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THE STRUCTURAL PATTERN OF LDCs' TRADE IN MANUFACTURES
WITH INDIVIDUAL AND GROUPS OF DCs

by

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Interrelations

The Structural Pattern of LDCs' Trade in Manufactures with Individual and Groups of DCs

By

Carl Hamilton and Mordechai E. Kreinin

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II. Test of the Hypothesis. — III. Biases Introduced by Omitted Variables. —
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This paper inquires into a question which has an important bearing on the stability of the international trading system: Is the rapid expansion of manufacturing exports from LDCs to developed countries structured in such a way as to cause systematic trade deficits in some industrial countries and surpluses in others? If such an imbalance exists, what are its possible causes? The importance of such a phenomenon derives from the fact that in the absence of increased DC protection the expansion of LDC exports would be expected to continue at a high rate. In addition to its effect on long-run exchange rate movements of industrial countries, persistent trade deficits can reinforce protectionistic tendencies in the deficit countries, as already evidenced by what is known as the "new protectionism"¹.

I. Trade Patterns between DCs and Non-OPEC LDCs

Table 1 describes the growth of (non-OPEC) LDCs' total trade with the industrial market-economy countries and with major country groups. DC imports from LDCs grew at a fairly steady rate in the ten years preceding 1972. Then there was a sharp rise of \$ 35 billion between 1972 and 1974, of which approximately one third can probably be attributed to the booming demand for raw materials in the industrial countries. Another sharp increase occurred in 1976 through 1978. Between 1974/75 (average) and 1978 all DC imports from LDCs rose by \$ 43 billion. As shown in the Appendix, much of this expansion of DC imports was in labor-intensive products. The growth of aggregate DC—LDC trade was reasonably balanced, as DC exports to the LDCs kept pace with the rise in their imports.

Remark: This paper was prepared when the second author was a visiting scholar at the Institute for International Economic Studies, University of Stockholm. The authors are grateful to Thorvaldur Gylfason for helpful comments on an earlier draft.

¹ See e.g. Blackhurst *et al.* [1977]; Helleiner [1977]; UNCTAD [1978].

In fact DC exports in the aggregate grew at a slightly higher rate than their total imports from LDCs leaving them with a trade surplus of some \$ 13 billion (1978) — in line with long-run trends. This supports the conventional wisdom that LDCs do not tend to accumulate international reserves. In other words, LDCs as a group experienced a sharp yet reasonably balanced expansion in their trade with the industrial countries.

Although no imbalance is manifested in the *aggregate* LDC--DC trade figures, the expansion of LDCs' exports and imports was not balanced as between the main DC trading areas. Of the major importing areas, North America (U.S. and Canada) is the only one whose position relative to the (non-OPEC) LDCs moved from a surplus of \$ 2 billion to a deficit of \$ 4 billion — a turnaround of \$ 6 billion between 1973 and 1978. In contrast, Europe's surplus increased by \$ 5.7 billion and that of Japan by \$ 8 billion over the same period. Despite its relatively greater self-sufficiency in raw materials, North American imports from LDCs increased by a factor 2.5 (to \$ 42 billion in 1978), while the rise in imports from LDCs of the EC (9) and Japan was more moderate. A substantial portion of the U.S. trade deficits in 1976 and 1977 was accounted for by increased imports from the LDCs coupled with a relatively stationary export to them.

Of particular interest is the manufacturing component of this trade, shown in Table 2 for the 1972—1978 period. All industrial countries' imports of manufactures from LDCs more than tripled while their exports of such goods to LDCs more than doubled over this period. In other words fully one third of the \$ 75 billion expansion of total DC imports from LDCs was in manufactured products. More than 77 percent (1975) [Keesing, 1979, p. 27] of LDC manufacturing exports originated in eleven semi-industrial LDCs often referred to as NICs¹.

But the imbalance in the expansion of LDCs trade flows with the three main industrial areas was even more pronounced in the case of manufactured products. While the U.S. surplus on trade in manufactures with LDCs was constant, that of Japan and the EC almost tripled over the 1972—1978 period. Table 3 shows the trade relations with LDCs of selected European industrial countries and Canada. While the statistics are mixed, one main fact emerges: although all European DCs increased their trade surpluses with LDCs, the surpluses of France and Scandinavia grew at a significantly faster rate than those of the other countries during the 1965—1976 period; and France, Scandinavia and Benelux increased their surpluses with LDCs faster than the remaining countries during the 1970—1976 subperiod. The United Kingdom stands out as the country

¹ The New Industrial Countries (NICs) include: Hong Kong, Taiwan, South Korea, Yugoslavia, Singapore, Brazil, India, Mexico, Argentina, Malaysia, and Pakistan.

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Table 1 — Exports to and Imports from Non-OPEC LDCs, 1963—1978 (all commodities, \$ billion)

	All industrial countries			North America			EC (9)			EFTA			Japan		
	export	import	export minus import	export	import	export minus import	export	import	export minus import	export	import	export minus import	export	import	export minus import
1963	18.1	15.5	2.6	3	5.0	2.3	7.7	7.7	0	1.0	0.8	0.2	1.9	1.5	0.4
1968	24.8	20.5	4.3	9.5	7.4	2.1	9.2	9.0	0.2	1.4	1.0	0.4	4.2	2.5	1.7
1970	31.8	26.4	5.4	11.8	9.2	2.2	11.9	11.1	0.8	1.7	1.3	0.4	5.7	3.9	1.8
1972	38.3	32.6	5.7	12.7	12.3	0.4	14.8	12.7	2.1	2.2	1.3	0.9	7.8	4.8	3.0
1973	52.8	47.2	5.6	18.6	16.8	1.8	19.1	18.3	0.7	3.0	2.1	0.9	11.0	8.4	2.6
1974	77.4	67.2	10.2	27.8	25.9	1.9	27.5	24.3	3.2	4.1	2.8	1.3	16.4	11.3	5.1
1975	82.3	62.7	9.6	30.4	24.6	5.8	30.5	22.7	7.8	4.2	2.6	1.6	15.4	9.8	5.6
1976	84.8	79.3	5.5	30.5	32.0	— 1.5	30.2	27.9	2.3	4.3	3.6	0.7	17.8	11.8	6.0
1977	95.7	92.0	3.7	31.0	40.1	— 10.1	35.5	30.8	4.7	5.2	3.9	1.3	21.5	13.2	8.3
1978	120.6	107.5	13.1	38.4	42.2	— 3.8	44.7	39.6	5.1	6.6	4.4	2.2	27.7	17.0	10.7

Source: GATT [var. issues, App. table].

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with the slowest growing trade surplus among the European countries shown in Table 3. This holds for both 1965—1976 and the subperiod 1970—1976. Canada's surplus was declining.

Table 2 — *Exports and Imports of Manufactures to and from Non-OPEC LDCs, 1972—1978 (\$ billion)*

	All industrial countries			United States			EC			Japan		
	export	import	export minus import	export	import	export minus import	export	import	export minus import	export	import	export minus import
1972	40.7	12.0	28.7	7.6	5.8	1.8	12.8	4.2	8.6	7.4	1.2	6.2
1973	41.0	18.9	22.1	10.6	8.0	2.6	16.3	6.7	9.6	10.1	2.9	7.2
1974	60.9	24.1	36.8	16.4	10.8	5.6	23.5	8.9	14.6	15.2	3.4	11.8
1975	64.9	21.9	43.0	17.8	9.6	8.2	26.1	8.8	17.3	14.5	2.5	12.0
1976	67.0	30.8	36.2	18.5	14.0	4.5	25.7	11.1	14.6	16.3	3.5	12.8
1977	75.8	30.7	45.1	18.9	15.6	3.3	29.7	10.9	18.8	19.8	3.0	16.8
1978	95.8	40.3	55.3	23.5	20.9	2.6	37.3	14.1	23.2	25.7	4.3	21.4

Source: GATT (var. issues, App. table).

On the basis of these raw statistics, the following hypothesis regarding the pattern of DC-LDC trade in manufactures suggests itself: *In a relative sense, there is a structural tendency for LDCs to expand their sales in the United Kingdom and North America and to increase purchases in Japan and certain continental European countries.*

No doubt the figures in Tables 2 and 3 can be explained in part by differential growth rates on the two sides of the Atlantic (and Pacific), as the United States recovered from the recession of the mid-1970s much faster than Europe and Japan. But two pieces of evidence suggest that structural factors may be at work as well. First, the aforementioned tendencies continued in the face of the real depreciation of the pound and the dollar that made U.K. and U.S. goods more competitive and Japanese and continental European goods less competitive. Second, that tendency is visible (although to a lesser extent) even between 1972 and 1974. Given the fact that the 1974 recession was deeper (in terms of absolute changes in GDP) in the United States than in Europe and Japan [OECD, Main Economic Indicators, var. issues], this statistic reinforces the impression gleaned from the 1972—1978 period. It certainly suggests that some structural factors are at work, in addition to the differential price and income movements.

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Table 3 — Exports and Imports of Manufactures to and from Non-OPEC LDCs: Selected Industrial Countries, 1965, 1970 and 1976

Country	1965			1970			1976			Annual average growth rate in trade surplus	
	export	import	export minus import	export	import	export minus import	export	import	export minus import	1965—1976	1970—1976
	\$ billion									percent	
United Kingdom . . .	2.54	0.89	1.65	3.11	1.10	2.01	6.77	2.84	3.93	8.2	11.8
Benelux . . .	0.79	0.33	0.46	1.26	0.82	0.44	3.45	2.12	1.33	10.1	20.2
Germany . . .	2.05	0.53	1.52	3.51	1.12	2.39	9.75	4.18	5.57	12.5	15.1
France . . .	1.55	0.21	1.34	2.40	0.53	1.87	7.70	1.65	6.05	14.7	21.6
Italy . . .	0.87	0.17	0.70	1.59	0.61	0.98	3.54	1.26	2.28	11.3	15.1
Scandinavia . . .	0.49	0.16	0.33	0.85	0.36	0.49	2.72	1.13	1.59	15.4	21.7
Canada . . .	0.29	0.10	0.19	0.63	0.22	0.41	1.25	1.24	0.01	—23.5	—46.1

Source: OECD [Trade by Commodities, var. issues]. — UN [Series D, var. issues].

II. Test of the Hypothesis

A full test of the hypothesis requires estimation of properly specified import-demand and demand-for-export functions for bilateral trade flows in manufactured products between each of the main industrial countries (or country-groups) and the non-oil exporting LDCs. A function such as:

$$Q_M = f(Y, IP/DM)$$

has been extensively employed in the literature to estimate import demand where Q_M is the volume of imports, Y is real income, IP is import prices, and DM is domestic prices.

Unfortunately there exist no volume and price indexes for such bilateral trade flows in manufactured products (SITC 5—8). As an admittedly imperfect substitute, we regressed nominal trade flows on nominal income. For each industrial country or group of countries, two regressions were run:

$$(1) \quad M = f(Y_D)$$

$$(2) \quad X = f(Y_{LDC})$$

where M is the value of manufacturing imports from non-oil exporting LDCs, Y_D is a measure of domestic DC income, viz. nominal GNP, X is the value of manufacturing exports to non-oil exporting LDCs, Y_{LDC} is a measure of aggregate LDC nominal income, viz. nominal GNP.

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All variables were expressed in logarithm, so that the resulting parameters represent nominal income elasticities of demand for imports or for exports. The regressions were run on annual observations covering first the 1962—1976 period (15 observations), and second the 1970—1976 subperiod (7 observations), during which most of the LDC export expansion took place. Where the DW value suggested the existence of autocorrelation, a Cochrane-Orcutt transformation was employed to adjust the variables¹. The results are shown in Table 4. In practically all cases the R^2 exceeds 0.95, and all reported parameters are significant at the 0.99 probability level. The R^2 , DW and t values are not shown in the interest of conserving space.

Although they cannot be regarded as conclusive evidence, the results lend support to the hypothesis suggested on the basis of the raw data in the previous section. The United States has a much higher (nominal) income elasticity of demand for manufacturing imports from LDCs than the income elasticity its exports face in the LDCs. This is true for both periods under review. Precisely the opposite results hold for Japan². The parameters pertaining to the original EC (of six countries) are similar to those of Japan in the 1970s subperiod. Within the EC, it is France and the Benelux countries that account for this outcome. The behavior of U.K. and Canadian trade flows to and from the LDCs is similar to that of the U.S. in both periods, while that of Scandinavia is similar to that of Japan in the second subperiod².

In a relative sense it was the United Kingdom and North America that opened up their markets to LDCs' manufacturing exports, while Japan, France, and the smaller European countries tended to be manufacturing exporters to, rather than importers from the LDCs. Germany appears as a "relative importer" in the second subperiod, while Italy is in the same position only for the 1962—1976 period as a whole.

If this pattern remains stable, and LDCs' manufacturing exports continue to expand at a rapid rate and exchange rates do not adjust, the result will be greater trade deficits for the United States and the United Kingdom and increased surpluses in Japan, Benelux and Scandinavia.

III. Biases Introduced by Omitted Variables

Because of data limitations, the regressions reported in Table 4 do not incorporate the effect of relative price changes on trade flows. Possibly,

¹ One observation is lost in these cases.

² The results for the United States and Japan reinforce the conclusions reached by Houthakker and Magee [1969].

Table 4 — *Nominal Income^a Elasticities of DCs' Demand for Imports^b from Non-OPEC LDCs^c and of Non-OPEC LDCs' Demand for DC Exports^b: Individual and Groups of LCs', 1962—1976*

Country	1962—1976			1970—1976		
	import demand	demand for exports	ratio of import over export elasticity	import demand	demand for exports	ratio of import over export elasticity
United States	2.49	1.25	1.99	2.52	1.61	1.57
Japan	1.49	1.59	0.94	1.46	1.60	0.91
EC (6)	1.46	1.25	1.17	1.34	1.46	0.92
United Kingdom	1.26	0.85	1.48	1.59	1.01	1.57
Canada	1.89	1.11	1.70	1.91	1.00	1.91
Germany	1.42	1.30	1.09	1.82	1.08	1.69
France	1.57	1.32	1.19	1.36	1.62	0.84
Italy	1.64	1.19	1.38	1.27	1.23	1.03
Benelux	1.15	1.25	0.92	1.03	1.49	0.69
Scandinavia ^d	1.48	1.42	1.04	1.30	1.72	0.76
Other OECD ^e	1.39	1.37	1.01	1.47	1.35	1.09

^a GNP 1964—1969 is at factor cost and 1970—1976 at market prices [World Bank Atlas, 1972]. 1962 and 1963 GNP (factor cost) figures were estimated using UN [Yearbook, 1969]; World Bank Atlas [1964—1969]. — ^b Imports and exports of manufactures defined as Sections 5—8 of the SITC. For all countries imports are c.i.f., except for Canada and the United States for which imports are f.o.b. — ^c Non-oil exporting LDCs include the "Developing Countries" as listed in OECD [Trade by Commodities, 1976], excluding Saudi Arabia, Iraq, Kuwait, Libya, Nigeria, Venezuela, Iran, Indonesia and Algeria. UN [Series D, var. issues] was used when figures in the OECD statistics were not available (Japan 1962—1963; Australia and New Zealand 1962—1969; Finland 1962—1968). In these cases the group "Non-oil exporting LDCs" was defined as "Economic Class II" (1962—1969) and "Developing Market Economies" (1970—1976) in the UN statistics, adjusted to the OECD definition of "Developing Countries" (see above) and excluding the same oil exporting countries as above. Mainland China, North Vietnam, North Korea and Mongolia were also excluded from the aggregated GNP for non-oil exporting LDCs in the export demand equations [World Bank Atlas, var. issues]. — ^d Scandinavia includes Sweden, Norway and Denmark. — ^e Other OECD encompasses all OECD member countries (1976) excluding the countries appearing in the table.

the differential performance of the main industrial countries is due to price changes rather than to structural factors. While it is not feasible to account for their effect in formal regression analysis, it is desirable to inquire into the likely direction of the bias that is so introduced. In Table 5 the GDP price deflator is taken as a rough and ready measure of

Table 5 — *Changes in the GDP Price Deflator and in Export Price Indexes*

Country	GDP deflator		Export unit value ^a
	1976 (1962 = 100)	1976 (1970 = 100)	1975-1976 (1970 = 100)
United States	188	146	179
Canada	218	166	184
Japan	246	167	181
OECD-Europe	242	173	—
EC (9)	236	170	—
United Kingdom	301	212	181
Germany	185	142	195
France	238	167	200
Italy	298	208	190
Belgium	219	161	190
Netherlands	266	170	213
Sweden	240	170	224
Denmark	287	174	205
Norway	231	160	217

^a Indexes of unit value expressed in U.S. dollars.

Source: Computed from OECD [National Accounts, 1952-1977, p. 140]; IMF [1977, p. 32].

the domestic price movement in different countries. Changes between 1962 and 1976 and between 1970 and 1976 are shown in the first two columns.

In terms of domestic price movements, the United States and Canada have become *more* rather than less competitive than Japan and Western Europe over both periods under review. And these price changes were reinforced by the depreciation of the dollar and the appreciation of the yen and the continental currencies. Although the United Kingdom has become less competitive in terms of domestic price movements, this divergence was more than offset by the substantial depreciation of the pound sterling between 1970 and 1976¹. Indeed with unchanged preference patterns for individual DCs' export goods, and no drastic quality changes over time, the indexes of export unit value (last column) show an improved competitive position of the United States, United Kingdom (and Canada) relative to the continental countries, and to a lesser extent relative to Japan. Conversely, France and the small European countries, that were judged to be "relative exporters" to the LDCs, were in that position despite a considerable deterioration in their competitive position. To a lesser extent this is true of Japan as well. In other words, the differential

¹ About 30 percent depreciation in terms of the dollar, which itself depreciated in terms of continental currencies.

price movements reinforce rather than offset the tendency outlined in the previous section.

An identical conclusion emerges from an international comparison of unit labor cost in manufacturing when the results are expressed in the same currency. This is done in Table 6. As is shown there the increases in unit labor cost of continental countries like Germany, the Netherlands and Sweden have been two to three times larger than those of the United States and Canada. Also Japan's labor cost increase has been more rapid than the North American one, in particular during the 1960—1978 period.

Table 6 — *Unit Labor Cost in U.S. Dollars*
(average annual rates of change, percent)

Country	1950— 1978	1960— 1978	Country	1950— 1978	1960— 1978
United States	2.7	3.6	Germany	6.0	8.8
Canada	2.2	4.1	Italy	4.7	7.2
Japan	4.8	8.9	Netherlands ^a . .	6.0	8.3
Belgium ^a . . .	n.a.	6.6	Sweden	5.0	7.0
Denmark . . .	4.7	6.5	United Kingdom	4.1	5.4
France	3.1	5.7			

^a Data related to period ending 1977 only.

Source: U.S. Department of Labor [1979].

IV. Possible Explanation

If indeed such structural differences do exist in the LDCs' trade pattern with DCs, it is of interest to explore possible reasons for them. Such exploration is necessarily speculative.

With respect to LDCs' exports, several reasons suggest themselves. In mapping out an export strategy, an incipient exporter is likely to begin by trying to penetrate the one single largest market; namely, that of the United States. This is particularly true if the product involved requires a distribution network and other infrastructural expenditures. This was certainly part of Japan's export strategy when it was an incipient exporter in the late 1950s and early 1960s.

The United Kingdom has traditionally pursued a liberal trade policy especially with regard to the British Commonwealth of which Hong Kong-Singapore, India, Malaysia and Pakistan are members (the Commonwealth preferences were abolished when U.K. joined the EC). In 1965 (1975) these five Commonwealth LDCs accounted for 51 (34) percent of LDCs'

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total manufacturing exports [Keesing, 1979]. Because of the preferences, the relatively large U.K. market, and cultural as well as language ties, the United Kingdom is likely to have been an attractive and natural outlet for exports from Commonwealth LDCs.

On the other hand, in exporting to the Japanese market, LDCs encounter unusual difficulties in penetrating the domestic distribution system, in addition to tariffs and non-tariff barriers. This is probably reinforced by the weak overall bargaining position of the LDCs.

Another possible reason revolves around the existence of minimum wage legislation (which continuously raises the minimum wage) in the United States and its absence in Japan and effective absence in Europe (except for France). Even where minimum wage laws exist in Europe, they do not appear to be above the market clearing level. By contrast, U.S. minimum wage laws tend to raise the wage rates of unskilled labor above their market clearing level, and also enable unions in labor-intensive industries to push up wage rates higher than what they might otherwise be. As a consequence, *ceteris paribus*, the domestic ratio between the prices of labor-intensive goods and those of other manufactures would be higher in the United States than in Europe. To wit:

$$\left| \frac{\text{Prices of labor-intensive goods}}{\text{Prices of other manufactures}} \right|_{\text{United States}} > \left| \frac{\text{Prices of labor-intensive goods}}{\text{Prices of other manufactures}} \right|_{\text{Europe and Japan}}$$

This is a testable hypothesis, beyond the scope of this paper. But if correct, it would constitute an inducement for the LDCs to export their labor-intensive manufactured goods to the United States.

With respect to imports of LDCs, it may well be that Japanese exporters (and exporters from the small European countries) are more aggressive than their U.S. and U.K. counterparts. It has been observed that Japanese trading houses are very important in the countries of South East Asia, the fastest growing members of the NICs since 1975 [*Far Eastern Economic Review*, 1978; 1979]. These trading houses seem to be efficient in promoting the sale of Japanese products in NIC markets. For example, in recent years the fastest growing categories of LDC manufactured imports have been imports which are used as inputs in export-oriented production like office, telecommunications and other electrical equipment. These imports have increased from \$ 2 billion in 1963 to \$ 8 billion in 1973 and close to \$ 15 billion in 1976 [Blackhurst *et al.*, 1978]. Japan is the world's major exporter of these commodities.

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This last point may be reinforced by a factor which is often overlooked. Due to relatively cheap energy in the United States, American innovations have historically tended to be biased towards products and processes which are energy intensive compared to innovations in Europe and Japan. Now, with the steep rise in the worldwide price of energy, the Japanese and European technologies — more energy-saving than their U.S. counterparts which are presently also facing subsidized energy prices — are more competitive in the markets of the NICs. Thus European based multinationals may find it easier to penetrate the markets of the NICs [Franko, 1978].

V. Conclusions

The phenomenal expansion of LDC manufacturing exports to industrial countries — concentrated mainly in the NICs — occasioned considerable discussion in recent years. The rise of the “new protectionism” in the industrial countries is attributed in part to this increased penetration. And several studies have been devoted to the displacement of jobs in industrial countries caused by this expansion [Blackhurst *et al.*, 1978; Cable, 1977; Hamilton, 1980; UNIDO, 1978; Krueger, 1980].

But LDC trade expansion has been reasonably balanced in the aggregate, i.e. they have not accumulated reserves. Studies which estimated the increase in DC employment as a result of expanded exports to the NICs as well as the negative impact of job displacement caused by increased imports from them¹, found the overall net effect to be very small indeed: less than a quarter of a percentage point of the total labor force one way or the other. Even with such an insignificant net figure, one cannot disregard the adjustment cost of moving resources from one set of industries to another. LDC-DC trade probably generates much inter-industry specialization, which is presumably subject to higher adjustment cost than the increase in intra-industry specialization in trade among the industrial countries themselves.

Despite such reservations, there is little doubt that the expansion in LDC exports has a favorable impact on worldwide *long-run* allocation of resources and distribution of welfare. It should certainly be encouraged rather than retarded. Some observers go as far as to regard the NICs as the largest potential markets for the increased exports of capital-intensive products from the industrial countries.

¹ See UNIDO [1978]; and in particular Haas [1978]. — Hiemenz and Schatz [1976]; Kol and Mennes [1978]; Schumacher [1977].

But this does not mean that an expansion in LDC trade would cause no problems in international economic relations (as distinguished from domestic markets). One such problem was explored in this paper; to wit, a structural tendency for LDCs to sell in North America and the United Kingdom, and to buy in Japan and certain continental-European countries and Scandinavia. If such a tendency exists, as the evidence here for the period up to 1978 suggests, then unless exchange rates adjust, future trade expansion will cause deficits in some DCs and surpluses in others. This would certainly make it more difficult for the United Kingdom to join the European Monetary System, and may create strains within the system as it is composed today. It can also create some strains in the international monetary system at large.

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Appendix

Comparative Analysis of OECD Member Countries' Imports of Labor-Intensive and Other Products, 1965-1975

SITC	Product	Value of OECD imports (\$ billion)				LDCs' market share (percent)		
		1965		1975		1965	1975	change
		LDCs	total	LDCs	total			
0	Food and live animals							
	Labor-intensive products	0.5	1.9	1.4	5.9	24.5	22.9	-1.6
	Other products	7.3	18.7	19.2	59.9	39.1	32.1	-7.0
1	Beverages and tobacco							
	Labor-intensive products ^a	0.01	0.04	0.04	0.20	15.4	19.8	4.4
	Other products	0.5	2.1	1.0	6.6	23.7	15.3	-8.4
2	Crude materials							
	Labor-intensive products ^a	0.2	1.8	0.7	4.2	10.2	15.6	5.4
	Other products	6.4	17.7	13.5	47.1	36.1	28.5	-7.6
4	Animal and vegetable oils							
	Labor-intensive products	0.03	0.14	0.05	0.21	21.2	25.7	4.5
	Other products	0.5	1.0	1.5	3.7	46.2	40.2	-6.0
5	Chemicals							
	Labor-intensive products ^b	0.05	0.21	0.09	0.56	25.0	16.4	-8.6
	Other products	9.3	7.2	1.6	38.0	4.2	4.1	-0.1
6	Manufactured goods							
	Labor-intensive products	1.0	10.1	5.5	45.2	10.6	12.1	1.5
	Other products ^c	2.2	15.4	4.5	50.0	14.5	9.0	-5.5
7	Machinery and transport							
	Labor-intensive products	0.07	12.38	3.68	68.92	0.6	5.3	4.7
	Other products	0.1	11.3	1.2	67.2	1.0	1.8	0.8
8	Miscellaneous manufactures							
	Labor-intensive products	0.7	6.6	9.4	44.4	10.4	21.1	10.7
	Other products	0.08	1.76	0.06	5.21	4.2	1.1	-3.1
	All products excluding fuels							
	Labor-intensive products	2.6	33.3	20.7	169.5	7.8	12.2	4.4
	Other Products	17.4	75.2	42.5	277.5	23.1	15.3	-7.8
	Total	20.0	108.5	63.2	447.0	18.4	14.1	-4.3

^a Labor-intensive products in the Beverages and Tobacco group fall in SITC 122.1 (Cigars and Cheroots), while those in Crude Materials include products classified in SITC 243.0 (Shaped Wood). — ^b Items falling in SITC 351.0 (Essential Oils). — ^c The overall developing country market performance for this group is dominated by Nonferrous Metals (SITC 68). If these products were excluded, the developing countries' market share for non-labor-intensive products in SITC 6 would have fallen from 4.4 percent in 1965 to 2.5 percent in 1975.

Source: Abbreviated from Tuong and Yeats [1977].

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* * *

Zusammenfassung: Die Struktur des Industriegüterhandels der Entwicklungsländer mit einzelnen Industrieländern oder Gruppen von Industrieländern. — In diesem Aufsatz wird eine Frage untersucht, die eine große Bedeutung für die Stabilität des internationalen Handels hat: Ist die schnelle Ausdehnung der Industriegüterexporte der Entwicklungsländer so strukturiert, daß einige Industrieländer in systematischer Weise ein Handelsbilanzdefizit und andere einen Handelsbilanzüberschuß aufweisen? Falls ein solches Ungleichgewicht bestehen sollte: Worauf ist es zurückzuführen? Die Bedeutung eines solchen Phänomens besteht darin, daß ohne Protektionsmaßnahmen der Industrieländer die Exporte aus den Entwicklungsländern wahrscheinlich weiterhin stark ansteigen würden. Abgesehen von ihrer Wirkung auf die langfristige Wechselkursentwicklung in den Industrieländern können dauerhafte Handelsbilanzdefizite protektionistische Tendenzen verstärken, wie man bereits jetzt an dem sogenannten »Neuen Protektionismus« erkennen kann.

Résumé: La structure du commerce extérieur avec des biens manufacturiers entre les pays en voie de développement et les pays individuellement développés et des groupes des pays développés. — Cet article examine une question qui est importante pour la stabilité du système international de commerce: Est-ce que l'expansion rapide des exportations manufacturières des pays en voie de développement vers les pays développés est structurée en telle manière qu'elle cause des déficits commerciaux systématiques dans quelques pays industriels et des surplus dans les autres? S'il y ait un tel déséquilibre, quelles sont ses causes possibles? L'importance d'un tel phénomène dérive du fait que dans l'absence de la protection augmentée des pays développés l'expansion des exportations des pays en voie de développement continuerait probablement d'un taux haut. En plus des effets sur les mouvements à long terme des taux de change des pays industriels, les déficits commerciaux continuants peut renforcer les tendances protectionnistes dans les pays déficitaires, comme déjà démontré par le dit «protectionisme nouveau».

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Resumen: La estructura del comercio en manufacturas entre países en desarrollo y países desarrollados, considerados estos últimos individualmente o en grupos. — Este trabajo investiga un problema con una influencia importante sobre la estabilidad del comercio internacional: Está estructurada la rápida expansión de las exportaciones de manufacturas de países en desarrollo a países desarrollados de tal forma que causa sistemáticamente déficits en la balanza comercial de algunos países industrializados y superávits en otros? Si este tipo de desequilibrio existe, cuáles son sus posibles causas? La importancia de este fenómeno se deriva del hecho, de que en la ausencia de proteccionismo por parte de los países desarrollados, es de esperar que la expansión de las exportaciones de los países en desarrollo continuaría a un alto nivel. Además de su efecto sobre los movimientos a largo plazo en el tipo de cambio de los países industrializados, déficits persistentes en la balanza comercial pueden reforzar tendencias proteccionistas en estos países con déficits, como ha sido puesto en evidencia por lo que se conoce como el «nuevo proteccionismo».

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