U.S. Trade Trends and Issues: Executive Summary/Highlights

This paper examines some salient trends in U.S. export performance and reviews the factors that affect the trade balance. The analysis of trends highlights four findings that emerge from the data: (1) the boom in U.S. exports over the 1985-1991 period; (2) the growing importance of LDC trade for the U.S.; (3) the positive impact of policy reforms in LDCs on demand for U.S. exports; and (4) U.S. success in competing with Japan and the EC in LDCs, particularly with respect to manufactured exports.

U.S. Export Performance

U.S. exports of goods and services in the 1960's and 1970's ranged between 4 percent and 8 percent of GNP (in constant dollars), and then rose to 11 percent by the start of the 1990's. Merchandise exports accounted for 70 percent of the growth in U.S. GDP from 1988 to 1991 (constant 1987 dollars). Between 1985 and 1991 merchandise exports rose from just over $200 billion to a record $413 billion. Capital equipment has accounted for over half of the overall expansion of U.S. merchandise exports during the last three years, and has risen to 41 percent of U.S. exports compared to 30 percent in the late 1960's.

Trade Patterns with Developing Countries

Trading Partners. LDCs are the fastest growing market for U.S. exports. Over the past year (1990-1991) the growth rate in U.S. exports to LDCs (13.8 percent) was more than four times higher than the rate to developed countries (3.2 percent). This reflects a consistent medium-term shift in trade shares away from the industrialized nations and toward LDCs.

Trade with A.I.D. Regions. During the 1986-1990 period, U.S. merchandise exports to A.I.D.-assisted countries rose almost 70 percent. Exports to Asia showed the largest increase relative to other A.I.D. regions, growing 118 percent. However, the Near East Region accounts for the largest share of exports (33 percent) to A.I.D.-assisted countries, followed by the Latin American region (27 percent). The overall distribution of export shares has remained fairly constant.

Trade and Policy Reforms. Policy reform has led to expanded overseas markets for U.S. exports. The value of U.S. exports to the 27 policy reformers receiving foreign assistance from A.I.D. increased by almost $7 billion, or 98 percent between 1986 and 1990. In contrast, the value of merchandise exports to nonreformers only rose 39 percent or $3.4 billion. This pattern is consistent across all A.I.D. geographic bureaus.

US Manufactured Export Performance Compared with Japan and EC. Growth of U.S. exports of manufactures to all developing countries outstripped that of the EC and Japan from 1985-1989: U.S. manufactured exports to developing countries grew on average by 16.1% per year compared to 8.2% and 13.8% for EC and Japan respectively. A regional breakdown of these data confirms superior performance by U.S. exporters in each region.

The Trade Balance

Both theory and historical experience confirm that overall trade imbalances are fundamentally determined by macroeconomic policies and conditions. Many factors influence the bilateral trade balances between specific countries. It is widely accepted in the modern trade literature that in a world of many countries and many commodities, it is neither necessary nor desirable for a nation to seek to balance its trade accounts with any particular country or region.

Savings and Investment. A current account deficit occurs whenever national investment exceeds national saving (private saving plus public savings, which is the difference between taxes and government spending). Net foreign capital flows make up the difference between national saving and national investment. The current account deficit disappears if and only if policies bring national savings into line with national invesment. The current account includes trade in goods and services, and also transfers.

Macroeconomic policies and trade. The experience of the 1980's illustrates how macroeconomic conditions and policies affect trade (and current account) balances. A primary cause of the deteriorating trade balance in the first half of the 1980's was the tremendous appreciation of the dollar against major foreign currencies, which was, in turn, driven by changes in the macroeconomic environment. Growing fiscal deficits together with tight monetary policy caused real interest rates to rise sharply in the early 80s. The budget deficit rose from 2.5 percent of GNP in 1980 to more than 6 percent of GNP in 1983, thereby lowering national savings. Lower U.S. tax rates, the prospect of sustained lower inflation, and high real interest rates attracted funds from abroad to invest in dollar securities. As a result, increased demand for U.S. dollars on foreign exchange markets caused the dollar to appreciate. In early 1985, the dollar peaked and then began to decline rapidly. By mid 1988, the dollar had reached its 1980 level. The sharp depreciation was due partly government intervention in foreign exchange markets, and to lower real interest rates which in turn reflected progress and the promise of progress in reducing the budget deficit. The response to exchange rate changes was delayed, but dramatic. The volume of U.S. merchandise exports almost doubled from 1985 to 1991 and the trade deficit has been falling since 1987.

U.S. TRADE TRENDS AND ISSUES

Introduction and Summary

The purpose of this paper is to: (1) examine recent trends in overall U.S. trade patterns, both overall and with developing countries, and (2) review the key factors that affect the trade and current account balances and U.S. export performance in world markets. (A separate paper looks at the more specific issue of competitiveness.) A concluding section briefly considers the outlook and implications for foreign assistance.

The analysis of trends highlights a number of findings that emerge from the data: (1) trade plays an increasingly important role in the U.S. economy; (2) the period since 1985 has seen a boom in U.S. exports, which has substantially narrowed the U.S. trade and current account deficits; (3) exports of capital goods, which include sectors of concern from a competitiveness/high technology standpoint, have expanded particularly rapidly; 4) exports to LDCs have expanded particularly rapidly, and their role as markets for U.S. exports is increasing relative to industrial countries; (5) both globally and in developing countries, U.S. export performance has been superior to that of other industrialized countries since 1986; and (6) among developing countries, U.S. exports to those LDCs characterized as policy reformers have expanded twice a rapidly as exports to those characterized as non-reformers. The review of key factors indicates that macroeconomic conditions and policies fundamentally determine export performance and trends in U.S. external deficits. In particular the review highlights the role of economic growth and increased openness abroad, and U.S. fiscal and monetary policy, working through the exchange rate.

The outlook depends on these same factors, and the picture is mixed. With respect to implications for foreign assistance, it is clear that foreign aid aimed at development promotes U.S. trade interests by contributing to growth and increased openness in developing economies. Arguments for using foreign assistance to promote U.S. exports more directly typically rest on two premises: that U.S. export performance is lagging and needs bolstering, and that foreign assistance can make a difference. Neither premise is supported by the analysis of trends and fundamental factors.

The Expanding Role of Trade in the U.S. Economy

In the past the United States was a relatively "closed" economy in the sense that producers mainly focused on the domestic market and foreign trade comprised a small fraction of overall economic activity. U.S. <u>exports of goods and services</u> accounted for only

4 percent of Gross Domestic Product in 1959-61.[1] Over the next two decades this share grew fairly steadily, to 5% in 1969-71 and 8% in 1979-81. For reasons discussed later in the paper, the share fell back to 7% in the mid-1980s, but then rebounded to reach 11% in 1991.

Turning from goods and services to goods alone provides an alternative view of the growing importance of trade to the U.S. economy. U.S. merchandise exports accounted for 21% of U.S. goods production in 1991, compared with 9% in 1960. (Besides goods, the other major components of GDP are services and structures.) Further evidence of the importance of exports to the U.S. economy is that the increase in exports of goods and services accounted for 89% of the growth of U.S. GDP from 1988 to 1991, while increases in net exports (i.e. exports minus imports) accounted for 64%.

The role of imports (of goods and services) has also increased significantly, from 5% of GDP around 1960 to 7% around 1970; 8% around 1980; 11% over the second half of the 1980s; and 12% in 1991. Combining imports and exports, their value relative to GDP rose from 9% around 1960 to 16% in 1980 and 23% in 1991.

U.S. Trade Performance in the 1980s

World trade expanded sharply in the 1970's and 80's in response to economic growth in the world economy, trade liberalization efforts and policy reforms, the multilateral reductions in tariffs negotiated through GATT, lower transportation costs, and more efficient modes of communication. During the late 1970's the U.S. began recording modest but regular deficits on merchandise trade. However, throughout this period the U.S. ran strong surpluses in trade in services, mainly reflecting "capital services" representing income from past investments overseas. As a result, the current account balance recorded a small surplus most years until 1982.[2]

This comfortable situation changed drastically in the early 1980s, when the dollar appreciated substantially against other

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[1] The figures in this section are from The Economic Report of the President, 1992, Tables B-2, B-7, and B-19. The data in these tables are in constant, 1987 prices. Figures for 1991 were updated based on The Survey of Current Business, February 1992, published by the Commerce Department. These latter data are subject to further revision.

[2] The current account balance represents the sum of the merchandise trade balance, the balance on services, and net private and official transfers.

major currencies. As a result, the prices of most imports fell relative to competing U.S. products, while prices of most U.S. exports rose substantially compared with the products of competing suppliers in other countries. The impact on trade volumes was striking: from 1975 to 1980, merchandise exports and imports in constant prices had risen at roughly similar rates; 6.8% for exports and 7.6% for imports.[3] From 1980 to 1985, annual import growth accelerated to 9.2%, while exports declined in real terms by an average 2.0% per year. The gap between merchandise imports and exports continued to widen until 1987, when it peaked at $160 billion -- 3.5% of GNP. The trade deficits overwhelmed the former surplus on other elements in the current account, and by the mid-1980s the trade and current account deficits were virtually identical in size. This remained the case until 1989.

Beginning in 1985, the overvaluation of the dollar began to be reversed, and by 1988 the "real" exchange rate -- adjusted for relative price changes at home and abroad -- had returned to its pre-1980 neighborhood. In the meantime, the international recovery from the recession of the early 1980s was well underway by 1984. These developments contributed to a boom in worldwide investment and demand for capital goods. U.S. export industries have been some of the prime beneficiaries.

From 1985 to 1991, U.S. exports of goods and services grew at an average annual rate of nearly 10%, while import growth slowed to 3.5% per year. For merchandise exports and imports, the growth rates were about the same -- 10% and 3.9% respectively. The trade deficit for 1991 narrowed to $66 billion (1.2% of GDP), reflecting exports of $422 billion, and imports at $488 billion. The improvement in the current account was more dramatic, a deficit of only $8.6 billion (.15% of GDP) compared with $160 billion in 1987.[4] To most economists, the experience of the 1980s has provided a striking validation of orthodox theory concerning the international adjustment process, which emphasizes

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[3] These macroeconomic connections are outlined in the next section. The data in this section are based on The Economic Report of the President, 1992, Tables B-19 and B-100, except for the 1992 merchandise trade totals (Wall Street Journal, Feb 20, 1992, reporting Commerce Department Data) and the 1992 current account deficit (Wall Street Journal, March 18, 1992, reporting Commerce Department Data).

[4] This striking improvement reflects an exceptional factor, "exports" of military services during the 1991 Gulf Crisis that resulted in about $42 billion in contributions from Desert Storm allies. Allowing for this, trends in the current account deficit have been broadly in line with the positive trends in the trade deficit.

the roles of macroeconomic conditions and policies interacting with trade flows through the exchange rate. (See later discussion of "Factors Affecting the Trade and Current Account Deficits.")

U.S. Export Performance Compared with other Industrial Countries

In the midst of general concern and pessimism concerning the performance of the U.S. economy, there has been limited awareness of the export boom discussed above, and even less awareness that over the past six years (1986-1991) U.S. exports have consistently outpaced those of other major industrial countries. (See Table 1, based on IMF data.) For each year since 1986, U.S. merchandise exports have grown at a faster **real** growth rate than those of any of the other six major industrial countries (Japan, Germany, France, Italy, UK, and Canada). From 1986 to 1991 the average annual growth rate for U.S. exports was 10%, compared with 2.9% for Japan and 3.8% for Germany. This superior performance is expected to continue through 1993, according to IMF projections.[5]

A look at specific developing regions provides further detail that confirms superior U.S. export performance. (See Table 2, based on UN data.) Between 1986 and 1990 (the last year for which comparative data are available), U.S. merchandise exports to developing countries increased by 83% in nominal terms, compared with 54% for Japan and 48% for the European Community. The U.S. gained market share in each of the four main developing regions. Industrial country exports expanded fastest in Asia, where economic growth was most rapid, and policy regimes are generally more open. Here, U.S. exports increased by 113%, compared with 71% for Japan, and 82% for the European Community. In Latin America and the Caribbean, where the U.S. is the predominant exporter, U.S. exports rose by 74% compared with 12% for Japan and 44% for the EC. U.S. exports also grew faster in the Near East and in Africa, though the differences were not great in the latter case.[6]

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[5] The average annual rates are based on the annual rates provided in the table. Canada's real export growth rate in 1992 is projected to be slightly higher than the U.S. rate, 5.1 versus 4.7.

[6] Considering only manufactured exports, the results are much the same. For instance in developing Asia, U.S. manufactured exports increased by 118% (cf. 113% for merchandise exports). The increases for Japan and EC were 71% and 81% respectively.

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Trends in the Composition of U.S. Exports

Part of the concern and pessimism about U.S. economic performance, particularly export performance, revolves around a perception that the U.S. is losing out in high-tech areas. However, research recently carried out at the U.S. Federal Reserve "shows that, contrary to popular belief, America's advantage is in the production of high-technology capital goods, and that this advantage has been growing." ("America's Growing Economic Lead", Lawrence B. Lindsey, Member, Board of Governors of the Federal Reserve, published in the Wall Street Journal, February 7, 1992.)

Capital goods exports include items such as aircraft, high-tech medical equipment, computers, and oil exploration equipment. Capital goods exports were about 30% of total exports in the mid-1960s, a time when U.S. economic strength was generally unquestioned.[7] During the last half of the 1970s, capital goods exports comprised about one-third of merchandise exports each year. After fluctuating in the first half of the 1980s, this share jumped to 37% in the second half of the 1980s, and rose to 39% in 1991. In absolute terms, capital goods exports have grown from about $10 billion annually in the late 1960s to around $75 billion annually in the first half of the 1980s and $167 billion in 1991.

In contrast, exports of agricultural products accounted for almost one-fourth of merchandise exports in the mid-1960s, and only 10% in 1990 and 1991. While exports of agricultural products registered impressive growth during the post-1985 export boom (from $27 billion in 1986 to $40 billion in 1990, a gain of 48%) growth in non-agricultural exports was even more rapid (about $185 to $350 billion, an increase of almost 90%).

Lindsey's article points out that much of the recent U.S. success in exporting capital goods stems from increased investment and demand for capital goods in developing countries. He argues that "The most urgent message of this analysis is that encouraging faster world-wide economic development might be the single most effective policy for promoting the growth of exports."

[7] The figures in this section reflect data contained in The Economic Report of the President, 1992, Table B-101. 1991 figures for capital goods exports are updated based on The Survey of Current Business, February, 1992. This source did not permit updating of figures for agricultural exports, so 1990 totals were used. Ratics are based on current price data.

Trade with Developing Countries

LDCs are the fastest growing market for U.S. exports.[8] Between 1986 and 1991 U.S. exports to developing countries increased by 108% (from $71 billion to an estimated $148 billion), while exports to industrialized countries rose by 73% (from $223 billion to an estimated $260 billion). Consequently the share of U.S. exports going to industrial countries has dropped from 67% to 63%, and there has been a corresponding increase in the share for developing countries. According to the 1992 USTR annual report, over the past year (1990-1991) the growth rate in U.S. exports to LDCs (14.2 percent) was more than four times higher than the rate to developed countries (3.4 percent).

The underlying geographic pattern is indicated by the data in Table 2, from the UN. U.S. exports expanded most rapidly in Asia, where economic performance has been relatively good, and secondly in Latin America. These two regions account for the bulk of U.S. exports to developing countries.

The trend in the direction of a rising share of U.S. exports for developing countries has been quite sensitive to economic conditions in developing countries. The first half of the 1980s was a period when the debt crisis and the international recession led to much slower growth in developing countries, especially middle-income countries. Between 1980 and 1984, U.S. exports to developing countries dropped from $83 billion to $75 billion, and dropped further, to $71 billion in 1986. U.S. exports to industrial countries increased slightly from 1980 to 1984 ($137 to $141 billion) and rose further to $151 billion in 1986. For the 1990s the World Development Report 1991 foresees somewhat more rapid growth in the developing countries compared with industrial countries, and compared with the 1980s, suggesting that the role of developing countries as markets for U.S. exports will continue to be significant.

Trade and Policy Reforms

Economic policy reforms can lead to expanded markets for U.S. exports by encouraging greater openness and more rapid growth. The differences between countries that undertake policy reforms and those that do not are dramatic. In an independent exercise, A.I.D. economists grouped recipients into two categories, policy

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[8] Figures in this section for U.S. exports to industrial and developing countries are from The Economic Report of the President, 1992, Table B-102, and The Economic Report of the President, 1988, Table B-104. Annual figures for 1991 are based on results for the first three quarters. The discussion of economic growth in the 1990s is from p.3 of the World Development Report, 1991.

reformers and non-reformers. The value of U.S. exports to the 27 policy reformers receiving foreign assistance from A.I.D. increased by 98% between 1986 and 1990, almost $7 billion in absolute terms. In contrast, the rate of increase in non-reformers was only 39%, about $3.4 billion in absolute terms. This pattern of significantly more rapid U.S. export growth in countries characterized as policy reformers holds across all A.I.D. geographic bureaus. Further, it does not depend on a few isolated cases where U.S. exports are exceptionally large. If the average percentage increase in policy reformers is compared with the average percentage increase in non-reformers (thereby ignoring the level of exports in comparing the groups) the pattern still holds.

Factors Affecting the Trade and Current Account Deficits

Throughout the 1980s, attention has often focused heavily not just on exports, but on the U.S. trade and current account deficits.[9] There is a broad range of views as to the probable causes of the deficits. Some view the trade deficit as evidence of declining U.S. competitiveness in the global economy, the result of various factors including unfair trading practices by our competitors. However, both theory and historical experience confirm that overall trade and current account imbalances are fundamentally determined by macroeconomic policies and conditions.[10]

Attention has also focused on particular bilateral trade balances. Many factors influence the bilateral trade balances between specific countries: the composition of trade, the net savings position, economic characteristics, industrial structures, the pattern of protection, and anti-trust policies. However, it is widely accepted among international economists

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[9] These two measures of the balance of payments recieve the most attention. Most public discussion focuses on the trade balance, which measures the balance on **merchandise** trade, the difference between exports and imports of **goods**. However, economists pay at least as much attention to the **current account balance**, which provides a more comprehensive summary of a nation's economic dealings with the rest of the world. The current account balance combines two additional kinds of transactions, **services** and unrequited **transfers**.

[10] See, for instance: Paul Krugman, "Has the Adjustment Process Worked?" (Institute for International Economics); William Helkie and Peter Hooper, "The U.S. External Deficit in the 1980s: an Empirical Analysis" (Board of Governors of the Federal Reserve System Discussion Paper); and Steven Dunaway, "A Model of the U.S. Current Account." (IMF Staff Paper)

(and reflected in successive editions of the annual Economic Report of the President) that in a world of many countries and many commodities, it is neither important nor desirable for a nation to balance its trade accounts with any particular country or region. The overall trade balance therefore does not require bilateral trade to balance with each individual trading partner.

A nation's savings and investment behavior affects the trade balance through the flows of financial assets and investment between the United States and its trading partners. The merchandise trade balance measures the difference between the value of imported and exported goods. It does not account for trade in services. These (along with private and official transfers) are included in the current account which is the most general measure of the balance between a country's imports and exports.

A current account deficit occurs whenever domestic investment exceeds domestic savings. Domestic investment has to be financed either by domestic savings or by net capital inflows from abroad, sometimes referred to as "foreign savings". Domestic savings includes **private** savings (of households and firms) and **public** savings, the difference between government revenues and current expenditures. If domestic investment exceeds domestic savings, net foreign capital inflows make up the difference. This is reflected in a capital account surplus in the balance of payments, which (for the balance of payments to balance with no changes in reserves) has to be matched by a current account deficit. Indeed, the current account deficit is sometimes referred to as "foreign savings". Thus, the current account deficit disappears if and only if policies bring domestic savings into line with domestic investment.

Although the correspondence between the current account deficit and the difference between domestic investment and domestic savings flows from basic economic accounting identities, and therefore must hold at all times, this does not in itself explain the lines of economic causation that bring the correspondence about. In the view of most economists, the main driving force in the U.S. balance of payments in recent years has been the federal budget deficit, which mushroomed during the early 1980s and drove down public savings.[11] This exacerbated the imbalance between domestic saving and domestic investment, and led to an expansion in net borrowing from international capital markets, facilitated by higher real interest rates in the U.S. The associated demand

[11] The federal budget deficit was less than 1% of GDP in 1979. It rose to 5.3% of GDP in 1983, and remained at levels around 4.5% of GDP for the next three years. It then declined, to less than 2.5% in 1989. In 1991 it was about 3.5%. See Economic Report of the President 1992, Tables B-26 and B-1.

for dollars and dollar-denominated assets caused the dollar to appreciate against other major currencies. This reduced the competitiveness of U.S. goods and services abroad, and made foreign goods and services more attractive from a price standpoint. In sum, the trade and current account deficits arose in response to the capital flows induced by the budget deficit. Likewise, the reduction in the deficits since 1987 has mainly reflected a shift since 1985 to greater fiscal discipline and a more relaxed stance for monetary policy.

In essence net capital inflows from abroad, reflected in the capital account surpluses and current account deficits that prevailed after 1982, financed the gap between domestic saving and investment in the U.S. Insofar as the net capital inflow is used to finance productive investments, this is not necessarily bad. In fact it enables a higher level of investment to occur than would be possible in the absence of such flows. The question arises, however, whether such large net inflows are sustainable indefinitely. To the extent that they finance a federal deficit that does not correspond to productive investment, sustainability is a genuine issue.

Outlook for Trade

Trade plays an increasingly important role in U.S. economic performance, and developing countries have played an increasingly important role in U.S. trade since 1986. The fundamental determinants of U.S. export performance are growth in external demand (reflecting economic growth and increased openness to trade in our trading partners) and macroeconomic conditions and policies in the U.S. that affect trade through the exchange rate. This is vividly confirmed by the export bust in the first half of the 1980s, when external demand was weak and macroeconomic policies were unfavorable; and in the export boom that began in 1986, supported by strong external demand and more favorable macroeconomic policies. There is every reason to expect that the same basic factors will determine trade performance in the 1990s.

The outlook for continued policy reform and growth in the developing world is generally good, particularly in Asia and Latin America which are the largest markets for U.S. exports among developing regions. Increased market orientation and market openness, coupled with the structural adjustments under way, offer promising prospects for increased trade. While there is some prospect of a temporary slowdown in growth of developed countries, the main cloud on the **external** horizon is the danger of increased protectionism in these countries. The main cloud on the **domestic** horizon (apart from protectionist pressures in the U.S.) is the danger that the U.S. budget deficit will again expand significantly. If these hazards can be avoided, the experience of the past six years suggests that U.S. exporters will continue to be able to compete successfully and enjoy rapid increases in sales to developing countries.

Implications for Foreign Assistance

Arguments in favor of using foreign assistance to directly support U.S. exports, and thereby improve export performance and narrow the external deficits, often are based on a premise that U.S. exports need help and that foreign assistance can make an immediate difference. The evidence suggests that neither premise holds. The discussion of trends suggests that U.S. export performance since 1986 has been exceptionally good from a variety of perspectives: in absolute terms; compared with earlier periods; compared with other industrial countries; from the standpoint of the composition of exports; and from the standpoint of key regions in the developing world. The discussion of underlying determinants confirms the role of macroeconomic conditions and policies as the essential explanatory factors, implying that foreign assistance cannot make much if any **direct** difference. Both discussions point to the potentially significant **indirect** contribution of foreign assistance to U.S. export growth, through impacts on openness and growth in developing countries.

One could still argue that -- while foreign assistance has no direct role to play in terms of the broad aggregates discussed in this paper -- it may have a direct role to play in particular countries and/or for particular exports. This paper does not directly confront such arguments, although -- depending on the form the arguments take -- it has some relevance. The discussion of bilateral trade balances suggests that a preoccupation with balancing trade with each and every trading partner is misplaced and even counter-productive. The discussion of capital goods exports suggests that we are doing well in sectors of broad strategic significance from the standpoint of competitiveness. A separate paper looks at the competitiveness issue in more depth, which is relevant to the issue of support for specific exports in specific markets. Another paper looks at U.S. trade policy, and the U.S. posture against managing outcomes for specific products in specific markets. Yet another paper, on the issue of free versus managed trade in **developing** countries, contains arguments that have a bearing on this issue in the U.S. as well as in LDCs.

Table 1. Real Merchandise Export Growth for Major Industrial Countries (%)

	1986	1987	1988	1989	1990	1991	1992	1993
U.S.	6.0	8.3	20.7	10.6	8.1	6.6	4.7	7.2
Japan	-0.6	0.4	4.4	4.2	6.4	2.9	4.1	5.8
Germany	1.3	2.9	6.8	8.0	4.5	-0.2	2.7	4.9
France	0.5	3.6	8.7	8.1	4.9	3.5	3.9	5.6
Italy	3.8	3.3	4.9	9.0	3.5	-0.1	3.2	4.8
UK	4.2	5.2	1.8	4.8	6.7	2.0	3.8	6.1
Canada	4.0	3.6	9.3	1.1	4.5	1.6	5.1	5.1

Source: IMF, "World Economic Outlook - Statistical Appendix", March 16, 1992. Figures for 1992 and 1993 are projections.

Table 2. U.S., Japanese, and EC Merchandise Exports to Major Developing Regions (Exports in Millions of Current Dollars; Increase in %)

	Asia	Latin America/ Caribbean	Near East	Africa	Total
1986					
U.S.	28,202	30,754	10,427	3,043	72,426
Japan	52,016	8,640	9,766	2,903	73,325
EC	32,468	16,634	44,870	20,445	114,417
1990					
U.S.	59,998	53,411	14,956	4,341	132,706
Japan	89,151	9,695	9,759	3,976	112,581
EC	59,006	23,934	57,923	28,349	169,212
(Percentage Increase from 1986 to 1990)					
U.S.	113	74	43	43	83
Japan	71	12	0	37	54
EC	82	44	29	39	48

Source: UN Trade Data, Provided by CDIE

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