OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as "developed", "industrialized" and "developing" are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

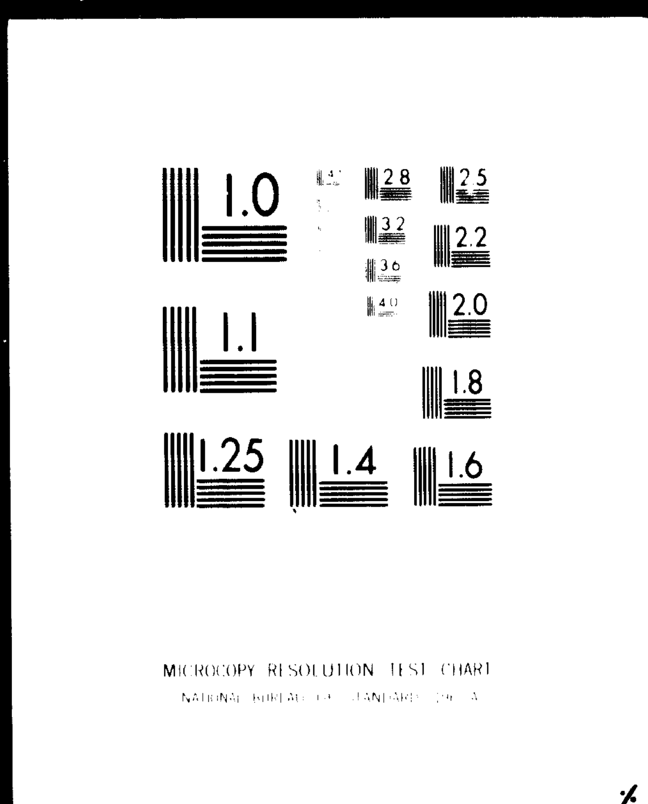
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Tel: (+43-1) 26026-0 · www.unido.org · unido@unido.org

1 OF 1


1.0
2.8
2.5
3.2
2.2
3.6
4.0
2.0
1.1
1.8
1.25
1.4
1.6
MICROCOPY RESOLUTION TEST CHART

24x
E

4

Report

The Economist Intelligence Unit

INDUSTRIAL DEVELOPMENT SURVEY

GENERAL INDUSTRIAL REVIEW

December, 1970

THE ECONOMIST INTELLIGENCE UNIT LIMITED,
Spencer House, 27, St. James's Place, London, S.W.1.

INDUSTRIAL DEVELOPMENT SURVEY

GENERAL INDUSTRIAL REVIEW

CONTENTS

TERMS OF REFERENCE

The following Terms of Reference were agreed upon by the Economist Intelligence Unit Ltd. and the United Nations Industrial Development Organisation. The object is to produce a series of industrial reviews for final use in the annual UNIDO publication "Industrial Development Survey".

These reviews analyse the developments in various broad industrial sectors over the previous five years, concentrating in more detail on the most recent three years and emphasising the technological and investment developments. The reviews are orientated towards the interests of developing nations but also draw upon innovations and investment plans in developed countries whenever relevant. The documents also cover likely short term future developments.

The aim of the documents is to cover the ground in about 6,000 words, with additional statistical appendices as appropriate.

The sectoral documents match the two digit ISIC classifications set out below. The ISIC has recently been revised, but the data used refer to the previous classification. The changes in classification in general are very small, and make little difference to the data presented. The corresponding numbers of the new classification are included in brackets. The groups covered are:-

ISIC 20-22 (31) - Manufacture of Food, Beverages and Tobacco.
ISIC 23 (32) - Manufacture of Textiles
ISIC 31-32 (35) - Manufacture of Chemicals, Petroleum and Coal Products.
ISIC 33 (36) - Manufacture of Non-Metallic Mineral Products
ISIC 34 (37) - Basic Metal Industries
ISIC 35-38 (38) - Metal Products.

In addition, a General Industrial Review, summarising the above, is also presented.

The broad development of each industry group has followed the same pattern, both in terms of geographical and conceptual definitions. The geographical definitions are:-

Asia: Far East (excluding Japan), South East Asia, South Asia, Asia Middle East which includes Cyprus, Iraq, Lebanon, Syria, Turkey and Jordan (excluding Israel). It excludes China (mainland), Mongolia, North Korea and North Vietnam.

Latin America: Mexico, Caribbean countries, and Central and South America.

Africa: All countries in the continent and Madagascar (excluding South Africa).

Developing Countries: Sum of the 3 above regions.

Europe: EEC, EFTA, Finland, Greece, Yugoslavia, Ireland, Malta and Spain.

Developed Market Economies: North America, Europe plus Australia, Israel, Japan, New Zealand and South Africa.

Centrally Planned Economies: Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania and U.S.S.R.

World: Developing countries, developed market economies and centrally planned economies. It does not include China (mainland), Mongolia, North Korea and North Vietnam.

For each socio-economic section, the surveys are each developed along the following lines.

a. <u>Economic trends</u> - production, employment, investment, consumption, trade;

b. <u>Sectoral trends</u> - analysis of the relative economic development of different sectors;

c. <u>Technological trends</u> - broad general technological developments - key sub-sector technological developments;

d. <u>Investments</u> - nature of new investments.

- relative sub-sectors trends in investments
- new plans for investment including National Plans.

In addition, statistical appendices have been included in all the reports. Much of the base statistical data was provided by UNIDO, and the E.I.U. would like to take this opportunity of acknowledging this assistance.

INTRODUCTION

The purpose of this General Industrial Review is to provide a comparative summary of the six individual sectoral surveys. This is presented under the headings of Economic Trends, Sectoral Trends, Technological Trends and Invesment Trends, but unlike the individual surveys, it is not done on a strictly regional basis. However, informal regional comparisons are made throughout the text.

Although the vast majority of economic and technical developments occur in the Developed Market and Centrally Planned Economies, this has not been laboured in this Review. Rather, the emphasis has been placed upon the changes in the Developing Countries, both in relation to other areas of the world, and in relation to each other. But the background of the discussion is the relative shortage of investment resources, technical ability and market outlets for industries in the Developing Countries. It is these restraints which are mainly responsible for restricting the growth of industries in the developing world in relation to world industry as a whole.

ECONOMIC TRENDS

Output. Appendix I gives output in terms of value added for the industry groups under consideration.

In Developing Countries as a whole, and indeed in each of the three developing regions, food, beverages and tobacco is clearly the most important of the industries being studied. In general, food processing and production of beverages are both relatively simple operations; they both make use of the available natural resources, and food processing, notably canning, is directed towards export markets as a foreign exchange earner. Fish, fruit, meat and oils are the dominant products in quantitative terms, but products such as instant coffee are now being manufactured on an increasing scale. Of the industry groups under consideration, food,beverages and tobacco account for about 30 per cent of the output of Developing Countries, while the equivalent figure for Developed Market Economies is less than 15 per cent. It should be pointed out, though, that this survey covers by no means all industries, but there is little reason to believe that the picture of relatively heavy dependence on food, beverages and tobacco in Developing Countries would be radically changed by inclusion of other industries.

Over the last three years, dependence upon these primary products has not shown any signs of declining, and this is particularly so in Asia, where growth has been faster than in textiles. In Developing Countries, fast growth of output has also been achieved in Chemicals, Petroleum and Coal Products, and Metal Products. The former is confined to those countries which have natural petroleum or gas resources, and expansion has been particularly fast in Latin America. There is also considerable scope for expansion in this sector in North Africa, where exploitation of the Sahara is only just getting underway on any large scale. The Metal Products, or engineering sector,has experienced the fastest growth of all the sectors under consideration, and in Africa has nearly doubled over the last three years. This is largely due to the installation of assembly plants, which enable the country concerned to benefit from the value added to be obtained from assembly.

The textile industry, which traditionally is among the first to be developed, has not grown particularly rapidly over the last three years. In fact, growth has been slower than in Developed Market Economies. Although it may be alleged that this is due to the protectionist policies adopted by such countries in a highly competitive international industry, this is not the full explanation. The Developed Countries have also been quick to develop and exploit new techniques and materials, which have kept them in the forefront of the industry. Nevertheless, it is the textile industry in which the Developing Countries have their highest proportion of world production, about 18 per cent.

Employment. Appendix II gives figures for employment for the latest years available. In the Developing Countries this has increased in all sectors apart from textiles over the period 1965-1967. In fact, it is only in textiles that any decline has been experienced in the constituent regions. In Centrally Planned Economies employment has risen in all sectors, but Developed Market Economies have experienced falls in employment in basic metals, and particularly in textiles. Also, total world employment has fallen in the textile industry, although increases have occurred in all other sectors. However, the fact remains that skilled labour is chronically scarce in Developing Countries.

Trade. Trade data does not lend itself to be compiled on an ISIC basis, but Appendices IV-VI include trade data on the SITC basis. The problem is that the product groups are different, but the Appendices give at least an indication of the broad trends of trade.

The Indices of Relative Specialisation in Appendix IV show the heavy dependence of the developing regions on exports of primary products, and food, beverages and tobacco. It also illustrates the very small proportion of total world trade which they have in branches other than these. Appendix V illustrates the proportion of imports which enter Developed Market Economies from Developing Countries.

Apart from Petroleum and unworked non-ferrous metals, these again are very small. Moreover, only Food Products and Clothing improved their relative position between 1964 and 1968. Drink and tobacco products, on the other hand, slumped alarmingly.

Finally, Appendix VI shows trade between the developing countries, on a regional basis. The high proportion of trade conducted in Iron and Steel, Chemicals and Machinery and Transport reflects the low impact that Developing Countries have had upon the markets in Developed Countries. What trade that is conducted in these products is generally intra-regional trade through trade blocs (e.g. LAFTA). It is clear that goods manufactured in eveloping ountries do not readily find markets in developed economies. This is due mainly to the technological lag (and consequent high production costs) in these countries, and also to artificial trade barriers in the developed world. These definitely hinder the processing of raw materials in the country of origin prior to export, and hence deprive the developing nations of the opportunity of valuable industrial development, together with the attendant value added, job creation and additional export earnings.

Consumption. In view of the different coverages of production and trade statistics, it is not possible to talk of consumption in precise terms. Nevertheless, some clear patterns emerge. In general, Developing Countries export the great majority of processed foods and tobacco, consuming unprocessed products. Drinks, however, are almost all produced for domestic consumption, although some exceptions do arise (e.g. pineapple juice). Africa and Latin America have textile industries which are restricted to local markets or peripheral countries, although Asia has a large textile industry orientated towards Developed Countries. Chemicals, Petroleum and Coal Products are generally produced for exports, although some fertilisers, paints, sulphuric acid and caust soda are consumed locally. Non-metallic mineral products are manufactured generally for the local building industries, and their low cost/weight restricts their export prospects. Basic metals, notably copper, alumina, lead and zinc are exported to Developed Countries, but steel and manufactured metal parts are imported for the local engineering industries, which in Africa and Asia are largely restricted to assembly. Virtually all these products are consumed on the local markets.

Only a small proportion of exports of Developed Countries goes to Developing Countries. Production for export is generally aimed at other Developed Countries, and that which finds its way to Asia, Africa or Latin America does so partly by chance. The markets in these regions are usually small, leaving the Developed Countries as a whole to consume what they produce. The Centrally Planned Economies are, of course, largely restricted to being self-sufficient by trading difficulties. Their shortages of convertible currencies restricts them largely to barter trade, which requires that the right goods should be available to each party at the right time.

SECTORAL TRENDS

Of necessity, much has already been said about sectoral trends in the previous section,and that will not be reiterated here. Traditionally, Developed Countries looked upon the textile industry to provide exports and economic growth. This industry has still shown expansion over the last three years, but now this is aimed at providing manufacturing self-sufficiency as much as exports, for the world markets have become highly competitive.

Likewise, food and drinks provide economic development which uses natural resources and also exports, particularly of tropical products. The technologically based chemicals and petroleum industries are also highly export orientated, and are usually developed with foreign capital and technicians. This again is a growing sector, but the benefit to developing countries is limited, as foreign based companies must repatriate some of the profits. The other three sectors, Non-Metallic Minerals, Basic Metals and Metal Products have also shown notable growth in Developing Countries. Non-Metallic Minerals, being closely allied to construction industries, is dependent upon overall economic growth, and Basic Metals also is closely related to developments in the Metal Products, or engineering industries. However, in Developing Countries, the latter has grown much faster than the former, illustrating the importance of imported parts in the assembly industry.

In Developed Countries, Food, Beverages and Tobacco, Chemicals, Petroleum and Coal Products, and Metal Products have all shown relatively fast growth over the past three years. In the Centrally Planned Economies, rapid growth has been achieved in all sectors, but Metal Products has been particularly fast, while textiles and basic metals have been relatively slow growing.

TECHNOLOGICAL TRENDS

Product Range and Methods

The overwhelming impression conveyed by each of the separate industrial studies is the degree to which the Developing Countries lag behind the Developed and Centrally Planned economies in the technologies utilised. Virtually without exception, the range of goods produced and the methods of production are copies of those which were found in developed countries 15 or more years ago. Thus the Developing Countries are unable to compete in international markets, both because of the range and variety of the goods offered, and because of the relatively high costs of production of their goods.

However, to be optimistic, it may be useful to mention the few industries in which the developing nations have made an impact on the world markets. Asian countries are producing an increasing range of knitted textiles, which are making inroads into the European and North American markets. Certain processed foods, notably canned pineapples and instant coffee, are also being exported in increasing quantities. There is a trend towards the pelletisation of iron ore in the producer countries for export, although the possibilities here have only begun to be exploited. Alumina is produced in bauxite producing countries, notably Guinea and Cameroun. Petroleum products and derivatives are being produced in many Developing Countries but in general it is the large international companies who are responsible for the techniques and who reap the majority of the benefits. Exceptional cases are Egypt, and potentially, Algeria, where state enterprises are undertaking the developments in petro-chemicals. Again, North Africa, Togo and several Asian countries are building up a chemical industry on the basis of the production of fertilisers from phosphate rock.

But the Developing Countries are hindered by small markets and lack of capital in adopting the latest techniques. Most of these require production on a scale which is way beyond the domestic demand of the country. Thus notable engineering industries are restricted to India, Egypt, and the larger countries of Latin America. Small assembly plants abound, but the value added in them is low. Several African countries are attempting to develop steel industries, but these are almost certain to turn into expensive and grossly under-utilised "prestige" projects.

But the lack of resources for research and development has meant that Developing Countries have, in general, been unable to devise technologies to suit their own particular resources and conditions. This largely explains the habit of adopting obsolete western technology and equipment. Notable exceptions here are the process developed in the Philippines to utilise almost 100 per cent of the coconut; Tanzania is about to use sisal to make an excellent quality paper. Paper is also being produced from products as diverse as straw, sugarcane and bamboo pulp. Most of these and other processes have been developed in the European, Japanese or North American laboratories. However, this expenditure is an excellent form of development aid, and has the attraction for the donor of saving foreign exchange. It is a trend which should be encouraged.

It is in Developed Countries, and to a larger extent in the Centrally Planned Economies, that technological developments are occurring. It is these countries which have the necessary financial resources for research and development (R. and D.) expenditure, and it is fair to say that they account for virtually all technological developments in every industrial sector. It is also interesting to note that these finances are becoming increasing governmental in origin, which reflects the increasing scale of R. and D. expenditure.

But the main problem which is likely to arise in these fields is that of environmental damage. It is the current concern about this problem which will both limit the traditional R. and D. criteria, while at the same time providing a stimulus for further experiment in the field of environmental control. However, this is likely to lead to a slow down in the pace of technological developments which reduce manufacturing costs, and afford an opportunity for the Developing Countries to catch up somewhat technologically.

Value Added per Head

Appendix III gives trends in value added per head in each sector over the last three years. On a global basis, the most rapid increase has been in Chemicals, Petroleum and Coal Products, probably the most capital-intensive of all the sectors under consideration. However, although the ratio has shown an upward trend in all sectors, the increases have been almost entirely restricted to Developed Market Economies and Centrally Planned Economies. The much slower increase in the Developing Countries well illustrates the fact that they are becoming increasingly backward technologically, relatively to the rest of the world.

INVESTMENT TRENDS

It is not possible to analyse these on a statistical base in a study of this nature, but certain general remarks may be made to illustrate current trends.

The Developing Countries in general are chronically short of domestic capital for investment, and foreign exchange to provide the necessary imported investment goods. Moreover, they do not have access to borrow on the sophisticated capital markets of the Developed Countries. Thus they are mainly dependent upon outside aid for investment and R. and D. resources. The vast majority of this, of course, is from governments or international agencies. These funds are necessary for the developing of more pedestrian industries, for private capital tends to follow the more technologically advanced industries, e.g. engineering and chemicals, where it has a great advantage in developing countries.

However, government investment is playing an increasingly important part in Developed Market Economies. This is particularly for large projects in the aeropace, shipbuilding and engineering industries, where private resources are not sufficiently large for the projects in hand.

Industrial growth the world over depends upon the availability of funds for both capital investment and R. and D. It is essential for governments to play an increasing role in both Developed and Developing Economies if the pace of industrial growth is to be maintained.

Appendix I. Output of Manufacturing Industries by Major Regions and Economic Groupings, 1967-1969
(million U S. $; 1963 prices)

	Food, Beverages and Tobacco	Textiles	Chemicals, Petroleum and Coal Products	Non-Metallic Mineral Products	Basic Metals	Metal Products
ISIC	20-22	23	31-32	33	34	35-38
Asia						
1967	3.9	3.1	2.1	1.2	0.8	2.4
1968	4.1	3.3	2.3	1.2	0.9	2.8
1969	4.6	3.6	2.5	1.4	1.0	3.0
Latin America						
1967	5.9	1.8	3.4	1.0	1.3	3.9
1968	6.1	1.8	3.9	1.1	1.4	4.3
1969	6.3	2.0	4.1	1.1	1.5	5.0
Africa						
1967	1.0	0.4	0.4	0.2	0.2	0.3
1968	1.1	0.4	0.4	0.2	0.2	0.4
1969	1.1	0.6	0.4	0.2	0.2	0.6
Developing Countries						
1967	10.8	5.4	5.9	2.4	2.3	6.8
1968	11.3	5.7	6.6	2.5	2.5	7.0
1969	12.1	6.1	7.1	2.8	2.6	8.6
Developed Market Economies						
1967	43.7	17.9	51.4	15.9	30.5	150.6
1968	44.8	19.0	56.8	16.9	32.8	161.0
1969	47.0	20.1	61.8	17.9	35.9	174.8
Centrally Planned Economies						
1967	29.8	9.4	16.8	13.7	15.9	78.3
1968	31.4	10.0	18.6	14.7	17.2	87.1
1969	33.1	10.5	20.4	15.7	18.1	96.9
World						
1967	84.3	32.7	74.1	31.9	48.7	235.6
1968	87.4	34.7	82.1	34.0	52.4	255.1
1969	92.1	36.7	89.4	36.4	56.6	280.2

Note: Small discrepancies may appear in "Developing Countries" and "World" totals, because of rounding.
Source: UNIDO. U.N. Monthly Bulletin of Statistics

Appendix II. Employment in Manufacturing Industries by Major Regions and Economic Groupings, 1965-1968

(million persons)

ISIC	Food, Beverages and Tobacco 20-22	Textiles 23	Chemicals, Petroleum and Coal Products 31-32	Non-Metallic Mineral Products 33	Basic Metals 34	Metal Products 35-38
Asia						
1965	6.4	11.8	1.0	3.7	0.7	4.6
1966	6.5	11.2	1.0	3.9	0.7	4.9
1967	6.6	11.3	1.1	4.2	0.7	5.2
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Latin America						
1965	2.4	1.1	0.6	0.5	0.4	2.3
1966	2.6	1.2	0.7	0.5	0.5	2.5
1967	2.7	1.3	0.7	0.6	0.4	2.4
1968	2.7	1.3	n.a.	0.6	n.a.	n.a.
Africa						
1965	0.6	0.6	0.1	0.1	0.03	0.3
1966	0.7	0.6	0.1	0.1	0.03	0.3
1967	0.7	0.7	0.1	0.1	0.03	0.4
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developing Countries						
1965	9.6	13.6	1.8	4.3	1.1	7.3
1966	9.9	13.1	1.9	4.6	1.2	7.7
1967	10.2	13.5	1.9	4.9	1.2	8.0
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed Market Economies						
1965	8.6	6.3	4.5	3.4	4.9	26.8
1966	8.7	6.3	4.6	3.4	4.9	27.9
1967	8.8	6.1	4.7	3.3	4.8	28.0
1968	8.9	6.0	4.7	3.4	4.8	28.5

(continued)

Appendix II. Employment in Manufacturing Industries by Major Regions and Economic Groupings, 1965-1968 (continued)

	Food, Beverages and Tobacco	Textiles	Chemicals, Petroleum and Coal Products	Non-Metallic Mineral Products	Basic Metals	Metal Products
Centrally Planned Economies						
1965	4.0	3.3	1.8	2.6	2.2	13.7
1966	4.2	3.4	1.9	2.6	2.3	14.2
1967	4.3	3.5	2.0	2.7	2.4	14.9
1968	4.4	n.a.	n.a.	n.a.	n.a.	n.a.
World						
1965	22.4	23.2	8.1	10.3	8.3	47.8
1966	23.0	22.8	8.4	10.6	8.4	49.9
1967	23.5	23.1	8.6	11.0	8.3	50.8
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: UNIDO, U.N. Monthly Bulletin of Statistics.

Appendix III. Value Added per Head in Manufacturing Industries by Major Regions and Economic Groupings, 1965 - 1968

(US $ per person)

ISIC	Food, Beverages and Tobacco 20-22	Textiles 23	Chemicals, Petroleum and Coal Products 21-32	Non-Metallic Mineral Products 33	Basic Metals 34	Metal Products 35-38
Asia						
1965	553	257	1,749	278	1,062	519
1966	606	258	1,852	269	1,184	494
1967	590	276	1,948	276	1,193	547
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Latin America						
1965	2,223	1,530	4,730	1,778	3,159	1,542
1966	2,167	1,478	4,710	1,814	2,792	1,563
1967	2,172	1,358	4,770	1,732	3,139	1,641
1968	n.a.	1,429	n.a.	1,810	n.a.	n.a.
Africa						
1965	1,556	556	2,765	1,439	5,448	1,009
1966	1,394	550	3,164	1,304	6,250	960
1967	1,530	513	2,669	1,234	6,740	960
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developing Countries						
1965	1,024	381	2,895	479	1,837	874
1966	1,058	394	3,011	473	1,856	864
1967	1,105	400	3,049	475	1,928	1,137
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed Market Economies						
1965	4,733	2,720	9,726	4,427	6,107	4,988
1966	4,996	2,960	10,466	4,610	6,263	5,269
1967	5,081	2,925	11,041	4,741	6,394	5,379
1968	5,060	3,160	12,108	5,028	6,893	5,650

/Continued . . .

Appendix III. Value Added per Head in Manufacturing Industries by Major Regions and Economic Groupings, 1965 - 1968 /Cont'd.
(US $ per person)

ISIC	Food, Beverages and Tobacco 20-22	Textiles 23	Chemicals, Petroleum and Coal Products 21-32	Non-Metallic Mineral Products 33	Basic Metals 34	Metal Products 35-38
Centrally Planned Economies						
1965	6,715	2,435	7,342	4,484	6,099	4,603
1966	6,727	2,560	7,875	4,892	6,460	4,916
1967	6,908	2,770	8,496	5,116	6,737	5,269
1968	7,051	n.a.	n.a.	n.a.	n.a.	n.a.
World						
1965	3,507	1,354	7,654	2,776	5,515	4,244
1966	3,522	1,395	8,184	2,865	5,680	4,474
1967	3,641	1,417	8,622	2,907	5,858	4,628
1968	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note: Some discrepancies may appear in "Developing Countries" and "World" totals, because of rounding.
Source: E.I.U. estimates from Individual Sectoral Surveys.

Appendix IV. Selected Exports of Developing Regions and their Relative Specialisation, 1965 - 1967[a]
(Exports in million US $, f.o.b.)

		Latin America		Africa		Asia	
	World Exports	Exports	Index of Relative Specialisation[b]	Exports	Index of Relative Specialisation[b]	Exports	Index of Relative Specialisation[b]
Food, Beverages and Tobacco (0 + 1 + 22 + 4)	35,853	5,186	2.54	3,397	2.18	3,121	1.07
Fertilisers, ores, etc. (27 + 28)	6,640	841	2.22	812	2.82	500	0.93
Iron and Steel (67)	9,893	71	0.12	22	0.05	94	0.12
Non-ferrous metals (68)	7,580	873	2.02	1,016	3.08	347	0.56
Light Manufactured Goods (6 + 8 - 67 - 68)	38,730	306	0.14	622	0.37	2,649	0.84
Machinery and Transport (7)	51,300	89	0.03	46	0.02	334	0.08
Chemicals (5)	13,607	207	0.27	108	0.18	187	0.17
Manufactured Goods (5 + 6 + 7 + 8)	121,110	1,546	0.22	1,814	0.34	3,611	0.37
All Commodities (0 through 9)	201,360	11,470	1.00	8,747	1.00	16,381	1.00

a. Figures refer to averages for the three years indicated. b. The index of relative specialisation compares the share of a particular commodity class in a region's exports with the same commodity's share of world exports. It is computed as the ratio of the former value to the latter one. If the ratio has a value of one, the commodity class is as important in the developing region's exports as it is in world trade. Similarly, if the ratio has a value of two, the commodity class is twice as important in the developing region's exports as it is in world trade.

Source: UNIDO, based on United Nations, The Handbook of International Trade and Development Statistics, 1969; Commodity Trade Statistics, 1965-1967.

Appendix V. Imports of Selected Groups of Manufactures by 18 Developed Market Economies from Developing Countries and from the World, 1964, 1967, 1968[a]

SITC Nos.	Product Group	Imports from the World ($ millions) 1964	1967	1968	Imports from Developing Countries ($ millions) 1964	1967	1968	Developing Countries % Share 1964	1968
0 - 4[b]	Food products	2, 852	3, 553	3, 793	480	678	755	16.9	19.9
0 - 4[b]	Drink and tobacco products	1, 250	1, 435	1, 598	261	145	130	20.8	8.1
243, 63, 821	Wood products	2, 900	3, 289	3, 948	366	434	562	12.6	14.2
61, 851	Leather and footwear	1, 010	1, 369	1, 725	135	194	259	13.3	15.0
65	Textiles	4, 819	5, 397	6, 154	712	828	899	14.8	14.6
84	Clothing	1, 788	2, 552	3, 113	374	597	795	20.9	25.3
5	Chemicals	6, 464	9, 013	10, 411	273	427	460	4.2	4.4
67	Iron and Steel	4, 998	6, 179	7, 071	94	153	175	1.9	2.5
c	Engineering products	26, 588	33, 982	39, 929	164	347	494	0.6	1.2
d	Other products	7, 973	14, 801	17, 339	418	639	896	5.2	5.2
	Total	60, 642	81, 570	95, 081	3, 276	4, 441	5, 425	5.4	5.7
332	Petroleum products	3, 471	4, 080	4, 501	1, 669	1, 691	1, 769	48.1	39.3
68[e]	Unworked non-ferrous metals	3, 074	4, 425	5, 054	1, 416	2, 098	2, 448	46.4	48.4
	Total	67, 187	90, 075	104, 636	6, 261	8, 230	9, 642	9.5	9.2

a. The developed market economies considered are Australia, Canada, Japan, New Zealand, the United States, members of the EEC and EFTA (including Finland). b. These include selected items in SITC sections 0 - 4 which require manufacturing processes but are not usually included in the common definition of manufacturing trade. c. Engineering products are defined as SITC 69.7 (less 711, 735) 812, 861, 864 and 897. d. Includes all remaining manufactures except pearls and gem stones (667), non-electric power-generating machinery (711), and ships and boats (735). e. Includes only SITC 682.1, 683.1, 685.1, 686.1, 687.1 and 689. Unwrought aluminium is not considered in this group; for a discussion, see the text.

Source: UNIDO, based on UNCTAD "Trade in Manufactures of Developing Countries: 1969 Review".

Appendix VI. Inter-Regional and Intra-Regional Trade of Developing Areas, Selected Commodities, 1965 - 1967[a]

Origin[b]	Destination	Year	Food, Beverages and Tobacco Value	Food, Beverages and Tobacco %	Fertilisers, Ores, etc. Value	Fertilisers, Ores, etc. %	Iron and Steel Value	Iron and Steel %	Non-ferrous Metals Value	Non-ferrous Metals %	Chemicals Value	Chemicals %	Machinery and Transport Value	Machinery and Transport %	Light Manufacturing Value	Light Manufacturing %	Total Manufactured Goods Value	Total Manufactured Goods %	All Commodities Value	All Commodities %
Latin America	Other developing economies	1965	568	11.1	33	4.1	49	62.8	56	7.5	60	37.5	51	79.6	120	48.9	336	26.1	2,115	19.1
		1966	528	10.0	36	4.1	30	54.5	60	6.5	82	36.4	68	77.2	149	43.1	389	23.9	2,038	17.4
		1967	514	9.8	31	3.8	39	48.1	79	8.1	96	40.4	73	63.4	156	47.7	442	25.5	2,038	17.4
	Intra-regional	1965	383	7.5	17	3.1	48	61.5	56	7.5	57	35.6	50	78.1	117	47.7	328	25.4	1,080	9.7
		1966	436	8.1	17	1.9	29	52.7	58	8.3	76	33.7	65	73.8	143	41.4	371	22.8	1,170	10.0
		1967	399	7.6	17	1.9	39	48.1	77	7.9	85	36.1	70	60.8	149	45.5	420	24.3	1,210	10.3
Africa	Other developing economies	1965	350	12.3	18	2.9	5	26.3	19	2.2	49	44.5	33	70.2	108	25.8	214	15.0	898	10.9
		1966	389	13.6	24	4.1	6	33.3	17	1.5	42	42.0	23	53.4	171	34.7	259	14.8	929	11.0
		1967	396	13.7	21	3.6	8	34.7	21	1.9	42	36.5	20	41.6	129	25.9	220	12.5	927	9.6
	Intra-regional	1965	210	7.3	9	1.4	5	26.3	9	1.0	35	31.8	31	65.9	84	20.1	164	11.5	550	6.8
		1966	229	8.0	16	2.7	5	27.7	14	1.2	28	28.0	21	48.8	146	29.6	214	12.0	550	6.5
		1967	227	7.8	13	2.3	7	30.4	7	0.6	29	25.2	18	37.5	106	21.3	167	9.5	560	5.8
Asia	Other developing economies	1965	1,123	35.1	54	11.4	69	86.3	48	14.2	112	63.6	169	70.2	805	34.4	1,223	38.2	4,315	28.0
		1966	1,094	35.4	36	6.9	78	88.8	43	12.4	127	66.8	213	67.1	865	32.5	1,326	36.8	4,542	27.7
		1967	1,071	34.7	41	8.0	77	68.1	41	11.2	137	60.8	217	56.3	965	32.4	1,427	35.6	4,639	26.6
	Intra-regional	1965	50	1.5	51	10.7	68	85.0	30	8.9	109	61.9	177	66.7	545	23.3	929	29.0	3,435	22.3
		1966	60	2.2	35	6.7	73	82.9	32	9.3	126	66.3	185	58.3	630	23.7	1,046	29.0	3,612	22.0
		1967	73	3.3	40	7.8	71	62.8	33	9.0	133	67.3	194	50.2	719	24.3	1,149	28.6	3,744	21.5

a. Trade is expressed in terms of exports, millions of US dollars f.o.b. Percentages refer to the value of each trade flow, as a proportion of the region's exports of that commodity to the world. For further definitions of the products considered, see Appendix IV. b. This grouping excludes developing economies in Oceania and the Caribbean.

Sources: UNIDO, based on The Handbook of International Trade and Development Statistics, 1969; UNCTAD (E/F.69.II.D.15); Commodity Trade Statistics, 1965 - 1967 (ST/STAT/SER.D.)

C-804

82.06.08