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# Trade, Aid and Development

## General Evidence and the EEC Experience, with Particular Reference to Developing Countries in Asia and the Near East

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# Executive Summary

## Trade and Development

Growth prospects for developing countries in the latter part of the 1980's appear threatened by increasingly difficult access to foreign exchange needed for growth. Many, if not most, of Third-World countries have reached or exceeded their capacity to borrow on commercial markets, virtually eliminating one important source of foreign exchange. In the wake of chronic budgetary pressures, most industrialized countries have been cutting back on their official development assistance. The sharp drop in the world market price of oil has reduced aid flows from OPEC countries to a trickle. It also cut into remittances of migrant workers as another source of foreign exchange for many countries, especially in the Asia and Near East region. Finally, given the policy environment in most developing countries, direct foreign investment -- never a major factor, even in the fast-growing Asian countries -- seems unlikely to pick up any slack.

These developments have helped shape a reappraisal of trade as the major source of foreign exchange for growth. More specifically, how can or should trade fit into development assistance policies? Fortunately, intellectual debate and empirical research in this area, while far from being conclusive, have begun to yield useful policy advice. Alas, as virtually anything that is useful, this guidance offers no simple solutions.

A review of the recent literature on the subject of trade and development in general, and the experience of the European Economic Community (EEC) in particular, yields the following general conclusions:

## Domestic Policies

- *Trade is not the "engine of growth:"* the notion that trade, or rather the demand for the exports of developing countries on the part of developed countries, is the means by which growth is "transmitted," is erroneous, both historically and in the current policy environment. It is predicated on equating exports from developing countries with primary products, for which income elasticities tend to be low and for which substitutes have been developed. Therefore, growth in

developing countries is *not* constrained by the growth in demand for their (traditional) export products, largely primary goods.

- *Trade performance reflects the effectiveness of growth policies* : rejecting the mechanistic notion of trade as the engine of growth is by no means synonymous with denying a close relationship between trade and growth. In the formulation of Kravis [1970], trade remains the "handmaiden of growth." Trade performance -- not export dependence -- is an indicator of the success (or lack thereof) of development policies. What matters is growth in volume and diversity of exports, in the final analysis a consequence of internal policies.

- *Getting the policies right means to pursue an export promotion strategy* : the "old export pessimism" or the "new" (Meier [1986]) notwithstanding, successful growth policies can be summarized under the export promotion label.

- *Export promotion is neither export maximization nor laissez-faire free trade* : export maximization of the sort pursued by India for a short period in the past (see Lal [1985]) is little more than a misguided attempt to extend *dirigiste* controls into yet another sector. At the other end of the spectrum, hands-off *laissez-faire* is likely to exacerbate the impacts of existing distortions, especially given the political economy in many developing countries (see the papers in Colander [1984] for explorations of this issue).

- *Successful export promotion requires an effective policy package* : this package includes a stable macroeconomic framework, an appropriate and stable level of the *real* exchange rate over time, conditions for exporters close to those under a free trade regime, efficient financial markets to guarantee timely financing for export-oriented activities at domestically competitive rates, and the absence of any discrimination against savings. Given existing distortions, successful packages almost always include interventionist policies. What makes export promotion something of an art is the uncertainty surrounding such interventionist policies; even *ex post* , the successful elements are often difficult to identify.

## Development Assistance and Trade

Given the critical role of domestic policies, what can aid donors do to support development through trade? Abstaining from protectionist policies against developing

countries is the most common prescription. It remains valid, although even protectionism appears to have failed to prevent further growth in exports from the newly industrialized countries of the Pacific rim. But it also remains somewhat gratuitous, given the domestic pressures in developed countries to slow structural adjustments in the face of persistent unemployment.

Other prescriptions have focused on options for granting developing countries preferential access to markets in developed countries (justifying the violation of the GATT principle of non-discrimination with humanitarian intentions) and mechanisms for stabilizing the export earnings of developing countries dependent on primary commodities. The debate over the New International Economic Order (NIEO) under the auspices of the UNCTAD has been a fertile ground for spawning such policy recommendations.

## Lessons from the EEC Experience

One group of industrialized countries that has adopted some of these approaches is the European Economic Community (EEC). For developing countries in Africa, the Caribbean and the Pacific (ACP countries), the EEC has agreed in the Lomé Convention(s) to a package of tariff concessions, export earnings stabilization through its STABEX and SYSMIN funds, and other aid and technical assistance. These policies have been responsive to proposed features of the NIEO, although they do not go as far as the demands. In addition to the provisions of the Lomé Convention, the Community has granted tariff preferences to countries on the Mediterranean rim under a variety of bilateral agreements, and to other countries (including the Asian newly industrialized countries) under its version of the Generalized System of Preferences (GSP). These agreements have been in effect for a sufficient period of time to reach some conclusions on the efficacy of special trade preferences.

The accomplishments of the EEC's policies so far fail to make a case for emulation by other donors. The measures may have resulted in some trade diversion (replacing other suppliers with ACP countries), but there are few indications of trade creation, partly because the preferential policies deliberately focused on the traditional exports of developing countries, where effective demand in fact does constrain opportunities for expansion. The GSP may have conferred small amounts of indirect assistance, but its impact on trade appears to have been nil. It has not engendered any faster growth of exports in countries enjoying these benefits. Nor does it seem to have slowed down countries excluded from the GSP -- such as Hong Kong -- in any significant manner.

In fact, a case could probably be made for negative consequences of the EEC's trade policies vis-a-vis developing countries:

- by granting tariff preferences for primary commodities, the EEC assured continuing relatively high levels of effective protection for manufactured goods, in spite of lower tariffs overall;

- even where manufactured exports were given free access to the EEC, taking advantage of that provision often was hampered by factors such as rules of origin, which required higher local value-added ratios than could be achieved given the countries' productive capacities;

- the STABEX fund loans and grants to offset shortfalls in export earnings from key commodities have been used in part to delay and slow down needed structural adjustments to exploit shifting comparative advantages.

These findings sketch a somewhat discouraging picture regarding the prospects of an activist policy to support development through trade concessions on the part of developed countries. Even if protectionist pressures could be overcome, aid through trade seems destined to be disappointing. The principal lesson has been that *domestic policies in the developing countries matter most*. Influencing them through policy dialogue and aid conditionality appears to be the most promising option for donor countries and agencies.

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# 1.0 Introduction

## 1.1 The Trade/Aid Issue

Growth prospects for developing countries in the latter part of the 1980's appear threatened by increasingly difficult access to foreign exchange needed for growth. Many Third-World countries have reached or exceeded their capacity to borrow on commercial markets, virtually eliminating one important source of foreign exchange. In the wake of chronic budgetary pressures, most industrialized countries have been cutting back on their official development assistance. The sharp drop in the world market price of oil has reduced aid flows from OPEC countries to a trickle. It also cut into remittances of migrant workers as another source of foreign exchange for many countries, especially in the Asia and Near East region. Finally, given the policy environment in most developing countries, direct foreign investment -- never a major factor, even in the fast-growing Asian countries -- seems unlikely to pick up any slack.

These developments have helped shape a reappraisal of trade as the major source of foreign exchange for growth. What role does trade play in promoting economic growth? How can the industrialized countries contribute most effectively to developing countries' efforts to expand trade, as a source of foreign exchange and as a means toward a more dynamic economy? Should aid and trade policies be more closely linked? What has been the experience with different approaches? Finally, what support exists for the thesis that aid has been used by developed countries as a tool for promoting *their own* exports?

## 1.2 Purpose of This Paper

This paper is intended to contribute to the debate by (a) reviewing the arguments and empirical evidence offered in the literature related to the question of trade and development, and (b) assessing the policies of the EEC as a whole and its member countries in the area of trade and aid relationships with developing countries, which incorporate many of the prescriptions proffered in the framework of the New International Economic Order (NIEO), especially with respect to concessionary trade policies. The analysis in this paper draws primarily on existing literature; while it presents some empirical data, it makes no claim to any original research. Focusing on the developing countries in the Agency for International Development's (AID's) Asia and the Near East (ANE) region,[1] this review is designed to contribute to AID's policy

dialogue with host governments by providing a better understanding of the context for trade policies in developing countries, and by highlighting the experience of a major donor bloc, the European Economic Community (EEC),[2] with the integration of trade and aid policies.

This paper starts out with a review of the general theoretical and empirical arguments concerning the relationship between trade and growth. It then briefly describes broad patterns of trade between EEC and ANE countries. It also outlines the confusing melange of protectionism, preferential treatment, and direct and indirect aid that characterizes EEC policies -- as well as the policies of individual member countries -- vis-a-vis developing countries. The assessment here of the effects of EEC policies remains tentative, given the complex structure and interdependencies of international trade. To try to isolate these effects would require more detailed quantitative analysis, combining a general or partial-equilibrium model of international trade with domestic economic policy models for the countries involved -- a very ambitious undertaking, to put it mildly.

## 1.3 Summary of Findings

Trade matters in development, but trade and growth *together* are a consequence of the underlying policies. In short, the "right policies" for growth also promote trade. Summarized by their advocates under the term *export promotion* (EP), these policies offer a complex package of market-oriented and market-strengthening measures. The evidence is fairly clear: on the whole, developing countries having adopted an EP strategy have done better in terms of growth *and* exports than countries pursuing import substitution (IS) policies, often combined with heavy market interventions designed to maintain and stabilize earnings from traditional exports.

[1] Actually, AID's ANE region includes more countries than are considered in the analysis here. For a number of reasons, the paper focuses on Morocco and Tunisia in the Maghreb, Egypt, Jordan, and Yemen in the so-called Mashreq, India, Nepal, Pakistan, Bangladesh, and Sri Lanka on (or near) the Indian subcontinent, and Indonesia, Thailand, Burma, Papua New Guinea, and the Philippines in the eastern part of the ANE region.

[2] The EEC in fact forms only one (albeit the most important) part of the European Community (EC), formed in 1967, which includes in addition EURATOM and the European Coal and Steel Community (ECSC), the earliest post-war European institution, created in 1952. Even so, EEC and EC are often used interchangeably.

Successful export promotion requires a skillful combination of exchange rate, wage, tariff, fiscal, monetary and regulatory measures. Specifically, an EP strategy comprises consistent and predictable policies to provide a stable macroeconomic framework, to maintain an appropriate and stable real exchange rate, to establish a regime for exporters very close to free trade to preclude discrimination against exports, to strengthen financial markets to guarantee timely financing for export activities at domestically competitive rates, and to eliminate any discrimination against savings. Export promotion does *not* mean a hands-off policy to rely entirely on whatever market forces exist. Given the nature of international trade, as well as continuing domestic market distortions, export promotion typically implies an interventionist *modus operandi* to "level the playing field," thereby providing appropriate incentives to investors to move into export-oriented activities.

The discussion of export promotion -- that is, internal -- policies often spills over into that of efforts from the outside to maintain or increase export earnings for developing countries, through such means as preferential treatment or stabilization funds. Much of the North-South dialogue has focused on such external "export promotion." One target of this dialogue has been the growing protectionism in developed countries. In addition, many schemes and approaches have been proposed, notably in the framework of the debate over the New International Economic Order (NIEO) occupying center stage at UNCTAD meetings, to bias the international trade system increasingly in favor of developing countries.

Although not all of the proposals that have been mooted in international circles have been actually tried out, one major trading bloc has in fact experimented with several options for promoting trade with (selected) developing countries. The EEC has responded to some of the NIEO demands of developing countries by granting tariff preferences and supporting stabilization of export earnings to developing countries. To what extent have these experiments succeeded in fostering adaptation, structural adjustment,[3] and export growth in the developing countries affected? There is little evidence to suggest that the preferential treatment and trade-related assistance have contributed much to economic development in the participating countries.

The EEC's trade (and aid) relationships with developing countries are characterized by a "hierarchy" of preferences for different groups of developing countries. This hierarchy reflects to a large extent desires by member countries,

[3] "Structural adjustment" includes "diversification," another special concern in the NIEO debate.

notably France and the United Kingdom, to build on or continue in some form preferential trade relationships with their former colonies. The developing countries in AID's ANE region fall broadly into three categories:

(1) the ACP countries, the developing countries in Africa, the Caribbean and the Pacific included in the Lomé conventions granting them preferential treatment and access to assistance funds designed to help stabilize export earnings; only some ANE countries, those in the Pacific (Fiji, Papua New Guinea), fall into this category;

(2) the countries of the Mediterranean rim, especially the Maghreb (Morocco, Algeria, and Tunisia), and the Mashreq (Egypt, Jordan, Lebanon and Syria), which enjoy certain preferences primarily established under the MMI (Maghreb, Mashreq, and Israel) agreements; and

(3) other developing countries in Asia, generally covered under the EEC's version of the Generalized System of Preferences (GSP).

The available evidence suggests that none of the developing countries have gained much from the EEC's preferential arrangements, given the EEC's low overall tariff structure. Preferential treatment for raw materials, combined with correspondingly higher rates of effective protection for semi-finished and finished manufactured goods, and export earnings stabilization support (STABEX for agricultural exports and SYSMIN for minerals) may in fact have contributed to slowing down the necessary structural adjustment in some of the developing countries. Conversely, non-tariff barriers, including voluntary export restraints (VERs) negotiated with some of the NICs of Asia, may have had some indirect benefits by encouraging movement of those countries' manufacturing sectors into higher-value products and continuing diversification.

In terms of net official development assistance, aid flows from EEC countries have been declining. Much of it is "hardware-oriented," often involving a package of official assistance, supplier credits and government guarantees. EEC countries as a rule have engaged in very little programmatic aid. The EEC's "policy dialogue" seems to operate primarily through the provision of expatriate advisers working in the governments of former colonies -- especially in the case of France and her former colonies and protectorates in Africa and the Maghreb.

While some debate continues among European policymakers about the suitability and effectiveness of the EEC's trade and aid relationships with developing

countries, there is little evidence to suggest that these policies will change significantly at any point in the foreseeable future. In general, these relationships are not as important as other issues; they also represent a fairly carefully worked out compromise among the interests of different member countries and different groups within those countries. Given the role assigned to the EEC proper, focusing more on trade relationships, if any changes occur, they are likely to affect aid policies of individual member countries rather than those of the Community as a whole.

# 2.0 Trade as a Policy Issue

## 2.1 Trade as the "Engine of Growth:" A Misunderstanding

The proposition that trade is a critical element of economic growth and development tends to be regarded as almost commonplace. Alas, any general consensus on the existence of such a relationship crumbles rapidly when it comes to policy prescriptions -- which require some position on causality. Conventional wisdom in the early phases of development economics had it that trade had been the means by which advanced countries in the nineteenth century "dragged" others along into sustained growth, that trade had been the "*engine of growth*." Maintaining that demand in the center (the rich countries) for the products of the periphery (the less developed countries) was no longer growing sufficiently fast, some of the pioneers of development economics -- such as Nurkse [1959], Prebisch [1959], and Myrdal [1957] -- asserted at various times that the engine of growth was sputtering, grinding to a halt, or in fact shifting into reverse. This "old export pessimism" (Meier [1986], pp. 128 ff.), with a questionable intellectual and empirical basis and often some ideological overtones, shaped much of the strategic thinking on development. If the proposition was true that trade with developed countries could no longer benefit the poor countries, and might make them even poorer, the best development policy would emphasize some notion of relative autarky. Reducing a country's dependence on foreign trade in turn meant a strategy favoring import substitution activities.

The empirical evidence brought in to buttress this line of reasoning has by now been largely discredited, or at least shown to be subject to alternative interpretations. Kravis [1970] effectively dispensed with the interpretation of trade as an "engine of growth" in the nineteenth century as anything more than a faulty reading of history. Based on the statistical evidence, Kravis concluded that the quasi-mechanical model of the transmission of growth from country A to country B via trade as the engine was too naive to explain growth patterns in the 19th century. He suggested replacing the image of the engine by that of trade as the "handmaiden of growth," capable of a contribution to but not *the* source of growth in the poorer countries. Expressed differently, the handmaiden model suggests that the right policies designed to exploit a country's potential for growth will also make it more competitive in international markets. Trade performance becomes the barometer of the adequacy of growth policies (to add yet another metaphor).

## 2.2 The New Export Pessimism

Ironically, the lessons Kravis drew from the experience of the 19th century have been used at times by proponents of the "new export pessimism" (Meier [1986], pp. 137 ff.) in attacking the argument that to be effective development strategies should revolve around export promotion (EP). That argument reflects the findings of a slew of empirical studies, notably the NBER studies summarized in Krueger [1978] and Bhagwati [1978]. These studies have convincingly demonstrated that countries adopting an outward-looking strategy emphasizing export performance -- the EP strategy -- have consistently outperformed countries pursuing the prescribed inward-looking import substitution (IS) policies. In spite of this persuasive empirical evidence, export pessimism lingers.

Sometimes, such pessimism takes a quasi-empirical tack. For example, Fields [1984] has advanced the argument that labor market imperfections may render EP strategies immiserizing, using the small island economies of the West Indies as a case in point. Similarly, explaining all the EP success stories as the result of special circumstances, Adedeji [1985] cites a study conducted by the Economic Commission for Africa (ECA) that purports to prove that no (linear) relationship exists between export trade and economic growth. Unfortunately, this study pretty much defined its conclusions in the design which limited the analysis of export trade to Africa's traditional exports, primary products. Adedeji himself constructs his argument around the assumption that exports from developing countries are always traditional exports: low-income countries cannot rely on their

> ... economic growth being induced from outside through an expansion of world demand for their *traditional export of primary commodities*. That emphasis on trade under the existing international division of labour is not only misplaced but may be regarded as a *calculated strategy by the capitalist countries to mislead the developing countries.* (Adedeji [1985], p. 148; emphases added.)

Neither Adedeji nor the ECA seem to distinguish between an export promotion strategy of the type advocated by Krueger, Bhagwati, Meier and others, and growth policies relying on traditional primary exports. Continuing reliance on primary products reflects little more than policy inertia, an attempt to exploit what the country's *past* comparative advantage. What makes for an effective EP strategy, in contrast, is the emphasis on a macroeconomic framework designed to facilitate and encourage the exploitation of comparative advantage in a *dynamic* context, by not discriminating against export activities. In rejecting Fields's conclusions, Bhagwati

[1985] also makes the point that export dependence (for a small economy) is by no means synonymous with an export promotion strategy.

W. Arthur Lewis exemplifies another form of the "new export pessimism." Following in the Nurksian intellectual tradition, he contends that the (presumed to be secular) decline of economic growth in the advanced countries means *pari passu* a slowdown in the growth of exports from the developing countries, thereby stimying their growth. In his 1979 Nobel lecture (Lewis [1980]), Lewis made that point quite forcefully. Elsewhere (Lewis [1981]) he argued that the proportion of manufactures consumed in Western Europe that is imported (currently one-third) cannot continue to rise indefinitely: "...when [that proportion] stops rising the rate of growth of their imports of manufactures will drop to or below the 5 per cent per annum rate which now appears to be their maximum 'natural' rate of industrial growth." (Lewis [1981], p. 24) These gloomy prospects imply of course that maintaining or accelerating the pace of growth in developing countries going necessitates a search for new sources of fuel for the "engine of growth," notably increased trade among developing countries themselves.

This dependence argument, plausible on the surface at least, would appear to undercut the case for export promotion strategies. Even if one discounts the "engine of growth" model, complete dependence on demand (in the developed countries) would render export performance less useful as a barometer of the effectiveness of growth policies.

## 2.3 Demand in Industrialized Countries: a Constraint on LDC Growth?

The assertion that export performance of developing countries depends entirely on the growth of demand in developed countries implies that LDC exports grow at a rate entirely determined by income growth and income demand elasticities in developed countries. That assertion is based on rather flimsy empirical evidence. In fact, it rests largely on the observation of an apparently constant ratio between the aggregate growth rate of GDP in developed countries, and the growth rate of exports of *primary* goods, used without much discussion as a proxy for exports of less developed countries. This proxy may be appropriate for historical data, but its validity for the present and future appears doubtful, as some developing countries have become competitive in at least some manufacturing subsectors.

Using recent trade data, Riedel [1983] shows that the assertion of demand dependence does not hold, that the observed constant relationship is more a historical accident than a consistent empirical pattern. Without addressing the issue whether exports have in fact played the role of the engine of growth in developing countries, he demonstrates the virtual absence of any significant correlation between income growth in developed countries and the LDCs' export growth. Riedel concludes:

> ... LDC export growth may be judged to depend less on growth of the market than on the capacity of LDCs to supply manufactured exports at competitive prices.
>
> ... LDC penetration of the DC market for manufactures increased, indeed, at a faster rate after 1975 [despite a fall by half in average annual real growth in DCs in the 1970s] than before... (Riedel [1983], pp. 38-39)

Based on Riedel's and Kravis's findings, Meier [1986] concludes that the linkage between trade and growth performance is due to a common cause -- the "right policies:"

> ...a successful export performance is more a function of appropriate policies in the developing country than of external demand. A competitive export supply is what matters most. (Meier [1986], p. 154)

The basic flaw in Lewis's argument of demand dependence is of course the built-in tautology: if one assumes that less developed countries can only export raw materials, there is little reason to expect that domestic policies will affect the competitiveness of the country in world markets. Lal [1985] pointed out this fallacy:

> "...engine-of-growth models .. implicitly, but falsely, assume there are no domestically-produced substitutes in developed countries to be displaced by the goods developing countries export. (p. 36)

## 2.4 The Export Promotion Strategy

Continuing dependence on exporting raw materials does not signify an effective EP strategy, no matter how large the share of foreign trade in GDP. Neither does just any policy intended to push exports, whatever the cost. In his review of the disappointing record of development economics, Lal [1985, pp. 30-31] also recounts India's discouraging experience with an ill-designed policy of export maximization. This policy gave exporters preferential treatment in the form of import entitlements -- a subsidy in the form of the premium on import licenses. Since the amount of the subsidy was related to import content of any exportable good, this form of "export promotion" rewarded export-oriented activities that minimized domestic value added: "... a number of goods with a high import content were exported for a lower foreign currency return than the foreign currency costs of the imports embedded in them." (Lal [1985], p. 31) That hardly qualifies as a growth policy incorporating an EP strategy.

Jagdish Bhagwati (e.g., Bhagwati [1985]) and Gerald Meier (e.g., Meier [1986]) have emerged as the most eloquent advocates of increased reliance on EP strategies. Along with others like Krueger and Balassa, these two proponents of the EP strategy have also emphasized that EP policies are by no means synonymous with *laissez-faire*. The development success stories of the past decade or so have been cases of outward-looking growth policies (Brazil, Korea, or Spain), but not simply free trade (as in the case of Argentina or Chile). Successful export promotion requires an effective policy package, summarized in the "Introduction" to Corbo *et al.* [1985]:

(1) The economic authorities should provide a stable macroeconomic framework.

(2) The level of the <u>real</u> exchange rate has to be appropriate and stable over time. An appropriate real exchange rate is one that, given the expansion in expenditures, generates a commensurate trade balance that is sustainable in the medium term.

(3) Exporters should operate under a regime very close to free trade. For this purpose, traded raw materials have to be priced close to world prices, while nontradable services have to be supplied at prices and terms not too different from those facing main competitors.

(4) Financial markets should guarantee that the export-oriented sector will receive timely financing at domestically competitive rates.

(5) Any discrimination against savings should be lifted. (Corbo *et al.*, [1985], p. 4)

These prescriptions imply an activist stance by a government pursuing an EP strategy. There can be little doubt that activism has been carried to extremes at times in some of the NIC success stories. While direct subsidies to export industries violate GATT regulations, there is both a theoretical rationale (see, for example, Krugman [1984] or Dixit [1984]), and ample experience in developed and developing countries alike. In view of the complexity of this issue, the discussion here can deal with this aspect only tangentially.

While far from being conclusive, this quick review of the contemporary debate of the role of trade in development suggests that domestic policies are more important in shaping export performance than trade arrangements, preferential treatment, easy access to markets in developed countries, etc.

## 2.5 Comparative Advantage and Trade

While Ricardo's analysis of the determinants of international trade may be a bit dated, *comparative advantage* continues to shape patterns of world trade. The simple Heckscher-Ohlin model attempted to provide a means for assessing a country's comparative advantage by looking at its relative factor endowment: a country relatively better endowed in capital would specialize in more capital-intensive goods.

While the simple Heckscher-Ohlin model continues to enjoy some popularity in general policy debate, more empirical research suggests that a country's comparative advantage can often only be inferred *ex post*, by examining its trade patterns. These findings have resulted in successive refinements or expansions of the original theorem, starting with the addition of "human capital" as a factor of production to explain Leontief's paradox (Leontief [1953]) -- that the capital-rich U.S. was specializing in the export of labor-intensive goods. Other findings at odds with the basic Heckscher-Ohlin model have been listed by Stewart [1984] in her survey of recent contributions to the theory of international trade as follows:

> ...the growth in trade between *similar* economies with near-identical factor endowment; the fact that a considerable portion of trade in manufacturers [sic] (and its growth) is intra-industry; and the fact that there appears to be a strong

tendency for growth in trade to exceed growth in income. (p. 84)

As Stewart points out, these phenomena show up primarily in trade among developed countries. ("In general N[orth]-S[outh] trade is in accordance with H-O theory.." *ibid.* ) Consequently, new developments in international trade theory apply primarily to developed countries' trade relations. But they are not irrelevant for developing countries; Stewart [1984, p. 104] suggests that the latter could benefit from the new insights by putting them to use in promoting more rapid growth in South-South trade.[4]

In a detailed statistical analysis of the effects of resources endowments on comparative advantage, Leamer [1984] provides some evidence for the dynamic nature of the concept. Comparing data for two periods, he concludes that highly skilled labor was the most important resource in 1958, while capital had moved into that position by 1975.

The main lesson from these recent developments in international trade theory seems straightforward: comparative advantage controls trade patterns, but is a very complex and dynamic concept. As a result of better communications and shortening product cycles, among other factors, a country's comparative advantages may be very specialized and narrow or or quite transitory. Given this basic principle, trade policies designed to exploit some "permanent" comparative advantage are doomed. More promising are policies aimed at developing the macro- and microeconomic conditions essential for flexibility in finding, developing and exploiting competitive advantages across a wide spectrum of activities. That includes policies to enhance the skills and institutional capabilities to respond flexibly to emerging opportunities.

Schydlowsky [1984] notes that specific "real-world" conditions -- terms of trade can vary, externalities exist in production and consumption, and learning by doing is possible and cannot be financed by perfect capital markets -- require an active, interventionist policy stance to exploit shifting comparative advantage(s):

> ... under such real-world conditions, a free trade policy is no longer equivalent to a policy of production according to comparative advantage. Under such realistic conditions, therefore, the policy maker needs to adopt an explicit comparative advantage oriented policy if he wishes the country to produce what it can do best. (Schydlowsky [1984], p. 439)

[4] No attempt is made here to provide even a skimpy overview of the substance of new developments in the theory of international trade. The selected bibliography at the end of this paper includes some of the more important contributions. A good introduction to what might be termed the new trade theory skepticism is Krugman [1986].

This conclusion is similar to that reached by the advocates of *strategic trade policy*, such as Krugman [1984], Dixit [1984], and Brander [1986].

# 3.0 The Institutional Framework for International Trade

## 3.1 The GATT

The General Agreement on Tariffs and Trade (GATT) was originally created as an interim arrangement, while negotiations for an International Trade Organization -- the intended third element of the international economic framework created at Bretton Woods, complementing the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) -- continued.[5] The signatories of the Bretton Woods accords ultimately abandoned plans for an International Trade Organization, which leaves the GATT as the principal vehicle for structuring trade relationships on a multilateral level.

The GATT has provided the framework for consecutive rounds of trade liberalization through a lowering of tariff barriers. It has also often served to slow the stampede toward protectionist measures seemingly always imminent whenever one country, or a group of countries, succeeded in expanding its exports faster than others. Even so, the GATT has not prevented the (re)emergence of protectionism as a serious issue in international trade relationships. The "new protectionism" relies relatively little on tariffs, employing instead a battery of non-tariff barriers, notably "voluntary export restraints" (VERs), as discussed further in Section 3.3 below.

The major principle permeating the GATT is that of *non-discrimination* . This principle to some extent grows out of Article VII of the Mutual Aid Agreement signed in February 1942, committing the US and the United Kingdom ostensibly to the "elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers." Article I:1 of the GATT spells out the *unconditional most-favored-nation (MFN)* principle on a multilateral basis: each signatory of the GATT agrees to extend the most favorable trade concessions extended to one country to all other members.

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[5]The final charter of the International Trade Organization was presented (but never accepted) at Havana in 1948, four years after the close of the Bretton Woods Conference.

Adherence to this principle is spotty, though. Even the original GATT allows for a number of exceptions, such as the then-existing system of Imperial Preference for countries of the British Commonwealth and other trading blocks, or actions violating the principle to meet security objectives, to establish balance-of-payments controls, or to create customs unions and free-trade areas. Moreover, Article XIX designed to safeguard industries, temporarily, from "serious injury" has been used extensively to justify incursions on the unconditional MFN. These safeguard actions have frequently taken the form of quantitative restrictions, primarily VERs, which "almost always derogate from the safeguard provisions of GATT Article XIX." (Hufbauer [1986], p. 35). In addition, regional trading arrangements, such as the EEC, LAFTA, ASEAN, etc., have seriously undermined the unconditional MFN principle -- without meeting the stringent standards of GATT Article XXIV. Finally, the reduction of non-tariff barriers sought in the Tokyo Round negotiations relied more on conditional MFN, i.e., some form of reciprocity.

The current situation is largely the result of compromises between addressing national concerns and maintaining the principles of the GATT. For example, the Multifibre Arrangement (MFA) and its predecessors, major endeavors in quantitative trade management and constraint, may well have been essential in securing legislative support for across-the-board reductions in tariff protection for most other manufactured products by developed countries.

The principle of non-discrimination thus becomes little more than ideological veneer on an international trade regime shaped by multilateral negotiations at different levels of universality. Hufbauer [1986] concludes:

> ... Unconditional MFN never was in close harmony with the realities of reciprocal bargaining. In recent years it has become a bargaining chip, to be surrendered at an appropriate price when regional trade arrangements are made, when exporting states agree to quota restraints, and when private and state corporations agree to assorted reciprocal arrangements. (p. 45)

> ... unconditional MFN cannot play the lead role in trade negotiations because, if scrupulously followed, the principle would inhibit trade liberalisation ... [it] can usefully play the role of good housekeeper. From time to time, it should be called to tidy up the attic of trade policy. (p. 51)

Shutt [1985], satirizing the current schism between official free-trade rhetoric and protectionist practice in the Orwellian phrase "PROTECTIONISM IS FREE TRADE!," has

called for abandoning the ideological figleaf of non-discrimination in favor of an explicit management of international trade.[6] Similar concerns have been raised by Reich [1983] who argues that the free(r)-trade principles of the GATT were appropriate in the immediate post-war era. Grey [1986] also paints a sober picture:

> In summary, the GATT as a set of rules is no longer effective, if it ever was. It no longer serves adequately the interests of smaller countries... it no longer serves effectively the interests of even the larger countries -- which also need rules, if only to protect themselves against themselves: that is, against the unremitting pressure of special interests. (p. 25)

Based on that assessment, Grey posits two alternatives for the future of the GATT, trying to extend the system to traded services, to investment and trade in high-technology products, or seek t bring "managed" trade under a greater degree of international scrutiny. He seems to favor the second option as means of controlling the excesses of contingent protectionism. Other options have been considered; thus, the idea of a two-tier GATT has been floated in which a 'super-GATT' group of countries engages in freer trade among themselves than with 'ordinary' GATT members.

## 3.2 UNCTAD and the New International Economic Order

Managed world trade -- interpreted mostly as massive intervention in favor of developing countries -- represents one of the key elements of the New International Economic Order that has been pushed in the context of the UNCTAD. The developing countries' pressure in favor of unilateral trade concessions from developed countries in the UNCTAD framework in some respects responds to the growing recourse to protectionist measures outside the GATT or at least in contradiction with its basic principles. These policies relying on non-tariff barriers have "tended to provide greater ammunition to developing countries for their pursuit of protective restraints outside the GATT." (Krueger and Michalopoulos [1985], p. 52).

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[6]Keynes himself vacillated on the issue of the most effective trade regime, taking sometimes the position of an avid free trader, and sometimes arguing -- possibly not quite seriously -- in favor of "state trading for commodities, ... international cartels for necessary manufactures; and ... quantitative restrictions for non-essential manufactures." This ambivalent attitude may have accounted in part for the failure of efforts to create the International Trade Organization.

These efforts on the part of developing countries have led to the establishment of the Generalized System(s) of Preferences (GSP), following an UNCTAD initiative in 1968 and operating under a GATT waiver. Indications are that the benefits of the GSP may be limited overall, and moreover concentrated on a few economies that would seem to do reasonably well without such preferences. The analysis here will return to the issue of the level and incidence of the benefits of the EEC's version of the GSP for developing countries, primarily in Asia (see Section 4.3).

Beyond that, the UNCTAD has failed to emerge as an effective vehicle for South-North trade dialogue. Much of that is due to the dogged pursuit on the part of developing countries of the New International Economic Order (NIEO), the major element of which is a proposed Integrated Program for Commodities, a sort of joint consumer-producer cartel that would guarantee stable (high) prices for primary commodities. These proposals have met with little enthusiasm on the part of the consumers, the developed countries. Lal [1983] observes that "... [i]t is unlikely that consumers would agree to (*a*) have the prices they must pay fixed against them and (*b*) ensure the higher prices were enforced." (p. 50)[7]

The developed countries' lack of enthusiasm applies to much of the rest of the NIEO. Corden [1979] offers a succinct critique of these proposals.

## 3.3 Tariffs and Non-Tariff Barriers: A Status Report

Overall, the current "trade relations system" (Grey [1986]) is characterized by the lowest (average) tariffs in history and a growing importance of non-tariff barriers, primarily quantitative restrictions, often in the form of voluntary export restraints (VERs).

Between 1965 and 1980, average tariffs (receipts from customs and import duties as a percentage of imports) for all 21 OECD countries decreased by 6.6 percent per year, from 6.8 to 2.4 percent. Only one country (Australia) showed a virtually constant percentage over the 15-year period. All other countries reduced their average tariffs significantly in the wake of the Kennedy and Tokyo rounds under the GATT. However, these reductions pertain to nominal tariffs. Effective tariffs, i.e., the incidence of tariffs on value added, for a number of product groups may not have declined as much

[7] This paper was completed before the most recent UNCTAD meeting (UNCTAD VI) brought the stabilization fund to life, albeit at a much more modest level than demanded by developing countries. The U.S. does not support this fund.

as lower nominal tariffs would suggest.[8]

Moreover, cuts in tariffs were much greater for chemicals, transport equipment and machinery than for iron and steel and especially footwear, textiles and clothing, the traditional entry sectors for export-oriented industrialization in developing countries. Categories for which tariffs remained significantly above the average level also were more likely to be excluded from any GSP benefits. For example, "[t]extile products represent about 17 per cent of all industrial tariff lines, but they account for over one-half of industrial product exclusions for all the GSP schemes taken together." (OECD [1985], p. 28) Thus, while the overall trends in *average* tariffs point in what most economists consider the right (freer-trade) direction, even here the picture is mixed. What significant tariff protection still remains in the trade relations system affects exports of developing countries disproportionately.

As tariff barriers have been declining, previously existing non-tariff barriers (NTBs)[9] have become more prominent. More importantly, governments have increasingly turned to non-tariff barriers as instruments of trade policy. The true extent of non-tariff barriers is difficult to assess, given the *non-transparency* of many of these measures, which may be deliberate -- since governments try to maintain the outward appearance of free trade -- or simply the result of the way in which controls were established -- sometimes without the direct involvement of governments. Moreover, NTBs vary in their effectiveness. For example, firm import quotas may be set so high that they comfortably exceed the capacity of the exporting country, thus having little impact on international trade flows.[10]

[8]Andersen [1972], however, found effective protection for the US to have declined more than nominal protection over the period 1939-58. Also, Deardorff and Stern [1984] argue that properly accounting for the effects tariffs have on world market prices, for imperfect substitutability of home-produced and imported goods, for the impact of foreign tariffs and adjustments in exchange rates would yield much lower estimates of effective rates of protection in the EEC.

[9]"Non-tariff barriers" or NTBs is the term generally used in the literature. The IMF uses "non-tariff measures (NTMs)" instead. Some analysts define NTBs very broadly to include all policy measures(other than tariffs) that affect trade. Commonly used definitions, however, tend to be narrower, focusing on quantitative controls on imports and exports, and "excessive" quality requirements.

[10]However, even in such a case, trade flows may show abrupt shifts, if loose controls for one country are combined with more stringent ones for another. In this case, production (and exports) may simply shift to the country with more room to maneuver. This has been the case in a number of Asian countries, where apparently good export

As a result of these difficulties, estimating the actual impacts of non-tariff barriers on trade alone presents crucial conceptual and empirical problems. These problems are compounded when secondary effects on structural adjustment and related issues are taken into consideration. While some work has been done to estimate the likely patterns of trade for particular commodities in the absence of NTBs, relatively little can be said about the relative importance of such measures, or the level of ad valorem tariffs that would have an equivalent effect. In fact, most of the empirical studies of this issue have focused on the *incidence* of non-tariff barriers, trying to identify the share of world trade subject to NTBs.

These studies suggest a rapid increase in the percentage of imports of developed countries affected by non-tariff barriers in recent years. According to one study, the share of restricted products in total manufactured imports subject to quantitative controls increased between 1980 and 1983 from 6 to 13 percent in the US, and from 11 to 15 percent in the EEC. The product categories subject to controls accounted for over a third of total consumption of manufactured goods in the EEC in 1983 (up from 20 percent in 1980) and for 28 percent in the US (up from 24 percent in 1980). Other estimates are even higher. Thus, protection via non-tariff barriers has increased much more rapidly in the EEC than in the US.

Important for our analysis here is not only the overall level of NTB protection, but primarily its incidence and impact on developing countries. NTBs have tended to mirror the general thrust of protection, focusing on the traditional target sectors like textiles, clothing, footwear, and steel. Recently, though, NTB protection has expanded to "high-technology" sectors, such as automobiles, consumer electronics, as well as machine tools. Simultaneously with the broadening of its scope, NTB protection has also "deepened:" the share of total trade in the traditionally protected sectors (steel, clothing) subject to NTBs has increased in recent years.

As noted above, the GATT in fact allows recourse to quantitative controls under certain conditions, laid out primarily in Article XIX. However, even under Article XIX safeguards, the principle of non-discrimination applies. NTB protection has moved away from this principle in recent years by relying much more on bilateral instruments, such as voluntary export restraints (VERs) or orderly marketing agreements which are discriminatory almost by definition. VERs accounted for 14 out of 22 major trade actions taken by the US, Canada or the EEC between 1981 and 1983.

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performance was sometimes the result of a "quota chase" on part of manufacturers from countries that had reached their quota ceilings.

Finally, non-tariff barriers also include various forms of subsidies to domestic industry that have increased in coverage and cost in recent years. In many industrial countries, subsidies have concentrated in sectors most exposed to competition from abroad, in some instances from developing countries. While such subsidies are often little more than efforts to offset subsidies granted by other governments (generating considerable budgetary outlays with little attendant impact on actual trade flows), to the extent that they make it more difficult for developing countries to compete in certain sectors, their economic costs may be significant. In most instances, the subsidizing government is skirting (or transgressing) the edge of what is permissible under international agreements, i.e., the GATT.

A 1985 OECD study of the costs and benefits of protection (OECD [1985]) concluded:

> ... Interventions in the trading system have become increasingly polarised and sector specific. Most manufactured products entering world trade face relatively few barriers; however, a small but growing range of products is subject to persistent tariff and non-tariff distortions. (p. 39)

# 4.0 EEC Trade with Developing Countries in Asia and the Near East

## 4.1 Overview of EEC Trade Policies

A common trade policy is one of the three cornerstones of the Treaty of Rome creating the European Economic Community (EEC) in January 1958. The Treaty commits the members of the Community[11] to establishing and adhering to common policies in three areas: agriculture, transport, and trade. The choice of these areas as domains of common policies reflect to some extent an ad-hoc balance of national interests -- France's concern for agriculture, the importance of transport for the Benelux countries, and Germany's export orientation.

The case for the common trade policy, the *Common Commercial Policy* (CCP), rests on several criteria important in the type of "level of government assignment analysis" used in the EEC (cf. Hine [1985], pp. 74-75): joint action allows for "economies of scale" by increasing the bargaining power of the member countries in international trade negotiations; national trade policies (such as subsidies) can have significant spillover effects for other countries; and the functioning of the EEC as a trade bloc in fact depends on a technically uniform system with a common external tariff structure, and consistent negotiating procedures. Similar arguments would appear to apply to the pursuit of common aid policies, although common action in this area is the exception rather than the rule, as we shall see in Section 5.1.

The CCP represents a compromise of the interests of the EEC's member countries, beginning with the balancing of the more protectionist policies pursued by France and Italy and the free-trade positions of Germany and the Benelux countries. As such, the CCP is reasonably effective and comprehensive. In some areas, however, member countries have hesitated to hand over their remaining powers to the Community, such as recourse to safeguard arrangements. But *all* trade agreements are now negotiated exclusively at the Community level.

The initial compromise found its expression in the EEC's common external tariff structure, the Common Customs Tariff (CCT), which was based on averaging formula to

[11]The six initial members comprised Belgium, France, Germany, Italy, Luxembourg and the Netherlands. In 1973, Denmark, Ireland and the UK joined. Greece joined in 1981, and Spain and Portugal in 1986 to bring the total to twelve. All EEC member countries are also members of the OECD.

adjust existing national tariffs at the time of the creation of the Community. However, while the level of tariffs changed for the member countries (going down for France and Italy, going up for Germany and the Benelux countries), the harmonization did little to alter the *structure* of nominal tariffs, thus leaving the patterns of effective protection unchanged. In fact, the Treaty specifically "tried to cushion producers against a loss of effective protection caused by an increase in duties on raw materials: for about 80 raw materials it was specified that the CCT was not to exceed 3 per cent." (Hine [1985], p. 78)[12]

Since the creation of the EEC, the average level of the CCT has been reduced several times. Following the Dillon Round in the early 1960's, it was lowered from 12.5 percent to 11.7 percent. The Kennedy Round negotiations, completed in 1967, yielded further significant cuts in the average tariff levels (a decline by 32 percent for the EEC and the US, and of 35 percent for the UK). By the early 1970s, the average level of the CCT was slightly over 8 percent, compared to 12 percent for US tariffs, and 11.5 percent for the UK. These successive reductions brought the CCT down to the level that had originally prevailed in Germany and the Benelux countries, implying a significant reduction in nominal protection for the other countries, France and Italy.

Further reductions in the average level of the CCT have been occurring as a result of the latest round of GATT tariff negotiations, the Tokyo round. The resulting average level (of nominal tariffs) of 6 percent for the CCT in fact weakens the principal instrument of the EEC's development-oriented trade policies, preferential tariff treatment.

The CCT, incidentally, does not necessarily represent a single rate for any given product category. In addition to the preferential tariff treatments of imports for particular countries, discussed further below, tariffs may also vary as a result of other factors. For example, the EEC maintains two sets of duties, *autonomous* duties (the result of the original tariff harmonization), and *conventional* duties agreed upon in the GATT negotiations. In practice, the EEC applies the lower of these two rates. The Community may also waive tariffs temporarily in case of shortages,[13] or grant (near) duty-free reimporting of goods exported for processing abroad to take advantage of lower labor costs, say. Further, the EEC also uses *tariff quotas*, with tariffs being imposed above a certain import quota, especially in its arrangements with the Mediterranean countries, or *tariff ceilings* used in connection with the GSP, which

[12]See the appendix for a brief discussion of the concept of effective protection.
[13] This is by no means a hypothetical option. The number of tariff suspensions averages about 1,000 per year.

are similar to tariff quotas, but do not make the imposition of tariffs above the quota mandatory.

The CCT remains a potentially significant barrier in the area of agricultural products covered under the Community's Common Agricultural Policy (CAP). For the more important product categories (cereals, rice, sugar, pork, eggs poultry, dairy products, olive oil and beef), the EEC uses a *variable import levy*, designed to ensure that the imports do not enter below a fixed *threshold price*. As world market prices for agricultural products drop, the duty for these products rises. (If world market prices rise above the threshold price, the variable import levy becomes an import subsidy.)

**Import Quotas:** As already noted, the member countries have been reluctant to relinquish control over safeguard measures under Article XIX of the GATT to the Community, in particular with respect to quantitative import restrictions. As a result, EEC trade is now characterized by a patchwork of some 500 quota restrictions against imports from non-member countries. About half of these are Community measures affecting imports of textiles, while the other half was maintained by member governments, as shown in Table 1.

National import quotas can be backed by Community measures to block "compensatory" imports into other member countries (under Article 115 of the Treaty). The national government wishing to implement quota restrictions for some product can apply to the Commission for a "blocking arrangement." These requests are subject to the approval of the Commission, which has turned down about one-third of such requests. Article 115 does not apply in the case of informal quotas, such as voluntary export restraints. In these cases, the informal agreements are likely to include safeguards against circumventing the restraints by exporting more to other member countries (with open access to the country interested in restricting imports).

Table 1
Quota Restrictions on Imports Into EEC Countries

| | Quota restrictions applying to imports from | | | | |
|---|---|---|---|---|---|
| | More than one country | | | Japan or Taiwan only | |
| | EEC textile quotas | Nat'l textile quotas | Other nat'l quotas | | Total |
| France | 47 | 6 | 62 | 4 | 119 |
| Greece | 47 | 1 | 43 | 0 | 91 |
| Italy | 27 | 36 | 7 | 66 | 136 |
| UK | 50 | 12 | 1 | 0 | 63 |
| Benelux | 50 | 0 | 2 | 11 | 63 |
| Denmark | 31 | 0 | 7 | 5 | 43 |
| Germany | 23 | 1 | 4 | 1 | 29 |
| Ireland | 0 | 2 | 9 | 4 | 15 |
| Total | 275 | 58 | 135 | 91 | 559 |

In principle, EEC members are subject to common rules for exports. However, in practice, member countries pursue their own arrangements. This observation applies in particular to the issue of *export credits*, potentially an important tool of (tied) aid to developing countries. The EEC participates as a block in the 1978 OECD Arrangement which governs export credit terms. However, member countries differ in their views on export credits. France, for example, favors the use of mixed credits (combining aid and export credits) for development assistance. Germany, in contrast, has rejected the use of export credit guarantees as a means of subsidizing interest rates.

The EEC's CCP also provides for joint action in responding to unfair trading practices by other countries. Fairly recent steps, such as the introduction of the 'new trade policy instrument' in April 1984, have given the Commission the ability to respond more quickly within the GATT framework.

**Trade Agreements:** Article 113 of the Treaty of Rome provides the basis for the negotiation of both preferential and non-preferential trade agreements with non-member countries. The EEC negotiates as a block through the Commission, typically closely supervised by the Community's Council of Ministers. The Commission also is responsible for all contacts with the organs of the United Nations, GATT and other international organizations. It is also represented in the OECD's Development Assistance Committee (DAC), along with the DAC member countries.

In addition to allowing for the negotiation of preferential trade agreements, effectively in violation of the GATT principle of non-discrimination, the Treaty of Rome also permits the Community to enter into wide-ranging agreements with non-member countries, known as <u>associations</u>. This particular instrument has been used to prepare countries in the Mediterranean rim (Greece, Spain, Portugal) for full membership, as well as to maintain privileged relationships with former colonies of member countries.

Thus, the Treaty of Rome explicitly authorizes the Community to develop or maintain a variety of trade policies that circumvent the GATT's non-discrimination principle (exploiting exceptions allowed for in the GATT). As a consequence, the EEC has developed a series of more or less bilateral trade relationships that reflect three major concerns:

(1) the *colonial legacy*: primarily in response to the urgings of France, the Treaty of Rome provided for arrangements involving association for member countries' colonies. As these colonies became independent, special trade links were retained, and extended to some Commonwealth countries following British entry into the Community. Mixed with concerns for the trade problems of developing countries, discussed below, the colonial legacy has shaped the EEC's trade policies with developing countries, in particular those of the Mediterranean rim.

(2) *EEC enlargement*: the association arrangement has been used as a transition phase for countries applying for membership, beginning with the association of Greece and Turkey in the early 1960's.[14] The special terms for these

two countries, together with trade concessions for the former French colonies in North Africa led other Mediterranean to apply for preferential trade agreements with the EEC. A similar problem arose when the UK and Denmark -- then members of the European Free Trade Association (EFTA) -- joined the EEC. As a result, the EEC concluded an agreement with the remaining EFTA members which created in effect an industrial free trade area covering virtually all of western Europe.

(3) *Trade problems of developing countries*: In addition to the EEC's response to its colonial heritage in the form of the Lomé convention(s), the Community is also a signatory to the accords developed in the UNCTAD framework (see above) and implemented its version of the Generalized System of Preferences (GSP) in 1971 -- creating in effect yet another layer in its hierarchy of trade relations.[15]

In examining the EEC's trade agreements with developing countries and their effects on trade and development further, one should keep the limited maneuvering room for preferential treatment in mind. Low non-preferential tariffs make (partial) exemptions from them less valuable. The granting of preferential treatment thus may well become a symbolic gesture, especially as the granter taketh away at the same time by imposing non-tariff barriers.

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[14] Article 237 of the Treaty of Rome stipulates that any European state may apply for membership. The treatment of Turkey indicates that "European" is interpreted generously. In fact, Morocco had applied for full membership -- although this application was regarded more as a curiosity than a realistic initiative. The EEC turned this application down by pointing out that membership was limited to *European* countries.

[15] The term "hierarchy" would seem to imply more order than is apparent in the collection of EEC trade agreements, which is probably better described as a crazy quilt of concessions and tariff and non-tariff protectionist measures, as discussed below. Even so, the discussion here follows the literature in referring to a "hierarchy of trade agreements" (Hine [1985]).

## 4.2 EEC Trade Patterns: A Thumbnail Sketch

Given the EEC's importance in total world trade as the biggest individual trading bloc, the EEC's broad trade patterns in recent years mirror that of aggregate world trade. The total volume of world trade peaked in 1980 at about US-$1,875 billion, and has started to climb back from its slump in the early 1980's. The same pattern applies to total EEC trade over the period 1978-84, as illustrated in Figure 4-1. Figure 4-1 breaks out countries in AID's Asia and Near East Region (ANE),[16] as well as "Other Developing Countries" according to the definition used by the IMF in in Direction of Trade Statistics (DOTS), which includes major oil exporters. The chart illustrates the overwhelming importance of trade among the industrialized countries. Although the ANE countries include some of Asia's biggest economies, EEC trade with them shows up almost as noise.

Figure 4-2 illustrates EEC trade with all developing countries (IMF DOTS definition) by major region. This illustration shows the importance of the Middle East oil producers, but also identifies Africa as the key trade partner of the EEC in the developing world. Africa's share in total EEC imports declined as a result of the bulge in oil imports in 1980, following the second oil price "shock," but has recovered since. At the same time, the Middle East oil exporters have retained their importance as EEC export markets. The adjustment following the drop in oil prices has been slower. As a result, the EEC's huge trade deficit with the Middle East in 1980 had turned into a surplus by 1983. (Figure 4-3 shows the trade patterns between the EEC and major Middle East oil producers.) At the same time, the recovery of imports from African countries yielded a significant *trade deficit* for the EEC with that continent by 1984. Trade with Asia and Latin America has been virtually in balance over the period examined here.

Overall, EEC trade with (AID) countries in the ANE region has grown over the period 1978-84, with growth continuing past the 1980 peak in aggregate trade. Trade with countries in the Mashreq[17] plus Israel and Yemen has been dominant. In 1984, these five countries accounted for 34 percent of the EEC's imports from, and for over 45 percent of exports to the entire region, each showing an increase of some 7 percentage points between 1978 and 1984. The share of the two Maghreb countries (Morocco and Tunisia) declined for EEC imports and especially for exports, at least partially in response to stabilization efforts of these two countries. The shares of the other two

[16] Morocco, Tunisia, Egypt, Israel, Jordan, Lebanon, Yemen Arab Republic, Afghanistan, Bangladesh, Burma, Fiji, India, Indonesia, Nepal, Pakistan, Papua-New Guinea, Philippines, Sri Lanka, Thailand.

[17] The Mashreq comprises Egypt, Jordan, Lebanon and Syria. Syria is not included in the trade figures discussed here.

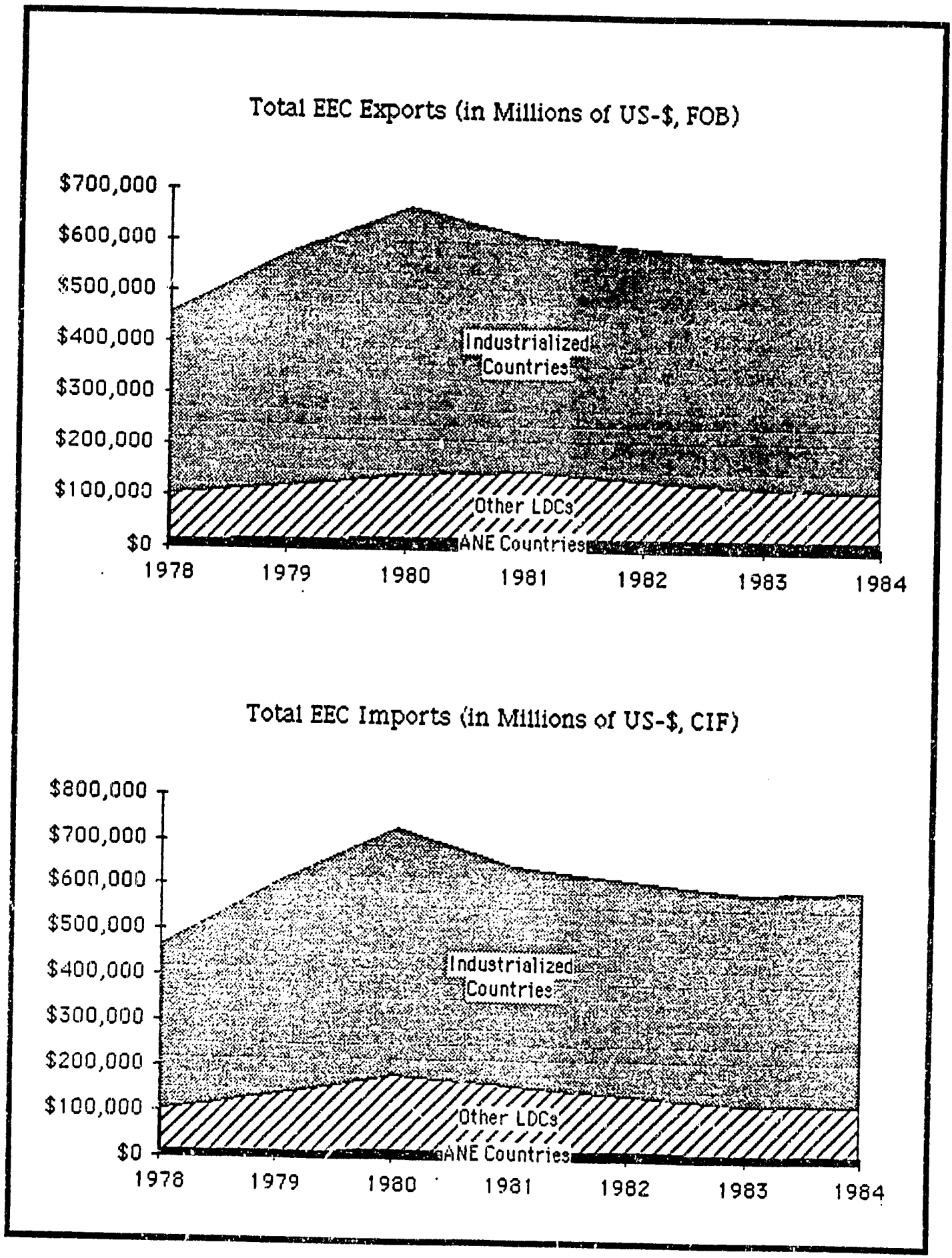


**Figure 4-1: Total EEC Trade**

27a

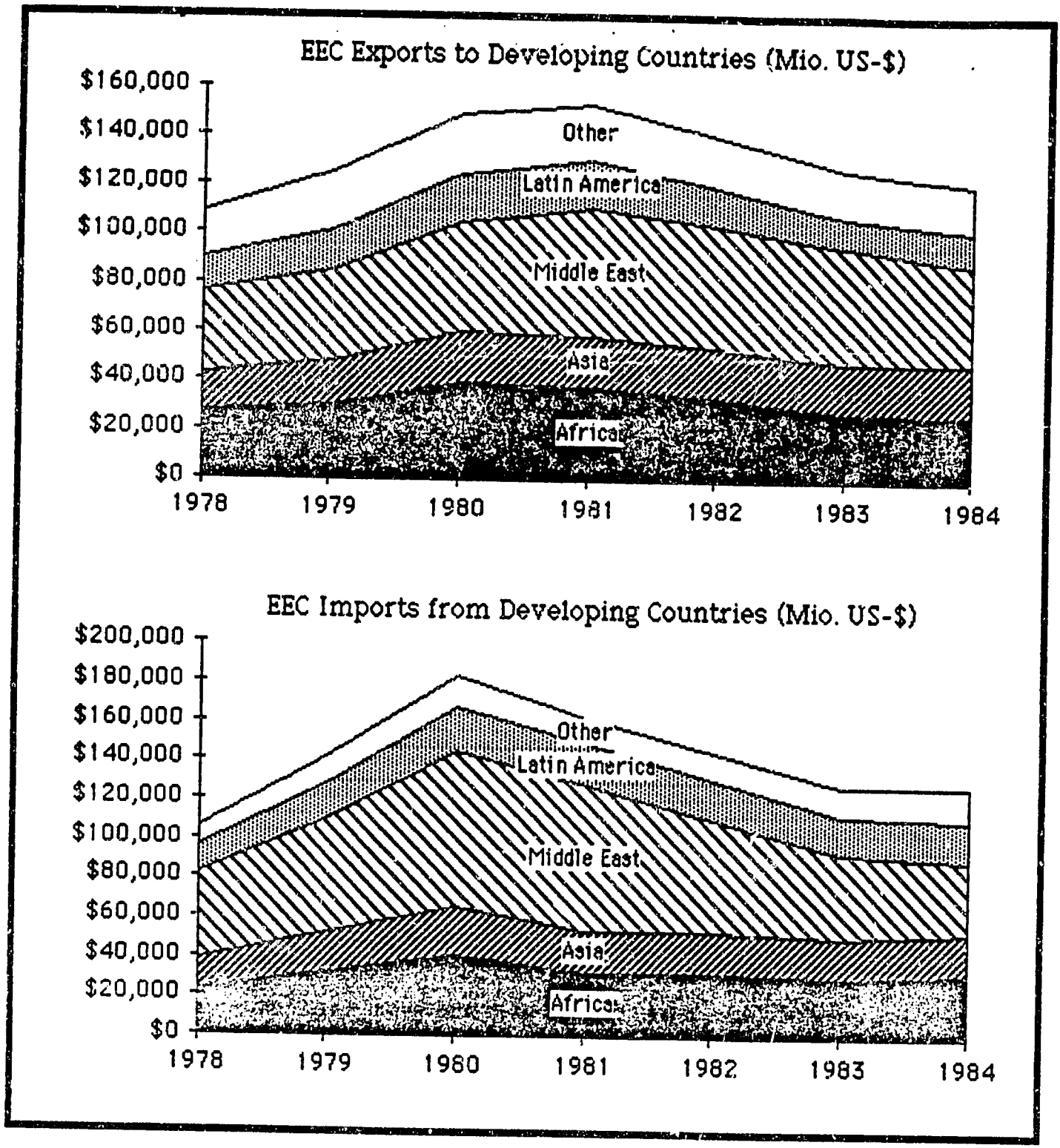


**Figure 4-2: EEC-Developing Countries Trade**

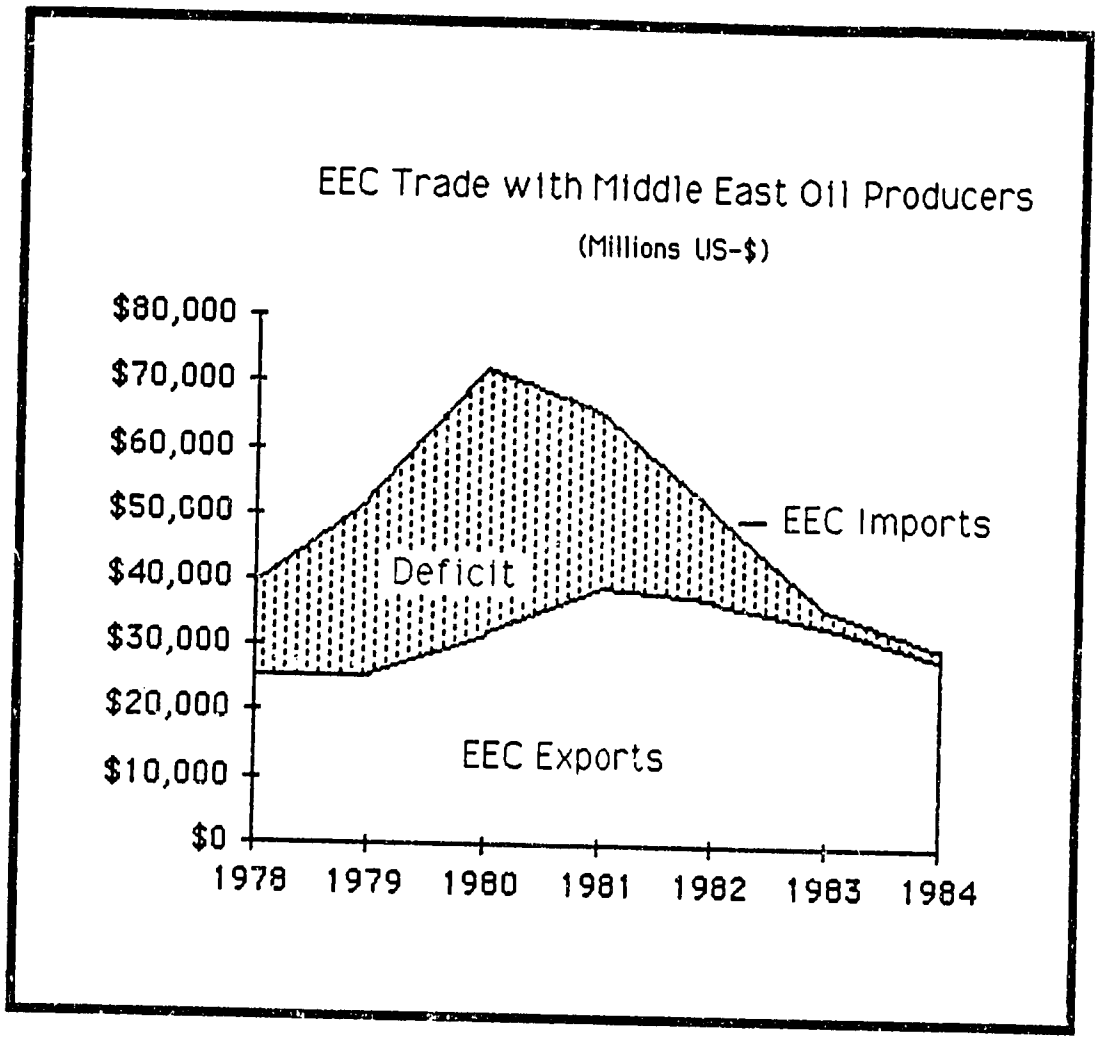


**Figure 4-3: EEC-Middle East Trade**

subregions distinguished here have remained roughly the same over the six-year period, with the EEC running a substantial trade deficit with countries east of the Indian subcontinent.

## 4.3 The EEC's Concessionary Trade Policies for Developing Countries

As the overview of the EEC's overall trade policies has already indicated, the Community has developed a crazy quilt of preferential trade arrangements designed partly to continue existing trade links from the colonial periods, and partly to address perceived development problems. Three broad sets of policy regimes can be distinguished:

(1) the *Lomé Convention* covers most of the African countries as well as a few of the former British colonies in the Pacific and the Caribbean, the so-called ACP countries. This convention offers preferential tariffs for manufactured and agricultural products, as well as virtual duty-free treatment for primary products;

(2) countries in the *Mediterranean rim* enjoy preferential access to the EEC market under a variety of bi- and multilateral trade and aid agreements, including the MMI (Maghreb, Mashreq, and Israel) agreements signed in 1976;

(3) *other developing countries* have some advantages over their industrialized competitors in the framework of the EEC's version of the Generalized System of Preferences (GSP) initiated in 1971. This system is, however, riddled with a number of protectionist measures which often more than offset any preferential treatment.

Common to all three components of the EEC's trade-aid policies is the emphasis on *non-reciprocal tariff preferences*. Basically, these preferences allow producers in the countries involved to sell at lower prices in the EEC market, removing the price disadvantage of any tariff. Tariff preferences could lead to increases in the volume of exports in two ways. First, exports from the countries benefiting from the arrangement may displace higher-cost, home-produced goods in EEC markets; moreover, consumption may increase as a result of the lower prices. This *trade-creation effect* is likely to be more pronounced if the developing countries' exports comprise primarily competitive products -- goods already produced and consumed in European markets.

For complementary goods, such as tropical specialties, the trade creation effect is likely to be limited, depending on demand elasticities alone.

The target countries' exports may also increase as the result of *trade diversion*, where tariff preferences confer a price advantage vis-a-vis producers in third countries. Trade diversion is potentially more important for exports of complementary goods. However, opportunities for trade diversion depend primarily on the degree of exclusiveness of the preferential scheme. As more countries enjoy preferential treatment, trade diversion is forestalled.

Tariff preferences may also allow the exporting country to raise prices of existing exports, improving the country's terms of trade. This process in effect transfers part of the EEC's tariff revenues to the exporters in the beneficiary country.

These volume and price effects summarize the static (once-and-for-all) gains of the beneficiary country. In addition, the rationale for preferential tariff schemes also includes the expectation of *dynamic* gains from the initial gain in competitiveness, including increased investment in the export sector, absorption of underused resources, and a faster rate of overall growth.

Non-reciprocal tariff preferences as a development tool are by no means without controversy. Some of the more cogent arguments against such schemes have been put forward by Johnson [1967]; Bauer [for example, 1984] has argued along similar lines. Basically, the arguments fall into four broad categories:

(1) They are likely to lead to overall efficiency losses, by distorting the allocation of resources; this argument rests on the hypothesis that trade diversion will outweigh trade creation. The (admittedly scant) empirical evidence does not support this hypothesis. "Furthermore, if there are divergences between private and social costs (e.g., where minimum wages are set in the presence of widespread unemployment) trade diversion may not reduce the efficiency which which resources are being used. In any case, the static efficiency effects may be much less than dynamic effects." (Hine [1985], p. 165).

(2) They undermine the GATT principle of non-discrimination, thereby weakening the institutional strength of the GATT itself. This effect has been minimal, given the marginal role trade with developing countries plays in the GATT. The GATT has continued to govern trade among industrialized countries.

(3) They are ineffective in stimulating the exports of developing countries. While overall tariff levels are low, effective tariff protection for certain goods remains significant. In principle, tariff concessions could make a difference in these cases.

(4) Their distributional impact is inequitable, since they confer a windfall gain (a rent) to exporters, i.e., not the poor in the beneficiary countries. Moreover, the more advanced, more successful developing countries would gain most from tariff preferences, not the ones needing it more.

**The Lomé Convention**: The centerpiece of the EEC's concessionary trade and aid policies, the two successive Lomé conventions committed the Community to a broad spectrum of measures designed to support development in the countries of Africa, the Caribbean and the Pacific (the ACP countries). The first step in this process was the establishment of the European Development as part of the Treaty of Rome. In 1964, the EEC(6) and the Associated African and Malagasy States signed the Yaoundé Convention, establishing the 2nd European Development Fund. It was followed by the second (five-year) Yaoundé Convention, signed in 1970, launching the 3rd European Development Fund. Again the coverage was limited essentially to the former French colonies in Africa.

The expansion of the EEC to include the UK, Denmark and Ireland also expanded the coverage of the European Development Fund. The first Lomé Convention (Lomé 1) is signed in 1975 between the EEC(9) and the ACP states, which now include members of the Commonwealth.[18] In addition to launching the 4th European Development Fund, Lomé 1 also sets a system for the stabilization of export earnings in the signatory developing countries, known by the somewhat unfortunate acronym, STABEX. Negotiations for Lomé 2 began at a time when the boom in raw commodity prices began to fizzle.[19] This boom had followed OPEC's success in enforcing a supply cartel, the first oil price shock, which began to extract much higher cash transfers from the

[18] In the Yaoundé Convention, the EEC stated that it would consider requests for association from any country with an economic structure comprabale to that of existing associates. Nigeria (1966), and Kenya, Tanzania, and Uganda (1968-69) had in fact negotiated associate status on this basis. The Lomé Convention excluded the Asian Commonwealth countries, ostensibly because their economic structure was different from that of existing associates, presumably more because their inclusion would have left only the Latin American developing countries and China outside.

[19] Lomé 3 was signed in 1984. Its basic provisions are similar to Lomé 2. The discussion here will focus on Lomé 1 and 2, mostly because of of their track record and the attention they have already received in the literature.

industrialized West. Negotiations culminated as the second oil price hike dampened prospects for continued growth in world trade, giving rise to or reinforcing the kind of export pessimism expressed by Lewis in his Nobel Prize Lecture (Lewis [1980]). While the ACP representatives had originally entered the Lomé 2 negotiations with the express intent to amend Lomé 1 drastically, they had to settle for pretty much more of the same. The EEC member countries were "committed to maintaining the pre-established framework and tinkering with a few aspects of its operating mechanism." (Twitchett [1981], p. 24)

The Lomé Convention describes a complex system of trade concessions and aid provisions. The EEC stated objectives were to create a comprehensive development support program, including indirect subsidies to ACP exports, financial aid and technical assistance, but with an emphasis on "trade instead of aid." Consequently, Lomé 2 offers the ACP countries an amalgam of trade concessions and aid measures:

(a) Duty-free access to the EEC for nearly all their exports: over 99 percent of exports originating in the ACP countries have access to the EEC free of tariffs and quotas. The exception are two tropical products (bananas and rum) and agricultural products subject to the EEC's CAP.

(b) Reduced levies on agricultural products subject to the CAP, with only sugar and beef subject to import quotas;

(c) Tariff preferences granted on a non-reciprocal basis;

(d) Stabilization of export revenues: the Lomé Convention establishes a fund, STABEX, to be used for grant or interest-free loans to countries to compensate for shortfalls in foreign exchange earnings for key commodities, mainly agricultural products.

(e) Stabilization for the minerals industry: a support fund, SYSMIN (or MINEX), designed to provide financial support to countries dependent on minerals exports to overcome *temporary* impairments of supply capacity -- *not* earnings shortfalls as a result of world market price fluctuations.

(f) Investment aid: the European Development Fund and other schemes provide about 1 billion ecus (roughly $1 billion at 1986 exchange rates) to finance investment projects in the ACP countries.

With respect to preferential tariff treatment, non-reciprocal or otherwise, the existing tariff framework limits the effective concessionality of the Lomé Convention. More than three-quarters of ACP exports to the EEC would not be subject to CCT duties in any case, even without the Lomé Convention provisions, either because imports to the EEC are duty-free for all sources, or at least for countries benefiting from the Community's GSP. In addition, tariffs on several other products are low and falling. The one advantage of Lomé over the GSP is the absence of quantitative restrictions for most products. However, given the limited industrial capacity of the ACP countries, they have been unable to exploit this advantage. In cases where some significant progress was made, as in the case of textiles from Mauritius, the EEC has not been above activating quantitative restrictions under the safeguard clause.[20]

Tariff preferences for industrial products have also been hampered by the EEC's *rules of origin* which stipulate a certain minimum value added locally (typically 50-60 percent) to make a product eligible for preferential tariff treatment. Since many of the ACP countries lack the capability for vertical integration to reach that value-added content, the EEC has had to relax these origin rules somewhat to allow for tariff preferences to become effective.

*STABEX*: The first Lomé Convention established this compensatory financing facility as an innovative response to the needs of developing countries largely dependent on a few commodities for their export earnings, consistent with the demands of the New International Economic Order. Under the STABEX, ACP countries are eligible for compensatory interest-free loans or grants[21] if (a) their export receipts for an eligible commodity add up to a significant percentage of their exports to *all* destinations (a relatively low 2.5 percent for the least developed, landlocked, and island states, 7.5 percent for others) -- the *dependence threshold*, and (b) earnings from exports to the EEC for the commodity in question fall below a four-year average by a certain percentage (again, 2.5 percent for the least developed, landlocked, and island states, 7.5

[20] Actually, it was the *threat* of invoking the safeguard clause that was used in the case of Mauritius: "...in the second half of 1979 the Community officially informed Mauritius that if it did not cut its exports of textiles to the EEC by 50% in 1980, the Community would be obliged to invoke the safeguard clause. ... ACP textile exports to the Community represent only 1.8% of total Community textile imports!" (Moss [1982], p. 130)

[21] The STABEX transfers are repayable, but are provided in the form of "non-reimbursable loans," i.e., grants, to the least-developed ACP states. Other ACP states must repay these transfers within five years, provided their export performance for the items covered improves. In any case, the funds are provided interest-free.

percent for others) -- the *trigger threshold*. This basic structure has been complemented by a number of special provisions.

In some respects, STABEX has served the beneficiary countries reasonably well. Generally, its balance of payments impact has been positive, though typically marginal. Moreover, the funds provide some flexibility to the receiving country. Since there are no strings attached, the ACP countries can use them either to assist the sector whose export earnings fell, or to support structural adjustment or diversification. Overall, less than half of the transfers under STABEX appear to have gone to the sectors affected (Moss [1982], p. 94). Hewitt [1983] concluded that where STABEX aid was substantial and prompt, it was helpful in stabilizing the affected sector. Overall, though, limited coverage and delays in payments have constrained the STABEX's effectiveness as a short-term stabilization measure.

Even so, developing countries have pointed to STABEX as something of a model for the proposed UNCTAD Common Fund intended to stabilize export earnings, in addition to the IMF's Compensatory Financing Facility (CFF). Since the Common Fund has yet to materialize, STABEX does provide some advantages for the ACP countries. In contrast to the CFF, which is based on total export earnings and has a fixed repayment schedule, STABEX is commodity-based, incorporates a large grant element, and is more flexible with regard to repayment arrangements. ACP countries can take advantage of STABEX and CFF transfers simultaneously.

STABEX has been criticized as a stabilization program for a number of reasons. Inadequate funding (550 million ecu under Lomé 2) has limited the EEC's ability to respond to (justified) requests. For example, only 40 percent of the amount claimed in 1981 could be funded. The limited coverage of the fund (excluding, for example, products subject to the CAP, or copper) introduces an allocation of assistance with little relationship to need or likely effectiveness of the funds. Wall [1976] has argued that assistance under STABEX lacks "any sensible criteria covering overall need for aid." (p. 13) By defining thresholds in percentage terms, STABEX may allocate assistance in fairly counterintuitive ways. For example, a small percentage loss in a major export commodity may not qualify for support, although it depresses a country's total export earnings more than a larger percentage drop in a minor commodity, which does qualify under STABEX.

STABEX's effectiveness as a tool of development assistance has also been impaired by the complexities of calculating transfers, and administrative delays in making them. The EEC Commission has considerable discretion within the existing regulations in responding to claims.

Perhaps most importantly, STABEX is likely to act as a disincentive to export diversification in the long run, since greater dependence on an eligible commodity means that a greater percentage of the country's export earnings are underwritten by the scheme. STABEX also provides a disincentive to broaden markets beyond the EEC, because only export earnings from the EEC are covered. Thus, combined with higher effective protection for manufactured or processed goods, STABEX in effect raises the costs of policies relying on an export promotion strategy.

Moss [1982, p. 93] calls STABEX a "'noble first' for a group of industrialized countries." However, her analysis of the experience with STABEX, primarily under Lomé 1, leads her to a less than sanguine appraisal of this scheme:

> STABEX does not directly address the many problems to which primary product exporters are exposed, other than short-term foreign exchange shortages. Even here the approach is patchwork. It is doubtful if the final impact on the ACP so far has been significant. Small, infrequent financial transfers are of dubious lasting effect. STABEX's other inadequacies and limitations are numerous. Its selective product coverage limits its effectiveness. Confining the product coverage to materials which have undergone none or only limited processing serves as a disincentive to ACP states to diversify and to attempt more value-added production. Its failure to cover export earnings from exports other than those designed for the Community limits ACP flexibility and serves as a built-in incentive for the ACP to continually attempt to expand trade with the EEC. (p. 132)

This sweeping criticism, alas, may say more about the perhaps exaggerated expectations for any such scheme from some groups than about real failure of the STABEX. In arguing implicitly for STABEX coverage to extend to manufactured goods, Moss seems to gloss over the basic rationale of any such stabilization scheme -- the vulnerability of many developing economies to excessive fluctuation sin the world market prices of *primary commodities*.

The SYSMIN (or MINEX) scheme operates somewhat differently from STABEX. From the EEC perspective, its main objective is to minimize the threat of supply disruptions for critical minerals (copper, phosphates, manganese, bauxite and aluminum, tin, and iron ore). The scheme provides for low-cost loans with long maturity to countries heavily dependent on minerals exports (10 percent of total export earnings for least developed/landlocked/island states, 15 percent for others) to overcome *temporary*

disruptions of production capacity in their mining sector. SYSMIN is a compromise between the aspirations of the ACP countries seeking export earnings stabilization measures for minerals similar to those for agricultural products under STABEX, and the EEC seeking some kind of guarantee for (foreign) investments in the mining sector to assure an adequate level of productive capacity.

The Lomé Convention represents an attempt to combine trade concessions, trade support and aid into a comprehensive package. Aside from shortcomings in individual components, which are at least partly a reflection of a general uncertainty about what constitutes effective growth policies, the implementation of the Convention is also likely to suffer from the fact that the EEC speaks as a bloc in trade, but as a collection of individual states with different interests and approaches in aid, as explored further below. Although the Commission controls substantial funds by aid standards, this dichotomy jeopardizes consistent action, and may at times imply that the Commission and member governments work at cross-purposes. Similar concerns apply to the trade agreements with countries in the Mediterranean rim, and the administration of the GSP with respect to other developing countries.

**The Mediterranean Rim**: Countries of the Mediterranean and the EEC are important to each other. Aside from its role as a customer for EEC exports (accounting for roughly 10 percent, about the same as the US), the Mediterranean clearly is an area of considerable strategic and political interest for EEC countries. Controlling political turbulence and avoiding armed conflict through economic development and stability in the region has become one of the policy principles pursued by the EEC -- mostly through trade -- "the most developed aspect of Community external relations policy" (Hine [1985], p. 134) -- and aid. From the Mediterranean countries' perspective, Europe looms large: the EEC absorbs about half of the total exports of the region.

The Mediterranean countries represent a complex set of problems for any consistent policy, given their great diversity in terms of historical, political, economic and geographic factors. Initially, the EEC proceeded in what amounted to little more than an ad-hoc fashion, creating a hodge-podge of trade agreements with countries and (then-)colonies or protectorates. This ad-hoc approach complicated the task of developing a unified trade/development policy towards the Mediterranean countries. This task was further confounded by the continuing enlargement of the EEC to include first Greece (joining as a full member in 1981) and Spain and Portugal (1986), probably to be followed by Turkey at some point in the future.

Hine [1985] suggests four major sources of what he calls rather charitably the 'mosaic' of Mediterranean trade agreements that defined EEC policy to this region:

- the colonial heritage: the Treaty of Rome allowed France to maintain preferential trade links with its former North African colonies; these preferences for a single member country were replaced in the 1960's by Community-wide preferences in the form of Association Agreements with Morocco and Tunisia;

- the desire of Mediterranean countries with relatively backward economies to join the EEC: Greece and Turkey applied for membership shortly after the creation of the EEC; special trade agreements with them were negotiated to allow them to adapt their economies gradually to free trade with the EEC;

- special constructs designed to circumvent GATT restrictions on discriminatory trade preferences; the EEC exploited GATT provisions for customs unions and free trade areas as "a screen for the introduction of selective and varied tariff preferences by presenting each preferential agreement as the first step of any eventual customs union or free trade area;" (Hine [1985], p. 136)

- a kind of "domino effect:"[22] in a variant on the application of the MFN rule, any trade concession granted to one of the Mediterranean countries soon became the object of intensive lobbying on the part of other countries, usually with success.

Beginning in the mid-1970's, the EEC sought to replace this hodge-podge with a global approach. By late 1978, these efforts had put in place a new policy, characterized by duty-free access to the EEC for industrial products (sometimes subject to quantitative constraints), and tariff concessions for a majority of the Mediterranean countries' agricultural exports to the EEC. These tariff preferences were granted to the countries of the Maghreb, the Mashreq and Yugoslavia on a non-reciprocal basis. The EEC's global policy approach to the Mediterranean also included provisions for aid and other forms of cooperation

In assessing the significance of these provisions for the Mediterranean countries, especially those in AID's ANE region, the proper frame of reference is again the GSP. Even without a special Mediterranean policy, developing countries in the region would have duty-free access to the EEC market. Their special advantage under the

[22] Hine calls it the 'drag' or 'knock-on' effect.

Mediterranean policy lies in the much more relaxed quantitative restrictions. For example, textiles and clothing quotas for Morocco, Tunisia and Malta under the second Multi-Fibre Arrangement were set sufficiently high to preclude any impact on actual exports.

Since tariffs in most Mediterranean countries tend to be above the EEC's CCT, trade deflection -- exports from third countries routed through countries with preferential access to the EEC -- for tariff reasons would be negligible. However, to prevent any trade deflection to get around quantitative constraints, the EEC has been enforcing its rules of origin.

For agricultural products, the EEC basically granted sizeable tariff concessions for products that were not produced in the EEC itself, such as cotton. Tariff concessions for competing products were much more limited in scope and in time, in many instances restricted to the off-season for European farmers.

Full reciprocity has been established for countries outside the EEC only for Israel. Partial reciprocity exists for Turkey, Malta and Cyprus. For the other Mediterranean countries, the EEC has created a one-way preference system.[23]

The assessment of the impacts of the preferential trade arrangements with the EEC on the exports of the Mediterranean countries is difficult, especially for the Maghreb countries. Their exports of manufactured and semi-finished products to the EEC have prospered under the agreements. This holds in particularly for textiles and clothing (especially from Tunisia), where exports from the Maghreb in particular appear to have "substituted" for exports from Asian NICs affected by quantitative restrictions. However, agricultural exports from the Maghreb have declined in relative terms. While their share in total EEC imports has been falling significantly over the last two decades, their share in the imports of non-EEC developed countries has remained stable. This phenomenon reflects at least in part a deliberate effort by the Maghreb countries to extend their export base and reduce their heavy dependence on France as their principal export market.

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[23] While the EEC initially envisaged a free-trade area for the Mediterranean, this idea foundered when it became clear that full reciprocity would be too arduous for many of the less developed countries in the region. Moreover, the US threatened that any country granting tariff concessions to the EEC would become ineligible for the US version of the GSP.

The most important development in recent years for Mediterranean countries, in particular the Maghreb, has been the second enlargement of the EEC to include Greece, Spain and Portugal. Since the entry of Spain and Portugal did not become effective until 1986, the impacts of the second enlargement are still the subject of speculation. Even so, agricultural and possibly manufactured exports as well from Mediterranean countries outside the EEC are likely to suffer -- a result partly of their worsening competitive position, partly of the likely (re)introduction of protectionist measures in response to the EEC's Mediterranean farmers.

In any case, the inclusion of countries with economic structures resembling those of other Mediterranean countries more than those of the EEC(9) will limit the EEC's flexibility in granting preferential treatment to outside countries in the region. Coping with the expected negative impacts of the second enlargement has become the priority for non-EEC countries in the Mediterranean. Turkey renegotiated its Association Agreement, intended as a preparation for full EEC membership in 1980, obtaining unrestricted access for its manufactured products and ultimately (1987) also for its agricultural products.

**Other Developing Countries**: Other developing countries (in Latin America and Asia) not covered by either the Lomé Convention or the tariff preferences for countries in the Mediterranean rim, i.e., the non-associated countries, obtain some benefits from the EEC's version of the Generalized System of Preferences (GSP). EEC members put their version of the GSP into effect in 1971/1972, and renewed it for another decade in 1981. The EEC's GSP was revised in 1975, partly to soften the blow for the Asian Commonwealth countries (Bangladesh, Hong Kong, India, Malaysia, Sri Lanka, Singapore, and initially Pakistan) of the loss of privileges following the entry of the United Kingdom into the EEC. The UK's own relatively generous version of the GSP and the system of Commonwealth Preference were phased out in 1974 and 1978, respectively.

The EEC's GSP offers tariff preferences for semi-manufactured and manufactured products from (any) developing country, which would normally be subject to tariff quotas (imposition of the CCT beyond a certain level). The tariff quotas are more stringent for a range (some 120) products regarded as sensitive. For these products, the EEC sets ceilings for tariff-free imports not only for the EEC as a whole, but also allocates this ceiling among member countries. Some manufactured products, in particular textiles (covered under the MFA), are excluded from the GSP. Exports from the least developed countries are given special treatment under the GSP; they are exempted from the quota restrictions on sensitive products. Finally, preferences granted under the

GSP are non-reciprocal and are granted autonomously by the EEC. They are not the result of specific negotiations with the countries concerned, and can be revoked at any time without breach of legal obligations.

The EEC's GSP applies in principle to some 126 developing countries, including Romania and China, plus 22 dependent territories. One notable outsider is Taiwan, as a result of the Community's desire to maintain good relations with China. Application of the GSP is, however, more limited than the theoretical coverage, since many of the countries can avail themselves of better conditions under the Lomé Convention or their associated status. However, Agarwal *et al*. [1985] argue that the preferential tariffs for associated developing countries have not kept them from losing markets to Asian developing countries.

For most of the countries in AID's Asia and Near East region, the GSP describes the extent of the EEC's trade concessions.[24] More pertinent than any concessions under the GSP, however, are the obstacles created by non-tariff barriers faced by Asian developing countries, notably those under the MFA. Under the GSP, nominal tariffs on imports into the EEC have been reduced to about 5 percent for industrial products and 7 percent for finished manufactured goods, following the implementation of tariff reductions negotiated in the Tokyo Round. Table 2 shows the structure of nominal tariffs (weighted by imports) for 1982; nominal tariffs for the NICs are higher than for the middle-income countries because of the higher proportion of sensitive products in the NICs' exports. Nominal tariffs will remain higher for the NICs even after the implementation of further tariff cuts under the Tokyo Round agreements, given the importance of sensitive products such as clothing and consumer products in their exports. These product categories, for which nominal tariffs will remain at about 10 percent, account for over 50 percent of the total exports for Hong Kong, or 45 percent for the Philippines.

The Tokyo Round tariff reductions have in some cases led to increases in nominal tariffs, since tariffs on intermediate products were reduced, but not on finished products. Such higher effective tariffs apply to consumer electronics, one of the key export product categories for Asian developing countries. Virtually all of their manufactured exports are affected by effective rates of protection being higher than the nominal ones.

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[24] The EEC has also concluded commercial cooperation agreements with Bangladesh, India, Pakistan, Sri Lanka, and the Association of Southeast Asian Nations (ASEAN), limited to arrangements for consultation in case of trade policy disputes.

Table 2
Weighted Average Rates of Tariffs for EEC Non-Oil Imports from Developing Countries, 1982
(in Percent)

| Country Group | All Products | Processed Agricultural Products | Industrial Products |
|---|---|---|---|
| Group of 77 | 6.9 | 6.2 | 7.1 |
| Newly Industrializing | 7.3 | 6.3 | 7.9 |
| Middle-Income | 6.0 | 6.0 | 5.9 |

Source: Borrmah et al. [1985], p.

Over the period 1978 to 1984, the percentage of GSP-eligible exports from Asian developing countries that actually benefited from lower tariffs under the GSP increased for some countries, but also dropped for others, in particular Hong Kong. For 1984, this percentage ranges from lows of 17 percent for Hong Kong and 27 percent for South Korea to highs of 58 percent for Pakistan and 60 percent for Bangladesh. Figure 4-4 illustrates these patterns for Asian countries in the ANE region.

The monetary equivalent of the concessions granted under the EEC's GSP for Asian countries is almost symbolic. Langhammer [1986, p. 112] estimates that the GSP concessions would translate into some 315 million ecu, equivalent to a grand total of 2.3 percent of the net inflow of public and publicly guaranteed external capital into Asian developing countries. He concludes further that "these results suggest that EEC trade preferences aimed at trade diversion and trade creation have largely failed." (Langhammer [1986], p. 112)

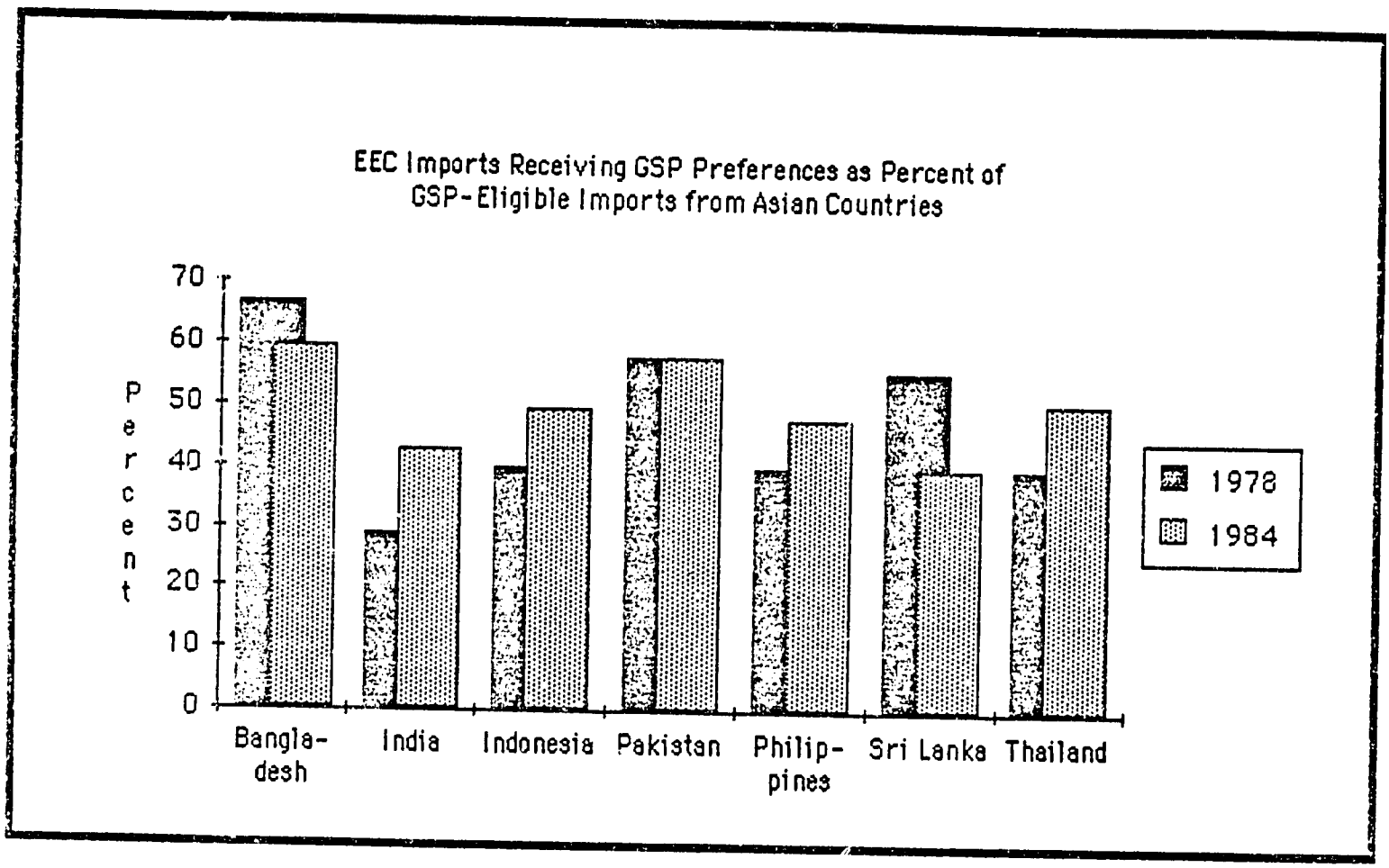


**Figure 4-4: Incidence of the EEC's GSP**

As already noted, the quantitative impact of non-tariff barriers is difficult to estimate. For the mid-1970's, the UNCTAD estimated that about one-third of all EEC imports from selected Asian developing countries (virtually all major exporters) were subject to non-tariff barriers, such as "voluntary" export restraints (which accounted for the bulk of the NTBs), licensing and quotas, health regulations, and variable levies.[25] This percentage ranged from under 3 percent for Indonesia and Sri Lanka to over 60 percent for Pakistan and Hong Kong. The corresponding overall percentages for the US and Japan were 20 and 22 percent, respectively: for the developing countries in Asia, the EEC represents the *most protectionist* trading partner.

Available estimates suggest that non-tariff barriers raise prices of affected products in the EEC even more than nominal tariffs. These effects are exacerbated by uncertainty about the imposition of quotas and ceilings in response to export performance. As a result, the utilization of quotas under the MFA by Asian developing countries has in fact fallen during the early 1980's. While this behavior of established exporters reflects uncertainties and the increasing costs of information on EEC-wide restrictions as well as ceilings and quotas for individual member countries, it may also be a function of the rent they enjoy as a result of quantitative restraints. Takacs [1978] has shown that producers in the exporting country are likely to prefer export quotas, i.e., the result of voluntary export restraints, to equivalent tariffs, because they share in the monopoly rents accruing under such arrangements.

Imports from Asian developing countries also account for the lion's share of safeguard actions under Article 115 of the EEC Charter (see Section 3.1). Over the period 1981-85, some 379 such actions resulted in temporary restrictions on imports from Asian developing countries, mostly initiated by France and Ireland. The majority of these actions affected three of the "Gang of Four" (Hong Kong, South Korea, and Taiwan) as well as China, but they also targeted imports from India, Pakistan, the Philippines and Thailand.

These patterns illustrate the extent to which the EEC's GSP and its protectionist practices are working at cross-purposes, although neither seems to be very effective in achieving the proclaimed policy objectives. Preferential tariff treatment has yielded little in the way of trade diversion and trade creation, protectionism may have slowed down, but has not stopped growth of manufactured imports from developing countries in Asia.

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25 Cf. Langhammer [1986], p. 103.

# 5.0 EEC Aid to ANE Countries

## 5.1 Uncommon Aid Policies

The overview of the EEC's trade policies has already indicated one of the basic problems of treating EEC trade and aid within a common framework: while the Commission has the official responsibility for common trade policies -- the remaining considerable vestiges of national controls notwithstanding -- only a small portion of aid policies is controlled by the Community. Basically, aid remains the domain of each member country, reflecting its development philosophy, its historical linkages (with former colonies), and its strategic and economic interests.

Given this assignment of responsibilities, a discussion of EEC aid policies can capture only part of the picture as long as it is limited to the Community level. However, an adequate review of the aid policies of twelve individual countries exceeds the scope of this inquiry.[26] Consequently, the discussion below provides first a brief overview of the EEC's common aid policies. It then summarizes broad patterns in official development assistance provided by EEC member countries to developing countries in the ANE region. The obvious shortcomings of this approach notwithstanding, aggregating the information on official development assistance flows (as reported by/to the OECD's Development Assistance Committee) provides useful information on the principal concerns of EEC countries' aid policies vis-a-vis developing countries.

The review of the geographical patterns of EEC aid is kept descriptive, relying primarily on graphical displays of the relevant information; the corresponding quantitative data are provided in the Appendix. The review deliberately eschews model building and statistical testing, e.g., on the relationship between aid flows and trade patterns, given the less than rudimentary understanding of other factors that overshadow any such relationships.[27] Instead, it is designed to establish a broad empirical background for any more detailed investigation of official development assistance policies by EEC member countries with reference to the ANE countries. It does not

[26] A decent, though sometimes biased, overview of interests and policies toward developing countries for major EEC countries is provided in the individual contributions in Cassen *et al*. [1982]: Cable [1982] for Great Britain, Nitsch [1982] with a more jaundiced look at West Germany, Everts [1982] for the Netherlands, and Bressand [1982] for France.

[27] What is needed here is an export/lending counterpart to the literature and models seeking to establish causal or trade-off linkages between imports and lending.

attempt to cover any of the points discussed in detail in the OECD's recent assessment of development assistance policies (OECD [1985]). Rather, the supplemental information provided here relates more to the trade-development perspective.

The review here focuses on *net* ODA, i.e., grants and loans net of repayments (the "Grants" and "Net Loans ODA" categories in the DAC reports). This measure, rather than gross ODA, has been used to account not only for the effects of ODA loan repayments, but also for loan to grant conversions which can show up as significant temporary increases in gross ODA flows.

## 5.2 Development Assistance at the EEC Level

The EEC as an institution is focusing its development assistance activities on the ACP countries participating in the Lomé Convention. Since only a few islands in the Pacific fall into this category, EEC multilateral assistance to ANE countries tends to be more limited than across all developing countries. Over the period 1971-82, EEC multilateral assistance has accounted for 6.2 percent of total bilateral[28] assistance (ODA) provided to all developing countries, but only 3.8 percent for the aggregate of countries in the ANE region included in the analysis here.

The (EEC) multilateral share in total bilateral ODA from EEC countries averaged 11.9 percent for all LDCs, and 10.3 for the ANE countries considered here.[29] For both the aggregate and the ANE countries, this share has been increasing, from 8.8 percent of the total in 1971 to 11.9 percent in 1982 for all developing countries, and from 4.3 percent to 13.8 percent for ANE countries. This pattern is also illustrated in Figures 5-1 and 5-2, discussed below.

On the surface, data on the geographical distribution of EEC aid flows do not indicate any kind of specialization between multilateral and bilateral assistance. The share of ANE countries in total ODA flows from individual EEC countries has declined steadily over time, from just under 30 percent (1971) to about 21 percent (1982); it has increased slightly for EEC multilateral assistance, although with some fluctuations, to settle at about the same level as bilateral aid. Thus, in spite of the Commission's greater responsibilities for the ACP countries within the Lomé Convention framework, the

[28] Assistance provided by EEC countries through the offices of the Commission ("EEC multilateral assistance") is treated here as a special version of bilateral assistance.
[29] EEC countries provide roughly another 20 percent of their total financial assistance to developing countries through "true" multilateral institutions like the World Bank.

broad geographical distribution of EEC multilateral assistance corresponds to that for the aggregate of bilateral assistance programs from individual member countries.

However, these broad distributional patterns conceal some degree of specialization within the regions, as the discussion of country responsibilities below shows. Specifically, multilateral EEC assistance plays a more important role in the EEC total in the Mashreq (Egypt, Jordan and Yemen) and the countries on the Indian subcontinent than in the Maghreb and the eastern ANE countries, where historical linkages account for much of the aid patterns, especially from France in the Maghreb and the Netherlands in the eastern ANE countries.

ODA provided by (or through) the EEC Commission to developing countries in the ANE region is virtually all in the form of grants. Loans have begun to play a role only in recent years. Beginning in the late 1970's, they accounted for about 10 percent of total multilateral EEC assistance to ANE countries by 1982. These loans are virtually limited to the two states in the region that are party to the Lomé Convention (Fiji and Papua New Guinea), presumably under the STABEX scheme. For all developing countries, the EEC multilateral assistance has begun to rely more on loans. In 1971, ODA loans (net of repayments) to all LDCs accounted for 6 percent of total EEC multilateral assistance; by 1982, this percentage had increased to some 22 percent, a reflection of increasing commitments under the STABEX and SYSMIN schemes of the Lomé Convention.

## 5.3 Official Development Assistance by EEC Countries

Collectively, EEC member countries still account for a significant share of official development assistance provided by members of the OECD's Development Assistance Committee. Of the seven EEC countries that are also members of the DAC, five exceeded the DAC average of ODA as a percentage of GNP of 0.36 percent. However, only one country, the Netherlands came close to the 1-percent target with 0.96 percent for 1983-84.

Following a fairly sharp increase in the late 1970's, both the absolute amount of total EEC ODA and its share in the total have been declining in recent years, as illustrated in Figure 5-1. At the same time as total assistance levels from the U.S., Japan, and other DAC members increased in the early 1980's, European countries reduced their contribution. However, the significance of this pattern is difficult to assess: most of the

**Figure 5-1**

**Net ODA Flows to Developing Countries**

(in Billions US-$)

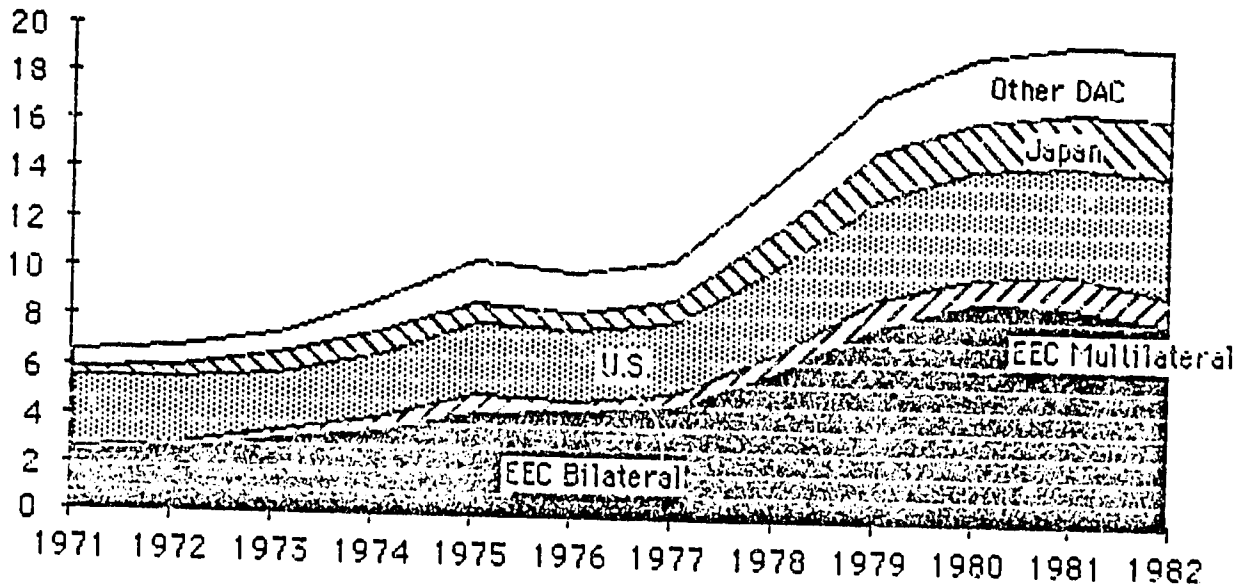
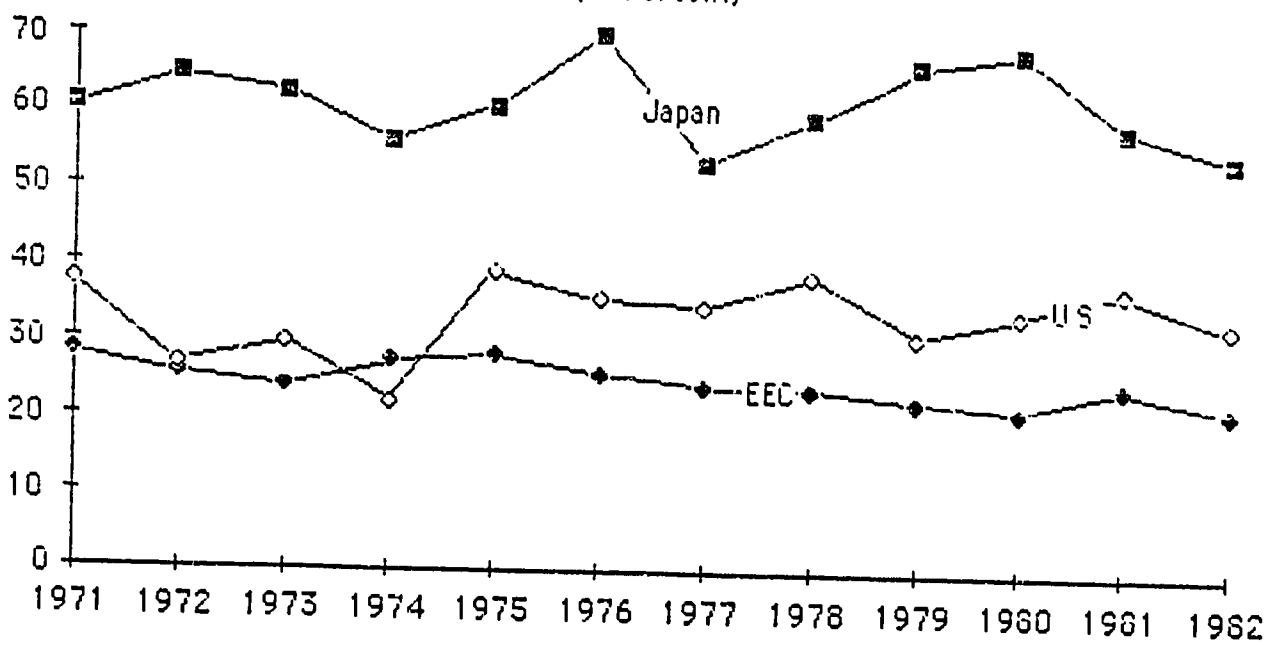



**Figure 5-2**

**Share of ANE Countries in Net ODA by Major Donor**

(in Percent)

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decline of the aggregate is due to a decline in the French contribution, which has always been a subject of some controversy, since France includes expenditures on its overseas departments and territories (DOMs and TOMs).[30]

Less than a quarter of total net ODA flows from EEC countries is going to the countries in the ANE region included here. As Figure 5-2 shows, this percentage has been declining from close to 30 percent in 1971. It is much lower than the corresponding percentages for Japan and the U.S. For Japan, the share of the ANE region in total ODA has been hovering around 60 percent, reaching as high as 70 percent in the mid-1970's, and dropping off since. For the U.S., a decline from about 38 to 22 percent in the early 1970's was countered by a significant increase in the share of total ODA to ANE countries in 1975. Since then, the ANE share has declined somewhat, to about one-third in 1982. These differences in geographical distribution patterns reflect primarily the central interest of European countries in Africa, mostly in the context of the Lomé Convention.

The fluctuations in the ODA shares of ANE countries suggest that the relatively smooth movement of aggregate ODA flows shown in Figure 5-1 conceals some greater variations by subregions. In fact, the ODA patterns for the ANE countries display the 1975 increases and the declines in the early 1980's in a clearer fashion than the totals for all developing countries, as shown in Figure 5-3.

Figures 5-4 through 5-7 show the patterns of official development assistance by aid donor for groups of countries in the ANE region. The major part of total DAC assistance for the two Maghreb countries, Morocco and Tunisia (Figure 5-4), is accounted for by EEC bilateral assistance, primarily but by no means exclusively from France. The aid levels for the U.S. are roughly equivalent to that of Japan (which has only recently begun to provide assistance to these two countries) and other DAC members taken together.[31]

Assistance patterns for the Mashreq countries, Egypt, Jordan, and Yemen, (Figure 5-5) are of course dominated by the significant expansion of U.S. assistance since 1975. EEC bilateral assistance has been declining, only partially compensated for by a slight increase in EEC multilateral assistance. EEC assistance to the group of

[30] According to DAC figures, French ODA to these overseas departments and territories accounts for one-third of total French ODA (1983-84). With these contributions, ODA as a percentage of GNP is 0.75, without 0.50.

[31] The "blip" in the contributions from "Other DAC Members" in 1978 is due to a sizeable net loan from Austria to Tunisia in that year.

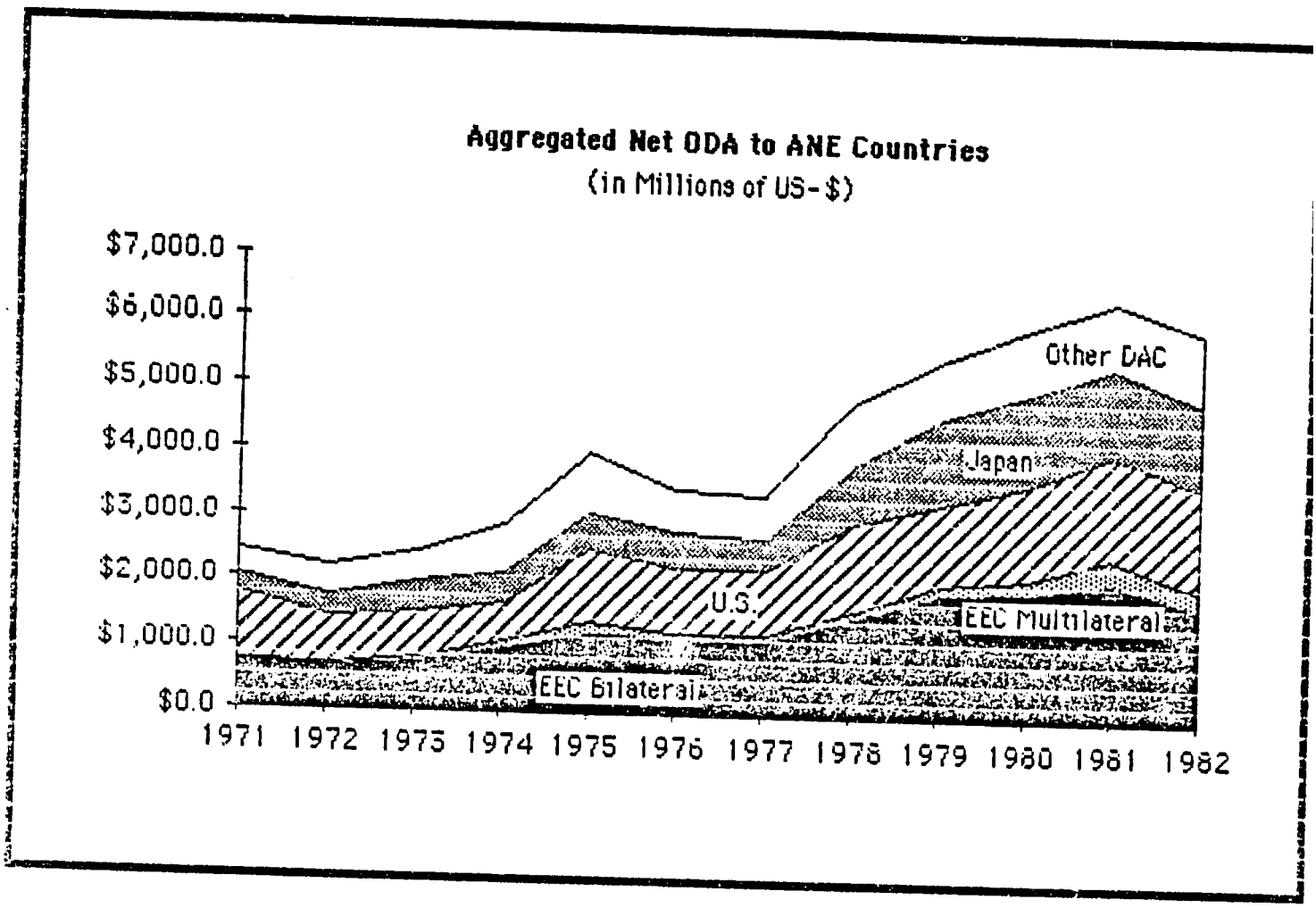


Figure 5-3

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**Figure 5-4**

Net ODA Flows to ANE Countries in the Maghreb
(Morocco and Tunisia, in mio. US-$)

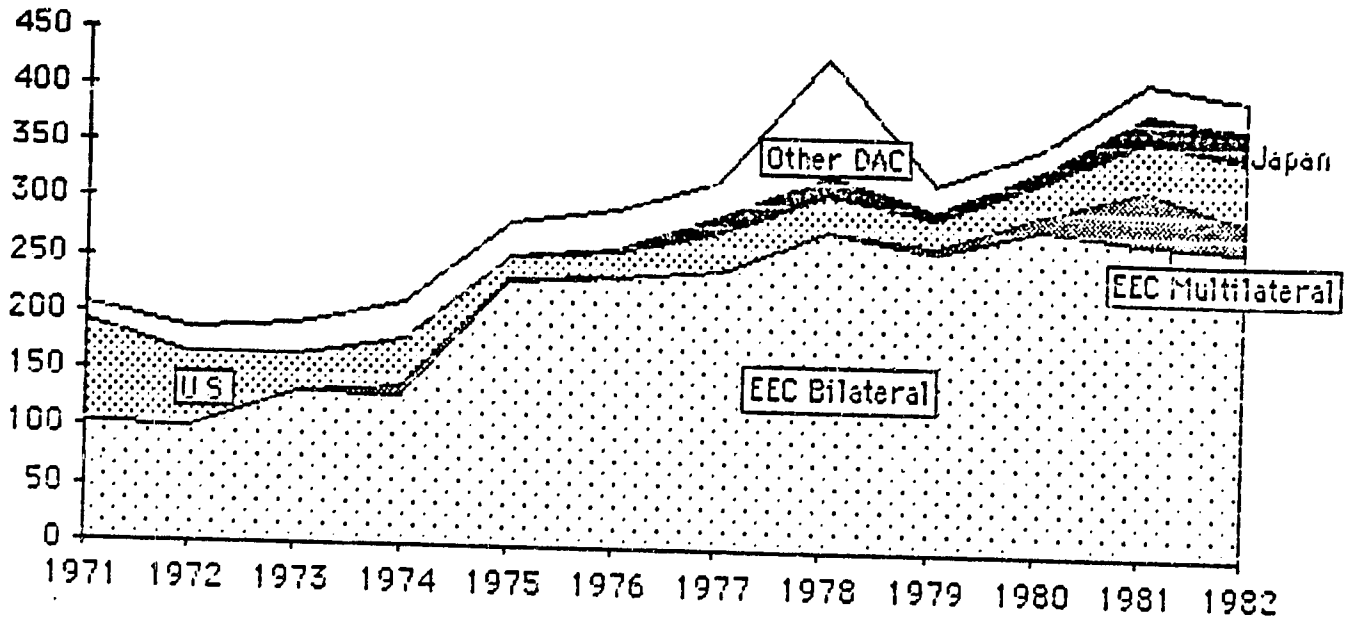
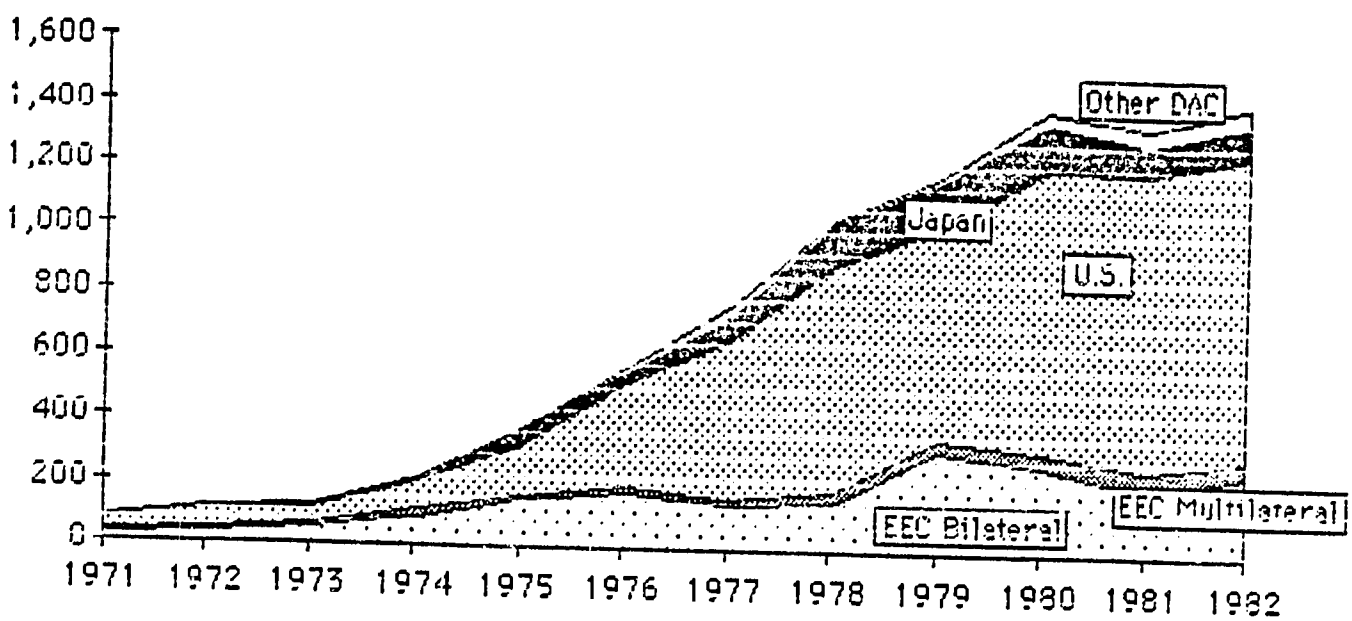



**Figure 5-5**

Net ODA Flows to Selected Countries in the Maghreq
(Egypt, Jordan and Yemen, in mio. US-$)



countries associated with the Indian subcontinent, India, Nepal, Pakistan, Bangladesh and Sri Lanka, (Figure 5-6) dropped of sharply in 1981-82, following a period of steady increases in assistance levels. Assistance levels from the U.S., Japan, and other DAC members are roughly comparable to each other; they have remained fairly stable since the late 1970's. Both the EEC (multilaterally) and the U.S. increased their assistance levels sharply (but temporarily) in 1975.

The ODA flow patterns for the eastern ANE countries (Figure 5-7) are characterized by relatively stable levels for the U.S. and other DAC members, in this case primarily Australia, and increasing levels for both the EEC and Japan. The latter by now is the most important source of ODA for these countries.

Finally, Figure 5-8 provides some impression of the relative importance of individual countries in the EEC (that are also DAC members) in EEC assistance to all ANE countries and the four subgroups of countries distinguished here. As already noted, France accounts for over half of total ODA from the EEC to the Maghreb countries. Germany dominates for the Mashreq, Great Britain for the Indian subcontinent, and "Other Bilateral," predominantly the Netherlands for eastern ANE countries. EEC multilateral assistance plays a greater role in the Mashreq and the Indian subcontinent than in the other two subgroups.

With respect to tying of aid, European countries span a fairly wide spectrum. The percentage of bilateral aid that is untied (not subject to formal procurement restrictions) ranges from lows of 13 percent for the UK (surpassed only by Austria's 2.6 percent) and 14.5 percent for Belgium to a high of 50.1 percent for Germany (surpassed only by Sweden's 51.3 percent). The other countries in the European Economic Community are close to the DAC average of 31.5 percent of untied aid. For EEC countries that do not belong to the DAC, the percentage of untied aid is below that average.

Overall, then, the EEC members have pursued a relatively consistent policy with respect to the level and geographical distribution of their bilateral development assistance. Changes in the geographical allocation have been more pronounced than fluctuations in the overall level. EEC members have channeled about 10 percent of their bilateral aid through the Commission. The Commission has played a more prominent role in areas in which "assistance-active" member countries have no historical linkages. Germany has been more engaged in the Middle East, France in the Maghreb, Great Britain in the Indian subcontinent, and the Netherlands in eastern ANE countries. This pattern suggests that export market development as a possible explanation of the allocation of ODA matters less than the EEC's colonial heritage. In that regard, the review of broadly descriptive aid data supports the conclusions

**Figure 5-6**
Net ODA to South Asian Countries
(India, Pakistan, Nepal, Bangladesh and Sri Lanka)

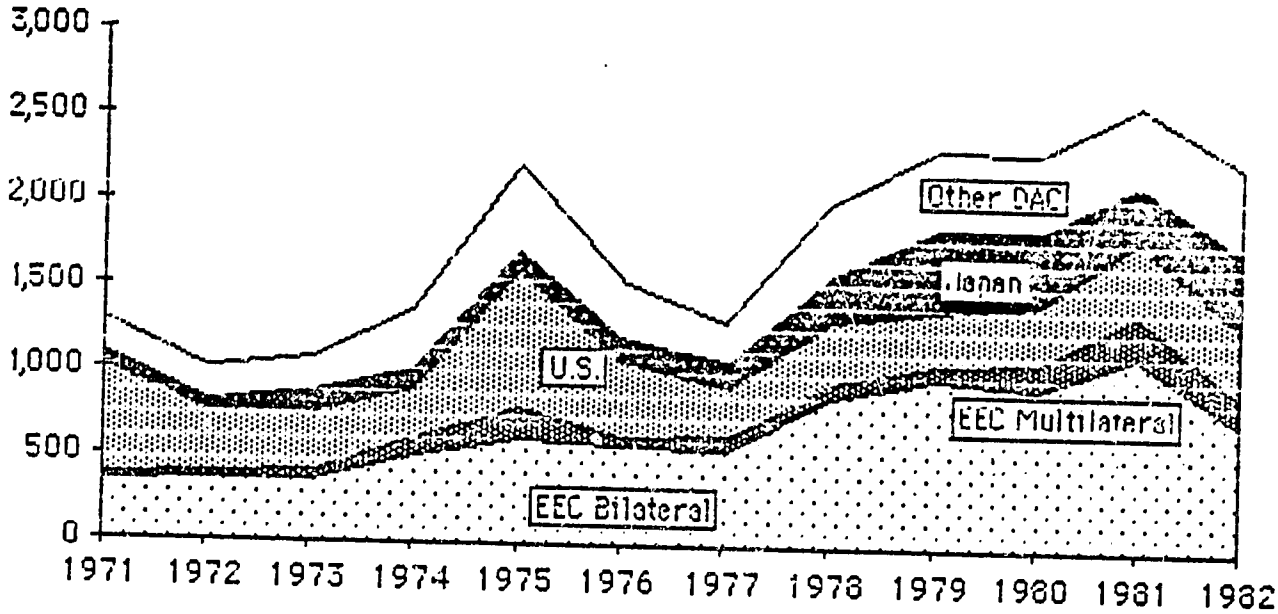



**Figure 5-7**
Net ODA Flows to Eastern ANE Countries
(in Millions of Dollars)

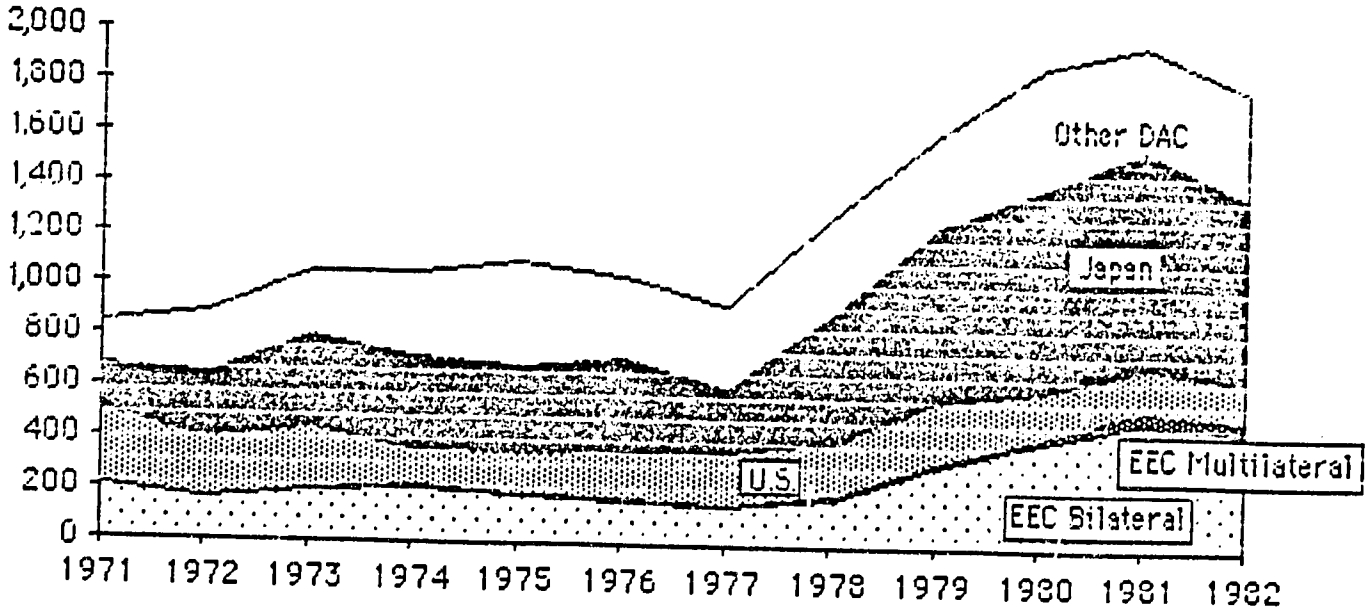
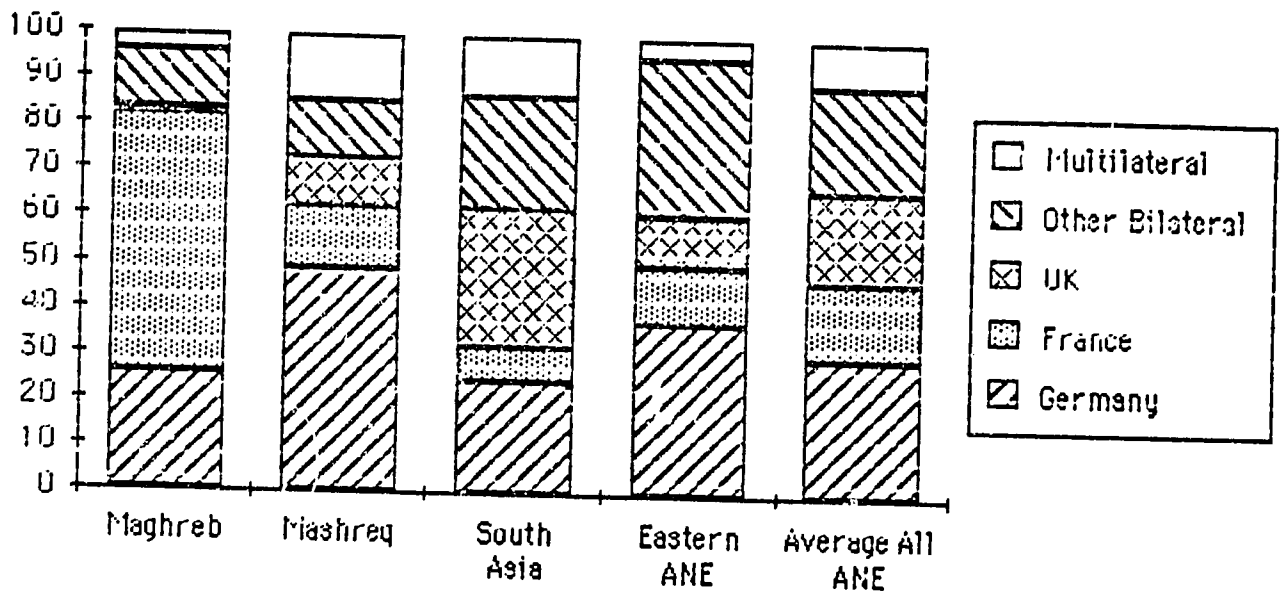


**Figure 5-8**

EEC Net ODA by Country (Average 1971-82)

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emerging from the analysis of the EEC's trade policies for development above. Whether the ODA has been similarly ineffective cannot be answered here.[32]

[32] On this question, cf. Cassen and Associates [1986] for a more general assessment. See also OECD [1985].

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# A Note on Effective Protection

Much of the development and elaboration of the the concept of effective protection is due to Corden [1974]. He defines it as follows:

> ... The effective rate [of protection] expresses the nominal tariff on the final good minus the weighted average of the tariffs on its inputs as a proportion of value-added per unit at free trade prices, where valued-added includes the non-traded content. (Corden [1974], pp. 382-3)

In a greatly simplified manner, an example can illustrate the concept. Suppose the value of a particular product is made of 80 percent raw materials and 20 percent value added in processing. Now suppose further that the importing country, country A, imposes a (relatively low) tariff of 6 percent on this product. If their cost structures were equal, an exporter in country B must be that much more efficient to compete with domestic producers in country A.

However, assume now that the raw material content of A's domestic production is imported at concessional rates, say, duty-free. This tariff concession to the commodity-exporting country biases the cost structure for the production of the processed good in favor of A's domestic producers. Since the 6-percent tariff on the finished good has to be paid on the combined value of raw material and value added, the producer in country B faces an input cost that is 6 percent higher than for A's producers. Alternatively, and more commonly, the differential tariffs can be interpreted as a fairly high tariff on the value-added component: at the same level of efficiency, the domestic producer's cost of the value added is 20, that of the foreign producer 26 -- an effective tariff rate on the value added (or an effective rate of protection) of 30 percent.

Effective rates of protection are by no means just theoretical constructs useful in assessing the openness of a particular trade regime. Instead, they play a crucial role in trade policies and trade negotiations. For example, while the Tokyo Round negotiations within the framework of the GATT produced further lowering of nominal tax rates, the differential impact of lower rates was fairly carefully calibrated to maintain or even raise rates of effective protection for critical products. For example, Germany came away from the Tokyo Round negotiations with higher rates of effective protection for cutlery, where domestic producers faced stiffer competition from NIC's.

**Reference:**

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Total Net ODA Flows for All ANE Countries

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $14.7 | $10.3 | $21.7 | $27.4 | $26.3 | $19.2 |
| Denmark | $5.7 | $4.9 | $15.6 | $14.3 | $15.9 | $10.4 |
| France | $61.6 | $61.4 | $88.6 | $87.4 | $175.9 | $178.1 |
| Germany | $146.2 | $172.9 | $150.0 | $283.2 | $280.6 | $289.2 |
| Italy | $62.2 | $33.1 | $32.2 | ($12.1) | $3.5 | $30.5 |
| The Netherlands | $29.8 | $28.2 | $52.4 | $75.2 | $68.7 | $73.9 |
| United Kingdom | $160.6 | $146.3 | $128.1 | $177.2 | $152.4 | ($1.6) |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $480.8 | $457.1 | $488.6 | $652.6 | $723.3 | $599.7 |
| US | $786.0 | $434.0 | $400.0 | $249.0 | $820.0 | $710.0 |
| Japan | $192.1 | $221.8 | $353.9 | $414.0 | $415.4 | $443.2 |
| *Total DAC Bilateral* | $1,578.0 | $1,215.9 | $1,343.0 | $1,495.5 | $2,170.3 | $1,873.4 |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $6.9 | $8.6 | $15.8 | $18.8 | $25.0 | $25.9 |
| Denmark | $4.5 | $6.0 | $7.2 | $11.5 | $15.7 | $12.7 |
| France | $48.2 | $49.3 | $58.8 | $67.5 | $99.5 | $95.6 |
| Germany | $94.6 | $81.1 | $108.9 | $123.4 | $165.6 | $125.2 |
| Italy | $9.2 | $1.2 | $2.7 | $5.3 | $19.6 | $10.4 |
| The Netherlands | $33.6 | $50.6 | $52.1 | $51.8 | $89.1 | $77.4 |
| United Kingdom | $31.9 | $30.9 | $27.6 | $40.3 | $63.4 | $248.1 |
| EEC Multilateral | $31.8 | $44.2 | $62.5 | $143.1 | $211.9 | $62.8 |
| Total EEC | $260.7 | $271.9 | $335.6 | $461.7 | $689.8 | $658.1 |
| US | $285.0 | $296.0 | $295.0 | $311.0 | $319.0 | $297.0 |
| Japan | $68.4 | $36.1 | $123.4 | $79.6 | $99.0 | $83.8 |
| *Total DAC Bilateral* | $842.6 | $970.1 | $1,064.3 | $1,265.4 | $1,618.9 | $1,552.0 |

Total Net ODA Flows for All ANE Countries

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $29.7 | $15.6 | $52.0 | $45.2 | $28.5 | $19.4 |
| $17.7 | $27.5 | $50.2 | $39.0 | $47.2 | $15.7 |
| $136.7 | $174.8 | $152.2 | $191.6 | $238.9 | $196.2 |
| $206.9 | $289.0 | $376.3 | ($235.5) | $379.5 | $489.2 |
| $8.7 | ($6.4) | ($19.5) | ($13.9) | ($17.9) | ($5.7) |
| $101.1 | $111.1 | $139.8 | $209.6 | $225.2 | $142.8 |
| ($14.9) | ($7.5) | ($32.1) | ($107.4) | ($64.1) | ($72.1) |
| $0.0 | $0.1 | $2.7 | $12.2 | $16.4 | $29.9 |
| $485.9 | $604.2 | $721.6 | $140.8 | $853.7 | $815.4 |
| $712.0 | $920.0 | $781.0 | $902.0 | $936.0 | $696.0 |
| $372.5 | $739.8 | $1,003.3 | $984.1 | $893.1 | $922.8 |
| $1,554.1 | $2,338.6 | $2,606.9 | $2,218.4 | $2,871.6 | $2,580.1 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $29.0 | $35.0 | $41.8 | $44.2 | $33.8 | $24.8 |
| $17.9 | $40.1 | $48.0 | $45.8 | $30.7 | $43.2 |
| $82.5 | $104.0 | $129.9 | $176.8 | $160.8 | $114.4 |
| $130.7 | $171.9 | $245.0 | $799.8 | $261.2 | $272.5 |
| $22.0 | $8.5 | $13.5 | $9.6 | $15.1 | $20.6 |
| $117.8 | $195.1 | $171.2 | $187.0 | $184.0 | $202.5 |
| $236.3 | $373.1 | $564.7 | $571.6 | $618.9 | $302.6 |
| $120.1 | $120.7 | $131.5 | $193.0 | $392.9 | $254.0 |
| $756.3 | $1,048.4 | $1,345.6 | $2,027.8 | $1,697.4 | $1,234.6 |
| $308.0 | $421.0 | $480.0 | $573.0 | $658.0 | $883.0 |
| $109.0 | $167.7 | $301.6 | $388.9 | $425.5 | $364.3 |
| $1,705.6 | $2,389.5 | $2,781.3 | $3,596.2 | $3,177.2 | $3,110.8 |



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Total Net ODA Flows for All ANE Countries

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $3.6 | $4.6 | $9.6 | $11.7 | $16.2 | $18.1 |
| Denmark | $2.4 | $2.1 | $2.5 | $3.9 | $4.6 | $5.3 |
| France | $33.7 | $39.9 | $47.3 | $44.1 | $70.5 | $71.6 |
| Germany | $50.2 | $49.9 | $65.0 | $98.5 | $136.6 | $108.9 |
| Italy | $1.4 | $1.2 | $2.7 | $2.6 | $5.5 | $5.3 |
| The Netherlands | $11.0 | $13.8 | $17.3 | $27.7 | $25.7 | $44.2 |
| United Kingdom | $13.8 | $16.0 | $18.5 | $20.6 | $23.5 | $28.2 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $116.1 | $127.5 | $162.9 | $209.1 | $282.6 | $281.6 |
| US | $83.0 | $64.0 | $58.0 | $50.0 | $42.0 | $43.0 |
| Japan | $10.8 | $15.1 | $21.9 | $27.6 | $35.7 | $43.2 |
| *Total DAC Bilateral* | $221.1 | $218.9 | $343.3 | $411.8 | $461.6 | $434.5 |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $21.7 | $19.2 | $38.3 | $47.0 | $52.3 | $45.9 |
| Denmark | $10.5 | $11.6 | $23.3 | $30.0 | $34.2 | $24.7 |
| France | $128.8 | $120.9 | $154.7 | $174.5 | $290.0 | $285.8 |
| Germany | $283.8 | $336.4 | $432.3 | $535.5 | $626.8 | $598.7 |
| Italy | $86.0 | $52.1 | $77.3 | $24.1 | $37.6 | $56.8 |
| The Netherlands | $64.7 | $84.5 | $108.0 | $131.2 | $168.7 | $157.5 |
| United Kingdom | $221.7 | $222.1 | $191.8 | $262.4 | $258.1 | $305.9 |
| EEC Multilateral | $31.8 | $46.0 | $67.8 | $146.7 | $212.1 | $62.8 |
| Total EEC | $849.0 | $892.8 | $1,093.5 | $1,351.4 | $1,679.8 | $1,538.1 |
| US | $1,200.0 | $763.0 | $738.0 | $620.0 | $1,229.0 | $1,264.0 |
| Japan | $299.0 | $373.8 | $564.5 | $568.8 | $739.3 | $672.3 |
| *Total DAC Bilateral* | $2,698.8 | $2,449.6 | $2,808.5 | $3,131.9 | $4,376.4 | $4,114.8 |



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Total Net ODA Flows for All ANE Countries

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $18.8 | $25.4 | $28.9 | $27.8 | $23.7 | $17.0 |
| $8.5 | $17.7 | $15.8 | $29.1 | $21.3 | $24.1 |
| $71.1 | $88.1 | $103.0 | $139.5 | $113.4 | $86.9 |
| $116.3 | $151.4 | $174.4 | $196.6 | $171.0 | $174.4 |
| $4.8 | $4.9 | $7.2 | $4.9 | $9.3 | $11.0 |
| $50.4 | $54.4 | $57.5 | $73.1 | $78.3 | $79.7 |
| $30.9 | $47.0 | $66.7 | $92.7 | $72.8 | $64.4 |
| $0.0 | $0.2 | $0.0 | $0.0 | $0.0 | $0.0 |
| $300.8 | $389.1 | $453.5 | $563.7 | $489.8 | $457.5 |
| $65.0 | $120.0 | $182.0 | $207.0 | $333.0 | $403.0 |
| $56.5 | $88.7 | $96.7 | $113.3 | $136.7 | $124.4 |
| $464.0 | $659.0 | $783.8 | $955.5 | $1,039.6 | $1,081.3 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $59.7 | $51.7 | $95.5 | $92.1 | $64.8 | $46.7 |
| $37.2 | $69.2 | $115.7 | $92.2 | $84.0 | $63.2 |
| $252.7 | $300.7 | $317.3 | $409.4 | $467.6 | $334.8 |
| $525.5 | $668.9 | $824.1 | $1,258.6 | $845.9 | $930.1 |
| $58.4 | $20.2 | $13.5 | $18.9 | $15.1 | $28.1 |
| $229.4 | $353.6 | $331.8 | $416.3 | $428.1 | $365.6 |
| $279.1 | $415.9 | $621.0 | $605.4 | $638.1 | $312.5 |
| $120.1 | $121.6 | $134.5 | $206.2 | $410.0 | $284.9 |
| $1,562.1 | $2,001.8 | $2,453.4 | $3,099.1 | $2,953.6 | $2,365.9 |
| $1,162.0 | $1,509.0 | $1,466.0 | $1,672.0 | $1,839.0 | $1,828.0 |
| $591.7 | $1,066.8 | $1,466.1 | $1,564.4 | $1,513.2 | $1,495.2 |
| $4,001.3 | $5,560.8 | $6,153.3 | $7,145.5 | $6,907.4 | $6,491.5 |

Total Net ODA Flows for All ANE Countries

| Total Net ODA | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $21.6 | $18.9 | $37.5 | $46.2 | $51.3 | $45.1 |
| Denmark | $10.2 | $10.9 | $22.8 | $25.8 | $31.6 | $23.1 |
| France | $109.8 | $110.7 | $147.4 | $154.9 | $275.4 | $273.7 |
| Germany | $240.8 | $254.0 | $258.9 | $406.6 | $446.2 | $414.4 |
| Italy | $71.4 | $34.3 | $34.9 | ($6.8) | $23.1 | $40.9 |
| The Netherlands | $63.4 | $78.8 | $104.5 | $127.0 | $157.8 | $151.3 |
| United Kingdom | $192.5 | $177.2 | $155.7 | $217.5 | $215.8 | $246.5 |
| EEC Multilateral | $31.8 | $44.2 | $62.5 | $143.1 | $211.9 | $62.8 |
| Total EEC | $741.5 | $729.0 | $824.2 | $1,114.3 | $1,413.1 | $1,257.8 |
| US | $1,071.0 | $730.0 | $695.0 | $560.0 | $1,139.0 | $1,007.0 |
| Japan | $260.5 | $307.9 | $477.3 | $493.6 | $514.4 | $527.0 |
| *Total DAC Bilateral* | $2,420.6 | $2,186.0 | $2,407.3 | $2,760.9 | $3,789.2 | $3,425.4 |

| Total Net Receipts | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $24.0 | $51.5 | $42.7 | $61.8 | $62.4 | $274.6 |
| Denmark | $11.0 | $12.0 | $40.8 | $21.2 | $29.2 | $105.1 |
| France | $112.9 | $133.2 | $412.5 | $237.1 | $432.0 | $813.7 |
| Germany | $193.8 | $194.3 | $172.6 | $441.0 | $481.9 | $678.0 |
| Italy | $64.9 | $34.5 | $32.6 | ($3.4) | $134.3 | $81.7 |
| The Netherlands | $64.0 | $82.0 | $115.[illegible] | $144.7 | $175.7 | $166.2 |
| United Kingdom | $241.1 | $166.8 | $196.0 | $337.0 | $417.1 | $274.8 |
| EEC Multilateral | $31.8 | $46.0 | $67.8 | $146.7 | $212.1 | $62.8 |
| Total EEC | $743.5 | $720.3 | $1,080.1 | $1,386.1 | $1,944.7 | $2,456.9 |
| US | $1,329.0 | $927.0 | $921.0 | $565.0 | $2,180.0 | $1,655.0 |
| Japan | $486.1 | $437.5 | $975.2 | $885.6 | $1,066.5 | $1,622.7 |
| *Total DAC Bilateral* | $3,073.5 | $2,584.7 | $3,366.5 | $3,406.6 | $5,864.5 | $6,687.3 |

Total Net ODA Flows for All ANE Countries

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $58.7 | $50.6 | $93.8 | $89.4 | $62.3 | $44.2 | $51.6 |
| $35.6 | $67.6 | $98.2 | $84.8 | $77.9 | $58.9 | $45.6 |
| $219.2 | $278.8 | $282.1 | $368.4 | $399.7 | $310.6 | $244.2 |
| $337.6 | $460.9 | $621.3 | $564.3 | $640.7 | $761.7 | $450.6 |
| $30.7 | $2.1 | ($6.0) | ($4.3) | ($2.8) | $14.[illegible] | $19.4 |
| $218.9 | $306.2 | $311.0 | $396.6 | $409.2 | $345.3 | $222.5 |
| $221.4 | $365.6 | $532.6 | $464.2 | $554.8 | $230.5 | $297.9 |
| $120.1 | $120.8 | $134.2 | $205.2 | $409.3 | $283.9 | $152.5 |
| $1,242.2 | $1,652.6 | $2,067.2 | $2,168.6 | $2,551.1 | $2,050.0 | $1,484.3 |
| $1,020.0 | $1,341.0 | $1,261.0 | $1,475.0 | $1,594.0 | $1,579.0 | $1,122.7 |
| $481.5 | $907.5 | $1,304.9 | $1,373.0 | $1,318.6 | $1,287.1 | $771.1 |
| $3,259.7 | $4,728.1 | $5,388.2 | $5,814.6 | $6,048.8 | $5,690.9 | $3,993.3 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.0 | $67.1 | $134.3 | $368.0 | $490.2 | $156.7 |
| $0.0 | $178.4 | $108.9 | $132.5 | $194.2 | $183.7 |
| $0.0 | $853.2 | $749.4 | $1,146.1 | $1,281.6 | $1,672.9 |
| $0.0 | $579.7 | $754.4 | $595.6 | $1,200.7 | $1,253.2 |
| $0.0 | $357.3 | $128.5 | $388.1 | $383.1 | $860.9 |
| $0.0 | $292.7 | $326.6 | $408.2 | $410.3 | $365.4 |
| $0.0 | $508.3 | $809.3 | $868.0 | $879.3 | $572.1 |
| $0.0 | $121.6 | $138.9 | $247.7 | $473.5 | $329.7 |
| $0.0 | $2,958.3 | $3,150.3 | $4,154.2 | $5,312.9 | $5,394.6 |
| $1.0 | $1,472.0 | $1,401.0 | $2,059.0 | $2,522.0 | $2,642.0 |
| $0.0 | $1,919.6 | $1,744.6 | $1,959.5 | $3,762.2 | $35,624.8 |
| $0.0 | $7,507.0 | $7,321.9 | $9,236.1 | $12,497.1 | $11,467.0 |



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Maghreb (Morocco, Tunisia) ODA Flows

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.4 | $0.4 | $1.1 | $2.3 | $2.7 | $1.3 |
| Denmark | $1.2 | $0.1 | $1.2 | $0.7 | $0.3 | $0.0 |
| France | $14.1 | $23.8 | $23.2 | $20.9 | $73.8 | $66.9 |
| Germany | $35.4 | $23.4 | $16.2 | $23.6 | $39.5 | $29.6 |
| Italy | ($1.8) | ($4.8) | $12.3 | $3.8 | ($1.1) | $23.5 |
| The Netherlands | $0.9 | $1.5 | $1.4 | $1.2 | $4.8 | $4.2 |
| United Kingdom | $0.0 | $0.3 | $0.2 | $0.1 | $0.0 | $0.0 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $50.2 | $44.7 | $55.6 | $52.6 | $120.0 | $125.5 |
| US | $56.0 | $41.0 | $15.0 | $13.0 | $2.0 | $4.0 |
| Japan | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| *Total DAC Bilateral* | $110.7 | $93.8 | $84.8 | $82.8 | $140.6 | $145.3 |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $4.3 | $5.8 | $8.9 | $10.5 | $15.9 | $17.5 |
| Denmark | $0.1 | $0.1 | $0.1 | $0.1 | $0.1 | $0.1 |
| France | $35.2 | $39.5 | $56.0 | $50.9 | $74.4 | $74.2 |
| Germany | $8.2 | $9.0 | $11.1 | $11.6 | $16.3 | $14.1 |
| Italy | $5.1 | $0.8 | $1.7 | $4.4 | $5.4 | $3.3 |
| The Netherlands | $0.4 | $0.8 | $0.8 | $1.0 | $1.2 | $1.8 |
| United Kingdom | $0.0 | $0.1 | $0.1 | $0.2 | $0.3 | $0.6 |
| EEC Multilateral | $1.0 | $1.2 | $0.0 | $8.0 | $1.2 | $0.0 |
| Total EEC | $54.3 | $57.3 | $78.7 | $86.7 | $114.8 | $111.6 |
| US | $34.0 | $23.0 | $17.0 | $29.0 | $18.0 | $20.0 |
| Japan | $0.1 | $0.1 | $0.2 | $0.3 | $1.1 | $1.1 |
| *Total DAC Bilateral* | $97.0 | $94.6 | $108.8 | $122.7 | $144.0 | $152.7 |

Maghreb (Morocco, Tunisia) ODA Flows

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $1.4 | $0.0 | $1.7 | $1.7 | $1.4 | ($0.1) |
| ($0.1) | ($0.4) | $0.7 | ($0.3) | ($0.4) | ($0.7) |
| $58.8 | $76.6 | $41.5 | $90.0 | $61.7 | $74.0 |
| $63.4 | $64.1 | $62.0 | $15.6 | $53.2 | $86.9 |
| ($1.7) | ($3.7) | ($5.2) | ($5.3) | ($4.7) | $0.7 |
| $6.1 | $5.6 | $6.2 | $4.6 | $0.5 | $1.3 |
| $0.6 | $0.3 | $0.0 | ($0.1) | ($0.1) | ($0.1) |
| $0.0 | $0.0 | $0.0 | $10.5 | $14.1 | $10.9 |
| $128.5 | $142.5 | $106.9 | $116.7 | $125.7 | $172.9 |
| $12.0 | $11.0 | $10.0 | $16.0 | $19.0 | $27.0 |
| $11.2 | $15.2 | $5.6 | $3.8 | $19.9 | $23.1 |
| $168.4 | $259.0 | $134.4 | $135.6 | $170.6 | $227.2 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $21.2 | $26.4 | $29.7 | $29.2 | $21.9 | $14.7 |
| $0.0 | $0.1 | $0.2 | $0.1 | $0.0 | $0.0 |
| $72.5 | $91.8 | $103.4 | $124.0 | $96.8 | $68.9 |
| $15.7 | $16.4 | $18.7 | $20.6 | $14.0 | $13.9 |
| $5.8 | $2.5 | $2.5 | $3.3 | $2.9 | $4.9 |
| $1.4 | $2.7 | $3.8 | $3.9 | $3.8 | $1.3 |
| ($0.1) | $0.2 | $0.3 | $0.4 | $25.4 | $7.9 |
| $0.3 | $0.3 | $4.2 | $1.9 | $32.8 | $12.7 |
| $116.8 | $140.4 | $162.8 | $183.4 | $197.6 | $124.3 |
| $23.0 | $21.0 | $14.0 | $13.0 | $26.0 | $28.0 |
| $2.2 | $2.2 | $3.4 | $5.8 | $4.1 | $4.5 |
| $154.5 | $174.1 | $185.6 | $209.9 | $199.9 | $152.4 |

Maghreb (Morocco, Tunisia) ODA Flows

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $3.1 | $4.0 | $6.8 | $8.4 | $12.3 | $13.9 |
| Denmark | $0.1 | $0.1 | $0.1 | $0.1 | $0.1 | $0.1 |
| France | $31.2 | $36.7 | $47.3 | $44.1 | $70.5 | $71.6 |
| Germany | $6.6 | $4.0 | $9.5 | $11.6 | $16.3 | $14.1 |
| Italy | $0.9 | $0.8 | $1.7 | $1.7 | $3.2 | $2.2 |
| The Netherlands | $0.3 | $0.6 | $0.7 | $1.0 | $1.0 | $1.6 |
| United Kingdom | $0.0 | $0.1 | $0.1 | $0.2 | $0.3 | $0.6 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $42.2 | $46.3 | $66.2 | $67.1 | $103.7 | $104.1 |
| US | $6.0 | $6.0 | $6.0 | $5.0 | $5.0 | $5.0 |
| Japan | $0.1 | $0.1 | $0.2 | $0.3 | $1.1 | $1.1 |
| *Total DAC Bilateral* | $51.9 | $56.7 | $77.3 | $76.2 | $117.9 | $114.8 |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $4.8 | $6.4 | $10.2 | $13.1 | $18.7 | $18.8 |
| Denmark | $1.5 | $0.4 | $1.4 | $0.9 | $0.5 | $0.5 |
| France | $59.3 | $72.2 | $82.8 | $89.0 | $158.5 | $155.5 |
| Germany | $46.5 | $35.9 | $34.1 | $42.0 | $66.3 | $52.4 |
| Italy | $5.1 | $0.8 | $19.0 | $12.7 | $8.7 | $29.5 |
| The Netherlands | $1.3 | $2.4 | $2.2 | $2.3 | $6.2 | $6.1 |
| United Kingdom | $0.0 | $0.5 | $0.3 | $0.3 | $0.3 | $0.6 |
| EEC Multilateral | $1.0 | $3.0 | $5.3 | $11.6 | $1.4 | $0.0 |
| Total EEC | $119.5 | $121.6 | $155.3 | $171.9 | $260.9 | $263.4 |
| US | $94.0 | $68.0 | $39.0 | $50.0 | $28.0 | $33.0 |
| Japan | $0.1 | $0.1 | $0.2 | $0.3 | $1.1 | $1.1 |
| *Total DAC Bilateral* | $227.1 | $210.3 | $216.3 | $242.4 | $319.2 | $333.4 |

Maghreb (Morocco, Tunisia) ODA Flows

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $15.8 | $21.0 | $23.2 | $22.2 | $18.6 | $11.9 |
| $0.0 | $0.1 | $0.0 | $0.1 | $0.0 | $0.0 |
| $71.1 | $88.1 | $103.0 | $115.1 | $93.1 | $65.5 |
| $15.6 | $16.4 | $18.7 | $20.6 | $13.6 | $10.7 |
| $2.4 | $2.2 | $2.5 | $2.2 | $2.9 | $2.8 |
| $1.3 | $1.6 | $1.9 | $2.1 | $1.0 | $1.0 |
| ($0.1) | $0.2 | $0.3 | $0.4 | $0.3 | $0.2 |
| $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| $106.1 | $129.6 | $149.6 | $162.7 | $129.5 | $92.1 |
| $6.0 | $6.0 | $5.0 | $11.0 | $17.0 | $16.0 |
| $2.2 | $2.2 | $3.4 | $3.6 | $3.9 | $2.6 |
| $119.1 | $143.7 | $161.4 | $180.9 | $151.8 | $113.1 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $22.6 | $26.4 | $31.4 | $30.9 | $23.3 | $14.7 |
| $0.4 | $0.2 | $1.5 | $0.3 | $0.0 | $0.1 |
| $147.7 | $176.4 | $163.9 | $237.9 | $195.2 | $151.4 |
| $89.1 | $95.6 | $99.1 | $59.3 | $96.3 | $115.0 |
| $7.9 | $2.5 | $2.5 | $3.3 | $2.9 | $9.2 |
| $7.8 | $9.0 | $10.9 | $9.6 | $5.1 | $3.4 |
| $0.5 | $0.6 | $0.3 | $0.4 | $25.4 | $7.9 |
| $0.3 | $0.5 | $4.4 | $12.7 | $47.3 | $23.7 |
| $276.3 | $311.2 | $314.0 | $354.4 | $395.5 | $325.4 |
| $44.0 | $41.0 | $37.0 | $43.0 | $60.0 | $74.0 |
| $13.4 | $17.3 | $9.0 | $7.4 | $23.7 | $14.1 |
| $363.1 | $470.3 | $378.2 | $414.9 | $459.2 | $427.8 |



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Maghreb (Morocco, Tunisia) ODA Flows

| Total Net ODA | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $4.7 | $6.2 | $10.0 | $12.8 | $18.6 | $13.8 |
| Denmark | $1.3 | $0.2 | $1.3 | $0.8 | $0.4 | $0.1 |
| France | $49.3 | $63.3 | $79.2 | $71.8 | $148.2 | $141.1 |
| Germany | $43.6 | $32.4 | $27.3 | $35.2 | $55.8 | $43.7 |
| Italy | $3.3 | ($4.0) | $14.0 | $8.2 | $4.3 | $26.8 |
| The Netherlands | $1.3 | $2.3 | $2.2 | $2.2 | $6.0 | $6.0 |
| United Kingdom | $0.0 | $0.4 | $0.3 | $0.3 | $0.3 | $0.6 |
| EEC Multilateral | $1.0 | $1.2 | $0.0 | $8.0 | $1.2 | $0.0 |
| Total EEC | $104.5 | $102.0 | $134.3 | $139.3 | $234.8 | $237.1 |
| US | $90.0 | $64.0 | $32.0 | $42.0 | $20.0 | $24.0 |
| Japan | $0.1 | $0.1 | $0.2 | $0.3 | $1.1 | $1.1 |
| *Total DAC Bilateral* | $207.7 | $188.4 | $193.6 | $205.5 | $284.6 | $298.0 |

| Total Net Receipts | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $4.4 | $3.9 | $8.3 | $16.4 | $7.6 | $17.7 |
| Denmark | $1.3 | $0.2 | $1.4 | $0.7 | $0.3 | $0.6 |
| France | $58.9 | $105.4 | $136.7 | $100.0 | $215.0 | $445.9 |
| Germany | $39.1 | $33.6 | $30.9 | $12.2 | $53.2 | $47.1 |
| Italy | $12.2 | ($1.5) | $24.8 | $11.8 | $154.3 | $32.5 |
| The Netherlands | $1.3 | $2.3 | $2.5 | $3.2 | $6.2 | $6.4 |
| United Kingdom | ($0.9) | ($1.0) | ($1.9) | ($1.0) | $18.3 | ($0.4) |
| EEC Multilateral | $1.0 | $3.0 | $5.3 | $11.6 | $1.4 | $0.0 |
| Total EEC | $117.3 | $145.9 | $208.0 | $154.9 | $456.3 | $549.8 |
| US | $108.0 | $58.0 | $11.0 | $31.0 | $14.0 | $99.0 |
| Japan | $0.6 | $0.4 | $0.1 | $0.6 | $1.1 | $8.2 |
| *Total DAC Bilateral* | $246.5 | $232.9 | $249.6 | $200.8 | $502.9 | $730.9 |

Maghreb (Morocco, Tunisia) ODA Flows

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $22.6 | $26.4 | $31.4 | $30.9 | $23.3 | $14.6 | $18.4 |
| ($0.1) | ($0.3) | $0.9 | ($0.2) | ($0.4) | ($0.7) | $0.3 |
| $131.3 | $168.4 | $144.9 | $214.0 | $158.5 | $142.9 | $126.1 |
| $79.1 | $80.5 | $80.7 | $36.2 | $67.2 | $100.8 | $56.9 |
| $4.1 | ($1.2) | ($2.7) | ($2.0) | ($1.8) | $5.6 | $4.6 |
| $7.5 | $8.3 | $10.0 | $8.5 | $4.3 | $2.6 | $5.1 |
| $0.5 | $0.5 | $0.3 | $0.3 | $25.3 | $2.8 | $3.1 |
| $0.3 | $0.3 | $4.2 | $12.4 | $46.9 | $23.6 | $8.3 |
| $245.3 | $282.9 | $269.7 | $300.1 | $323.3 | $297.2 | $222.5 |
| $35.0 | $32.0 | $24.0 | $29.0 | $45.0 | $55.0 | $41.0 |
| $13.4 | $17.4 | $9.0 | $9.6 | $24.0 | $27.6 | $8.7 |
| $322.9 | $433.1 | $320.0 | $345.5 | $370.5 | $379.6 | $295.8 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.0 | $68.0 | $70.4 | $44.3 | $5.5 | $25.9 |
| $0.0 | ($0.5) | $1.5 | ($0.5) | ($0.5) | ($0.9) |
| $0.0 | $542.4 | $452.1 | $538.0 | $424.5 | $612.8 |
| $0.0 | $92.6 | $188.9 | ($35.3) | $65.3 | $143.3 |
| $0.0 | $217.7 | $73.0 | $102.7 | $83.5 | $155.2 |
| $0.0 | $8.8 | $26.3 | $8.2 | $0.0 | ($2.2) |
| $0.0 | $114.1 | ($6.0) | ($3.4) | $20.6 | $54.2 |
| $0.0 | $0.5 | $4.4 | $31.5 | $93.5 | $44.3 |
| $0.0 | $1,043.6 | $810.6 | $685.5 | $692.4 | $1,032.6 |
| $0.0 | $20.0 | $15.0 | $55.0 | $82.0 | $131.0 |
| $0.0 | $13.1 | $75.0 | $27.9 | $43.2 | $76.9 |
| $0.0 | $1,206.9 | $915.8 | $768.6 | $741.6 | $1,234.3 |

Mashreq ODA Flows, 1971-82

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Denmark | $0.0 | ($0.1) | $4.0 | $2.4 | $6.8 | $4.7 |
| France | ($6.5) | $0.0 | $0.0 | $0.0 | $10.8 | $12.5 |
| Germany | $7.1 | $21.1 | $29.2 | $75.2 | $67.8 | $123.1 |
| Italy | ($2.4) | ($3.1) | ($3.4) | ($12.9) | $0.0 | ($2.8) |
| The Netherlands | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $1.9 |
| United Kingdom | $3.3 | $1.7 | $6.0 | $3.1 | $14.6 | $4.9 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $1.5 | $19.6 | $35.8 | $67.8 | $100.0 | $144.3 |
| US | $7.0 | $6.0 | $10.0 | $16.0 | $98.0 | $270.0 |
| Japan | $0.0 | $0.0 | $0.0 | $8.6 | $49.4 | $28.7 |
| *Total DAC Bilateral* | $8.5 | $25.6 | $45.8 | $92.4 | $247.4 | $443.1 |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.1 | $0.2 | $0.7 | $0.3 | $0.3 | $0.5 |
| Denmark | $1.4 | $0.0 | $0.1 | $0.1 | $0.1 | $0.6 |
| France | $8.5 | $2.9 | $0.0 | $4.0 | $12.2 | $2.7 |
| Germany | $11.8 | $11.8 | $14.8 | $21.3 | $22.8 | $23.4 |
| Italy | $3.3 | $0.3 | $0.7 | $0.8 | $6.5 | $3.2 |
| The Netherlands | $0.0 | $0.5 | $0.3 | $0.9 | $5.7 | $2.7 |
| United Kingdom | $2.7 | $2.2 | $2.2 | $3.2 | $6.3 | $6.5 |
| EEC Multilateral | $9.2 | $10.3 | $12.1 | $20.4 | $11.2 | $17.4 |
| Total EEC | $37.0 | $28.2 | $30.9 | $51.0 | $65.1 | $57.0 |
| US | $36.0 | $68.0 | $48.0 | $74.0 | $65.0 | $62.0 |
| Japan | $0.2 | $0.2 | $1.1 | $0.7 | $0.9 | $2.1 |
| *Total DAC Bilateral* | $64.2 | $86.5 | $68.5 | $105.8 | $125.4 | $115.2 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $4.2 | $0.0 | $0.0 | $3.4 | $1.4 | $0.0 |
| $5.6 | $6.9 | $10.6 | $6.2 | $14.6 | $5.6 |
| $10.5 | $16.3 | $47.0 | $12.5 | $66.2 | $34.0 |
| $66.1 | $61.5 | $116.4 | $7.0 | $3.3 | $110.7 |
| ($7.4) | ($5.6) | ($6.5) | ($5.6) | ($4.5) | ($1.8) |
| $3.9 | $3.4 | $9.0 | $21.4 | $17.7 | $12.7 |
| $3.6 | $5.3 | $24.2 | $13.1 | $3.0 | ($0.4) |
| $0.0 | $0.0 | $0.2 | $0.2 | $0.0 | $0.0 |
| $86.5 | $87.8 | $200.9 | $58.2 | $101.7 | $160.8 |
| $429.0 | $609.0 | $565.0 | $715.0 | $665.0 | $533.0 |
| $68.1 | $119.3 | $117.2 | $110.5 | $68.4 | $82.4 |
| $614.8 | $816.2 | $893.6 | $915.1 | $868.8 | $825.2 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.2 | $0.6 | $0.6 | $0.6 | $0.5 | $0.3 |
| $0.2 | $0.2 | $0.3 | $0.5 | $0.2 | $0.3 |
| $0.0 | $3.8 | $14.2 | $28.6 | $14.9 | $17.6 |
| $27.2 | $34.5 | $41.1 | $144.3 | $33.5 | $38.2 |
| $9.7 | $4.2 | $5.1 | $2.6 | $7.9 | $10.9 |
| $16.0 | $20.0 | $20.9 | $15.9 | $25.1 | $17.7 |
| $8.4 | $8.7 | $43.9 | $28.9 | $28.4 | $20.3 |
| $17.7 | $35.0 | $37.0 | $46.8 | $62.2 | $46.2 |
| $79.4 | $107.0 | $163.1 | $268.2 | $172.7 | $151.5 |
| $70.0 | $108.0 | $104.0 | $184.0 | $272.0 | $426.0 |
| $3.9 | $9.0 | $23.0 | $27.6 | $23.1 | $15.9 |
| $143.3 | $200.2 | $262.4 | $446.7 | $425.8 | $562.1 |

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.1 | $0.0 | $0.2 | $0.3 | $0.3 | $0.3 |
| Denmark | $0.1 | $0.0 | $0.1 | $0.1 | $0.1 | $0.6 |
| France | $2.2 | $2.9 | $0.0 | $0.0 | $0.0 | $0.0 |
| Germany | $7.1 | $7.7 | $8.4 | $11.8 | $17.2 | $21.7 |
| Italy | $0.5 | $0.3 | $0.7 | $0.8 | $1.7 | $2.5 |
| The Netherlands | $0.0 | $0.3 | $0.3 | $0.3 | $0.6 | $2.7 |
| United Kingdom | $0.6 | $1.8 | $2.1 | $3.2 | $4.2 | $6.5 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $10.6 | $13.0 | $11.8 | $16.5 | $24.1 | $34.3 |
| US | $1.0 | $1.0 | $2.0 | $3.0 | $4.0 | $9.0 |
| Japan | $0.2 | $0.2 | $0.2 | $0.7 | $0.9 | $2.1 |
| *Total DAC Bilateral* | $11.9 | $14.3 | $14.3 | $20.5 | $29.6 | $46.5 |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.1 | $0.2 | $0.7 | $0.3 | $0.3 | $0.5 |
| Denmark | $1.5 | $0.0 | $4.1 | $2.6 | $7.1 | $5.6 |
| France | $8.5 | $2.9 | $0.0 | $4.0 | $23.0 | $15.2 |
| Germany | $19.5 | $32.8 | $79.2 | $101.0 | $100.3 | $155.4 |
| Italy | $13.3 | $3.4 | $31.5 | $11.3 | $6.5 | $3.2 |
| The Netherlands | $0.0 | $0.5 | $0.3 | $0.9 | $5.7 | $4.5 |
| United Kingdom | $7.6 | $5.8 | $10.3 | $8.4 | $23.0 | $13.2 |
| EEC Multilateral | $9.2 | $10.3 | $12.1 | $20.4 | $11.2 | $17.4 |
| Total EEC | $59.7 | $55.9 | $138.2 | $148.9 | $177.1 | $215.0 |
| US | $66.0 | $77.0 | $60.0 | $96.0 | $169.0 | $343.0 |
| Japan | $0.2 | $0.2 | $1.1 | $9.2 | $50.3 | $30.8 |
| *Total DAC Bilateral* | $116.9 | $123.2 | $187.8 | $234.2 | $390.8 | $582.9 |

Mashreq ODA Flows, 1971-82

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.1 | $0.4 | $0.6 | $0.4 | $0.4 | $0.3 |
| $0.2 | $0.2 | $0.3 | $0.5 | $0.2 | $0.3 |
| $0.0 | $0.0 | $0.0 | $11.6 | $9.2 | $6.6 |
| $26.0 | $33.7 | $33.5 | $41.1 | $33.5 | $34.9 |
| $1.6 | $2.1 | $2.5 | $2.1 | $2.9 | $4.1 |
| $8.2 | $11.6 | $11.8 | $9.3 | $14.4 | $11.9 |
| $6.9 | $8.7 | $14.5 | $18.1 | $17.4 | $17.1 |
| $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| $43.0 | $56.7 | $63.3 | $83.1 | $78.0 | $75.2 |
| $31.0 | $57.0 | $94.0 | $100.0 | $207.0 | $244.0 |
| $2.9 | $6.1 | $8.0 | $7.3 | $8.2 | $3.3 |
| $79.4 | $126.0 | $169.1 | $194.7 | $298.4 | $327.1 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $4.4 | $0.6 | $0.6 | $4.1 | $1.8 | $0.3 |
| $6.1 | $7.4 | $11.4 | $7.3 | $15.9 | $6.9 |
| $10.5 | $20.8 | $62.3 | $42.6 | $82.5 | $53.4 |
| $106.2 | $109.4 | $173.4 | $251.5 | $99.7 | $155.8 |
| $9.7 | $4.2 | $5.1 | $2.6 | $7.9 | $10.9 |
| $19.9 | $23.3 | $29.9 | $37.3 | $42.7 | $30.4 |
| $13.6 | $15.5 | $70.1 | $45.7 | $36.4 | $23.9 |
| $17.7 | $35.2 | $36.8 | $47.1 | $62.5 | $46.2 |
| $188.1 | $216.4 | $389.6 | $438.2 | $349.4 | $327.8 |
| $517.0 | $747.0 | $699.0 | $928.0 | $967.0 | $990.0 |
| $72.1 | $128.3 | $140.2 | $138.7 | $93.9 | $109.7 |
| $798.3 | $1,067.8 | $1,211.8 | $1,502.9 | $1,404.9 | $1,447.7 |



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Mashreq ODA Flows, 1971-82

| Total Net ODA | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.1 | $0.2 | $0.7 | $0.3 | $0.3 | $0.5 |
| Denmark | $1.4 | ($0.1) | $4.1 | $2.5 | $6.9 | $5.3 |
| France | $2.0 | $2.9 | $0.0 | $4.0 | $23.0 | $15.2 |
| Germany | $18.9 | $32.9 | $44.0 | $96.5 | $90.6 | $146.5 |
| Italy | $0.9 | ($2.8) | ($2.7) | ($12.1) | $6.5 | $0.4 |
| The Netherlands | $0.0 | $0.5 | $0.3 | $0.9 | $5.7 | $4.6 |
| United Kingdom | $6.0 | $3.9 | $8.2 | $6.3 | $20.9 | $11.4 |
| EEC Multilateral | $9.2 | $10.3 | $12.1 | $20.4 | $11.2 | $17.4 |
| Total EEC | $38.5 | $47.8 | $66.7 | $118.8 | $165.1 | $201.3 |
| US | $43.0 | $74.0 | $58.0 | $90.0 | $163.0 | $332.0 |
| Japan | $0.2 | $0.2 | $1.1 | $9.3 | $50.3 | $30.8 |
| *Total DAC Bilateral* | $72.7 | $112.1 | $114.3 | $198.2 | $372.8 | $558.3 |

| Total Net Receipts | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | ($0.5) | ($0.4) | $0.1 | ($0.3) | ($0.3) | $4.7 |
| Denmark | $4.5 | $4.5 | $3.0 | $0.9 | $7.2 | $3.6 |
| France | $8.3 | ($6.6) | $4.3 | $6.1 | $70.7 | $56.9 |
| Germany | $8.0 | ($1.5) | $84.5 | $185.7 | $129.5 | $241.3 |
| Italy | ($25.6) | ($5.4) | ($17.9) | ($2.3) | ($1.7) | $44.4 |
| The Netherlands | $0.0 | $0.5 | $0.3 | $0.9 | $5.7 | $4.5 |
| United Kingdom | $7.5 | $0.1 | $8.4 | $8.8 | $57.6 | $12.2 |
| EEC Multilateral | $9.2 | $10.3 | $12.1 | $20.4 | $11.2 | $17.4 |
| Total EEC | $11.4 | $1.5 | $94.8 | $220.2 | $279.9 | $385.0 |
| US | $142.0 | $69.0 | $59.0 | $75.0 | $157.0 | $298.0 |
| Japan | $3.6 | ($3.6) | $0.7 | $6.3 | $47.2 | $46.5 |
| *Total DAC Bilateral* | $229.6 | $91.6 | $100.5 | $224.3 | $486.7 | $770.2 |

Mashreq ODA Flows, 1971-82

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $4.4 | $0.6 | $0.6 | $4.0 | $1.9 | $0.3 | $1.2 |
| $5.8 | $7.1 | $10.9 | $6.7 | $14.8 | $5.9 | $5.9 |
| $10.5 | $20.1 | $61.2 | $41.1 | $81.1 | $51.6 | $26.1 |
| $93.3 | $96.0 | $157.5 | $151.3 | $36.8 | $148.9 | $92.8 |
| $2.3 | ($1.4) | ($1.4) | ($3.0) | $3.4 | $9.1 | ($0.1) |
| $19.9 | $23.4 | $29.9 | $37.3 | $42.8 | $30.4 | $16.3 |
| $12.[illegible] | $14.0 | $68.1 | $42.0 | $31.4 | $19.9 | $20.3 |
| $17.[illegible] | $35.0 | $37.2 | $47.0 | $62.2 | $46.2 | $27.2 |
| $165.9 | $194.8 | $364.0 | $326.4 | $274.4 | $312.3 | $189.7 |
| $499.0 | $717.0 | $669.0 | $899.0 | $937.0 | $959.0 | $453.3 |
| $72.0 | $128.3 | $140.2 | $138.1 | $91.5 | $98.3 | $63.4 |
| $758.1 | $1,016.4 | $1,156.0 | $1,361.8 | $1,294.6 | $1,387.3 | $700.2 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.0 | $8.0 | $36.4 | ($5.8) | $97.7 | $100.7 |
| $0.0 | $51.1 | $25.3 | $29.7 | $30.6 | $42.5 |
| $0.0 | $184.7 | $278.8 | $442.4 | $516.0 | $519.3 |
| $0.0 | $149.4 | $159.7 | $157.0 | $111.4 | $284.6 |
| $0.0 | $17.8 | $54.4 | $177.8 | $165.9 | $584.2 |
| $0.0 | $23.3 | $29.9 | $57.5 | $42.1 | $20.1 |
| $0.0 | ($10.8) | $216.9 | $215.9 | $11.2 | $101.8 |
| $0.0 | $35.2 | $37.6 | $59.4 | $78.1 | $60.5 |
| $0.0 | $458.7 | $839.0 | $1,133.9 | $1,053.0 | $1,713.7 |
| $0.0 | $693.0 | $677.0 | $960.0 | $1,129.0 | $1,249.0 |
| $0.0 | $167.6 | $187.0 | $266.9 | $129.3 | $82.9 |
| $0.0 | $1,426.3 | $1,845.5 | $2,440.6 | $2,537.7 | $3,340.4 |



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South Asian Countries ODA Flows

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $9.2 | $4.9 | $11.1 | $15.5 | $14.9 | $7.1 |
| Denmark | $3.5 | $2.0 | $8.1 | $6.6 | $2.2 | $3.9 |
| France | $29.1 | $26.9 | $36.2 | $28.5 | $56.6 | $72.7 |
| Germany | $67.2 | $79.4 | $75.2 | $150.7 | $139.1 | $114.3 |
| Italy | $15.7 | $44.3 | $23.5 | ($1.0) | $6.4 | $2.7 |
| The Netherlands | $11.2 | $12.0 | $25.2 | $53.1 | $38.9 | $54.0 |
| United Kingdom | $147.1 | $128.7 | $102.2 | $154.5 | $121.8 | ($14.0) |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $283.0 | $298.2 | $281.5 | $407.9 | $379.9 | $240.7 |
| US | $486.0 | $224.0 | $189.0 | $141.0 | $615.0 | $294.0 |
| Japan | $68.0 | $42.3 | $96.0 | $112.7 | $106.0 | $128.0 |
| *Total DAC Bilateral* | $938.2 | $641.5 | $638.7 | $800.1 | $1,259.6 | $750.9 |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.8 | $0.6 | $1.6 | $1.5 | $2.6 | $1.8 |
| Denmark | $2.4 | $5.2 | $6.2 | $10.6 | $14.8 | $11.3 |
| France | $0.0 | $2.3 | $1.3 | $7.2 | $9.2 | $12.2 |
| Germany | $58.3 | $43.4 | $60.7 | $60.4 | $100.1 | $60.0 |
| Italy | $0.8 | $0.0 | $0.1 | $0.0 | $5.5 | $0.6 |
| The Netherlands | $4.8 | $8.6 | $7.0 | $13.0 | $58.6 | $41.9 |
| United Kingdom | $15.3 | $20.1 | $13.3 | $26.1 | $47.2 | $228.8 |
| EEC Multilateral | $20.9 | $29.6 | $49.8 | $103.6 | $197.4 | $42.0 |
| Total EEC | $103.3 | $109.8 | $140.0 | $222.4 | $435.4 | $398.6 |
| US | $160.0 | $137.0 | $169.0 | $140.0 | $173.0 | $160.0 |
| Japan | $8.5 | $13.5 | $21.3 | $10.7 | $25.0 | $14.1 |
| *Total DAC Bilateral* | $345.7 | $352.2 | $400.0 | $489.5 | $767.8 | $769.9 |

South Asian Countries ODA Flows

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $13.9 | $15.8 | $39.7 | $11.0 | $17.2 | $3.3 |
| $10.9 | $12.1 | $18.1 | $19.7 | $12.6 | $7.7 |
| $52.9 | $48.8 | $35.7 | $42.8 | $51.4 | $58.0 |
| $62.8 | $144.9 | $132.3 | ($360.6) | $116.5 | $112.9 |
| $23.0 | $5.2 | ($4.9) | ($6.1) | ($6.6) | ($5.5) |
| $63.9 | $80.5 | $102.0 | $123.4 | $163.2 | $53.5 |
| ($30.6) | ($18.0) | ($59.2) | ($127.0) | ($72.2) | ($72.5) |
| $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| $196.8 | $289.3 | $263.7 | ($296.8) | $282.1 | $157.4 |
| $145.0 | $133.0 | $18.0 | $69.0 | $163.0 | $69.0 |
| $110.2 | $206.3 | $351.1 | $28[illegible]7 | $167.3 | $300.9 |
| $391.0 | $590.9 | $707.0 | $135.9 | $731.5 | $594.6 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $1.8 | $1.5 | $5.3 | $3.8 | $3.6 | $1.9 |
| $16.7 | $39.0 | $45.6 | $43.6 | $29.0 | $42.1 |
| $5.8 | $7.5 | $10.0 | $15.1 | $38.8 | $17.3 |
| $56.9 | $80.2 | $114.1 | $573.5 | $151.7 | $147.1 |
| $2.6 | $1.5 | $3.3 | $1.5 | $3.0 | $0.9 |
| $77.1 | $131.8 | $83.6 | $130.2 | $114.6 | $141.5 |
| $213.3 | $343.0 | $486.6 | $492.4 | $529.2 | $242.6 |
| $95.0 | $78.1 | $79.7 | $138.9 | $251.4 | $173.3 |
| $469.2 | $682.6 | $828.2 | $1,399.0 | $1,121.3 | $766.7 |
| $135.0 | $240.0 | $307.0 | $293.0 | $273.0 | $335.0 |
| $36.5 | $54.0 | $125.5 | $149.2 | $181.5 | $148.1 |
| $844.0 | $1,381.1 | $1,569.2 | $2,067.1 | $1,668.0 | $1,515.5 |

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.2 | $0.2 | $0.5 | $0.5 | $0.5 | $0.7 |
| Denmark | $1.7 | $1.6 | $1.6 | $3.0 | $3.8 | $3.9 |
| France | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Germany | $22.3 | $22.0 | $27.8 | $45.2 | $74.6 | $40.6 |
| Italy | $0.0 | $0.0 | $0.1 | $0.0 | $0.5 | $0.6 |
| The Netherlands | $1.3 | $2.8 | $2.5 | $3.7 | $7.3 | $17.7 |
| United Kingdom | $6.8 | $6.6 | $7.6 | $8.0 | $10.3 | $10.0 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $32.3 | $33.2 | $40.1 | $60.4 | $97.0 | $73.5 |
| US | $27.0 | $15.0 | $12.0 | $9.0 | $6.0 | $6.0 |
| Japan | $2.6 | $2.7 | $4.8 | $8.0 | $9.0 | $8.2 |
| *Total DAC Bilateral* | $67.1 | $56.1 | $60.5 | $83.6 | $120.2 | $98.3 |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $10.0 | $5.6 | $13.2 | $17.6 | $18.3 | $9.6 |
| Denmark | $5.9 | $7.5 | $14.6 | $21.3 | $19.3 | $15.8 |
| France | $29.1 | $29.9 | $40.5 | $39.0 | $69.5 | $87.5 |
| Germany | $152.4 | $189.8 | $251.6 | $305.6 | $379.7 | $314.1 |
| Italy | $16.9 | $44.8 | $24.8 | $0.0 | $20.2 | $13.7 |
| The Netherlands | $17.0 | $21.9 | $35.3 | $69.0 | $106.7 | $100.1 |
| United Kingdom | $189.9 | $191.5 | $148.9 | $222.9 | $208.7 | $271.1 |
| EEC Multilateral | $20.9 | $29.6 | $49.8 | $103.6 | $197.4 | $42.0 |
| Total EEC | $442.1 | $520.6 | $578.7 | $779.0 | $1,019.8 | $853.9 |
| US | $652.0 | $378.0 | $383.0 | $319.0 | $854.0 | $678.0 |
| Japan | $101.8 | $103.6 | $195.0 | $184.4 | $338.8 | $260.5 |
| *Total DAC Bilateral* | $1,373.0 | $1,173.7 | $1,305.6 | $1,537.5 | $2,506.9 | $2,081.6 |

South Asian Countries ODA Flows

| Total Net ODA | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $10.0 | $5.5 | $12.7 | $17.0 | $17.5 | $8.9 |
| Denmark | $5.9 | $7.2 | $14.3 | $17.2 | $17.0 | $15.2 |
| France | $29.1 | $29.2 | $37.5 | $35.7 | $65.8 | $84.9 |
| Germany | $125.5 | $122.8 | $135.9 | $211.1 | $239.2 | $174.3 |
| Italy | $16.5 | $44.3 | $23.6 | ($1.0) | $11.9 | $3.3 |
| The Netherlands | $16.0 | $20.6 | $32.2 | $66.1 | $97.5 | $95.9 |
| United Kingdom | $162.4 | $148.8 | $115.5 | $180.6 | $169.0 | $214.8 |
| EEC Multilateral | $20.9 | $29.6 | $49.8 | $103.6 | $197.4 | $42.0 |
| Total EEC | $386.3 | $408.0 | $421.5 | $630.3 | $815.3 | $639.3 |
| US | $646.0 | $361.0 | $358.0 | $281.0 | $788.0 | $454.0 |
| Japan | $76.5 | $55.8 | $117.3 | $123.4 | $131.0 | $142.1 |
| *Total DAC Bilateral* | $1,283.9 | $993.7 | $1,038.7 | $1,289.6 | $2,027.4 | $1,520.8 |

| Total Net Receipts | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $4.7 | $37.1 | $10.9 | $20.1 | $33.6 | ($0.3) |
| Denmark | $5.2 | $5.3 | $12.4 | $15.8 | $15.1 | $15.1 |
| France | $30.0 | $13.2 | $33.5 | $39.7 | $33.5 | $126.4 |
| Germany | $68.3 | $111.4 | $52.5 | $177.8 | $191.1 | $174.8 |
| Italy | $33.8 | $56.1 | $28.8 | ($17.7) | ($28.5) | ($21.5) |
| The Netherlands | $16.0 | $21.0 | $32.3 | $66.2 | $97.4 | $96.1 |
| United Kingdom | $195.9 | $131.7 | $148.4 | $244.8 | $150.6 | $237.3 |
| EEC Multilateral | $20.9 | $29.6 | $49.8 | $103.6 | $197.4 | $42.0 |
| Total EEC | $374.8 | $405.4 | $368.6 | $650.3 | $690.2 | $669.9 |
| US | $710.0 | $342.0 | $313.0 | $299.0 | $751.0 | $453.0 |
| Japan | $55.3 | $40.8 | $108.3 | $111.7 | $128.0 | $129.1 |
| *Total DAC Bilateral* | $1,357.1 | $946.7 | $919.3 | $1,345.4 | $1,818.4 | $1,555.6 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.7 | $0.9 | $1.4 | $1.6 | $1.4 | $1.2 |
| $7.6 | $16.6 | $13.7 | $26.9 | $19.6 | $23.0 |
| $0.0 | $0.0 | $0.0 | $3.7 | $3.3 | $5.0 |
| $40.6 | $61.2 | $72.9 | $73.6 | $64.3 | $62.8 |
| $0.1 | $0.3 | $1.0 | $0.3 | $2.2 | $0.8 |
| $20.2 | $15.9 | $18.0 | $28.8 | $26.0 | $28.9 |
| $13.2 | $23.0 | $33.8 | $48.4 | $37.6 | $33.6 |
| $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| $82.4 | $117.9 | $140.8 | $183.3 | $154.4 | $155.3 |
| $5.0 | $33.0 | $59.0 | $63.0 | $54.0 | $66.0 |
| $10.6 | $16.0 | $17.7 | $19.4 | $23.8 | $21.6 |
| $113.4 | $183.4 | $232.6 | $290.4 | $260.6 | $274.1 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $16.4 | $18.2 | $46.2 | $16.5 | $22.5 | $6.8 |
| $27.8 | $51.3 | $79.3 | $68.9 | $45.3 | $51.6 |
| $74.9 | $64.4 | $55.8 | $67.9 | $114.1 | $84.4 |
| $258.7 | $378.1 | $380.3 | $749.7 | $364.5 | $381.3 |
| $36.9 | $13.2 | $3.3 | $1.5 | $3.0 | $0.9 |
| $147.5 | $255.6 | $199.8 | $265.5 | $288.5 | $206.4 |
| $237.4 | $372.0 | $509.7 | $498.0 | $530.3 | $243.0 |
| $95.0 | $78.4 | $79.9 | $139.3 | $251.4 | $173.9 |
| $894.6 | $1,231.2 | $1,354.3 | $1,807.3 | $1,619.6 | $1,148.3 |
| $377.0 | $475.0 | $455.0 | $483.0 | $589.0 | $553.0 |
| $212.5 | $349.3 | $552.5 | $618.1 | $416.9 | $511.2 |
| $1,780.6 | $2,577.3 | $2,751.2 | $3,118.7 | $2,845.0 | $2,552.4 |

South Asian Countries ODA Flows

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $15.7 | $17.3 | $45.0 | $14.8 | $20.8 | $5.2 | $15.9 |
| $27.6 | $51.1 | $63.7 | $63.3 | $41.6 | $49.8 | $31.2 |
| $58.7 | $56.3 | $45.7 | $57.9 | $90.2 | $75.3 | $55.5 |
| $119.7 | $225.1 | $246.4 | $212.9 | $268.2 | $260.0 | $195.1 |
| $25.6 | $6.7 | ($1.6) | ($4.6) | ($3.6) | ($4.6) | $9.7 |
| $141.0 | $212.3 | $185.6 | $253.6 | $277.8 | $195.0 | $132.8 |
| $182.7 | $325.0 | $427.4 | $365.4 | $457.0 | $170.1 | $243.2 |
| $95.0 | $78.1 | $79.7 | $138.9 | $251.4 | $173.3 | $105.0 |
| $666.0 | $971.9 | $1,091.9 | $1,102.2 | $1,403.4 | $924.1 | $788.4 |
| $280.0 | $373.0 | $325.0 | $362.0 | $436.0 | $404.0 | $422.3 |
| $146.7 | $260.3 | $476.6 | $433.9 | $348.8 | $449.0 | $230.1 |
| $1,235.0 | $1,972.0 | $2,276.2 | $2,203.0 | $2,399.5 | $2,110.1 | $1,695.8 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.0 | ($0.5) | $32.4 | $14.1 | $20.4 | $4.0 |
| $0.0 | $50.1 | $66.1 | $65.4 | $51.8 | $54.1 |
| $0.0 | $70.9 | $40.5 | $106.4 | $178.0 | $353.2 |
| $0.0 | $201.3 | $217.7 | $308.5 | $268.9 | $330.3 |
| $0.0 | $5.6 | $0.8 | $79.8 | $39.6 | $37.2 |
| $0.0 | $212.5 | $185.6 | $254.9 | $280.9 | $196.8 |
| $0.0 | $360.7 | $460.4 | $493.8 | $620.0 | $117.9 |
| $0.0 | $78.4 | $79.9 | $139.3 | $251.4 | $173.9 |
| $0.0 | $979.0 | $1,083.4 | $1,462.2 | $1,711.0 | $1,267.4 |
| $0.0 | $287.0 | $246.0 | $469.0 | $437.0 | $570.0 |
| $0.0 | $272.4 | $478.0 | $437.3 | $374.2 | $456.9 |
| $0.0 | $1,838.2 | $2,174.0 | $2,574.0 | $2,736.3 | $2,609.2 |

Other Asian ANE Countries, ODA

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $5.1 | $5.0 | $9.5 | $9.6 | $8.7 | $10.8 |
| Denmark | $1.0 | $2.9 | $2.3 | $4.6 | $6.6 | $1.8 |
| France | $24.9 | $10.7 | $29.2 | $38.0 | $34.7 | $26.0 |
| Germany | $36.5 | $49.0 | $29.4 | $33.7 | $34.2 | $22.2 |
| Italy | $50.7 | ($3.3) | ($0.2) | ($2.0) | ($1.8) | $7.1 |
| The Netherlands | $17.7 | $14.7 | $25.8 | $20.9 | $25.0 | $13.8 |
| United Kingdom | $10.2 | $15.6 | $19.7 | $19.5 | $16.0 | $7.5 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $146.1 | $94.6 | $115.7 | $124.3 | $123.4 | $89.2 |
| US | $237.0 | $163.0 | $186.0 | $79.0 | $105.0 | $142.0 |
| Japan | $124.1 | $179.5 | $257.9 | $292.7 | $260.0 | $286.5 |
| *Total DAC Bilateral* | $520.6 | $455.0 | $573.7 | $520.2 | $522.7 | $534.1 |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $1.7 | $2.0 | $4.6 | $6.5 | $6.2 | $6.1 |
| Denmark | $0.6 | $0.7 | $0.8 | $0.7 | $0.7 | $0.7 |
| France | $4.5 | $4.6 | $1.5 | $5.4 | $3.7 | $6.5 |
| Germany | $16.3 | $16.9 | $22.3 | $30.1 | $26.4 | $27.7 |
| Italy | $0.0 | $0.1 | $0.2 | $0.1 | $2.2 | $3.3 |
| The Netherlands | $28.4 | $40.7 | $44.0 | $36.9 | $23.6 | $31.0 |
| United Kingdom | $13.9 | $8.5 | $12.0 | $10.8 | $9.6 | $12.2 |
| EEC Multilateral | $0.7 | $3.1 | $0.6 | $11.1 | $2.1 | $3.4 |
| Total EEC | $66.1 | $76.6 | $86.0 | $101.6 | $74.5 | $90.9 |
| US | $55.0 | $68.0 | $51.0 | $68.0 | $63.0 | $55.0 |
| Japan | $59.6 | $72.3 | $100.8 | $67.9 | $72.0 | $66.5 |
| *Total DAC Bilateral* | $335.7 | $436.8 | $487.0 | $547.4 | $581.7 | $514.2 |

Other Asian ANE Countries, ODA

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $10.2 | ($0.2) | $10.6 | $29.1 | $8.5 | $16.2 | $10.3 |
| $1.3 | $8.9 | $20.8 | $13.4 | $20.4 | $3.1 | $7.3 |
| $14.5 | $33.1 | $28.0 | $46.3 | $59.6 | $30.2 | $31.3 |
| $14.6 | $18.5 | $65.6 | $102.5 | $206.5 | $178.7 | $66.0 |
| ($5.2) | ($2.3) | ($2.9) | $3.1 | ($2.1) | $0.9 | $3.5 |
| $27.2 | $21.6 | $22.6 | $60.2 | $43.8 | $75.3 | $30.7 |
| $11.5 | $4.9 | $2.9 | $6.6 | $5.2 | $0.9 | $10.0 |
| $0.0 | $0.1 | $2.5 | $1.5 | $2.3 | $19.0 | $2.1 |
| $74.1 | $84.6 | $150.1 | $262.7 | $344.2 | $324.3 | $161.1 |
| $126.0 | $167.0 | $188.0 | $102.0 | $89.0 | $67.0 | $137.6 |
| $183.0 | $399.0 | $529.4 | $585.1 | $637.5 | $516.4 | $354.3 |
| $379.9 | $672.5 | $871.9 | $1,031.8 | $1,100.7 | $933.1 | $676.4 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $5.8 | $6.5 | $6.2 | $10.6 | $7.8 | $7.9 | $6.0 |
| $1.0 | $0.8 | $1.9 | $1.6 | $1.5 | $0.8 | $1.0 |
| $4.2 | $0.9 | $2.3 | $9.1 | $10.3 | $10.6 | $5.3 |
| $30.9 | $40.8 | $71.1 | $61.4 | $62.0 | $73.3 | $39.9 |
| $3.9 | $0.3 | $2.6 | $2.2 | $1.3 | $3.9 | $1.7 |
| $23.3 | $40.6 | $62.9 | $37.0 | $40.5 | $42.0 | $37.6 |
| $14.7 | $21.2 | $33.9 | $49.9 | $35.9 | $31.8 | $21.2 |
| $7.1 | $7.3 | $10.6 | $5.4 | $46.5 | $21.8 | $10.0 |
| $90.9 | $118.4 | $191.5 | $177.2 | $205.8 | $192.1 | $122.6 |
| $80.0 | $52.0 | $55.0 | $83.0 | $87.0 | $94.0 | $68.4 |
| $66.4 | $102.5 | $149.7 | $206.3 | $216.8 | $195.8 | $114.7 |
| $563.8 | $634.1 | $764.1 | $872.5 | $883.5 | $880.8 | $625.1 |

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.2 | $0.4 | $2.1 | $2.5 | $3.1 | $3.2 |
| Denmark | $0.5 | $0.4 | $0.7 | $0.7 | $0.6 | $0.7 |
| France | $0.3 | $0.3 | $0.0 | $0.0 | $0.0 | $0.0 |
| Germany | $14.2 | $16.2 | $19.3 | $29.9 | $28.5 | $32.5 |
| Italy | $0.0 | $0.1 | $0.2 | $0.1 | $0.1 | $0.0 |
| The Netherlands | $9.4 | $10.1 | $13.8 | $22.7 | $16.8 | $22.2 |
| United Kingdom | $6.4 | $7.5 | $8.7 | $9.2 | $8.7 | $11.1 |
| EEC Multilateral | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total EEC | $31.0 | $35.0 | $44.8 | $65.1 | $57.8 | $69.7 |
| US | $49.0 | $42.0 | $38.0 | $33.0 | $27.0 | $23.0 |
| Japan | $7.9 | $12.1 | $16.7 | $18.6 | $24.7 | $31.8 |
| *Total DAC Bilateral* | $90.2 | $91.8 | $191.2 | $231.5 | $193.9 | $174.9 |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $6.8 | $7.0 | $14.2 | $16.0 | $15.0 | $17.0 |
| Denmark | $1.6 | $3.7 | $3.2 | $5.2 | $7.3 | $2.8 |
| France | $31.9 | $15.9 | $31.4 | $42.5 | $38.7 | $27.6 |
| Germany | $65.4 | $77.9 | $67.4 | $86.9 | $80.5 | $76.8 |
| Italy | $50.7 | $3.1 | $2.0 | $0.1 | $2.2 | $10.4 |
| The Netherlands | $46.4 | $59.7 | $70.2 | $59.0 | $50.1 | $46.8 |
| United Kingdom | $24.2 | $24.3 | $32.3 | $30.8 | $26.1 | $21.0 |
| EEC Multilateral | $0.7 | $3.1 | $0.6 | $11.1 | $2.1 | $3.4 |
| Total EEC | $227.7 | $194.7 | $221.3 | $251.6 | $222.0 | $205.8 |
| US | $388.0 | $240.0 | $256.0 | $155.0 | $178.0 | $210.0 |
| Japan | $196.9 | $269.9 | $368.2 | $374.9 | $349.1 | $379.9 |
| *Total DAC Bilateral* | $981.8 | $942.4 | $1,098.8 | $1,117.8 | $1,159.5 | $1,116.9 |

Other Asian ANE Countries, ODA

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $2.2 | $3.1 | $3.7 | $3.6 | $3.3 | $3.6 | $2.6 |
| $0.7 | $0.8 | $1.8 | $1.6 | $1.5 | $0.8 | $0.9 |
| $0.0 | $0.0 | $0.0 | $9.1 | $7.8 | $9.8 | $2.3 |
| $34.1 | $40.1 | $49.3 | $61.3 | $59.6 | $66.0 | $37.6 |
| $0.7 | $0.3 | $1.1 | $0.3 | $1.3 | $3.3 | $0.6 |
| $20.7 | $25.3 | $25.8 | $32.9 | $36.9 | $37.9 | $22.9 |
| $10.9 | $15.1 | $18.1 | $25.8 | $17.5 | $13.5 | $12.7 |
| $0.0 | $0.2 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| $69.3 | $84.9 | $99.8 | $134.6 | $127.9 | $134.9 | $79.6 |
| $23.0 | $24.0 | $24.0 | $33.0 | $55.0 | $77.0 | $37.3 |
| $40.8 | $64.4 | $67.6 | $83.0 | $100.8 | $96.9 | $47.1 |
| $152.1 | $205.9 | $220.7 | $289.5 | $328.8 | $367.0 | $211.5 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $16.3 | $6.5 | $17.3 | $40.6 | $17.2 | $24.9 | $16.6 |
| $2.9 | $10.3 | $23.5 | $15.7 | $22.8 | $4.6 | $8.6 |
| $19.6 | $39.1 | $35.3 | $61.0 | $75.8 | $45.6 | $38.7 |
| $71.5 | $85.8 | $171.3 | $198.1 | $285.4 | $278.0 | $128.8 |
| $3.9 | $0.3 | $2.6 | $11.5 | $1.3 | $7.1 | $7.9 |
| $54.2 | $65.7 | $91.2 | $103.9 | $91.8 | $125.4 | $72.0 |
| $27.6 | $27.8 | $40.9 | $61.3 | $46.0 | $37.7 | $33.3 |
| $7.1 | $7.5 | $13.4 | $7.1 | $48.8 | $41.1 | $12.2 |
| $203.1 | $243.0 | $395.5 | $499.2 | $589.1 | $564.4 | $318.1 |
| $224.0 | $246.0 | $275.0 | $218.0 | $223.0 | $211.0 | $235.3 |
| $293.7 | $571.9 | $764.4 | $900.2 | $978.7 | $860.2 | $525.7 |
| $1,059.3 | $1,445.4 | $1,812.1 | $2,109.0 | $2,198.3 | $2,063.6 | $1,425.4 |

Other Asian ANE Countries, ODA

| Total Net ODA | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $6.8 | $7.0 | $14.1 | $16.1 | $14.9 | $16.9 |
| Denmark | $1.6 | $3.6 | $3.1 | $5.3 | $7.3 | $2.5 |
| France | $29.4 | $15.3 | $30.7 | $43.4 | $38.4 | $32.5 |
| Germany | $52.8 | $65.9 | $51.7 | $63.8 | $60.6 | $49.9 |
| Italy | $50.7 | ($3.2) | $0.0 | ($1.9) | $0.4 | $10.4 |
| The Netherlands | $46.1 | $55.4 | $69.8 | $57.8 | $48.6 | $44.8 |
| United Kingdom | $24.1 | $24.1 | $31.7 | $30.3 | $25.6 | $19.7 |
| EEC Multilateral | $0.7 | $3.1 | $0.6 | $11.1 | $2.1 | $3.4 |
| Total EEC | $212.2 | $171.2 | $201.7 | $225.9 | $197.9 | $180.1 |
| US | $292.0 | $231.0 | $247.0 | $147.0 | $168.0 | $197.0 |
| Japan | $183.7 | $251.8 | $358.7 | $360.6 | $332.0 | $353.0 |
| *Total DAC Bilateral* | $856.3 | $891.8 | $1,060.7 | $1,067.6 | $1,104.4 | $1,048.3 |

| Total Net Receipts | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $15.4 | $10.9 | $23.4 | $25.6 | $21.5 | $252.5 |
| Denmark | $0.0 | $2.0 | $24.0 | $3.8 | $6.6 | $85.8 |
| France | $15.7 | $21.2 | $238.0 | $91.3 | $112.8 | $184.5 |
| Germany | $78.4 | $50.8 | $4.7 | $65.3 | $108.1 | $214.8 |
| Italy | $44.5 | ($14.7) | ($3.1) | $4.8 | $10.2 | $26.3 |
| The Netherlands | $46.7 | $58.2 | $80.0 | $74.4 | $66.4 | $59.2 |
| United Kingdom | $38.6 | $36.0 | $41.1 | $84.4 | $190.6 | $25.7 |
| EEC Multilateral | $0.7 | $3.1 | $0.6 | $11.1 | $2.1 | $3.4 |
| Total EEC | $240.0 | $167.5 | $408.7 | $360.7 | $518.3 | $852.2 |
| US | $369.0 | $458.0 | $538.0 | $160.0 | $1,258.0 | $805.0 |
| Japan | $426.6 | $399.9 | $866.1 | $767.0 | $890.2 | $1,438.9 |
| *Total DAC Bilateral* | $1,240.3 | $1,313.5 | $2,097.1 | $1,636.1 | $3,056.5 | $3,630.6 |

Other Asian ANE Countries, ODA

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $16.0 | $6.3 | $16.8 | $39.7 | $16.3 | $24.1 | $16.3 |
| $2.3 | $9.7 | $22.7 | $15.0 | $21.9 | $3.9 | $8.2 |
| $18.7 | $34.0 | $30.3 | $55.4 | $69.9 | $40.8 | $36.6 |
| $45.5 | $59.3 | $136.7 | $163.9 | $268.5 | $252.0 | $105.9 |
| ($1.3) | ($2.0) | ($0.3) | $5.3 | ($0.8) | $4.8 | $5.2 |
| $50.5 | $62.2 | $85.5 | $97.2 | $84.3 | $117.3 | $68.3 |
| $26.2 | $26.1 | $36.8 | $56.5 | $41.1 | $32.7 | $31.2 |
| $7.1 | $7.4 | $13.1 | $6.9 | $48.8 | $40.8 | $12.1 |
| $165.0 | $203.0 | $341.6 | $439.9 | $550.0 | $516.4 | $283.7 |
| $206.0 | $219.0 | $243.0 | $185.0 | $176.0 | $161.0 | $206.0 |
| $249.4 | $501.5 | $679.1 | $791.4 | $854.3 | $712.2 | $469.0 |
| $943.7 | $1,306.6 | $1,636.0 | $1,904.3 | $1,984.2 | $1,813.9 | $1,301.5 |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| $0.0 | ($8.4) | ($4.9) | $315.4 | $366.6 | $26.1 | $87.0 |
| $0.0 | $77.7 | $16.0 | $37.9 | $112.3 | $88.0 | $37.8 |
| $0.0 | $55.2 | ($22.0) | $59.3 | $163.1 | $187.6 | $92.2 |
| $0.0 | $136.4 | $188.1 | $165.4 | $755.1 | $495.0 | $188.5 |
| $0.0 | $116.2 | $0.3 | $27.8 | $94.1 | $84.3 | $32.6 |
| $0.0 | $48.1 | $84.8 | $87.6 | $87.3 | $150.7 | $70.3 |
| $0.0 | $44.3 | $138.0 | $161.7 | $227.5 | $298.2 | $107.2 |
| $0.0 | $7.5 | $17.0 | $17.5 | $50.5 | $51.0 | $13.7 |
| $0.0 | $477.0 | $417.3 | $872.6 | $1,856.5 | $1,380.9 | $629.3 |
| $1.0 | $472.0 | $463.0 | $575.0 | $874.0 | $692.0 | $555.4 |
| $0.0 | $1,466.5 | $1,004.6 | $1,227.4 | $3,215.5 | $35,008.1 | $3,892.6 |
| $0.0 | $3,035.6 | $2,336.6 | $3,452.9 | $6,481.5 | $4,283.1 | $2,717.8 |

ODA Flows 1982-83 (OECD Data). Bangladesh

| Net ODA Loans | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | | | | $3.2 | $2.7 | $3.9 |
| Denmark | | | $1.5 | $5.4 | $1.1 | $1.3 |
| France | | | | | $2.0 | $3.8 |
| Germany | | | $43.0 | $37.0 | $47.1 | $57.8 |
| Italy | | | | | | |
| The Netherlands | | | | $8.9 | $10.0 | $2.7 |
| United Kingdom | | $5.4 | $3.4 | $2.4 | $16.7 | $2.8 |
| EEC Multilateral | | | | | | |
| Total EEC | $0.0 | $5.4 | $47.9 | $56.9 | $79.6 | $72.3 |
| US | | | $15.0 | $41.0 | $333.0 | $71.0 |
| Japan | | $7.3 | $12.3 | $17.3 | $29.4 | $26.7 |
| *Total DAC Bilateral* | | *$13.5* | *$86.4* | *$117.3* | *$449.0* | *$172.3* |

| Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | | | $1.0 | $1.0 | $1.1 | $0.1 |
| Denmark | | $2.1 | $3.9 | $4.3 | $8.3 | $4.9 |
| France | | $2.3 | $1.3 | $4.2 | $5.1 | $5.6 |
| Germany | | $10.7 | $10.9 | $16.6 | $21.0 | $18.8 |
| Italy | | | | | $2.2 | |
| The Netherlands | $2.6 | $5.6 | $2.4 | $9.2 | $16.8 | $9.0 |
| United Kingdom | | $0.9 | $3.1 | $12.7 | $15.0 | $22.0 |
| EEC Multilateral | $6.0 | $7.8 | $35.1 | $40.2 | $60.7 | $15.2 |
| Total EEC | $8.6 | $29.4 | $57.7 | $88.2 | $130.2 | $75.6 |
| US | | $78.0 | $120.0 | $63.0 | $46.0 | $4.0 |
| Japan | | $10.2 | $16.7 | $4.0 | $17.6 | $4.8 |
| *Total DAC Bilateral* | *$9.4* | *$186.1* | *$220.6* | *$226.8* | *$254.9* | *$147.3* |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $4.2 | | $11.9 | $7.7 | | $4.9 |
| $3.5 | $4.1 | ($7.9) | $10.6 | $4.3 | $2.0 |
| $4.8 | $4.8 | $4.4 | $9.0 | ($6.4) | $5.1 |
| $32.4 | $25.0 | $34.8 | ($371.0) | $5.4 | $1.0 |
| $7.4 | ($34.4) | | | $13.0 | $0.3 |
| $0.4 | $0.3 | $1.4 | ($54.1) | ($0.9) | ($1.1) |
| $52.7 | ($0.2) | $44.6 | ($397.8) | $15.4 | $12.2 |
| $63.0 | $65.0 | $33.0 | $31.0 | $24.0 | $25.0 |
| $45.7 | $95.9 | $161.3 | $172.3 | $89.9 | $167.1 |
| *$52.7* | *$135.3* | *$236.5* | *($194.4)* | *$129.3* | *$204.4* |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.7 | $0.2 | $2.8 | $1.2 | $1.6 | $0.5 |
| $6.1 | $19.5 | $28.3 | $18.3 | $16.8 | $22.6 |
| $4.8 | $3.6 | $7.2 | $11.5 | $30.8 | $11.7 |
| $19.4 | $24.6 | $51.8 | $485.6 | $95.8 | $81.7 |
| $0.1 | $1.3 | $0.0 | $1.2 | $0.0 | $0.1 |
| $19.7 | $98.0 | $45.9 | $53.2 | $41.6 | $71.9 |
| $38.0 | $84.1 | $70.3 | $153.1 | $68.4 | $39.9 |
| $44.2 | $29.7 | $22.2 | $33.0 | $53.8 | $67.3 |
| $133.0 | $261.0 | $228.5 | $757.1 | $308.3 | $295.7 |
| $18.0 | $100.0 | $124.0 | $143.0 | $94.0 | $160.0 |
| $20.2 | $23.8 | $45.0 | $42.8 | $55.1 | $48.7 |
| *$222.3* | *$531.2* | *$538.6* | *$1,044.7* | *$543.4* | *$617.6* |

| Tech. Coop. Grants | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | | | | | | $0.1 |
| Denmark | | | $0.4 | $0.7 | $1.2 | $0.7 |
| France | | $2.5 | $3.3 | $7.7 | $16.2 | $5.6 |
| Germany | | $0.6 | $0.5 | $1.2 | $2.8 | $4.4 |
| Italy | | $0.4 | $1.5 | $2.1 | $2.3 | $2.3 |
| The Netherlands | | | | | | |
| United Kingdom | | | | | | |
| EEC Multilateral | | | | | | |
| Total EEC | $0.0 | $3.5 | $5.7 | $11.7 | $22.5 | $13.1 |
| US | | | | $1.0 | $1.0 | |
| Japan | | $0.1 | $0.9 | $2.2 | $2.2 | $1.8 |
| *Total DAC Bilateral* | | *$4.0* | *$7.5* | *$16.0* | *$27.8* | *$17.2* |

| ODA Total Gross | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | | | $1.0 | $4.2 | $3.8 | $4.0 |
| Denmark | | $2.1 | $5.4 | $9.8 | $9.4 | $6.2 |
| France | | $2.3 | $1.3 | $4.2 | $7.1 | $9.4 |
| Germany | | $10.7 | $53.9 | $55.2 | $69.6 | $78.4 |
| Italy | | | | | $2.2 | |
| The Netherlands | $2.6 | $5.6 | $2.4 | $18.2 | $26.7 | $11.8 |
| United Kingdom | | $6.3 | $6.5 | $15.1 | $31.8 | $24.8 |
| EEC Multilateral | $6.0 | $7.8 | $35.1 | $40.2 | $60.7 | $15.2 |
| Total EEC | $8.6 | $34.8 | $105.6 | $146.9 | $211.3 | $149.8 |
| US | | $78.0 | $135.0 | $104.0 | $379.0 | $161.0 |
| Japan | | $17.4 | $29.0 | $21.3 | $129.6 | $31.5 |
| *Total DAC Bilateral* | *$9.4* | *$199.6* | *$307.0* | *$345.9* | *$788.1* | *$408.7* |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $0.2 | $0.2 | $0.3 | $0.5 | $0.6 | $0.4 |
| $1.8 | $4.5 | $7.4 | $9.8 | $10.4 | $8.6 |
| | | | $0.2 | $0.2 | $0.5 |
| $4.4 | $10.9 | $15.8 | $12.9 | $15.0 | $11.3 |
| $0.1 | $0.1 | $0.0 | $0.0 | $0.0 | $0.1 |
| $7.4 | $4.6 | $6.1 | $9.3 | $8.5 | $8.9 |
| $3.1 | $5.5 | $8.1 | $12.1 | $9.2 | $8.2 |
| $17.0 | $25.8 | $37.7 | $44.8 | $43.9 | $38.0 |
| $2.0 | $27.0 | $54.0 | $52.0 | $38.0 | $40.0 |
| $2.9 | $5.3 | $5.3 | $6.3 | $6.8 | $6.2 |
| *$25.7* | *$63.4* | *$102.1* | *$110.5* | *$98.7* | *$93.5* |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $4.8 | $0.2 | $14.7 | $8.8 | $1.6 | $5.4 |
| $9.6 | $23.6 | $32.7 | $28.9 | $21.0 | $24.6 |
| $9.6 | $8.4 | $11.6 | $20.5 | $38.8 | $16.7 |
| $59.1 | $58.0 | $96.1 | $485.6 | $95.8 | $82.7 |
| $0.1 | $1.3 | $0.0 | $1.2 | $0.0 | $0.1 |
| $27.1 | $100.9 | $51.2 | $55.2 | $55.2 | $73.6 |
| $38.4 | $84.4 | $72.1 | $154.0 | $68.4 | $40.2 |
| $44.2 | $29.8 | $22.3 | $33.2 | $53.8 | $67.5 |
| $192.9 | $306.6 | $300.7 | $787.4 | $334.6 | $310.8 |
| $81.0 | $166.0 | $157.0 | $174.0 | $128.0 | $193.0 |
| $65.9 | $119.6 | $206.3 | $215.1 | $145.0 | $215.8 |
| *$392.0* | *$738.7* | *$805.0* | *$1,278.2* | *$693.1* | *$832.8* |



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ODA Flows 1982-83 (OECD Data): Bangladesh

| **Total Net ODA** | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | $0.0 | $0.0 | $1.0 | $4.2 | $3.8 | $4.0 |
| Denmark | $0.0 | $2.1 | $5.4 | $9.7 | $9.4 | $6.2 |
| France | $0.0 | $2.3 | $1.3 | $4.2 | $7.1 | $9.4 |
| Germany | $0.0 | $10.7 | $53.9 | $53.6 | $68.1 | $76.6 |
| Italy | $0.0 | $0.0 | $0.0 | $0.0 | $2.2 | $0.0 |
| The Netherlands | $2.6 | $5.6 | $2.4 | $18.1 | $26.8 | $11.7 |
| United Kingdom | $0.0 | $6.3 | $6.5 | $15.1 | $31.7 | $24.8 |
| EEC Multilateral | $6.0 | $7.8 | $35.1 | $40.2 | $60.7 | $15.2 |
| Total EEC | $8.6 | $34.8 | $105.6 | $145.1 | $209.8 | $147.9 |
| US | $0.0 | $78.0 | $135.0 | $104.0 | $379.0 | $75.0 |
| Japan | $0.0 | $17.5 | $29.0 | $21.3 | $47.0 | $31.5 |
| *Total DAC Bilateral* | *$9.4* | *$199.6* | *$307.0* | *$344.1* | *$703.9* | *$319.6* |

| **Total Net Receipts** | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|
| Belgium | | | $1.0 | $4.2 | $3.8 | $4.0 |
| Denmark | | $2.1 | $5.4 | $9.8 | $9.4 | $6.2 |
| France | | $2.3 | $1.3 | $4.2 | $7.1 | $11.2 |
| Germany | | $8.8 | $52.7 | $43.5 | $65.9 | $77.6 |
| Italy | | | | | $2.2 | |
| The Netherlands | $2.6 | $5.6 | $2.4 | $18.2 | $26.7 | $11.8 |
| United Kingdom | | $6.4 | $22.3 | $32.3 | $24.9 | $29.5 |
| EEC Multilateral | $6.0 | $7.8 | $35.1 | $40.2 | $60.7 | $15.2 |
| Total EEC | $8.6 | $33.0 | $120.2 | $152.4 | $200.7 | $155.5 |
| US | | $78.0 | $135.0 | $104.0 | $379.0 | $77.0 |
| Japan | | $17.4 | $29.0 | $21.9 | $46.6 | $31.4 |
| *Total DAC Bilateral* | *$9.4* | *$197.8* | *$321.6* | *$352.0* | *$694.5* | *$329.2* |

ODA Flows 1982-83 (OECD Data): Bangladesh

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| $4.9 | $0.2 | $14.7 | $8.9 | $1.6 | $5.4 |
| $9.6 | $23.6 | $20.4 | $28.9 | $21.1 | $24.6 |
| $9.6 | $8.4 | $11.6 | $20.5 | $24.4 | $16.8 |
| $51.8 | $49.6 | $86.6 | $114.6 | $101.2 | $82.7 |
| $0.1 | $1.3 | $0.0 | $1.2 | $0.0 | $0.1 |
| $27.1 | $63.6 | $45.9 | $53.2 | $54.6 | $72.2 |
| $38.4 | $84.4 | $71.7 | $99.0 | $67.5 | $38.8 |
| $44.2 | $29.7 | $22.2 | $33.0 | $53.8 | $67.3 |
| $185.7 | $260.8 | $273.1 | $359.3 | $324.2 | $307.9 |
| $81.0 | $165.0 | $157.0 | $174.0 | $118.0 | $185.0 |
| $65.9 | $119.7 | $206.3 | $215.1 | $145.0 | $215.8 |
| *$275.0* | *$666.5* | *$775.1* | *$850.3* | *$672.7* | *$822.0* |

| 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| | $0.3 | $14.7 | $8.9 | $1.6 | $5.4 |
| | $23.6 | $20.3 | $28.9 | $21.0 | $24.6 |
| | $14.6 | $18.9 | $23.3 | $30.9 | $31.6 |
| | $48.6 | $86.8 | $114.5 | $100.6 | $82.0 |
| | $1.3 | $0.0 | $1.2 | $0.0 | $0.2 |
| | $63.6 | $45.9 | $53.2 | $55.3 | $72.2 |
| | $89.4 | $63.2 | $99.1 | $61.8 | $60.6 |
| | $29.8 | $22.3 | $33.2 | $53.8 | $67.5 |
| $0.0 | $271.2 | $272.1 | $362.3 | $325.0 | $344.1 |
| | $165.0 | $157.0 | $174.0 | $118.0 | $185.0 |
| | $120.5 | $204.8 | $220.6 | $146.9 | $215.2 |
| | *$677.7* | *$772.8* | *$858.8* | *$649.1* | *$856.2* |