade reductions on the debt crisis are small compared with those caused by bankers' concerns spilling over from one country to another, they nevertheless make a difference at the margin. A further decline in living standards brought about by reductions in per capita GNP or per capita imports could contribute to political instability and civil unrest. Protests have already broken out in a number of debt-troubled countries, and hostility from strong interest groups could threaten serious disorder in others. The extent to which a decline in intra-LDC trade will weaken domestic economic performance and, in turn, feed into the political equation will vary widely among countries, depending on the importance of their LDC trade linkages. Argentina, Brazil, and Chile could be significantly affected; among the potentially troubled LDCs, Colombia, Paraguay, and Uruguay would be the hardest hit. For some countries, such as Indonesia, Mexico, Venezuela, Nigeria, and Zaire, import cuts by other debt-troubled LDCs will have little impact on either total exports or GNP growth.



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The Role of LDC Trade Linkages in the Debt Problem [redacted]

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Decline in LDC Imports, 1982-83

Trade and the Debt Problem. The number of developing countries requiring both debt rescheduling and International Monetary Fund (IMF) assistance continues to increase. We believe two factors are responsible for debt problems being transferred from one country, or group of countries, to another over the past year. The negative impact on banker confidence caused by the severe problems in a few high-debt LDCs, with resulting reductions in lending to other, potentially debt-troubled countries, has been given considerable attention. Less analysis has been done on the role of intra-LDC trade. In some cases the import cuts of major debt-troubled countries have significantly reduced the export earnings of other LDCs, thereby intensifying their foreign exchange problems.¹

[redacted]

loans. To cope with their foreign exchange constraint, governments introduced a number of import restrictions, including increased tariffs, additional quota and licensing restrictions, and new foreign exchange controls. For some countries, such as Chile and Argentina, the slowdown in domestic economic activity, stemming from austerity measures and falling exports, may have played an even greater role in curbing foreign purchases. [redacted]

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About one-third of the import reduction by the debt-troubled LDCs has been borne directly by those countries and by the potentially debt-troubled LDCs. Sales by potentially troubled countries to the debt-troubled countries were down \$4 billion last year, a 12-percent decline. Exports among the debt-troubled LDCs themselves fell by 26 percent, or about \$3 billion. [redacted]

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The Import Decline to Date—The Backdrop. Total LDC imports fell 7 percent in value in 1982—the first drop in nearly a quarter of a century—according to IMF data. Nearly 60 percent of the reduction in LDC imports is reflected in cuts by the debt-troubled LDCs we examined. The imports of these countries fell \$24 billion—nearly 18 percent—in 1982. Although some debt-troubled LDCs began to cut back imports in the first half of the year, most of the drop occurred in the second half of 1982. The sharpest import declines—40 percent or more—were reported by Argentina, Chile, and Mexico. [redacted]

The effect of import cutbacks by the debt-troubled LDCs was most pronounced in South America:

- Chile's exports fell only 2 percent last year, but sales to three debt-troubled LDCs—Argentina, Mexico, and Peru—fell 28 percent.
- Brazil's exports to Argentina, Chile, and Mexico were down 40 percent in 1982, nearly one-fourth of the overall drop in Brazilian foreign sales.
- Colombia—a potentially troubled country—reported a 50-percent decline in its exports to Western Hemisphere LDCs largely because of the falloff in sales to Argentina, Ecuador, and other financially burdened nations in the region. [redacted]

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The debt-troubled countries were forced to curtail imports last year because of foreign exchange constraints caused by falling export earnings in conjunction with rising debt service requirements and bankers' unwillingness to extend new commercial

¹ The distinction between debt-troubled and potentially debt-troubled countries is somewhat artificial. For analytical purposes 15 countries were labeled debt troubled on the basis of an evaluation of their relative debt positions, considering both their level of debt and their ability to service that debt. The 15 debt-troubled LDCs we examined are Argentina, Brazil, Chile, Costa Rica, Ecuador, Indonesia, Ivory Coast, Kenya, Mexico, Morocco, Nigeria, Peru, the Philippines, Venezuela, and Zaire. The 10 high-debt or potentially troubled countries we refer to are Colombia, Egypt, India, Malaysia, Pakistan, Paraguay, South Korea, Sudan, Thailand, and Uruguay. [redacted]

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year. Among the few countries for which first-half data are available, Mexican imports were down 60 percent from 1982 while Brazil recorded a decline of about 20 percent. [redacted]

A number of factors have been keeping imports low so far this year. Foreign exchange earnings have been depressed because, in addition to lower earnings from sales to other LDCs, exports to the industrial countries have been weak in the early phase of the Organization for Economic Cooperation and Development (OECD) economic recovery. A shortage of trade credits has also limited the ability of many countries to import. In addition, most of the countries examined here are under or are negotiating IMF stabilization programs where restrictive monetary and fiscal policies have held down domestic growth and, in turn, import demand. [redacted]

We believe, based on US Embassy reporting and preliminary trade data, that total imports of the debt-troubled LDCs will drop about 18 percent in value this year, although we expect the decline will bottom out by the end of the year. As in 1982, some of this decline—because of intra-LDC trade linkages—will be translated into an overall weaker Third World export performance. In our judgment, the sharpest import declines will be reported by the oil exporters—primarily Mexico and Nigeria. Venezuela may have to begin sharply curtailing its foreign purchases later this year. [redacted]

The Intra-LDC Trade Connection—A Regional and Country Perspective

The importance of overall intra-LDC trade—and its potential for transmitting financial problems—has grown in recent years, rising from 20 percent of total LDC exports in 1970 to its present level of 32 percent, according to IMF statistics. Factors behind this growth include the rise in petroleum prices and oil trade between LDCs and the increase in intra-LDC sales of semimanufactured goods. In addition, LDC



markets have grown more rapidly than those of industrial countries—since 1970, developing-country GNP has risen at twice the rate of the OECD.

Furthermore, trade groups, such as the Association of South-East Asian Nations, the Economic Community of West African States, the Caribbean Community, the Latin American Free Trade Association, and the Andean Pact, have helped boost regional trade, although in recent years strains within Latin and African groups have lessened their importance. [redacted]

Trade linkages are fairly substantial within some regions:

- Trade among Western Hemisphere LDCs accounted for 16 percent of total Western Hemisphere LDC exports in 1981—the last year for which we have reliable and internally consistent trade share data.
- Regional trade is also important in Asia, where trade among neighboring LDCs accounts for one-fourth of Asian LDC exports. Within Asia, the five ASEAN countries—Singapore, Thailand, the Philippines, Malaysia, and Indonesia—export more than 17 percent of their goods to each other.
- Trade linkages among the African states are relatively weak. In 1981 intra-African trade accounted for just 7 percent of the region's exports. [redacted]

Cutting across the regional groupings, the potentially debt-troubled LDCs sell about 5 percent of their total exports to the debt-troubled countries, while trade between the debt-troubled countries themselves accounts for about 8 percent of their total exports. Of the potentially troubled countries, two are particularly vulnerable; half of Paraguay's and close to a third of Uruguay's exports go to debt-troubled countries. Among the debt-troubled countries, four—Argentina, Brazil, Chile, and Ecuador—sell more than 10 percent of their exports to other debt-troubled states. [redacted]

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The Import Outlook for Selected Countries

Argentina's recession has bottomed out, but restrictions, import substitution, and low private investment may keep imports down at around \$5 billion on a c.i.f. basis, compared with \$5.3 billion last year and an average of \$10 billion in 1980 and 1981. [redacted]

mean greater agricultural imports. Even so, imports are unlikely to exceed \$10-11 billion, far below the \$14.6 billion figure in 1982 and the \$24 billion level reached in 1981. [redacted]

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The Brazilian Government slowed the issuance of import licenses and expanded the list of prohibited imports this year. The dropoff in suppliers' credits has also made importation more difficult. We believe cash flow problems and restrictive import policies will lead to an import drop on the order of 25 percent, lowering imports to under \$16 billion from \$21 billion in 1982. [redacted]

For Nigeria, the list of goods subject to import licensing was expanded and tariffs were sharply increased in February. Even with the recent rescheduling, importers are still having difficulty securing letters of credit because trade arrears remain at more than \$5 billion. According to Embassy sources, the government import goal is \$600 million per month, but imports are still running closer to \$800 million. Even at this rate, imports would be down 36 percent from last year. [redacted]

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Chile's liberal trade policy has been tightened since the uniform 10-percent tariff rate was raised to 20 percent last March. Chile's foreign exchange shortage probably will hold imports a little below last year's depressed level of about \$3.5 billion. [redacted]

Peru's imports are projected, according to Embassy reporting, to decline from \$3.6 billion in 1982 to \$2.8 this year. Increased imports due to low agricultural output will be more than offset by declines stemming from reduced industrial activity and cuts in public investment projects. [redacted]

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Ecuador imposed new measures to restrict imports in November 1982; a large number of items were banned and stricter import financing rules were introduced, according to US Embassy reporting. Imports may drop from \$2.5 billion in 1982 to about \$2.2 billion this year. [redacted]

Venezuelan import restrictions imposed in November 1982 included a ban on 220 items, higher tariffs on 327 items, and other restrictions on an additional 440 private-sector goods. In February of this year a three-tiered exchange rate system was established that gave preference to "essential" imports. Venezuelan controls could lead to a reduction in imports from \$14.6 billion in 1982 to about \$10 billion this year. [redacted]

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Mexican imports appear to have bottomed out in the first quarter of this year, and some import restrictions have recently been eased to allow exporters to import needed inputs. A poor harvest this year will

The Intra-LDC Trade Connection—A System Perspective

The potential impact that debt-troubled LDC import cuts can have on LDC exports is even greater than suggested by the bilateral trade shares, because they fail to take into account the feedback effects countries have on each other. For instance, if Brazil cuts imports by 10 percent, Chilean exports would be reduced by 0.7 percent based on its Brazilian export share. However, a falloff in Brazilian imports would also reduce the export earnings of Argentina, Bolivia,

and Paraguay, who also sell to Brazil. The reduction in these countries' exports would, in turn, lower their GNP and probably force them to cut imports. These second-round cutbacks would further reduce Chilean exports; and, when these secondary and tertiary effects on trade and GNP are considered, Chile would show a greater falloff in export earnings than would have been expected based on bilateral trade shares alone. [redacted]

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Country Trade Linkages

Trade shares vary widely among individual LDCs. In South America, for instance, more than 40 percent of the exports of Paraguay and Bolivia go to other South American countries. On the other hand, less than 10 percent of the foreign sales of Peru and Venezuela are in the South American market. Trade ties are particularly strong among certain individual South American countries. Argentina and Brazil together account for 41 percent of Paraguay's exports and 21 percent of Uruguay's exports. More than a third of Bolivia's exports go to Argentina. Colombia exports more than a tenth of its goods to Venezuela and is further tied to Venezuela through some 600,000 guest workers and family members there. []

Similar variations exist in other developing country regions. Within Asia, the Philippines exports 15 percent of its goods to other Asian LDCs, while the share is 40 percent for Malaysia. Although most African trade is with the industrial world, some countries do export a significant portion of their goods to the African market. Kenya's exports to other African states, for instance, accounted for nearly a third of its total foreign sales in 1981, while the Ivory Coast's intra-African trade amounted to 15 percent. On the other hand, almost all of Zaire's exports go to industrial countries. []

To estimate the probable overall impact on other countries of debt-troubled LDC import cuts this year, we used a reduced form model of world trade.³ Specifically, we calculated the difference between the actual level of imports expected this year, given the debt-troubled LDC import declines we project, and the amount that would have occurred had imports increased this year at the 1975-81 pace. This method shows the extent to which the import cuts prevent exporters from achieving accustomed increases in sales. []

³ See appendix A for a description of the model. []

Our analysis shows that:

- The 18-percent import cut we expect in debt-troubled LDCs this year would reduce the aggregate GNP of the potentially debt-troubled countries by an estimated 0.6 percent, or \$2.2 billion.
- Exports of potentially troubled countries would be 2.4 percent less than would otherwise have been expected, while imports of this group would be reduced by 0.7 percent.
- Several potentially debt-troubled countries, particularly Paraguay, Uruguay, and Colombia, would be severely affected by the import cuts of debt-troubled countries. Their total exports would be reduced by 11 percent, 8 percent, and 7 percent, respectively.
- The import cuts of debt-troubled countries also will have significant feedback effects on each other, reducing aggregate exports by 2.8 percent and GNP by 1.0 percent. Among the debt-troubled countries, Argentina, Brazil, and Chile would be the hardest hit, with their exports falling an average 5.5 percent.⁴ []

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Implications

While the effects of trade reductions on the debt crisis are small compared with those caused by bankers' concerns spilling over from one country to another, they nevertheless make a difference at the margin. Any falloff in LDC exports dampens real output growth, increases unemployment problems, and leads to declines in living standards. Moreover, import cutbacks in response to the drop in export earnings

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⁴ The debt-troubled LDC import cuts will also affect other groups of countries. For nonoil LDCs as a whole, exports would be reduced by an estimated 2.4 percent; GNP would be lowered by 0.8 percent. The import cuts by the debt-troubled countries even affect the OECD countries, reducing overall OECD exports by an estimated 3.3 percent. Among the developed countries, the United States would be affected most because 14 percent of its exports go to these countries. The loss in exports to the debt-troubled countries would lower the level of OECD GNP by about 0.9 percent. []

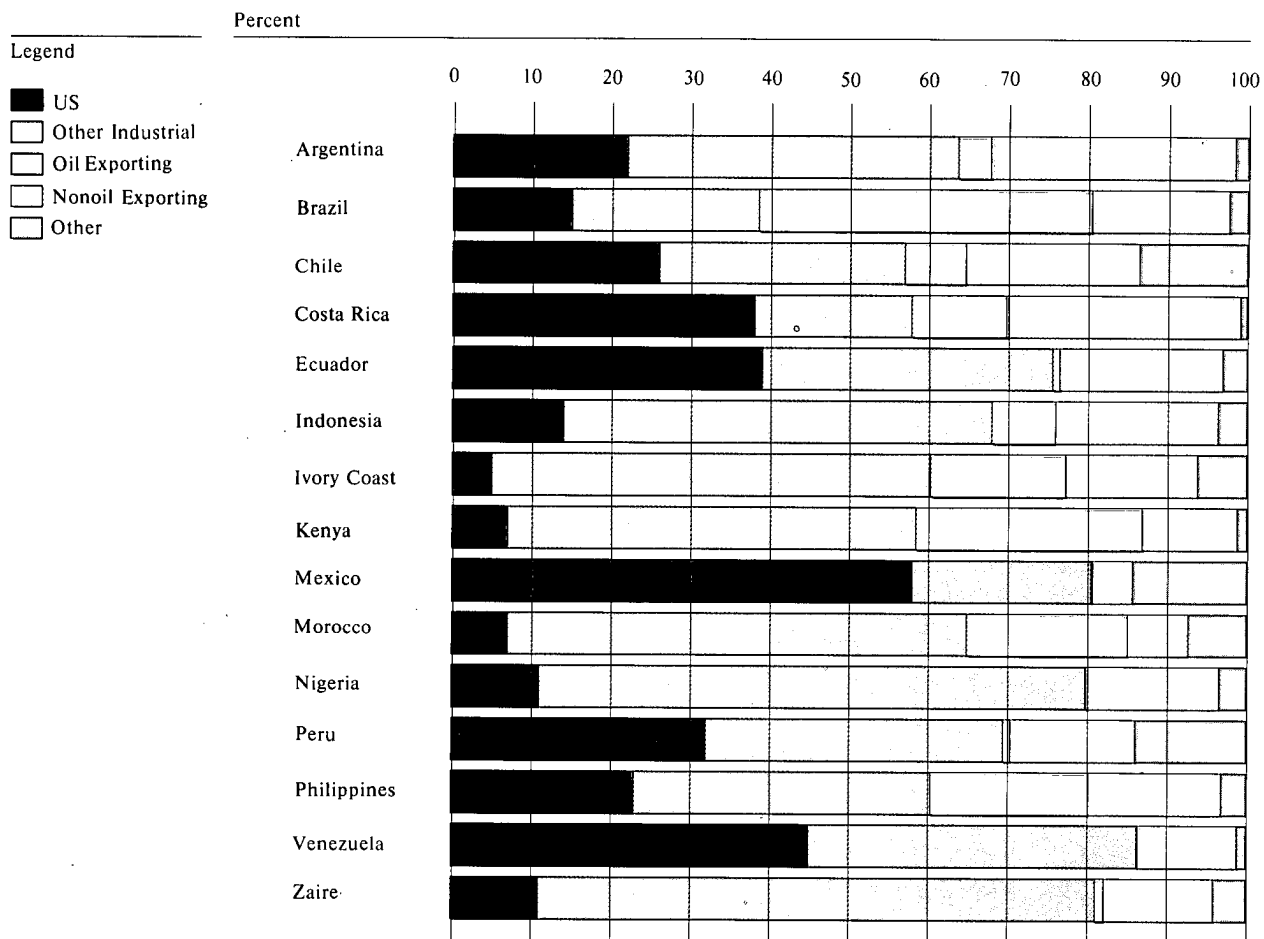
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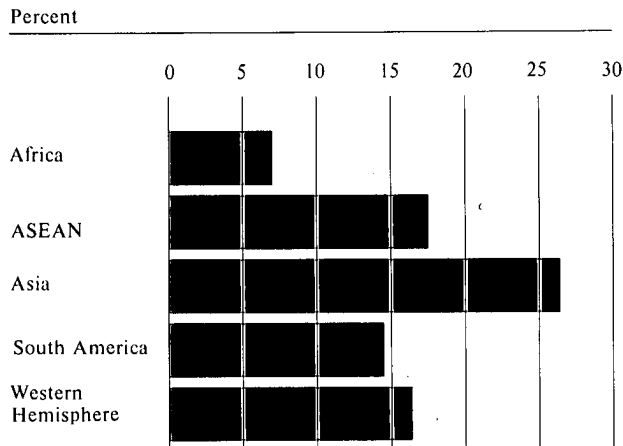
Figure 1
Key Debt-Troubled LDCs: Sources of Imports, 1981



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Figure 2
Nonoil LDCs: Exports to Regions
as a Share of Total Exports



[Redacted]

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contribute to shortages of needed inputs for manufacturing, consumer goods, and even foodstuffs. Domestic economic problems, in turn, may contribute to political instability and civil unrest, especially given the low income base from which some of these countries are starting. Protests have already broken out in a number of debt-troubled countries as economic adjustment policies have squeezed the middle and poorer classes, and hostility from strong interest groups could threaten serious disorder in others. [Redacted]

The aggregate impact of the decline in debt-troubled LDC imports masks some relatively important country differences. For some LDCs such as Indonesia, Mexico, Venezuela, Nigeria, and Zaire, import cuts by other debt-troubled LDCs will have little impact on either total exports or GNP growth. For these nations, OECD import policies will be of overriding importance on the trade front. Argentina, Brazil, and

Chile, however, would be significantly affected. Nearly a fifth of Brazil's and Chile's exports go to financially troubled LDCs. Some potentially debt-troubled nations—Colombia, Paraguay, and Uruguay—would be even harder hit by a falloff in sales to debt-troubled countries. [Redacted]

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If, as we expect, debt-troubled LDCs continue to restrict import growth over the near term, a further widening of the debt crisis may occur since the transmission effect of the debt crisis through LDC trade links will reinforce other trends. Banker confidence will be weakened as export declines between LDCs continue. It is also likely that suppliers will be less willing to extend short-term trade credits, thus further reducing a critical source of funds for cash-short LDCs. [Redacted]

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As LDCs seek ways to limit imports while simultaneously boosting exports, they are likely to set up new trade barriers. In our judgment, rising protectionist measures may lead to growing strains among LDC trade partners and a weakening of regional trade linkages. If LDCs cannot expand exports to other LDCs, they would be forced to turn to the Western industrial countries to sell their goods. Intense pressure to increase sales to the developed world could create additional North-South strains and possibly intensify protectionist pressures in industrial countries. [Redacted]

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Appendix A

Methodology: A Reduced Form Model of Trade Interaction

To estimate the total impact of import cuts by debt-troubled LDCs on individual countries and groups of countries in the world economy, we constructed a reduced form model of world trade. In this model, the world is divided into 29 countries or regions—15 debt-troubled countries, 10 potentially debt-troubled countries, and the other oil-exporting LDCs, other nonoil LDCs, Communist countries, and developed countries.

We used four items of information on each country or region for modeling the international interactions among the different economies; all data were derived from data bases of the International Monetary Fund and the OECD. The items included:

- The share of exports of each country or region sent to the other 28 countries or regions in the model.
- The share of exports in the GNP of each country or region.
- The elasticity of imports with respect to GNP for each country or region.
- A rough estimate of elasticity of domestic spending with respect to GNP for each country or region.⁵

These estimates were then incorporated in a simultaneous equation system for each country or region. The equation set is as follows:

$$\% \Delta X = \Sigma (SHXi) (\% \Delta Mi)$$

$$\% \Delta Y = (WTX) (\% \Delta X) + (WTDS) (\% \Delta DS) - (WTM) (\% \Delta M)$$

$$\% \Delta M = (\% \Delta Y) (MELAS)$$

$$\% \Delta DS = (\% \Delta Y) (DSELAS) + AU \% \Delta DS$$

where:

- $\% \Delta$ = percent change
- X = export earnings
- SHXi = share of exports to its country/region
- Mi = import spending of its country/region
- Y = total GNP
- WTX = exports as a share of GNP
- WTDS = domestic spending as a share of GNP 25X1
- DS = domestic spending
- WTM = imports as a share of GNP
- MELAS = elasticity of imports with respect to GNP
- DSELAS = elasticity of domestic spending with respect to GNP
- AU $\% \Delta DS$ = autonomous, user-supplied, shifts in domestic spending. 25X1

Using the model involves:

- Entering an assumed shock to the world economy—in this study some drop in imports in a set of debt-troubled countries. 25X1
- Allowing the model to calculate all the secondary and tertiary domestic and international feedbacks.
- Observing the final results.

The model captures the full impact of import cuts by debt-troubled countries. It accomplishes this by:

- Estimating the first-round effects of all the import cuts on each country based on its trade shares.
- Calculating the impact of the corresponding export declines on each country's domestic demand and GNP.
- Estimating the resulting drop in each country's import demand based on its import elasticity.
- Computing the effects of these second-round import cuts on other countries and repeating this procedure until the additional feedback effects approach zero. 25X1

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The model simulation used in this paper examined the impact of debt-troubled LDC import cuts averaging 18 percent in conjunction with a "deviation from trend"—the average growth rate of imports for these countries from 1975 to 1981—on the order of 16 percent. This method encompasses import changes from accustomed rates of growth. Thus, it captures, to the extent possible, the full impact that the debt crisis has had on the trade front.

While these results are admittedly rough, we believe they adequately capture the order-of-magnitude effects of shifts in one economy, or one group of economies, on the rest of the world. The underlying parameters used in the model are presented in the following table; additional data, as well as detailed results of the impacts on exports and GNP of the declines in imports in each of the 29 countries and regions, are available on request.⁶

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The model was also simulated zeroing in on only the absolute declines expected this year. The results showed:

⁶ It should be noted that the structure of this model causes it to calculate the total impact after all lags are worked out; it is not possible to use it to examine the time path of responses to a given shock.

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- Exports of potentially debt-troubled countries would be reduced 1.4 percent from what they otherwise would have been, while imports of this group would be 0.4 percent lower. Aggregate GNP of the potentially debt-troubled countries would be 0.3 percent lower.
- Aggregate exports of the debt-troubled LDCs would be reduced by 2.3 percent. GNP reductions ranged from 0.3 percent for Mexico to 1.3 percent for Chile.

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As expected, the simulation looking only at the absolute import decline in one year showed less of an impact on exports and growth. For the potentially debt-troubled group, the level of GNP was 0.3 percent higher, imports were 0.4 percent greater, and exports were 0.9 percent higher when the deviation from trend was not considered. Similarly, for the debt-troubled countries, the deviation from trend accounted for 0.5 percentage points of the 2.8-percent reduction in exports.

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Underlying Parameters

Ratios

	Export/GNP	Import/GNP	Domestic Spending/ GNP	Import Elasticity	Domestic Spending Elasticity
Debt-troubled LDCs					
Argentina	0.095	0.098	1.002	1.203	0.600
Brazil	0.090	0.093	1.003	1.187	0.600
Chile	0.235	0.280	1.046	1.622	0.600
Costa Rica	0.490	0.530	1.040	1.456	0.600
Ecuador	0.238	0.259	1.021	0.928	0.600
Ivory Coast	0.385	0.392	1.007	0.982	0.600
Indonesia	0.275	0.192	0.917	0.896	0.600
Kenya	0.256	0.346	1.090	1.037	0.600
Morocco	0.211	0.336	1.126	0.941	0.600
Mexico	0.124	0.141	1.017	1.395	0.600
Nigeria	0.257	0.334	1.077	1.158	0.600
Peru	0.203	0.243	1.040	1.258	0.600
Philippines	0.175	0.235	1.059	1.084	0.600
Venezuela	0.301	0.248	0.946	0.843	0.600
Zaire	0.183	0.315	1.132	0.595	0.600
Developed countries	0.203	0.212	1.009	1.175	0.500
Nonoil LDCs	0.253	0.323	1.070	1.274	0.600
Oil-exporting LDCs	0.651	0.290	0.639	0.758	0.600
Communist countries	0.087	0.090	1.003	1.075	0.600
Potentially troubled LDCs					
Colombia	0.114	0.155	1.041	1.039	0.600
Egypt	0.251	0.371	1.121	1.282	0.600
India	0.072	0.089	1.017	1.273	0.600
Malaysia	0.546	0.610	1.064	1.405	0.600
Pakistan	0.086	0.172	1.085	1.213	0.600
Paraguay	0.076	0.163	1.087	0.921	0.600
South Korea	0.414	0.456	1.042	1.317	0.600
Sudan	0.076	0.160	1.084	0.808	0.600
Thailand	0.254	0.259	1.005	1.098	0.600
Uruguay	0.149	0.213	1.065	1.138	0.600

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Appendix B

A Statistical Overview

Table B-1
Trade Trends in Selected Key Debt-Troubled Countries ^a

Million US \$

	1981	1982	1982				1983				
			I	II	III	IV	I	II	Apr	May	Jun
Argentina											
Exports	9,140	7,620	2,200	2,080	1,490	1,850	1,960	1,860	590	630	640
Imports	9,430	5,340	1,610	1,360	1,210	1,200	1,070	1,220	370	410	440
Brazil											
Exports	23,290	20,180	5,410	4,980	5,070	4,750	5,190	5,780	1,900	1,910	1,970
Imports	24,080	21,070	5,500	5,410	5,200	4,980	4,370	3,840	1,390	1,260	1,190
Chile											
Exports	3,910	3,820	970	990	960	890	910	1,060	330	350	380
Imports	6,360	3,530	1,050	1,090	730	690	700	680	230	240	210
Costa Rica											
Exports	960	870	230	230	210	200	190	200	70	60	70
Imports	1,210	870	210	220	220	200	220	230	70	90	70
Ivory Coast											
Exports	2,540	2,300	740	570	440	560	640	500	160	190	150
Imports	2,380	2,180	660	540	500	490	550	450	140	170	140
Mexico											
Exports	19,380	21,580	4,360	5,000	6,190	6,130	4,970	5,110	1,650	1,660	1,800
Imports	24,070	14,560	5,550	4,140	3,080	1,840	1,630	2,130	680	760	690
Nigeria											
Exports	17,370	14,280	3,780	3,260	3,470	3,780	1,730	3,000	780	1,240	980
Imports	19,600	15,120	4,820	4,190	2,790	3,330	2,390	2,340	780	780	780
Peru											
Exports	3,250	3,230	780	870	780	790	660	740	210	300	230
Imports	3,450	3,600	1,020	880	890	820	660	630	200	200	230
Philippines											
Exports	5,650	4,970	1,270	1,290	1,190	1,210	1,170	1,220	400	400	420
Imports	8,470	8,270	2,160	2,100	1,960	2,070	2,070	2,180	700	700	780
Venezuela											
Exports	20,100	16,600	4,050	3,220	4,470	4,750	4,110	3,300	1,100	1,100	1,100
Imports	13,430	14,650	3,930	3,870	3,590	3,330	1,780	1,000	340	330	330

Note: Exports f.o.b. and imports c.i.f. are based on IMF *International Financial Statistics* and are seasonally adjusted.
Seasonally adjusted quarterly data may not add to annual totals.
Numbers in italics are CIA estimates.



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Table B-2
Debt-Troubled LDCs:
Exports to Troubled and Potentially Troubled LDCs

	1981 Value (million US \$)	Share of Total Exports (percent)		1981 Value (million US \$)	Share of Total Exports (percent)
Argentina			Mexico		
Debt troubled	1,070	11.7	Debt troubled	1,220	6.3
Potentially troubled	530	5.8	Potentially troubled	170	0.9
Brazil			Morocco		
Debt troubled	4,080	17.5	Debt troubled	120	4.9
Potentially troubled	1,800	7.7	Potentially troubled	140	6.0
Chile			Nigeria		
Debt troubled	720	18.4	Debt troubled	830	4.8
Potentially troubled	160	4.1	Potentially troubled	130	0.7
Costa Rica			Peru		
Debt troubled	40	4.2	Debt troubled	260	8.0
Potentially troubled	10	1.0	Potentially troubled	150	4.6
Ecuador			Philippines		
Debt troubled	250	9.9	Debt troubled	180	3.2
Potentially troubled	190	7.3	Potentially troubled	370	6.5
Indonesia			Venezuela		
Debt troubled	560	2.5	Debt troubled	1,640	8.2
Potentially troubled	470	2.1	Potentially troubled	660	3.3
Ivory Coast			Zaire		
Debt troubled	50	2.0	Debt troubled	30	1.4
Potentially troubled	10	0.4	Potentially troubled	30	1.6
Kenya					
Debt troubled	20	1.8			
Potentially troubled	70	6.1			

Source IMF, *Direction of Trade Yearbook*, 1983.

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Table B-3
Potentially Debt-Troubled LDCs:
Exports to Troubled and Other
Potentially Troubled LDCs

	1981 Value (million US \$)	Share of Total Exports (percent)
Colombia		
Debt troubled	570	19.1
Potentially troubled	10	0.3
Egypt		
Debt troubled	0	0.1
Potentially troubled	50	1.6
India		
Debt troubled	160	1.9
Potentially troubled	330	4.0
Malaysia		
Debt troubled	350	3.1
Potentially troubled	1,080	9.6
Pakistan		
Debt troubled	120	4.1
Potentially troubled	110	3.8
Paraguay		
Debt troubled	140	48.1
Potentially troubled	10	3.7
South Korea		
Debt troubled	1,110	5.2
Potentially troubled	810	3.8
Sudan		
Debt troubled	0	0.0
Potentially troubled	30	5.3
Thailand		
Debt troubled	360	5.1
Potentially troubled	550	7.8
Uruguay		
Debt troubled	350	29.0
Potentially troubled	80	6.3

Source: IMF, *Direction of Trade Yearbook*, 1983.



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Export Trade Share for 1981*Percent*

Exporters	LCD Importers				Other Importers		
	Total LDCs	Debt-Troubled LDCs	Potentially Debt-Troubled LDCs	Other Oil-Exporting LDCs	Other Nonoil LDCs	Developed Countries	Other Countries ^a
Debt-troubled LDCs	24.5	8.1	3.7	1.4	11.3	56.7	18.8
Of which:							
Oil	19.8	5.5	2.0	0	12.3	56.6	23.6
Nonoil	31.3	12.1	6.2	3.0	10.0	57.0	11.7
Potentially debt-troubled LDCs	37.4	5.3	5.2	8.3	18.6	56.0	6.6
Other oil exporters	27.9	5.3	5.6	1.2	15.8	70.1	2.0
Other nonoil LDCs	32.9	5.6	5.1	5.8	16.4	54.8	12.3
Developed countries	32.5	7.5	3.7	6.8	14.5	65.2	2.3

^a Includes trade with the USSR and Eastern Europe, countries not specified in trade transactions, and countries in special trade categories.

Source: IMF, *Direction of Trade Yearbook*, 1983.



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