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Economic Intelligence Weekly

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28 February 1974

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The oil situation is now being covered mainly in International Oil Developments, published each Friday morning.

Note: Comments and queries regarding this publication are welcomed. They may be directed to Mrs.

[Redacted]

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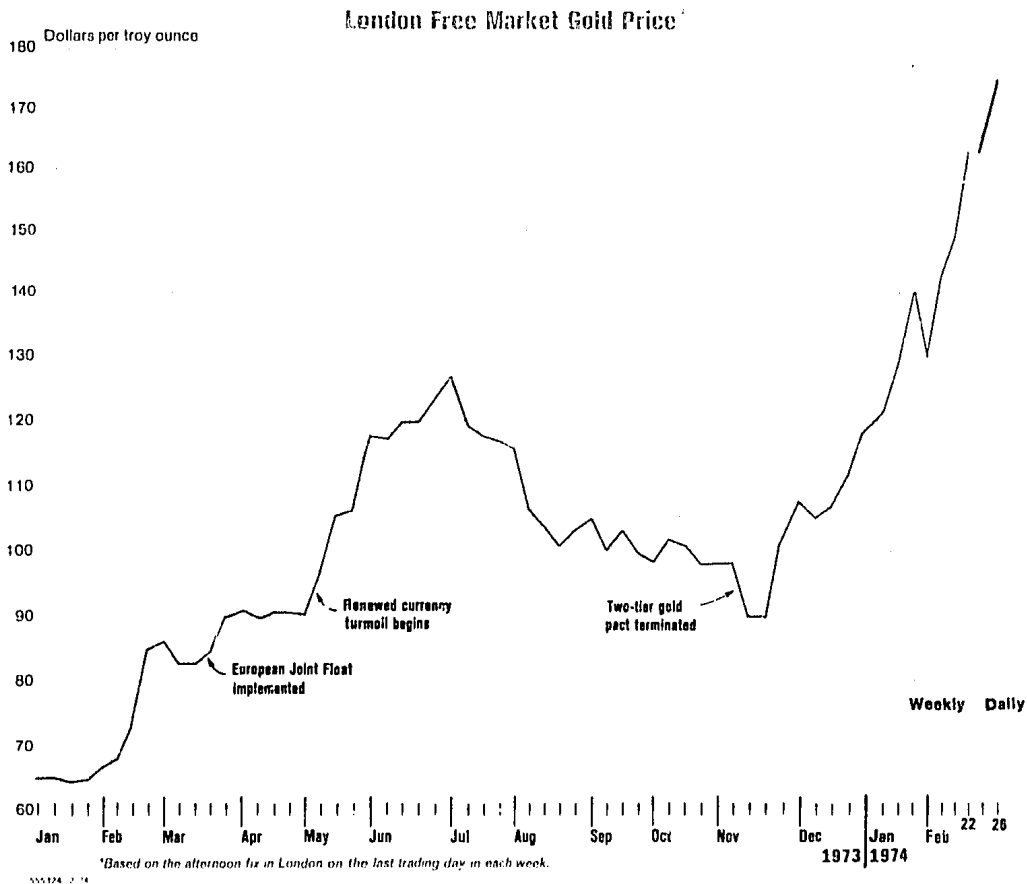
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ECONOMIC INTELLIGENCE WEEKLY

Articles

DOLLAR DECLINE CONTINUES

The dollar dropped further against most major currencies in hectic trading during the past week. Daily changes in its value sometimes exceeded 2% as energy-related uncertainties continued to dominate currency markets. Central banks did not intervene substantially to limit daily fluctuations in exchange rates or to halt the dollar's general decline. Since 1 February the dollar has depreciated nearly 4% against the mark, 2% against the pound, and 4% against the yen. The price of gold surged to \$175 per ounce and is up 50% so far this year.



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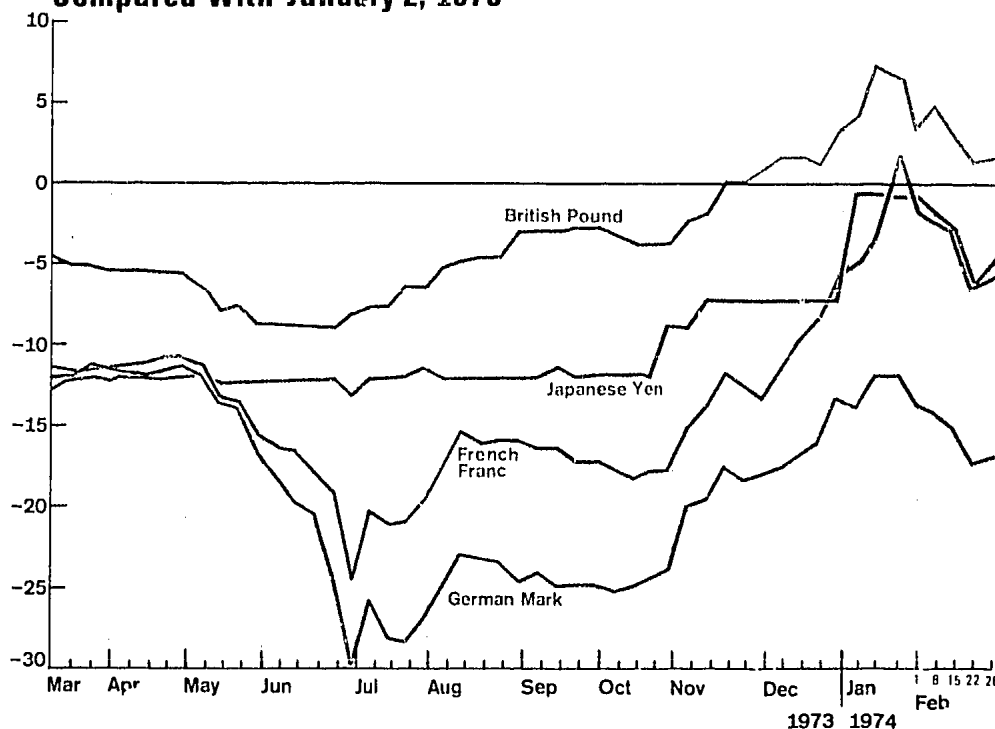
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The dollar's weakness reflects growing understanding that the Europeans and Japanese will be able to finance much of the rise in their oil import bills by borrowing; they thus will be under less pressure to depreciate their currencies or draw on foreign reserves than was previously supposed.

- Rome is planning to float a new \$1.5 billion external loan. It also will be able to draw on the recently negotiated \$1.2 billion IMF standby credit and arrangements for increased short-term currency swaps with the United States.
- In France, certain state agencies will apparently follow the lead of the Treasury and Electricite de France in seeking foreign capital. The Treasury and the electrical agency have already obtained loans totaling \$2 billion.
- The Danes announced plans for a 100 million mark (\$37 million) loan, and substantial further borrowing by Scandinavia is likely.

**Percent Change In the Value of the US Dollar
Relative to Selected Foreign Currencies
Compared With January 2, 1973**



The dramatic rise in the gold price is attributable mainly to increased speculative demand brought on by uncertainties as to the fate of major currencies. Reduced South African gold sales and renewed expectations that the EC will sharply raise its official price for gold have also been factors.

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US-POLISH TRADE: THE LIVELY ONE *

US exports to Poland tripled to \$315 million in 1973, nearly as large as sales to the rest of Eastern Europe. Washington ran a trade surplus for the first time since 1964. New Polish orders for plant and equipment on top of continued large deliveries of agricultural products could push US sales to more than \$450 million in 1974.

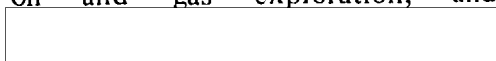
	Million US \$				
	1965	1970	1971	1972	1973
US exports	30	58	81	110	315
US imports	69	93	106	128	193
US trade balance	-39	-35	-25	-18	122

Source: Polish Data

Spurred by the availability of Eximbank credits, US firms in 1973 won about \$250 million in machinery contracts -- for machine tools and meat processing, metallurgical, and electronic equipment. Deliveries will begin to have an impact on trade in 1974. US exports of protein meals, corn, and other agricultural products should remain at high levels, and increases in sales of chemicals, steel products, and textiles can be expected.

US imports will still be dominated by canned hams and pork, traditionally 40% or more of US purchases from Poland. One major new import this year will be 600,000 tons (worth \$15 million) of low-sulfur coal. Otherwise, US imports will be scattered among such commodities as frozen fish, fox fur, medicines, nails, wire rod, steel sheets and pipe, clothing, shoes, glassware, and furniture.

Poland should remain Eastern Europe's most dynamic market in the 1970s. Under Party Chief Gierek, the Poles since 1971 have made a clean break with the cautious import policies of the Gomulka years. Ambitious growth and investment targets and a comparatively sound debt position point to continued heavy demand for Western machinery. Poland also will soon join Yugoslavia, Romania, and Hungary in permitting foreign investment in partnership with domestic firms. Warsaw is specifically looking to the United States for joint ventures in copper extraction, coal gasification, oil and gas exploration, and nonferrous metals production.



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* This is the seventh in a series of articles on current developments and prospects for US economic relations with the East European countries.

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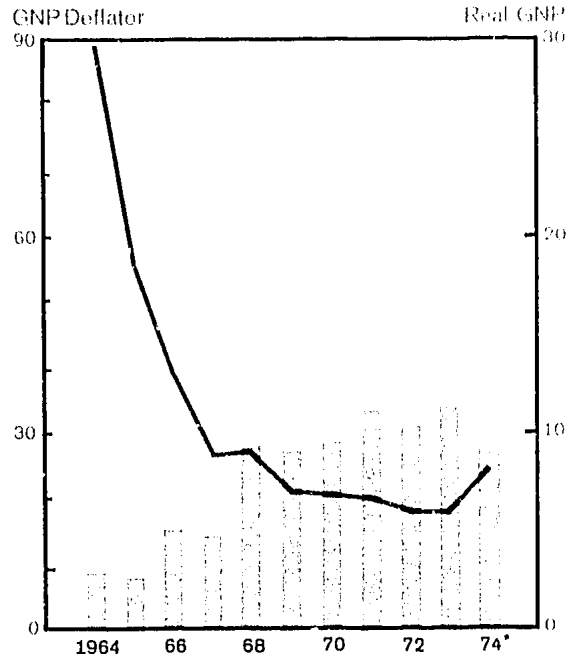
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BRAZIL: ECONOMIC PROSPECTS STILL BRIGHT

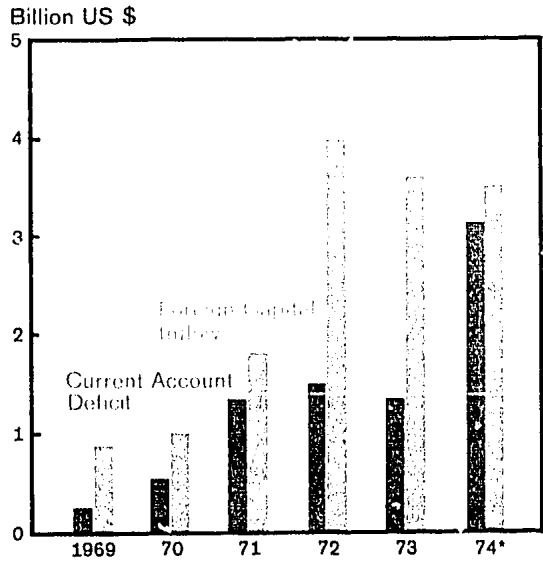
Rapidly rising investment spending will maintain Brazil's economic momentum through 1974 despite its exposure to soaring oil import prices. President-elect Geisel will continue to promote the investment boom that has fueled Brazil's vigorous economic growth for the past six years. US, Japanese, and European business interests will expand their already sizable stakes in Brazil. The new government may even open the exploration and development of Brazil's petroleum resources to foreign participation.

GNP probably will grow by 8% to 10% in 1974, compared with 11% in 1973. Industrial production will grow more slowly in 1974 as output presses against capacity. Agriculture should have a good year because of expanding acreage, good weather, and recovery of coffee production to nearly normal levels. Although not matching the remarkable increases of the last two years, exports should register a healthy rise of 15% to 20%. Brazil is not only the world's largest coffee supplier but also an important exporter of manufactured goods, the second largest exporter of soybeans and cane sugar, and a close rival with Canada and the USSR for second place among exporters of iron ore.

BRAZIL
Annual Increase in Real GNP and GNP Deflator (Percent)



Current Account Deficit and Foreign Capital Inflow



*Projected
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Prices will rise more rapidly in 1974--perhaps by 20% -- because of higher costs for imported fuels and the postponement of price adjustments until after the first of the year. These delays helped the government hold the official cost-of-living increase to about 14% during 1973 at the cost of spot shortages and isolated black market activity.

Brazil's current account deficit probably will exceed \$3 billion this year (about 4.5% of projected GNP), compared with only \$1.3 billion in 1973 (2.3% of GNP). Higher prices for imported petroleum and capital equipment and slower export growth will account for most of the increase. Brazil should be able to finance the larger deficit without difficulty because it probably can count on a continuation of the annual \$4 billion inflow of capital.

Brazilian borrowing slowed during the last four months of 1973 as the government imposed restrictions on capital inflows to check the inflationary impact of a sharp increase in foreign exchange reserves during 1972 and 1973. These restrictions have now been removed. Even if foreign financing were to slow down because of stiff competition in world capital markets, Brazil still could support a high level of imports by drawing on its large reserves.



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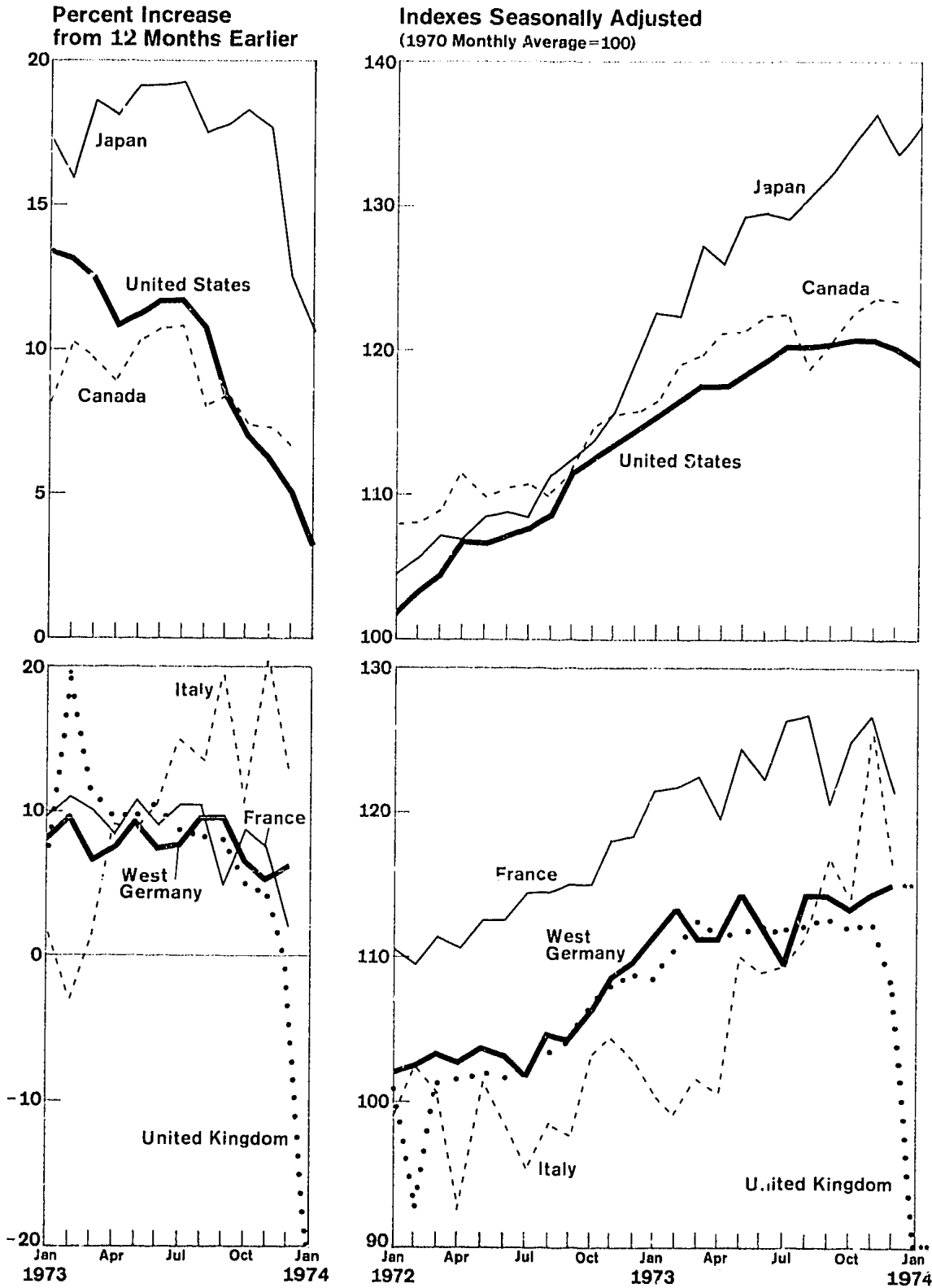
DEVELOPED COUNTRIES: INDUSTRIAL OUTPUT SLIPPING

The downturn in industrial output in six major developed countries in December is the first general statistical evidence of the depressing effect of the oil crunch. The sparse data available suggest that a bearish trend continued into January even though oil supplies improved and the full impact of sharp oil price hikes had not yet been felt. Because inflation has been accelerating, governments have resisted a shift to expansionary policies.

Measured against levels one year earlier, monthly increases in industrial output have been slipping at least since mid-1973 in most of the countries. In December, all of the major developed countries except West Germany experienced a decline, on a seasonally adjusted basis, from output in November. In January, US output dropped an additional 0.8%, and British output suffered a 15%-20% drop because of the coal strike and shortened work week. Japanese output recovered in January but remained below the peak reached in November. Rising unemployment suggests that West German industry has been experiencing sharply reduced growth -- if not a decline -- in output.

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Developed Countries: Industrial Growth Trends



*Reflects impact of dock strike the year before. **Estimated.
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The main factors in the recent downturn have been supply bottlenecks caused by energy shortages, a precipitous drop in demand for automobiles, and weakening demand for other consumer goods. In addition, uncertainties over future energy supplies and prices have caused postponement of some investment spending, and growth in foreign demand for some industrial goods slowed.

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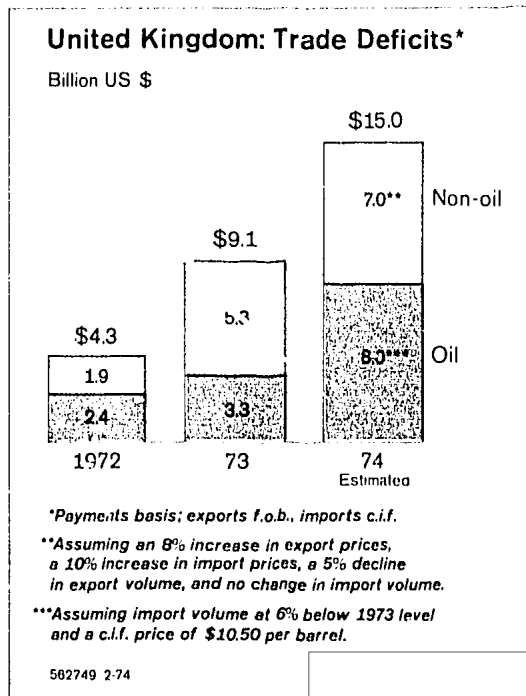
THE BRITISH TRADE BALANCE: FROM BAD TO WORSE

Higher oil prices and the coal strike will drive the United Kingdom's trade deficit—already the largest in the world—to much higher levels in 1974. In January alone the trade deficit (f.o.b./c.i.f.) totaled \$1.2 billion, compared with \$450 million in January 1973.

The 1973 deficit of \$9.1 billion was incurred in large part before the rise in oil prices. Even so, the deficit in oil trade reached \$3.3 billion, up about 40% from 1972. Sharp deterioration in Britain's terms of trade was the major factor in the \$4 billion jump in the deficit for non-oil trade in 1973. Spiraling world prices for primary commodities—for example, grains, other foodstuffs, wool, and rubber—hit the United Kingdom especially hard.

British trade prospects for 1974 are the worst in Europe. The coal shortage already has brought a 20%-30% drop in industrial production, the main source of exports. This decline is causing export earnings to drop considerably more than import requirements, which include huge amounts of food. Even if the strike ends soon, exports probably will not recover to the 1973 level until the third quarter.

A still more important factor in Britain's worsening trade deficit in 1974 will be the increased oil bill. A rise in the landed price of oil to \$10.50 per barrel would push the net oil import bill to \$8



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billion, even if conservation measures and economic recession hold the physical volume of imports 6% below the 1973 level. Since the balance for non-oil trade will deteriorate by at least \$1 billion, the United Kingdom faces an overall deficit of \$15 billion.

The United Kingdom will have to scramble to finance a deficit of this size. Britain has about \$3 billion in unconditional credits at the International Monetary Fund and is seeking additional financing in the form of a standby loan similar to the one recently obtained by Italy. Other possible sources of

Selected Quarterly Trade Statistics
1973

	Million US \$				Index (Average 1972 = 100)			
	Total Exports f.o.b.	Total Imports c.i.f.	Oil Exports	Oil Imports	Export Prices ¹	Import Prices ¹	Export Volume	Import Volume
First quarter	6,394	8,027	143	846	104	109	108	109
Second quarter	7,124	9,052	140	951	112	123	111	108
Third quarter	7,405	9,712	259	1,027	114	133	111	108
Fourth quarter	7,252	10,528	291	1,298	115	142	112	109
Full year	28,176	37,300	833	4,122	111	127	111	108

1. Computed in dollar terms.

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funds include reflows of Arab oil earnings and borrowing in the Euro-currency market. London nonetheless may be forced to draw heavily on its foreign reserves, which now total about \$6 billion.

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INDIA: INDECISION ON FERTILIZER

India must act decisively if fertilizer imports are to be obtained and distributed in time for 1974 plantings. Only 600,000 tons, about one-half the amount imported last year, has been contracted to date.

Increased use of fertilizer is an integral part of Indian programs to boost agricultural output. At present levels of application, a ton of imported fertilizer provides a saving of roughly five times its cost in imported grain.

Indian buyers could find themselves shut out of the tight international fertilizer market if additional contracts are not soon concluded.

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A cut in fertilizer supplies would compound New Delhi's mounting political and economic problems. Despite a near-record fall harvest, government grain stocks remain low and prices continue to rise. The government grain procurement program is likely to achieve only two-thirds of its 6.65 million ton target. The high cost of grains and inadequate supplies from government procurement/redistribution programs have triggered outbreaks of rioting in some grain-deficit states. [redacted]

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Notes**Chile and the Paris Club**

Chile's meeting with major Western creditors last week resulted in substantial rescheduling of the \$641 million due for payment in 1973-74. The "draft agreed minute" calls for payments of 5% in 1974, 5% in 1975, 10% in 1976, and the remaining 80% over the following seven years. Meetings will be held on 25 March to approve the draft formally and in November to consider Chile's request to reschedule 1975's debt payments. Belgium, Denmark, the Netherlands, and Sweden so far have withheld approval of last week's agreement because of domestic political considerations. Italy did not attend. All probably will come around because of the lack of alternatives. [redacted]

Soviet Sunflower Oil Exports

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As a result of last autumn's bumper sunflower seed harvest, the USSR has 800,000 to 900,000 tons of sunflower oil available for export in 1974 -- more than twice average exports in 1970-73. Soviet sales have usually amounted to about two-thirds of world exports. The world price of sunflower oil had climbed in late January to a record \$805 per ton, compared with about \$325 a year earlier. Recent Soviet sales of about 80,000 tons in Western markets explain in part the downturn that brought the world price to \$775 in mid-February. [redacted]

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Rising World Sugar Prices Exert Pressure on US Market

World sugar prices have doubled since last December and now stand at almost 25 cents per pound, the highest since World War I. World sugar supplies remain tight, and expectations of rising prices have caused widespread speculative activity. The United States maintains a preferred

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market for certain sugar producers and does not compete for sugar directly in the world market. US buyers, however, have been forced to raise their offer price in supplier countries in order to insure adequate supplies for the US market. World prices are expected to ease later this year as the new crops are harvested. [redacted]

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Soviets Insist on Barter Arrangement for Chemicals

Soviet foreign trade officials recently refused to sell industrial chemicals to a US trader unless he could provide caustic soda in return. The Soviets also offered to trade naphtha or benzene for bisphenol-A, commonly used in producing epoxy resins. Soviet insistence on payment in goods reflects both the tight world supply for many chemicals and the problems in the domestic chemical industry. Soviet production of caustic soda in 1973 -- 2 million tons -- was 146,000 tons short of plan. Applications of epoxy resins that could explain Soviet interest in bisphenol-A include use as laminating agents in printed circuits for computers and as molding materials in the electrical engineering and automotive industries. [redacted]

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Canadian Ultimatum on Scrap?

Faced with serious shortages of scrap for the second half of 1974, Canadian businessmen are asking the government to issue an ultimatum to Washington -- either open the Canadian-US border to ferrous scrap trade or face tighter controls on scrap exports to the United States. Current higher prices in the United States are drawing both Canadian scrap and pig iron to US markets, while the US limit on scrap exports to Canada (800,000 tons annually) may prevent Canada from meeting its own needs for scrap later in the year. Ottawa has responded by delaying requests for permits to export scrap and pig iron to the United States in hopes that prices will stabilize and thus eliminate the need for strict export controls. In the meantime, the Canadian Minister of Industry, Trade, and Commerce is expected to request an exception to the US allocation plan or at least a credit under the system for heavy shipments to the United States from Canadian stocks. [redacted]

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Publication of Interest

Egypt: Economic Impact of the 1973 War and Its Aftermath
(CIA ER IM 74-2, February 1974,)

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Egypt has emerged from the October war with physical assets largely undamaged and economic prospects markedly improved. Thanks to wartime contributions from other Arab states and to the prospective reopening of the Suez Canal, Egypt can realistically expect to reverse the pre-war economic downturn and hope to end the humiliating dependence on bilateral aid characteristic of past development efforts. Ties with the USSR could be loosened as the need for military aid diminishes and as increased affluence provides the means to reorient trade westward.

INTERNAL ECONOMIC INDICATORS

GNP*

Constant Market Prices

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier
	Latest Quarter	from Previous Quarter	1970		
United States	73 IV	0.4	4.7	4.0	1.5
Japan	73 III	0.5	8.5	10.0	2.0
West Germany	73 III	0.1	3.3	5.3	0.5
France	73 III	0.9	5.0	6.1	3.8
United Kingdom	73 III	1.3	3.9	6.0	5.2
Italy	73 I	0.8	3.1	5.2	3.4
Canada	73 III	0.4	5.7	6.9	1.7

WHOLESALE PRICES

Industrial

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier
	Latest Month	from Previous Month	1970		
United States	Jan 74	2.5	7.2	17.3	38.9
Japan	Jan 74	5.5	10.4	34.0	84.8
West Germany	Dec 73	0.9	5.3	8.8	11.0
France	Dec 73	2.7	9.2	20.9	37.3
United Kingdom	Dec 73	1.2	8.0	10.2	15.8
Italy	Nov 73	1.6	9.0	21.1	17.5
Canada	Nov 73	1.8	8.5	18.4	23.3

INDUSTRIAL PRODUCTION*

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier**
	Latest Month	from Previous Month	1970		
United States	Jan 74	-0.8	5.2	3.0	-0.6
Japan	Jan 74	1.3	8.9	10.6	7.5
West Germany	Dec 73	1.6	4.4	6.2	6.5
France	Dec 73	-4.4	5.7	2.1	0
United Kingdom	Dec 73	-4.2	2.2	1.8	-4.7
Italy	Dec 73	-7.5	4.4	12.8	22.3
Canada	Dec 73	-0.1	6.3	4.7	9.9

CONSUMER PRICES

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier
	Latest Month	from Previous Month	1970		
United States	Jan 74	0.9	5.3	9.5	9.7
Japan	Dec 73	3.6	9.1	19.1	21.8
West Germany	Dec 73	0.9	6.2	7.9	12.4
France	Dec 73	0.6	6.7	8.5	10.9
United Kingdom	Jan 74	1.9	9.3	12.0	14.5
Italy	Dec 73	1.4	7.7	12.5	14.5
Canada	Dec 73	0.6	5.6	9.1	6.7

RETAIL SALES*

Current Prices

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier**
	Latest Month	from Previous Month	1970		
United States	Jan 74	2.5	10.4	5.9	0.8
Japan	Oct 73	0.9	13.8	25.7	25.0
West Germany	Oct 73	4.1	9.1	9.2	1.2
France	Nov 73	-2.4	5.6	15.2	20.1
United Kingdom	Nov 73	0.7	12.1	14.8	21.9
Italy	Aug 73	6.7	12.4	19.0	5.0
Canada	Nov 73	0.3	10.1	10.5	8.0

MONEY SUPPLY*

	Average Annual Growth Rate Since				
	Percent Change			1 Year Earlier	3 Months Earlier**
	Latest Month	from Previous Month	1970		
United States	Jan 74	-0.5	7.2	5.4	7.6
Japan	Nov 73	0.8	18.0	20.2	20.5
West Germany	Nov 73	2.5	8.9	4.4	-1.6
France	Dec 73	5.0	13.2	9.7	14.2
United Kingdom	Dec 73	-0.2	9.6	3.8	-8.9
Italy	Aug 73	1.1	20.8	23.4	28.5
Canada	Dec 73	3.0	13.0	11.7	2.9

MONEY-MARKET RATES

	Representative Rates	Percent Rate of Interest			
		Latest Date	1 Year	3 Months	1 Month
			Earlier	Earlier	Earlier
United States	Prime finance paper	22 Feb 7.25	5.88	8.13	8.00
Japan	Call money	15 Feb 12.00	5.25	9.38	11.50
West Germany	Interbank loans (3 Months)	22 Feb 10.38	8.44	13.00	11.63
France	Call money	22 Feb 12.75	7.13	11.13	15.00
United Kingdom	Local authority deposits	15 Feb 15.96	7.36	14.63	15.50
Canada	Finance paper	22 Feb 8.50	5.13	9.00	8.75
Euro-Dollars	Three-month deposits	22 Feb 8.88	8.56	9.75	9.19

*Seasonally adjusted.
**Average for latest 3 months compared with average for previous 3 months.

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Office of Economic Research/CIA

EXTERNAL ECONOMIC INDICATORS

EXPORTS*

f.o.b.	Cumulative				
	Latest Month		Cumulative		
	Million US \$	1973	1972	Percent Change	
United States	Dec 73	6,930	70,790	49,221	43.8
Japan	Jan 74	3,651	36,192	28,032	29.1
West Germany	Dec 73	5,436	67,755	46,727	45.0
France	Jan 74	3,466	36,836	26,398	39.5
United Kingdom	Jan 74	2,278	28,461	22,875	24.4
Italy	Nov 73	2,004	19,831	16,549	19.8
Canada	Dec 73	2,221	25,244	20,259	24.6

EXPORT PRICES

US \$	Average Annual Growth Rate Since				
	Percent Change		Average Annual Growth Rate Since		
	Latest Month	From Previous Month	1970	1 Year Earlier	3 Months Earlier
United States	Dec 73	4.1	10.3	26.7	44.7
Japan	Nov 73	-0.5	13.1	24.9	12.3
West Germany	Nov 73	-0.3	13.1	29.9	-16.5
France	Oct 73	2.2	15.8	31.8	20.5
United Kingdom	Dec 73	0.6	8.9	18.0	12.3
Italy	Sep 73	2.3	11.3	22.4	37.6
Canada	Oct 73	1.7	7.9	19.5	30.8

IMPORTS*

f.o.b.	Cumulative				
	Latest Month		Cumulative		
	Million US \$	1973	1972	Percent Change	
United States	Dec 73	5,990	69,076	55,553	24.3
Japan	Jan 74	3,428	32,455	19,061	70.3
West Germany	Dec 73	4,520	51,727	37,991	36.2
France	Jan 74	3,566	35,428	25,268	40.2
United Kingdom	Jan 74	3,129	33,946	24,627	37.8
Italy	Nov 73	1,981	21,973	15,296	43.6
Canada	Dec 73	2,189	23,349	18,846	23.9

EXPORT PRICES

National Currency	Average Annual Growth Rate Since				
	Percent Change		Average Annual Growth Rate Since		
	Latest Month	From Previous Month	1970	1 Year Earlier	3 Months Earlier
United States	Dec 73	4.1	10.3	26.7	44.7
Japan	Nov 73	3.6	4.8	14.9	34.1
West Germany	Nov 73	0.3	1.9	4.7	14.1
France	Oct 73	1.8	6.6	10.7	34.9
United Kingdom	Dec 73	3.1	9.8	18.8	33.4
Italy	Sep 73	0.8	7.7	18.7	21.4
Canada	Oct 73	1.7	6.7	21.3	30.3

TRADE BALANCE*

f.o.b./f.o.b.	Cumulative (Million US \$)				
	Latest Month		Cumulative		
	Million US \$	1973	1972	Change	
United States	Dec 73	940	1,714	-6,332	8,046
Japan	Jan 74	223	3,737	8,971	-5,234
West Germany	Dec 73	916	16,028	8,735	7,293
France	Jan 74	-100	1,408	1,129	278
United Kingdom	Jan 74	-851	-5,485	-1,751	-3,734
Italy	Nov 73	23	-2,143	1,253	-3,395
Canada	Dec 73	32	1,895	1,413	482

IMPORT PRICES

National Currency	Average Annual Growth Rate Since				
	Percent Change		Average Annual Growth Rate Since		
	Latest Month	From Previous Month	1970	1 Year Earlier	3 Months Earlier
United States	Dec 73	4.7	13.5	32.5	65.3
Japan	Nov 73	3.7	4.6	19.8	31.0
West Germany	Nov 73	4.5	2.0	9.3	33.2
France	Oct 73	-1.5	5.3	14.3	35.2
United Kingdom	Dec 73	5.2	16.4	43.1	53.1
Italy	Sep 73	0	13.2	34.2	44.1
Canada	Oct 73	1.0	5.5	13.9	9.2

BASIC BALANCE**

Current and Long-Term-Capital Transactions	Cumulative (Million US \$)				
	Latest Period		Cumulative		
	Million US \$	1973	1972	Change	
United States*	73 III	2,540	990	-8,400	9,390
Japan	Jan 74	675	-9,770	2,137	-11,907
West Germany	Oct 73	925	3,445	3,867	-421
France	73 III	-1,486	-2,045	-201	-1,844
United Kingdom	73 III	-522	-1,844	-1,347	-497
Italy	72 IV	800	N.A.	2,983	N.A.
Canada	73 II	93	-151	434	-585

EXCHANGE RATES

Spot Rate	Percent Change from				
	US \$		Percent Change from		
	Per Unit	Dec 66	18 Dec 1971	19 Mar 1973	15 Feb 1974
Japan (Yen)	0.00354	29.31	9.02	-6.92	3.63
West Germany (Deutsche Mark)	0.37660	49.80	21.37	6.35	2.62
France (Franc)	0.20750	2.77	5.38	-5.85	3.75
United Kingdom (Pound Sterling)	2.31500	-17.04	-11.15	-5.93	1.67
Italy (Lira)	0.00155	-3.00	-9.71	-12.26	1.64
Canada (Dollar)	1.02800	11.45	3.03	3.04	0.15

OFFICIAL RESERVES

	Billion US \$				
	Latest Month		Billion US \$		
	End of	Billion US \$	Jun 1970	1 Year Earlier	3 Months Earlier
United States	Dec 73	14.4	16.3	13.2	14.0
Japan	Jan 74	11.6	4.1	17.9	14.0
West Germany	Dec 73	33.1	8.8	23.8	35.3
France	Jan 74	8.3	4.4	10.0	10.1
United Kingdom	Jan 74	6.2	2.8	5.7	6.8
Italy	Dec 73	6.4	4.7	6.1	6.5
Canada	Jan 74	5.9	4.3	6.0	5.8

TRADE-WEIGHTED EXCHANGE RATES***

As of 22 Feb 74	Percent Change from				
	Percent Change from		Percent Change from		
	Dec 66	18 Dec 1971	19 Mar 1973	15 Feb 1974	
United States	-15.84	-6.48	0.20	-1.60	
Japan	17.80	4.00	-7.92	3.07	
West Germany	29.87	12.96	7.96	0.55	
France	-17.09	-3.76	-6.20	1.73	
United Kingdom	-35.23	-21.03	-6.66	0.19	
Italy	-22.30	-21.03	-14.16	-0.63	
Canada	8.75	2.14	3.77	-0.37	

*Seasonally adjusted.
**Converted into US dollars at current market rates of exchange.

***Weighting is based on each listed country's trade with 18 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.