TRENDS IN EXPORTS OF MANUFACTURED AND SEMI-MANUFACTURED GOODS FROM DEVELOPING COUNTRIES*

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In view of the slow expansion of world demand for primary products (except petroleum), and the continuing deterioration in terms of trade of the developing countries,[1] new outlets for their manufactured and semi-manufactured goods must be developed in order to overcome the balance-of-payments difficulties, and thus to facilitate the steady economic growth. A certain number of developing countries have already reached the industrialization stage of being able to expand exports of manufactured and semi-manufactured goods. Now is the time when developing countries have to divert their primary goods producing economies of monoculture type towards industrialization with higher agricultural productivity, and to increasingly rely on the exports of manufactured goods, provided that facilitating measures are taken both in developed and developing countries.

In order to identify what kind of manufactures and semi-manufactures are to be found in promising exportable commodities from developing countries, how and why they are promising, and what policy measures (both in developed and developing countries) are necessary for facilitating the expansion of their exports, past trends of development in exports of manufactured and semi-manufactured goods from developing countries willl be analysed, first from the point of view of the developing countries as a whole, and secondly from the point of view of each country together with its main commodities.

General Trend

Three main characteristic trends are formulated in the development of exports of manufactured and semi-manufactured goods from developing countries as a whole. Firstly, exports of manufactured and semi-manufactured goods remain at a very low level; secondly, they have recently, however, been expanding at a rapid rate, particularly since 1959; and thirdly, growing major export commodities were light manufactured goods as textiles, leather, wood and paper manufactures.

The total exports of manufactured and semi-manufactured goods from developing countries

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* This study was done in the summer 1963 at the Center for Industrial Development, United Nations. Although it is a bit out of date, it may have a value since no basic statistical analysis of similar kind has been carried out.

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[1] Developing countries cover those area other than developed areas (North America, Western Europe, Australia, New Zealand, South Africa, and Japan), Eastern Europe, China (mainland), Mongolia, North Korea, and North Viet-Nam.

TABLE 1. EXPORTS FROM DEVELOPING COUNTRIES
(million U.S. dollars, FOB.)

	1955	1956	1957	1958	1959	1960	1961
1. World total exports	92,770	102,700	111,480	107,510	114,940	127,400	133,040
a	100.0	110.7	120.2	115.9	123.9	137.3	143.4
2. Exports from developed countries	59,660	67,640	74,730	70,670	74,990	85,040	89,800
a	100.0	113.4	125.3	118.5	125.7	142.5	150.5
3. Total exports from developing countries	23,670	24,860	25,440	24,760	25,750	27,350	27,600
a	100.0	105.0	107.5	104.6	108.8	115.5	116.6
(SITC 0-9) *b*	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4. Total of primary goods	20,540	21,440	22,140	21,830	22,370	23,350	23,470
(SITC 0, 1, 2, 3, 4) *a*	100.0	104.4	107.8	106.3	108.9	113.7	114.3
b	86.7	86.3	87.0	88.2	86.9	85.4	85.0
5. Food, beverages and tobacco	7,680	8,000	8,250	8,160	7,830	8,070	8,010
a	100.0	104.2	107.4	106.3	102.0	105.1	104.3
(SITC 0 and 1) *b*	32.4	32.2	32.4	33.0	30.4	29.5	29.0
6. Crude materials, excl. fuels: and oils & fats	6,960	7,010	6,890	6,240	7,180	7,630	7,360
a	100.0	100.7	99.0	90.0	108.2	109.6	105.7
(SITC 2 and 4) *b*	29.4	28.2	27.1	25.2	27.9	27.9	26.7
7. Mineral fuels and related materials	5,900	6,430	7,000	7,430	7,360	7,650	8,100
a	100.0	109.0	118.6	125.9	124.7	129.7	137.3
(SITC 3) *b*	24.9	25.9	27.5	30.0	28.6	28.0	29.3
8. Total of manufactured goods	3,030	3,290	3,155	2,780	3,235	3,840	3,975
a	100.0	108.6	104.1	91.7	106.8	126.7	131.2
(SITC 5, 6, 7, 8) *b*	12.8	13.1	12.4	11.2	12.6	14.1	14.4
9. Chemicals	240	235	240	230	230	290	320
(SITC 5) *a*	100.0	97.9	100.0	95.8	95.8	120.8	133.3
b	1.0	0.9	0.9	0.9	0.9	1.1	1.2
10. Machinery and transport equipment	120	135	145	150	155	190	225
a	100.0	112.5	120.8	125.0	129.2	158.3	187.5
(SITC 7) *b*	0.5	0.5	0.6	0.6	0.6	0.7	0.8
11. Base metals*	1,220	1,420	1,160	890	1,170	1,350	1,360
(SITC 67, 68 less 681) *a*	100.0	116.4	95.1	73.0	95.9	110.7	111.5
b	5.2	5.7	4.6	3.6	4.5	4.9	4.9
12. Light manufactures**	1,450	1,500	1,610	1,510	1,680	2,010	2,070
a	100.0	103.4	111.0	104.1	115.9	138.6	142.8
b	6.1	6.0	6.3	6.1	6.5	7.3	7.5
13. Textiles	660	690	770	710	790	890	930
(SITC 65) *a*	100.0	104.5	116.7	107.6	119.7	134.8	140.9
b	2.8	2.8	3.0	2.9	3.1	3.3	3.4

a Index of increase, 1955=100

b Percentage share in the total exports from developing countries

Source: 1955 and 1956, UN, *Monthly Bulletin of Statistics*, March 1961, 1957-1961: *Ditto*, March 1963. There is a small gap in figures between the two issues.

* *Ditto*, April 1961 and Aprill 1963.

** Other manufactured goods (SITC 6 and 8) less base metals.

in 1961 amounted to approximately $4,000 million, equivalent to about the exports of manufactured goods from Japan. This is equal to 14.4 per cent of the total exports of these countries (see Table 1), which is far smaller than the corresponding share of manufactures in the total exports of developed countries and centrally planned economies. Exports of manufactures and semi-manufactures are not only small in relation to the total export trade of the developing countries, but also account for a very limited share, as low as 5.5 per cent, in total world trade in manufactures (see Table 4). The low level of exports of manufactures from the developing countries becomes even lower if base metals, accounting for $1,400 million or 4.9 per cent of total exports of these countries, are excluded—metal exports reflect a relatively limited amount of processing.

As shown in Table 1, the total exports of manufactured goods from developing countries increased slowly from 1955 to 1957, and decreased in 1958, but since then they increased fairly rapidly to as much as 43 per cent between 1958 and 1961. A sign of rapid growth since 1959 to the present should be recognized by comparing with a slow trend in the period before 1958, although consideration should be given to the fact that 1958 was a recession year in world economy. As indicated in Table 2, the contrast in the two periods is obvious in all indices of manufactured exports which in 1958–61 increased by 53 per cent in base metals, 50 per cent in machinery and transport equipment, and 31 per cent in textiles. The rapid expansion of manufactured exports—as large as 43 per cent between the years 1958–61—are to be compared with a slower increase of 8 per cent in primary exports.

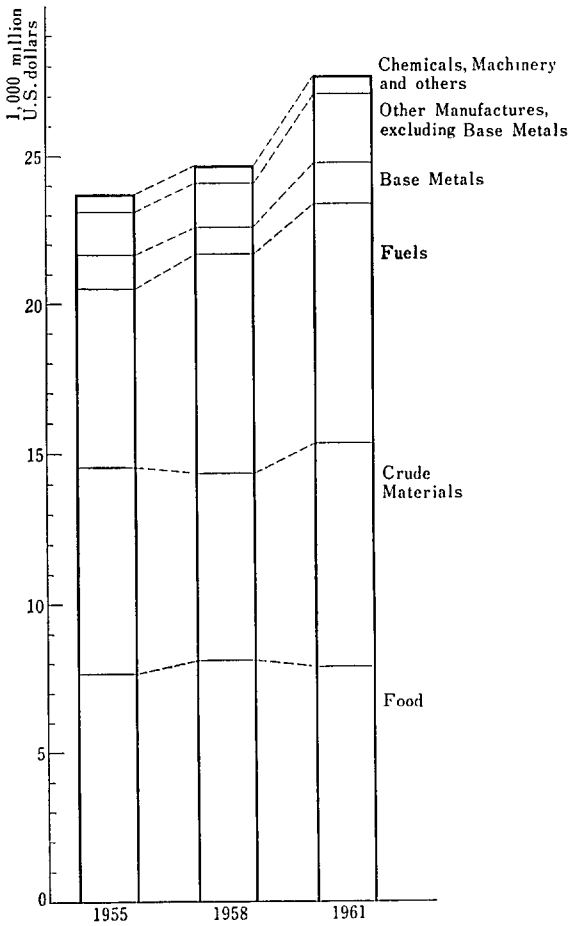
TABLE 2. RATE OF INCREASE IN EXPORTS FROM DEVELOPING COUNTRIES*
(percentage)

	a Increase between 1955 and 1958	*b* Increase between 1958 and 1961
1. World total exports	16	24
2. Exports from developed countries	19	27
3. Total exports from developing countries (SITC 0-9)	5	12
4. Total of primary goods (SITC 0, 1, 2, 3, 4)	6	8
5. Food, beverages and tobacco (SITC 0 & 1)	6	− 2
6. Crude materials, excl. fuels, oils and fats (SITC 2 and 4)	−10	17
7. Mineral fuels and related materials (SITC 3)	26	9
8. Total of manufactured goods (SITC 5, 6, 7, 8)	− 8	43
9. Chemicals (SITC 5)	− 4	39
10. Machinery and transport equipment (SITC 7)	25	50
11. Base metals (SITC 67, 68, less 681)	−27	53
12. Light manufactures	4	37
13. Textiles (SITC 65)	8	31

* Calculated from Table 1.

The rate of growth in manufactured exports appears to be larger than it actually is, owing to the low level in the initial year. In this case both the level of exports and the rate of growth have to be taken into consideration. For this purpose Chart 1 indicates appropriately the whole picture of the still small but increasing importance of manufactured goods

CHART 1. EXPORTS FROM DEVELOPING COUNTRIES



in the total exports from developing countries.

The trend in exports of manufactured goods from developing countries should be compared with the figures in production. As shown in Table 3, the rate of increase in industrial production of developing countries occurred in the period 1938–55 and was approximately the same as in developed countries—slower in heavy maunfacturing or base metals but more rapid in light maunfacturing or textiles. It has maintained its steady growth, which was faster[2] than in the developed countries, during the periods 1955–58 and 1958–61, while very slow growth was experienced in the developed countries in 1955–58. An interesting problem is suggested by the fact that while the production of manufactured goods in developing countries has maintained steady growth both in 1955–58 and 1958–61, the exports have experienced

[2] The share of the developing countries in total manufacturing output outside the centrally planned economies increased from 15 per cent in 1950 to 17 per cent in 1960 (see UN, *World Economic Survey 1961*, p. 20).

slow growth or even a decrease in the first period, and rapid growth in the second period, this being more rapid than in production. The different trends between production and exports may be partly due to the business cycle in world trade, but it was mainly the result of several manufacturing industries having passed the gestation period for exporting during and after World War II and developed recently to become large enough to expand exports rapidly. If this is the case, a promising future expansion of manufactured goods from the developing countries is anticipated. Some manufacturing industries have passed the stage of "infant industry" in a certain number of countries but not in all, and developed to the stage of "infant trade". Different policy measures, are needed in order to mature the infant industry and facilitate infant trade.

TABLE 3. RATE OF INCREASE IN INDUSTRIAL PRODUCTION
(percentage)

	1938–1955	1955–1958	1958–1961
I. *Developed countries*			
1. Total manufacturing	125	3	22
2. Light manufacturing	67	5	16
3. Heavy manufacturing	197	2	26
4. Textiles	47	0	15
5. Base metals	140	−13	22
II. *Developing countries*			
1. Total manufacturing	102	23	24
2. Light manufacturing	79	16	17
3. Heavy manufacturing	162	31	32
4. Textiles	68	12	14
5. Base metals	111	25	33

Source: UN, *Monthly Bulletin of Statistics*, May 1963, Special Table A.

A brief enquiry into what kind of commodity is important and promising in exports from developing countries, may be required. As shown in Table 4, the total exports of developing countries account for 21.1 per cent in world trade in 1960–61 average. If a certain item of exports from developing countries accounts more (or less) for 21.1 per cent in world trade, this reflects a strong (or weak) comparative advantage realised in the developing countries in relation to the rest of the world. This idea may be further developed to an index of intensity of trade[3] which is the percentage ratio of a certain commodity's share in the total exports of the developing countries in relation to the share of the commodity in the total world trade. Since the commodity composition of world trade shows the structure of international demands, the intensity of trade means that the developing countries meet very well (or not well) the international demands in certain commodities because of their strong (or weak) comparative

[3] Index of intensity of trade is calculated as follows:

$$\frac{X_i}{\Sigma X_i}\Big/\frac{W_i}{\Sigma W_i}\times 100=\frac{X_i}{W_i}\Big/\frac{\Sigma X_i}{\Sigma W_i}\times 100$$

where X_i stands for the exports of i commodity and ΣX_i for the total exports from developing countries, and W_i for the exports of i commodity and ΣW_i for the total exports (which equals imports) in world trade. The index can also be applied to a certain country's exports.

TABLE 4. VALUE AND SHARE OF DEVELOPING COUNTRIES IN WORLD EXPORTS, BY COMMODITY GROUP, 1960-61 AVERAGE
(million U.S. dollars, FOB.)

Commodity group	World	Developing countries	Share of developing countries percentage	Intensity of trade percentage
Primary commodities	50,270	23,410	46.6	221
Food	22,800	8,040	35.3	167
Agricultural raw materials and ores	21,145	7,495	35.4	168
Fuels	13,065	7,875	60.3	286
Manufactures	71,600	3,908	5.5	26
Chemicals	7,680	305	4.0	19
Machinery and transport equipment	28,930	208	0.7	3
Metals	11,285	1,355	12.0	57
Light manufactures	23,705	2,040	8.6	41
Textiles	6,190	910	14.7	70
All commodities	130,220	27,475	21.1	100

Source: UN, *Monthly Bulletin of Statistics*, March 1963.

advantages, and other reasons. It is interesting to find, as is expected, that exports of primary commodities from developing countries show strong comparative advantages (the index being more than 100) while those of manufactured goods indicate weak comparative advantages, or better still, comparative disadvantages (the index being less than 100). Among manufactured goods, textiles show relatively strong comparative advantage (70), metals are next (57), and chemicals, machinery and transport equipment are in a very weak position (19 and 3 respectively).

Turning to Tables 1 and 2, firstly, exports of chemicals, machinery and transport equipment are still negligible in their importance in total exports from developing countries, but they expanded rapidly and demands for them at home and abroad increased substantially. Secondly, exports of base metals account for a fairly large share (i.e., 4.9 per cent in 1961), and also expanded most rapidly in 1958-61. Thirdly, exports of light manufactures account for a very important position in manufactured exports and expanded steadily, but were slower than the other category of maunfactured goods. They consisted mainly of labour-intensive light manufactures such as textiles, wood, leather and paper maunfactures. The developing countries may have to expand exports of the whole range of maunfactured goods. Which type of commodity then will be the most promising to export? In order to meet this question, we may need a detailed study by commodity and country. A new classification of commodity appropriate for this purpose may also be needed for a great deal of processed agricultural products, which should be classified as manufactured goods, is included in primary goods according to the SITC (Standard International Trade Classification) which has been used in the above.

Once the total exports from developing countries are divided into their exports to developed countries and those to developing countries, an interesting discrepancy is recognized. As shown in Table 5 exports from developing countries to developed countries amounted to about $20,000 million in 1960-61 average, whereas those to developing countries were about

$6,000 million, or less than a third of the former. The percentage share of each item in the total exports is highly concentrated in primary goods in both aspects of trade, but with some important differences. The share of manufactured goods in the total exports is larger in exports to developing countries (i.e., 19.8 per cent) than in exports to developed countries (i.e., 13.1 per cent). To make the difference more clear, the percentage proportion of the exports oriented to developing countries in relation to those oriented to developed countries is shown in Table 5. It is 30.6 per cent in total trade. Some items in which exports to developing countries exceed 30.6 per cent indicate those commodities which are traded relatively more intensively among developing countries, and *vice versa*. They are total manufactured goods, chemicals, machinery and transport equipment, light manufactures (particularly textiles) and mineral fuels. Trade in these, except mineral fuels, among developing countries expanded rapidly in 1958–61. Total primary products, foods, crude materials and base metals were mainly oriented to the developed countries. The former may be called the developing countries-oriented exports, while the latter the developed countries-oriented exports. It is noted that manufactured goods (except base metals) and mineral fuels have been traded more intensively and played a more important role among developing countries than in their exports to the developed countries. It is an important problem to identify which are promising exportable commodities either for developing or developed countries. It may be tentatively suggested that, firstly, chemicals, machinery and transport equipment are expanded mainly in trade among developing countries; secondly, textiles and other light manufactures are expanded rapidly in trade both for developed and developing countries and, thirdly, processed agricultural products, non-ferrous base metals and refined fuels, are expanded mainly in trade with developed countries.

The performance of exports from developing countries is evaluated from the point of view of how much each item of exports meet the demands of importing countries and this criterion is shown by the index of intensity of trade. As shown in Table 5, exports from developing countries accounted for 23.7 per cent of total imports of developed countries and 20.9 per cent for those of developing countries. Those commodities which account more (or less) for these shares indicate more (or less) than 100 in intensity of trade. The structure of intensity of trade does not show any sizable difference between the two aspects of trade, although the intensity of trade among developing countries appears somewhat higher in general than that of trade between developing and developed countries, due to the closeness in extent in the former. There are two differences which may be worth attention. Firstly, in textiles and other light manufactures the intensity of trade is higher among developing countries than in the exports from developing to developed countries. This means that trade in textiles and light manufactures expanded first among developing countries and is extending towards developed countries. Secondly, the intensity of trade in base metals is very low (i.e., 23 among developing countries), and is also less than 100 in the exports to developed countries. This may be due to the fact that developing countries are still lacking iron and steel exports and depending heavily upon developed countries, although other base metals are one of the main export commodities of developing countries. This assigns the importance of iron and steel industries in the immediate future as an import-substituting as well as an export-oriented industry.

Exports from developing countries to centrally planned economies may be analysed in the same way as above (Table 6). Total exports from developing countries amounted to $1,345

TABLE 5. EXPORTS FROM DEVELOPING COUNTRIES TO DEVELOPED COUNTRIES AND TO DEVELOPING COUNTRIES, 1960–61 AVERAGE

A. Imports of Developed Countries

	Imports from developing countries		Increase between 1958 and 1961	Total imports		Share of imports from developing countries in total imports	Intensity of trade	Ratios of exports to developing countries to exports to developed countries
	million U.S. $	%	%	million U.S. $	%	$\frac{(1)}{(4)}\times 100\%$	%	$\frac{(9)}{(1)}\times 100\%$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Primary commodities	17,085	86.5	6	40,465	48.5	42.2	178	28.0
Food	6,055	30.7	−9	15,670	18.8	39.6	167	24.0
Agr. raw materials	5,685	28.8	18	16,225	19.5	35.0	148	18.2
Fuels	5,345	27.1	15	8,570	10.3	62.4	264	43.0
Manufactures	2,581	13.1	47	42,330	50.7	6.1	26	46.4
Chemicals	175	0.9	40	4,645	5.6	3.8	16	65.7
Machinery & equip.	56	0.3	42	15,610	18.7	0.4	2	264.3
Metals	1,235	6.3	53	7,490	9.0	16.5	70	7.9
Light manufactures	1,115	5.6	42	14,585	17.5	7.6	32	75.1
Textiles	475	2.4	52	3,705	4.4	12.8	54	85.7
All commodities	19,755	100.0	10	83,410	100.0	23.7	100	30.6

B. Imports of Developing Countries

	million U.S. $	%	%	million U.S. $	%	$\frac{(9)}{(12)}\times 100\%$	%	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Primary commodities	4,790	79.2	2	9,720	33.6	49.3	236	
Food	1,455	24.0	−2	4,650	16.1	31.3	150	
Agr. raw materials	1,035	17.1	15	2,110	7.3	49.1	235	
Fuels	2,300	38.0	0	2,960	10.2	77.7	372	
Manufactures	1,198	19.8	33	18,700	64.7	6.4	31	
Chemicals	115	1.9	42	2,285	7.9	5.0	24	
Machinery & equip.	148	2.4	65	8,295	28.7	1.8	9	
Metals	98	1.6	23	1,980	6.9	4.9	23	
Light manufactures	837	13.8	28	6,140	21.2	13.6	65	
Textiles	388	6.4	7	1,980	6.9	19.6	94	
All commodities	6,050	100.0	7	28,900	100.0	20.9	100	

Source: UN, *Monthly Bulletin of Statistics*, March 1963, Special table D and April 1963 Special table B.

million in 1960–61 average, accounting for 9 per cent in the total imports of centrally planned economies. This share is very small as compared with the corresponding share of developing countries in the total imports of developed countries (i.e., 23.7 per cent). This may suggest that there remains much room to expand trade between developing countries and centrally planned economies. Exports from developing countries are highly concentrated in foods and

TABLE 6. IMPORTS OF CENTRALLY PLANNED ECONOMIES, 1960–61 AVERAGE

	Imports from developing countries		Total imports		Share of imports from developing countries in total imports %	Intensity of trade average	Rate of increase in total imports between 1955–56 av. and 1960–61 av.
	million U.S. $	%	million U.S. $	%	$\frac{(1)}{(3)}\times 100$ %	%	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Primary commodities	1,254.5	93.3	6,237.0	41.1	20.1	226	45
Food	494.5	36.8	2,337.0	15.4	21.2	238	67
Agr. raw materials	757.5	56.3	2,770.0	18.2	27.3	307	31
Fuels	2.5	0.2	1,130.0	7.4	0.2	2	41
Manufactures	93.0	6.9	8,845.5	58.3	1.1	12	83
Chemicals	10.0	0.7	685.5	4.5	1.5	17	75
Machinery & equip.	2.5	0.2	3,885.0	25.6	0.1	1	57
Metals	18.5	1.4	1,740.0	11.5	1.1	12	119
Light manuf.	62.0	4.6	2,535.0	16.7	2.4	27	116
Textiles	35.0	2.6	403.0	2.7	8.7	98	60
All commodities	1,345.0	100.0	15,180.0	100.0	8.9	100	65

Source: UN, *Monthly Bulletin of Statistics*, March 1963, Special Table D and April 1963 special Table B.

crude materials, the total of these totalling 93 per cent, while the aggregate imports of centrally planned economies concentrated on manufacturing goods, accounted for 58 per cent. The intensity of trade, therefore, is very high in primary goods but negligible in manufactured goods. The only exception is textiles, the intensity of which reached 98. In view of the rapid growth of requirements for primary goods and consumer goods of labour-intensive type, centrally planned economies may be expected as an expanding market for primary products and textiles and other light manufactures in which developing countries have comparative advantages.

It is desirable to know from which region of developing countries, to which region of developed countries and centrally planned economies have manufactured goods been exported. In Table 7, manufactured exports from developing countries mean the sum of chemicals, machinery and transport equipment, and light manufactures[4] and excludes base metals which reflect a relatively limited amount of processing. Total imports of these manufactures into developed countries amounted to $35,000 million in 1960–61 average, while imports from developing countries amounted to $1,350 million, the share of which in the former accounts for only 3.86 per cent. This is really of negligible importance for developed countries. The corresponding share is 0.9 per cent for Eastern Europe and 2.07 per cent for Mainland China. Although the share of developing countries in manufactured trade is still negligible in general, there is a difference in the share from region to region among developed countries and centrally planned economies. North America (mainly the United States) is the largest—6.47 per cent; EFTA (mainly the United Kingdom) is the second—4.48 per cent; and the group of Australia, New Zealand and South Africa is third—3.96 per cent; but in others it is very small and the minimum in Eastern Europe—0.9 per cent. This means that the United States

[4] Exports of processed agricultural products will be dealt with separately later.

TABLE 7. EXPORTS OF MANUFACTURES[1] FROM DEVELOPING COUNTRIES TO DEVELOPED COUNTRIES AND CENTRALLY PLANNED ECONOMY
(1960–1961 Average) (million U.S. dollars, FOB.)

Exports to:	1 Developed countries	2 North America	3 EEC	4 EFTA	5 Aust. NZ S. Africa	6 Japan	7 Eastern Europe	8 China Mainland	9 Total 2–8
Exports from:									
a. World	34,840.0	8,255.0	10,900.0	8,800.0	2,967.5	835.0	6,210.0	895.5	38,863.0
b. Developing countries	1,345.5	534.5	252.5	394.5	117.5	20.0	56.0	18.5	—
c. Percentage share of *b* in *a*	3.86	6.47	2.32	4.48	3.96	2.40	0.90	2.07	3.97
d. Exports of base metals[2] from developing countries	1,235.0	307.5	550.0	290.0	26.0	51.5	12.5	6.0	1,243.5
e. Africa[3]	341.5	27.0	84.0	201.5	17.5	1.5	17.5	0.5	349.5
f. Latin America	224.5	135.0	79.5	11.0	2.0	2.5	3.5	0.5	234.0
g. Middle East	162.0	45.5	49.0	40.5	3.5	1.0	14.0	—	153.5
h. Asia	815.0	329.0	77.0	245.5	90.0	16.0	30.5	18.0	806.0
i. Total, *e–h*	1,543.0	536.5	289.5	498.5	113.0	21.0	65.5	19.0	1,543.0
Intensity of Trade (percentage)									
j. Africa		8	19	58	15	5	7	1	23
k. Latin America		41	19	3	2	7	1	1	15
l. Middle East		14	11	12	3	3	6	—	10
m. Asia		100	18	70	76	48	12	51	52
n. Total, *j–m*		164	67	143	96	63	27	54	100

Source: UN, *Monthly Bulletin of Statistics*, March 1963 Special Table D and April 1963 Special Table B.

[1] Exports of manufactures are the sum of Chemicals (SITC Section 5), Machinery and Transport Equipment (SITC Section 7) and light manufactures (SITC Section 6 and 8—Base metals)

[2] SITC, Revised, 67, 68 less 681.

[3] African continent and associated islands, which include South Africa.

and the United Kingdom buy the manufactures from developing countries a relatively large amount in relation to their purchasing capacity, as compared with the corresponding behaviour of other developed countries and centrally planned economies. Why such a difference should occur is to be queried. It may be due to more liberal trade policy and preferential treatment by some developed countries, or it may be due to historical and geographically closer relationship or to complementality of economic structure between both sides. It may be questioned as to whether to expand markets for the manufactures of developing countries in such places as EEC, Japan and centrally planned economies who are importing from developing countries relatively smaller amounts in relation to their capacity of purchasing manufactures.

As shown in Table 7 it may be noted that base metals (for developing countries) play approximately the same important role as the manufactures in the exports to developed countries, and even more important in the exports to some regions (e.g., to EEC and Japan).

Developing countries are sub-divided into four regions: Africa, Latin America, Middle East and Asia. Since Africa includes the Republic of South Africa, which is grouped in developed countries, there appears some gap between the total of these four regions and the figure of "developing countries" (column *b*). In Table 7, how much is exported from each developing region to each developed region and centrally planned economy is shown. It may be found here that Asia is the largest exporter of manufactures among developing countries and the large customers for Asia are North America and EFTA. It may not be easy, however, to find which developing region has closer relationship with which developed countries and centrally planned economies than others. To find this exactly some implement is needed.

Index of intensity of trade provides us with a convenient instrument. Taking the total of manufactured exports from four developing regions (i.e., $1,543 million)[5] as 100, calculate the percentage share of exports from each developing region to each purchaser. This may be called the structure of manufactured exports from developing countries. Taking the total of manufactured imports into developed and centrally planned economies (i.e., $38,863 million) as 100, calculate the percentage share of each importing country. This may be called the structure of manufactured imports which represents demands in developed countries and centrally planned economies. Dividing the former by the latter, the index of intensity of trade in percentage form is obtained. The intensity of trade thus calculated shows exactly which developing region has closer relationship or intensive trade relationship with which developed country and centrally planned economies in the trade of manufactured goods as compared with other developing countries. It is clear that North America and EFTA are larger buyers, as compared with other customers, of manufactured goods from developing countries, the index being 164 and 143 respectively. Secondly, among developing regions Asia is the largest seller and Africa is the next, the index being 52 and 23 respectively. Thirdly, Asia has closer relationship with North America (100), the group of Australia, New Zealand and South Africa (76) and EFTA (70) than with others. Fourthly, Africa has close relationship with EFTA (58). Fifthly, Latin America has close relationship with North America (41). Lastly, the Middle East has no close relationship with any developed and centrally planned economies.

[5] The ratio of $1,543 million to $38,863 million comes to 3.97 per cent, which shows the percentage share of the manufactured exports from developing countries in the total manufactured imports of developed countries and centrally planned economies. If the intensity of trade calculated below is multiplied by the 3.97 per cent, its product shows the percentage share of the exports from each developing region to each customer in relation to the latter's total imports.

In summary, a number of interesting trends in manufactured exports from developing countries is found from general analysis in the above.

(a) The total exports of manufactured and semi-manufactured goods from developing countries are still very low level, but

(b) They have been increasing rapidly since 1959, and even more rapidly than in their production.

(c) Among manufactured exports from developing countries, textiles and other light manufactures have been so far the most important.

(d) Textiles and other light manufactures have been expanding in trade both with developed and developing countries, while chemicals, machinery and transport equipment have been confined to trade among developing countries.

(e) Centrally planned economies may have a great deal of room for absorbing not only primary products but also light manufactures from developing countries.

(f) Some developed countries imported manufactures from developing countries a larger percentage of their total imports of manufactures than do other countries.

(g) Among developing countries, Asia exports the largest amount of manufactured goods (excluding base metals) and has closer relationship with North America and EFTA.

(h) Each of the other developing regions has close relationship in manufactured exports with certain developed countries.

Why have these trends appeared? The reasons have to be studied further and will provide suggestions for needed policy measures.

More Detailed Trends

In order to ascertain detailed trends in recent years in exports of manufactured and semi-manufactured goods from developing to developed countries, each trade matrix for 72 commodities (Standard International Trade Classification, three digits) is calculated for the year 1953–54 average, and 1961. Each trade matrix covers exports of manufactured and semi-manufactured goods from more than 90 developing to 9 developed countries (member countries of EEC—Belgium-Luxembourg, Netherlands, Federal Republic of Germany, France, Italy—United Kingdom, Canada, USA and Japan). Export values from developing countries are counted by import values which appear in trade statistics of developed countries (UN *Commodity Trade Statistics* for 1953, 1954 and 1961, and supplemented by OECD, *Statistical Bulletin*, Series C for 1961).

Mainly because of shortage of time in this special study, many shortcomings have not yet been overcome. They are as follows:

(1) Many countries which should be considered as developed countries, such as member countries of EFTA other than United Kingdom, Australia, New Zealand and South Africa, are not dealt with. Industrially developed countries in centrally planned economies are also omitted.

(2) Import values are shown as FOB prices in USA and Canada, and as CIF prices in other developed countries. Therefore, uniformity is lacking.

(3) Trade statistics in developed countries do not exactly meet our purpose since small amounts of manufactured imports from developing countries are not included. Moreover, they have changed coverages of statistics. UN *Commodity Trade Statistics* for 1953 and 1954 cover figures of more than $10,000 and for 1961 cover figures of more

than $100,000. OECD statistics show, however, figures of less than $100,000 for 1961 regarding some commodities, but not all. UN *Commodity Trade Statistics* figures for 1961 are supplemented by OECD statistics as far as possible in order to cover small amounts of manufactured exports from developing countries. Owing to this change in coverage, a comparison between 1953-54 average and 1961 is not rigorously adhered to.

(4) Re-exports are not separated from exports of manufactures which a certain developing country produced. The more complicated problem exists as to how to estimate value-added or the export value excluding import-content. These complications are not treated in this paper.

(5) The question as to which commodities should be selected as manufactured and semi-manufactured goods is a complicated one to answer. Our selection is not too rigid. There are more promising manufactures from developing countries than we have listed, but as they have not been exported from developing countries they have been omitted from our list.

Since the trade matrix for 72 commodities has been made, very detailed analyses can be carried out. This may be too cumbersome, however, and it would be preferable to have this in a separate paper. Therefore, we have been limited to analysing the major trends which appeared in recent developments of manufactured exports from developing to developed countries. In order to simplify our analyses, the 72 commodities are classified into 4 major categories, some of which are further sub-classified, as follows:

A. Processed agricultural products, which includes SITC three digit items: *012, 013, 023, 024, 032, 046, 048, 061, 073, 112, 122, 411, 412*, 431.*[6]

B. Base metals and refined fuels, which are sub-classified as follows:
- B_m: Non-ferrous base metals: *682, 684, 685, 686, 687, 689.*
- $B_{m'}$: Silver—*681*
- B_s: Iron and steel—*681**
- B_p: Petroleum products—*332*

L: Light manufactures, which are sub-classified as follows:
- L_{t1}: Textile yarn and thread—*261, 651.*
- L_{t2}: Textile fabrics—*652, 653, 654, 655, 656, 657.*
- L_o: Other light manufactures—*243, 251, 612, 621, 629, 631, 632, 633, 641, 642, 661, 662, 663, 664, 665, 666, 667, 812, 821, 831, 841, 851, 863, 877, 899**

C: Chemicals—*511*, 512, 521, 532, 533, 541, 551, 561, 571, 599**

M: Metal products, machinery and transport equipment: *699*, 711, 712, 716*, 721*, 861.*

Table 8 summarises our results, in which major and sub-categories of commodities are arranged in the order as to the rate of increase in imports of developed countries. According to the characteristics of export performance of developing countries in relation to imports of developed countries, three types may be identified.

Type I are manufactured exports from developing countries which are important, but

[6] The names of commodities will be shown in the tables which follow. Code numbers with asterisks are original SITC, and others are revised SITC.

stagnating.[7] Among major commodity categories, processed agricultural products, one of the most important export items, experienced the lowest rate of increase both in imports of developed countries (i.e., 20 per cent) and in exports from developing countries (i.e., 4 per cent). The share of exports from developing countries in imports of developed countries declined from 43 per cent in 1953–54 average to 37 per cent in 1961. The rate of increase in imports of developed countries in base metals and refined fuels were higher than processed agricultural products but lower than total manufactures. Base metals and refined fuels experienced similar trends as in processed agricultural products. These two may be characterized to be important but stagnating manufactured exports. Owing to the performance of these two most important export items, exports of total manufactures experienced an increase of 48 per cent, which was slower than the increase in imports of developed countries, and a decline in the share in imports of developed countries from 19.6 per cent to 15.2 per cent.

Type II are those manufactured exports which have been increasing in importance and have a promising future. One is light manufactures which experienced fairly rapid increase in imports of developed countries (i.e., 97 per cent), more rapid increase in exports from developed countries (i.e., 152 per cent), and increased in the share from 6.5 per cent to 8.3 per cent. Light manufactures are an important import in developed countries and account for a third of the total manufactured imports. Therefore, market opportunities for exports of light manufactures from developing countries have broadened fairly rapidly.

Type III are those manufactured exports which are premature and inexpedient to produce for developing countries at the present stage of industrialization. In metal products, machinery and transport equipment, imports of developed countries are large and increased more rapidly, but exports from developing countries are negligible although the rate of increase appears very large because they are at the incipient stage. Similar tendencies are observed in chemicals but the share of exports from developing countries declined from 8.4 per cent to 6.6 per cent. This is a reflection of prematurity and inexpediency for developing countries to expand exports of those commodities.

As shown in Table 8, as regards sub-category commodities "textile fabrics", "other light manufactures" and "textile yarn and thread", these belong to Type II. Silver is not an important commodity, and may be omitted from our analysis. "Iron and steel" and "petroleum products" also belong to Type II. Only "non-ferrous base metals" belong to Type I, and played a crucial role in slowing down the growth of manufactured exports from developing countries.

To sum up, in manufactured exports from developing to developed countries, the most important items such as "processed agricultural products" and "base metals and refined fuels" (particularly non-ferrous base metals) experienced not only slow growth in imports of developed countries but also slower expansion in exports from developing countries, resulting in a decline in the share of exports from developing countries in imports of developed countries. In new export commodities such as "metal products, machinery and transport equipment" and "chemicals", the imports of developed countries increased rapidly but exports from developing countries were premature and unsuccessful. The only manufactured exports from developing countries which have been successfully increased according to the fairly rapid growth of imports in developed countries were light manufactures, in which developing countries will

[7] It should be kept in mind that these and following criteria are always judged in relative sense as compared with the performance of total manufactures.

TABLE 8. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES

	(1) Imports of developed countries	(2) Rate of increase of imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries	(6)
	1961 $1,000.	1953–54 av. –1961 %	1961 $1,000.	1953–54 av. –1961 %	1953–54 av. %	1961 %
I. Major commodity category						
M: Metal products, machinery and transport equipment	7,718,464	158	69,556	279	0.61	0.90
C: Chemicals	3,111,216	119	206,226	73	8.41	6.63
L: Light manufactures	10,809,910	97	895,252	152	6.48	8.28
T: Total manufactures	33,500,435	90	5,099,138	48	19.60	15.22
B: Base metals and refined fuels	7,453,305	84	2,279,209	65	34.17	30.58
A: Processed agric. products	4,407,540	20	1,648,895	4	43.02	37.41
II. Sub-category of commodities						
L_{t_2} : Textile fabrics	1,982,973	107	368,928	118	17.71	18.61
L_o : Other light manufactures	8,197,830	95	478,493	178	4.09	5.84
L_{t_1} : Textile yarn and thread	629,107	92	47,831	232	4.39	7.60
B_s : Iron and steel	2,717,166	147	57,104	2,475	0.21	2.10
$B_{m'}$: Silver	225,916	97	34,506	228	9.14	15.27
B_p : Petroleum products	1,851,142	92	1,123,540	122	52.27	60.69
B_m : Non-ferrous base metals	2,659,081	42	1,063,869	23	46.20	40.01

achieve stronger comparative advantages in the near future. "Iron and steel" should be specially noted since not only the imports of developed countries increased rapidly but also exports from developing countries increased considerably. This is an indication that iron and steel exports are now at the incipient stage, but it also points out the importance and promising future in exports of iron and steel for developing countries.

Table 9 shows "intensity of trade" in manufactured exports from developing to developed countries in 1961, which is calculated in the following way. As shown in Table 8, the share of exports of total manufactures from developing countries in imports of developed countries in 1961 was 15.22 per cent. The corresponding share of each manufactured export in each importing developed country is also calculated. This is divided by the 15.22 per cent and thus we obtain intensity of trade as shown in Table 9. Therefore, as previously explained, the intensity of trade indicates that developing countries exported certain manufactured goods to a particular developed country in more (or less) than the 15.22 per cent and consequently they have strong (or weak) comparative advantages in that particular trade.

Many interesting facts are found in Table 9.

(1) In the total imports of developed countries, important export items from developing countries such as B, B_m and A (which appear in the lower section of the table) show large intensity of trade (more than 200) while in the upper section the intensity of trade is less than 50, except B_p (399), L_{t_2} (122) and $B_{m'}$ (100). These clearly indicate

TABLE 9. INTENSITY OF TRADE IN MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
1961: major and sub-category of commodities (percentage)

	a Belgium Luxem-burg	b Nether-lands	c Germany (F.R.)	d France	e Italy	E EEC	f United Kingdom	g Canada	h United States	i Japan	t Total imports of developed countries
M : Metal products, machinery & transport equipment	0.8	0.1	0.5	1	6	1.5	34	1.3	8	4	6
B_s : Iron and steel	—	—	—	16	6	5	30	0.7	36	61	14
C : Chemicals	2	16	26	83	14	30	40	3	140	17	43
L_{t_2} : Textile fabrics	40	18	56	3	4	42	217	54	235	—	122
$B_{m'}$: Silver	39	6	257	20	5	135	109	39	0.3	—	100
L : Light manufac.	33	14	27	30	14	24	90	29	80	42	54
L_o : Other manufac.	32	12	17	30	7	19	56	15	53	44	38
L_{t_1} : Textile yarn and thread	26	24	18	25	53	23	204	10	50	176	50
B_p : Petroleum products	101	289	150	169	215	186	391	317	646	293	399
T : Total manuf.	75	29	62	129	45	68	122	32	171	134	100
B : Base metals and refined fuels	259	75	128	105	95	126	274	125	350	194	201
B_m : Non-ferrous base metals	457	29	236	240	275	265	275	99	268	221	263
A : Processed agricultural products	84	146	168	518	138	285	120	222	328	423	246

the structure of comparative advantages of developing countries vis-a-vis developed countries. They also show that besides the exports based on natural factors such as B_p, B, B_m, $B_{m'}$ and A, the only promising manufacturing export industry is light manufactures, especially textile fabrics.

(2) In total manufactures, the USA and UK show highest intensity of trade. Also, Japan and France have high intensity of trade which, however, comes from the high intensity in imports based on natural disadvantages.

(3) In the imports of light manufactures, particularly in textile fabrics, only the USA and UK have high intensity and other developed countries remain in very low intensity of trade. This should be an important concern for future manufactured exports from developing countries.

(4) More detailed observations may be worth-while for some developed countries as compared with others show particularly high or low intensity of trade in some special commodity.

Let us turn to analysing one commodity category with another. Since characteristics of export performance of each commodity category have already been surveyed, we will confine our attention to the following two points:

(a) Which manufactured exports are relatively successful as compared with other commodities belonging to the same category? This can be judged firstly by the increase (or decrease) in the share of exports from developing countries in imports of developed countries, and secondly by intensity of trade. It should be kept in mind that these judgments are surmised in comparison with the performance of total (or in other words, average) of the commodity category.

(b) Is there any tendency of diversification either in the number of exporting countries or in their destination? Unfortunately we cannot trace the tendency of diversification in the number of export manufactures from developing countries, but we may find some tendency of diversification in the number of exporting countries and in their destination.

Processed agricultural products

Table 10 shows a summary of export performance from developing countries as regards 14 processed agricultural products, which are arranged in the order of rate of increase in imports of developed countries. As previously mentioned, this category of commodities as a whole is important but stagnating export items from developing countries. Almost all commodities experienced a decline in the share of exports from developing countries in imports of developed countries, particularly in commodities shown in upper section of the table (such as *122*, *048*, *032*, *112*, *024* and *412**) in which imports of developed countries increased relatively rapidly. This is a serious concern for developing countries since exports from developing countries should increase more rapidly than other commodities in such goods in which imports of developed countries increase relatively rapidly. This may be the result of failure in structural adjustment in developing countries in order to adapt to the change in demands in developed countries, on the one hand, and on the other, more rapid improvement of efficiency and quality in these commodities and some protection taken by developed countries. The only exceptions which experienced an increase of share are *061* (sugar and honey), *023* (butter), *411* (animal oils and fats) and *013* (meats in air-tight containers). However, in

TABLE 10. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES

A. Processed Agricultural Products

		(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries		(7) Intensity of trade
		1961 $1,000.	1953–54 av.–1961 %	1961 $1,000.	1953–54 av.–1961 %	1953–54 av. %	1961 %	1961 %
122	Tobacco manufactures	49,026	173.9	7,692	54.8	27.76	15.69	103
048	Cereal preparations	104,988	160.0	3,078	42.3	5.36	2.93	19
032	Fish in airtight containers	258,400	93.6	36,727	29.7	21.22	14.21	93
112	Alcoholic beverages	831,038	67.6	265,156	33.3	40.12	31.91	210
024	Cheese & curd	270,496	41.7	1,702	−0.4	.89	.63	4
013	Meats in airtight containers	391,524	22.0	117,586	37.0	26.75	30.03	197
	Total Proc. Agr. Prod.	4,407,540	20.15	1,648,895	4.49	43.02	37.41	246
412	Fixed veg. oils, soft	503,029	12.7	314,489	6.4	66.16	62.52	411
411	Animal oils & fats	189,236	11.1	22,271	286.8	3.38	11.77	77
012	Meats, dried, etc.	295,497	8.9	3,395	−23.8	1.64	1.15	8
023	Butter	335,044	4.6	7,943	10.9	2.24	2.37	16
431	Animal & veg. oils & fats, processed	49,578	3.3	21,102	−21.5	56.04	42.56	280
061	Sugar & honey	1,001,720	− 5.6	832,385	− 5.1	82.67	83.10	546
073	Chocolate & other food prep. containing cocoa or chocolate	64,529	− 6.4	7,296	−48.3	20.48	11.31	74
046	Meal & flour of wheat or mealies	63,435	−23.2	8,073	−68.0	30.53	12.73	84

061 both imports of developed countries and exports from developing countries declined, and *023* is not yet an important export. The only successfully increased export is *013* which attained fairly high intensity of trade (i.e., 197), and next is *411*, intensity of trade of which is still low (i.e., 77).

The number of exporting countries was 70 in 1953–54 average but decreased to 64 in 1961. This indicates not the diversification but concentration of exporting countries, which are quite contrary to what we expected. This may be partly or mainly due to the change in statistical coverage as previously mentioned, but may also be due to the fact that developed countries in non-dollar areas imported from many developing countries during the dollar shortage period up to 1958 even if products were expensive and of low quality, whereas in recent years they concentrated their imports from cheapest sources of better quality for the dollar shortage was overcome and price mechanism now works more effectively than before. This suggests to us the importance of improvement of efficiency and quality in developing countries in order to expand manufactured exports. As we will see later, the above tendency is not confined to processed agricultural products.

As shown in Table 11, 13 major exporting countries account for 75 per cent of total exports of processed agricultural products emanating from 64 developing countries in 1961.

TABLE 11. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATION IN 1961

A. Processed Agricultural Products

	Total exports	Exports to particular developed countries and their share in total exports (in brackets)							
Algeria	221,811	France	221,341 (100%)						
Philippines	174,427	U.S.A.	168,464 (97%)						
Argentina	140,085	U.K.	42,470 (30%)	U.S.A.	33,836 (24%)	W. Germany	31,202 (22%)	Italy	11,123 (8%)
British AOC AM	130,963	U.K.	63,344 (48%)	U.S.A.	35,086 (27%)	Canada	31,414 (24%)		
Brazil	118,323	U.S.A.	64,327 (54%)	Japan	28,272 (24%)				
Peru	84,349	U.S.A.	69,065 (82%)						
Mexico	79,914	U.S.A.	75,874 (95%)						
Dominican Republic	72,001	U.S.A.	45,975 (64%)	U.K.	17,246 (24%)				
Cuba	52,801	Japan	24,184 (46%)	U.K.	14,440 (27%)	U.S.A.	4,224 (8%)		
China Taiwan	49,511	Japan	31,413 (63%)	U.S.A.	18,098 (37%)				
British AOC E. AFR.	48,818	U.K.	41,548 (85%)						
Nigeria	46,102	U.K.	38,094 (83%)						
Tunisia	38,575	France	34,029 (88%)						
Total of above:	1,257,680 (74%)								
Total exports	1,648,895								

Moreover, the main destination of exports from each exporting country is limited to one or two developed countries. These facts indicate the high concentration of exporting countries and the destination and existence of sheltered market relationship between certain developing and specific developed countries.

Base metals and refined fuels

Let us make the explanation brief since it will be carried out in a similar way as the above, and only outstanding features will be mentioned. As shown in Table 12, manufactured exports in the upper section of the table experienced an increase in the share but those in the lower section decreased, except zinc and tin. This indicates the importance of rapid increases in imports (i.e., demands) of developed countries in order to expand manufuctured exports from developing countries.

Table 13 shows similar tendency in high concentration of exporting countries and their destination. The number of exporting countries was 30 in 1953–54 average and 23 in 1961 for B_m; 13 and 6 for $B_{m'}$, 19 and 13 for B_s; and 20 and 25 for B_p. In other words, only in petroleum products the number of exporting countries increased and diversified.

Textiles

The outstanding feature appearing in Table 14 is that, with the exception of *655* (special fabrics) and *261* (silk), all export items experienced increases in share owing to rapid increase in imports of developed countries and more rapid increase in exports from

TABLE 12. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
B. Base Metals and Refined Fuels

		(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries	(6)	(7) Intensity of trade
		1961 $1,000.	1953–54 av.–1961 %	1961 $1,000.	1953–54 av.–1961 %	1953–54 av. %	1961 %	1961 %
B_s	Iron and steel	2,717,166	147.2	57,104	2,474.6	0.21	2.10	14
684	Aluminium	495,703	104.9	20,465	505.5	0.14	4.13	27
B_m	Silver	225,916	96.5	34,506	228.3	9.14	15.27	100
B_p	Petroleum products	1,851,142	91.9	1,123,540	121.7	52.27	60.69	399
B	Base metals and refined fuels	7,453,305	84.1	2,279,209	64.7	34.17	30.58	201
682	Copper	1,467,816	44.8	768,769	22.1	62.09	54.22	356
B_m	Non-ferrous base metals	2,659,081	42.2	1,063,869	23.1	46.20	40.01	263
689	Base metal nes	136,895	41.9	37,908	20.9	32.50	27.69	182
686	Zinc	123,178	22.8	16,886	54.3	10.91	13.71	90
687	Tin	280,926	19.3	172,928	35.3	54.30	61.56	404
685	Lead	154,563	−15.2	46,913	−26.7	35.14	30.35	199

developed countries, and that many items achieved fairly high intensity of trade. These indicate the increasing importance and promising future of textile exports from developing countries. Table 15 tell us the same story of high concentration of exporting countries, which belong to Asia (except UAR), and their destination. The number of exporting countries was 16 in 1953–54 average, 11 in 1961 for textile yarn and thread, and 39 and 30 for textile fabrics.

Other light manufactures

As shown in Table 16, other light manufactures are successful as well as promising export items for developing countries since items whose share declined are limited (*851*, *821*, *621*, *629*, *831*, *662* and *633*, or in other words 7 items out of 25) while the majority of items experienced increases in share. Most successful items, which attained higher intensity of trade, are *841* (clothes, not fur), *667* (pearls and precious stones), *631* (veneer plywood), *612* (manufactured leather), *243* (wood, shaped), *899** (manufactured goods, nes) etc. As shown in Table 17, concentration is high but the degree of concentration is lower than other commodities. In other words, in these light manufactures small diversification proceeded as compared with other commodities. The number of exporting countries remained unchanged in 71 both for 1953–54 and 1961, although some new exporting countries appeared, while some disappeared from statistics.

Chemicals

As shown in Table 18, since the most important export item in chemicals, i.e., *599** (chemical materials and products, nes) and *512* (organic chemicals), has decreased share, total chemicals also experienced a decline in share, in spite of the fact that other 7 items experienced increasing share. (There is one more item with decreased share, i.e., *532* (dyeing and tanning extracts) but this is unimportant and declining export item). In those chemicals in which imports of developed countries increased relatively faster than other items, exports from

TABLE 13. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATION IN 1961

B. Base Metals and Refined Fuels

B_m: Non-ferrous base metals	Total exports	Exports to particular developed country and share in total exports (in brackets)							
Rhodesia	262,399	U.K.	162,696 (62%)	W. Germany	53,546 (20%)	Italy	22,181 (8%)	France	19,445 (7%)
Chile	233,494	W. Germany	84,674 (36%)	U.S.A.	68,576 (29%)	U.K.	59,289 (25%)	Italy	12,263 (5%)
Congo (Leo)	222,691	Belg.	158,353 (71%)						
Malaya	160,117	U.S.A.	79,127 (49%)	W. Germany	25,292 (16%)	Japan	25,433 (16%)		
Total of above	878,701 (83%)								
All exports	1,063,869								
$B_{m'}$: Silver									
Mexico	18,108	W. Germany	14,189 (78%)						
Peru	13,466	W. Germany	6,833 (51%)	U.K.	5,973 (44%)				
Burma	1,331	U.K.	1,190 (89%)						
Total of above	32,905 (95%)								
Total exports	34,506								
B_s: Iron and steel									
India	25,258	U.S.A.	17,290 (68%)						
Caledonia	9,670	France	9,670 (100%)						
Rhodesia and NYAS	8,987	Japan	4,844 (54%)	U.K.	3,839 (43%)				
Mexico	6,564	U.S.A.	4,494 (68%)	Japan	2,060 (31%)				
Brazil	2,877	Japan	2,319 (81%)	Italy	558 (19%)				
Total of above	53,356 (93%)								
Total exports	57,104								
B_p: Petroleum products									
Venezuela	388,958	U.S.A.	283,240 (73%)	U.K.	43,296 (11%)				
Antilles	357,487	U.S.A.	228,894 (64%)	U.K.	50,064 (14%)	Canada	30,204 (8%)		
Trinidad	136,586	U.K.	60,600 (44%)	U.S.A.	59,340 (43%)				
Bahrain	62,042	U.K.	37,513 (60%)	Japan	16,049 (26%)				
Saudi Arabia	34,207	Japan	26,741 (78%)	U.S.A.	5,023 (15%)				
Singapore	21,865	Japan	19,819 (91%)						
Indonesia	20,482	Neth.	16,174 (79%)	Japan	1,040 (5%)				
Total of above	1,021,621 (91%)								
Total exports	1,123,540								

TABLE 14. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
L_t: Textiles

		(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries	(6)	(7) Intensity of trade
		1961 $1,000.	1953-54 av.-1961 %	1961 $1,000.	1953-54 av.-1961 %	1953-54 av. %	1961 %	1961 %
652	Cotton fabrics	492,392	250.2	93,858	596.5	7.99	19.06	125
656	Made up textiles	151,105	211.1	32,877	244.2	18.80	21.76	143
655	Special fabrics	177,262	203.8	24,054	142.7	19.41	13.56	80
651	Yarn and thread	537,467	200.0	44,033	392.0	4.18	8.19	54
657	Rugs, lino, etc.	194,792	199.6	60,356	200.4	30.86	30.98	204
L	Light manufactures	10,809,910	196.7	895,252	251.6	6.48	8.28	54
653	Miscel. fabrics	893,912	196.1	156,306	168.7	20.33	17.48	114
261	Silk	91,640	154.0	3,798	119.5	5.34	4.14	27
654	Ribbons, etc.	73,510	153.7	1,477	264.2	1.16	2.01	13

TABLE 15. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATION IN 1961
L_{t_1}: Textile yarn and thread

	Total exports	Exports to particular developed country and share in total exports (in brackets)					
India	23,268	U.K.	12,225 (53%)	Netherlands	3,623 (16%)	W. Germany	2,923 (13%)
Pakistan	7,926	U.K.	7,926 (100%)				
UAR	6,416	W. Germany	3,409 (53%)	Belgium	1,721 (27%)	U.K.	628 (10%)
Hong Kong	4,002	U.K.	4,002 (100%)				
Korea	2,766	U.S.A.	1,999 (72%)	Japan	430 (16%)	Italy	337 (12%)
Total of above	44,378 (93%)						
Total exports	47,831						

L_{t_2}: Textile Fabrics

India	206,068	U.S.A.	115,167 (56%)	U.K.	58,140 (28%)	Canada	16,516 (8%)
Hong Kong	55,112	U.K.	35,049 (64%)	U.S.A.	14,450 (26%)		
Iran	35,174	W. Germany	21,969 (62%)	U.K.	6,233 (17%)	U.S.A.	4,458 (13%)
Pakistan	24,632	U.S.A.	10,303 (42%)	U.K.	9,504 (39%)		
Mexico	20,073	U.S.A.	19,643 (98%)				
Total of above	341,059 (92%)						
Total exports	368,928						

developing countries decreased its share. This is a similar trend as appeared in processed agricultural products where improvement in efficiency and quality is more rapid in developed countries than developing countries. Important and relatively successful items are *551* (essential oils) *551** (inorganic chemicals). Structural change from the older types of chemicals to the newer ones is urgently required for developing countries.

TABLE 16. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
L_0: Other Light Manufactures

		(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries	(6)	(7) Intensity of trade
		1961 $1,000.	1953–54 av.–1961 %	1961 $1,000.	1953–54 av.–1961 %	1953–54 av. %	1961 %	1961 %
851	Footwear	289,057	483.5	21,268	177.8	15.46	7.36	48
821	Furniture, etc.	139,702	330.2	5,000	100.2	7.69	3.58	24
621	Rubber, semi-finished	55,213	274.8	1,244	10.6	7.64	2.25	15
841	Clothes, not fur	816,165	246.1	135,763	444.8	10.57	16.63	109
629	Rubber, manufactures nes	190,387	232.2	699	86.4	.65	.37	2
642	Paper manufactures	107,547	209.3	846	2,186.5	.11	.79	3
831	Handbags	55,316	207.1	2,419	26.5	10.61	4.37	29
L	Light Manufactures	10,809,910	196.7	895,252	251.6	6.48	8.28	54
664	Glass	183,211	194.5	1,626	569.1	.39	.89	6
663	Mineral manufactures nes	109,785	187.6	2,342	237.0	1.82	2.13	14
632	Wood manufactures nes	156,852	171.0	5,370	313.4	2.24	3.42	23
612	Manufactured leather, etc.	22,377	165.3	2,122	358.3	5.49	9.48	62
812	Building fixtures	99,169	159.0	4,611	717.6	1.47	4.65	31
899	Manufactured goods, nes	720,573	155.5	52,731	411.8	3.65	7.32	48
662	Bricks, tiles, etc.	140,214	140.3	4,615	98.0	4.00	3.29	22
665	Glassware	116,296	131.5	1,273	2,057.6	.12	1.09	7
897	Gold, silver wares	100,399	119.1	6,603	788.5	2.09	6.58	43
667	Pearls & precious stones	441,888	87.2	73,573	227.6	9.52	16.65	109
661	Lime, cement, etc.	109,413	82.3	4,376	5,172.3	.14	4.00	26
666	Pottery	115,067	74.1	1,222	754.5	.22	1.06	7
641	Paper, paper board	1,499,761	66.9	7,414	70.6	.48	.49	3
631	Veneer, plywood, etc.	270,401	63.2	40,853	251.8	7.01	15.11	99
251	Pulp, waste paper	1,080,909	49.2	2,299	784.6	.04	.21	1
243	Wood shaped	1,315,706	42.4	101,877	45.2	7.59	7.74	51
863	Developed movie film	30,091	34.2	2,026	129.2	3.94	6.73	44
633	Cork manufactures	32,331	8.7	1,811	−72.3	21.97	5.60	37

As shown in Table 19, exporting countries are more diversified as compared with other commodities but destination of each exporting country is limited. The number of exporting countries increased from 53 in 1953–54 average to 58 in 1961. This sign of diversification comes from the fact that chemicals are commodities for which demands are increasing rapidly and which require many kinds of new materials and create new types of products.

Metal products, machinery and transport equipment

As shown in Table 20, intensity of trade of this new manufacturing export is negligibly low except *711* (power generating machinery, other than electric) which is also in very low intensity. Moreover, exports from developing countries include many re-exports. Therefore,

TABLE 17. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATION IN 1961
L_o: Other Light Manufactures

	Total Exports	Exports to Particular Developed Countries and share in total exports (in brakets)							
Hong Kong	178,409	U.S.A.	82,206 (46%)	U.K.	79,939 (45%)	Canada	10,131 (6%)		
Israel	50,665	U.S.A.	27,360 (54%)	Bel. & Lux.	11,285 (22%)	U.K.	4,293 (8%)	W. Germany	3,785 (7%)
Philippines	41,260	U.S.A.	40,588 (98%)						
Brazil	24,641	U.K.	10,398 (42%)	W. Germany	7,870 (32%)	U.S.A.	4,110 (17%)		
Mexico	20,059	U.S.A.	18,234 (91%)	Japan	1,549 (9%)				
Ghana	18,000	U.K.	13,692 (76%)						
China, Taiwan	11,574	U.S.A.	9,702 (84%)	Canada	1,317 (11%)				
India	10,329	U.S.A.	3,787 (37%)	France	2,115 (20%)	U.K.	1,537 (15%)		
Thailand	8,767	Neth.	2,709 (31%)	U.K.	2,399 (27%)	U.S.A.	1,479 (17%)		
Morocco	8,366	France	4,718 (56%)	U.K.	1,178 (14%)				
Total of above	372,070 (78%)								
Total exports	478,493								

TABLE 18. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
C: Chemicals

		(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries	(6)	(7) Intensity of trade
		1961 $1,000.	1953–54 av.–1961 %	1961 $1,000.	1953–54 av.–1961 %	1953–54 av. %	1961 %	1961 %
*599**	Chemical materials and products, nes	1,026,045	213.7	24,843	17.7	6.46	2.42	16
512	Organic chemicals	693,807	192.9	27,887	94.5	6.05	4.02	26
C	Total chemicals	3,111,216	119.2	206,226	72.8	8.41	6.63	43
541	Drugs, etc.	282,824	103.9	17,046	138.7	5.15	6.03	40
521	Mineral tar and crude chemicals from coal, petroleum & natural gas	97,136	79.2	3,633	756.8	0.78	3.74	25
*511**	Inorganic chemicals	456,524	74.9	62,124	251.4	6.77	13.61	89
551	Essentials oils	124,202	62.0	42,430	64.6	33.61	34.16	225
561	Fertilizers, manufactured	289,151	56.8	11,141	874.7	0.62	3.85	25
533	Paints, etc.	85,587	49.5	567	119.8	0.45	0.66	4
571	Explosives, etc.	20,276	56.8	1,794	1,323.8	0.48	8.85	25
532	Dyeing & tanning extracts	35,664	−37.6	14,761	−52.9	54.90	41.39	272

TABLE 19. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATIONS IN 1961

C: Chemicals

	Total Exports	Exports to Particular Developed Countries and share in total exports (in brackets)							
Mexico	25,197	U.S.A.	12,912 (51%)	W. Germany	5,956 (24%)	U.K.	2,208 (9%)		
Argentina	22,268	U.S.A.	10,594 (48%)	W. Germany	3,121 (14%)	Italy	2,116 (10%)	U.K.	1,797 (8%)
Cuba	20,701	U.S.A.	20,701 (100%)						
Brazil	17,732	U.S.A.	13,252 (75%)	U.K.	1,901 (11%)	France	1,354 (8%)		
India	9,014	U.K.	3,946 (44%)	U.S.A.	2,368 (26%)	France	1,651 (18%)		
Guinea	8,853	France	8,807 (99%)						
Chile	7,378	U.S.A.	3,022 (41%)	U.K.	1,541 (21%)	W. Germany	1,441 (20%)		
Algeria	6,211	France	6,066 (98%)						
China (Taiwan)	5,266	U.S.A.	2,983 (57%)						
Israel	5,149	Italy	2,287 (44%)						
Reunion	5,003	France	4,488 (90%)						
Tunisia	4,988	France	4,504 (90%)						
Jamaica	4,966	U.S.A.	4,398 (89%)						
Gabon	4,238	France	4,238 (100%)						
Paraguay	3,855	U.S.A.	2,635 (68%)						
Madagascar	3,789	France	1,455 (38%)	U.S.A.	1,822 (48%)				
Br. AOC AM.	3,219	U.K.	772 (55%)						
Neth. Antilles	3,156	U.S.A.	2,056 (65%)	U.K.	1,099 (35%)				
Total of above	160,983 (78%)								
Total exports	206,226								

this group of exports is still premature for developing countries.

As shown in Table 21, concentration of exporting countries and their destination is very high. Even some major exporting countries listed in the table may play merely the role of "transit trade". The number of exporting countries decreased from 56 in 1953–54 average to 47 in 1961.

To sum up, successful manufacturing exports from developing countries have been so far limited in textiles and other light manufactures and to a smaller extent iron and steel. It should be noted that rapid increases in demands of developed countries played an important and crucial role for expanding successfully exports of those commodities from developing countries. On the contrary, in a most important item of processed agricultural products and chemicals, for which demands of developed countries increased relatively quickly, developing countries failed to expand exports rapidly. This should be an important concern for developing countries.

TABLE 20. MANUFACTURED EXPORTS FROM DEVELOPING TO DEVELOPED COUNTRIES
M: Metal Products, Machinery and Transport Equipment

	(1) Imports of developed countries	(2) Rate of increase in imports	(3) Exports from developing countries	(4) Rate of increase in exports	(5) Share of exports from developing countries in imports of developed countries		(7) Intensity of trade
	1961 $1,000.	1953–54 av.–1961 %	1961 $1,000.	1953–54 av.–1961 %	1953–54 av. %	1961 %	1961 %
861 Instruments & apparatus	513,815	238.2	4,074	541.6	0.42	0.79	5
*721** Electrical machinery	1,978,018	219.1	14,877	249.6	0.67	0.75	5
M: total	7,718,464	157.6	69,556	278.6	0.61	0.90	6
711 Power generating machinery, other than electric	758,383	155.2	36,640	777.8	1.40	4.83	32
*716** Machinery, nes	2,886,037	83.2	4,763	98.6	0.26	0.17	1
*699** Manufactures of metal, nes	985,743	112.2	8,622	41.2	1.31	0.87	6
712 Agricultural machinery	596,468	83.2	580	98.6	0.26	0.17	1

TABLE 21. MAJOR EXPORTING COUNTRIES AND THEIR MAIN DESTINATIONS IN 1961
M: Metal Products, Machinery and Transport Equipment

	Total exports	Exports to particular developed countries and share in total exports (in brackets)				
Hong Kong	15,070	U.K.	7,216	(48%)	U.S.A. 7,184	(48%)
India	11,459	U.K.	9,555	(83%)	U.S.A. 1,530	(13%)
Morocco	6,396	Italy	6,154	(96%)		
Mexico	4,239	U.S.A.	2,915	(69%)		
Israel	2,655	U.K.	2,355	(89%)		
Ryukyu Island	2,175	U.S.A.	2,065	(95%)		
Nigeria	2,058	U.K.	2,056	(100%)		
Lebanon	3,433	U.K.	3,416	(100%)		
Sudan	1,683	U.K.	1,683	(100%)		
Algeria	1,678	France	1,237	(74%)		
Egypt UAR	1,534	U.K.	1,036	(68%)		
Total of above	52,380 (75%)					
Total exports	69,556					

As far as trends of diversification are concerned, developing countries failed in general to diversify exporting countries and their destination, but rather strengthened concentration. This was brought about by the fact that the dollar shortage after the war was over and price mechanism had recommenced to work more strictly and effectively so that developed countries preferred to concentrate their imports on the cheapest sources of higher quality. This suggests to us that export expansion for developing countries is not an easy matter and improvement in efficiency and quality is of the utmost urgency for them.