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Economic Review

China, Hong Kong, North Korea
No.2-1971



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China, Hong Kong, North Korea No.2-1971



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Summary

No. 2 - 1971 ECONOMIC REVIEW OF CHINA, NORTH KOREA AND HONG KONG

April 13, 1971

- Page 2-4 China. More provincial party committees have been set up. It is now thought that the network of higher-level party committees will be completed in time for the July anniversary celebrations. With one exception, the new party committees are controlled by the army and the influence of red guards is extremely small. The campaign against relaxing class struggle continues. After a long unexplained period of absence, the minister of public security, Hsieh Fu-chih, is back in the limelight.
- 4-6 Last year saw a good progress in all sectors of the economy. Industrial production is thought to have risen by 20 per cent; growth appears to have been particularly good in coal, steel, oil, chemicals and textiles. For the first time for over ten years, some official production figures have been revealed. The small industry drive continues, but efforts are being made to avoid the mistakes of the great leap.
- 7-8 Last year's grain harvest was a record, but there was also a satisfactory increase in the output of most other agricultural products. The spring farming season is now under way and peasants are urged not to relax their efforts.
- 9-11 China's imports from the developed world saw a rapid rise last year. Exports, however, grew relatively slowly and there was a sizeable increase in the trade deficit. The recent China-Japan trade memorandum talks have ended in agreement. Peking's efforts to use foreign trade as a political weapon continue, but without very much success. Trade agreements have been concluded with several countries.
- 12-14 North Korea. The indications are that many of the detailed seven-year plan targets have not been reached. Much emphasis is devoted to future tasks; these include a growth of 14 per cent in industrial output as well as the construction of several new power stations, an oil refinery and many other industrial projects. A new five-year trade agreement has been reached with the USSR.
- 14-16 Hong Kong. The EEC has decided to grant the colony developing nation status for the purposes of the UNCTAD preference scheme. Domestic exports recorded a relatively slow increase of 17.4 per cent during 1970, but - despite some doubts about the future - the current year should see a faster growth.

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Outlook

China. The last few months have seen rapid progress in the establishment of the provincial party committees and it now seems that the authorities are planning to complete this task by July. However, this will not mean the end of party-building; due to factional disputes, the network of lower level party committees is not likely to be completed before the end of the year. Even after this, factional disputes are expected to continue but - in view of the army's dominance in the new party - these are unlikely to get out of hand. All in all, the keynote of the forthcoming twelve months will be caution and moderation. The less extremist faction is now well in control at the top and the indications are that any action which would endanger the return to political normality will be avoided. Although nothing has been said about the National People's Congress recently, it is still expected that it will be convened within the next few months.

The outlook for the economy is good. The authorities seem to be determined to pursue a pragmatic economic policy. This should ensure a good growth in both industry and agriculture, although last year's particularly encouraging performance may not be repeated. Priorities are likely to remain unchanged; the small industry drive will continue, but efforts will be made to avoid the mistakes of the "backyard production drive" of the great leap. Foreign trade should grow, but unless Peking's efforts to boost sales abroad are successful, the increase in imports may have to be curtailed for balance-of-payments reasons.

North Korea. 1971 is the first year of the new six-year economic plan and the authorities are pulling out all the stops to ensure that it gets off to a good start. The target is a 14 per cent increase in industrial production and a rapid growth in the capital construction sector. First reports indicate a good start to the year, although there is some evidence of a labour shortage, which may slow down growth.

Hong Kong. It is expected that the principal developed countries will grant developing status to the colony for the purposes of the UNCTAD preference system, although many important products will be excluded. Although the Mills Bill may be reintroduced, it is now unlikely to become effective for some time. Economic growth in several of the colony's major markets is likely to be faster than last year and there is reason to believe that - despite strong competition from other countries - exports will grow faster than in 1970.

CHINA

THE ARMY'S PARTY

More provincial party committees

It now seems likely that the reconstruction of the Chinese Communist party, which was destroyed by the cultural revolution, will be completed within the next few months, perhaps in time for the July anniversary celebrations. Following the establishment of the country's first four provincial party committees in Hunan, Kiangsi, Kwantung and Kiangsu at the turn of the year, party building appears to have been speeded up. Thus, during the last few months another seven provinces - Liaoning, Anhwei, Shensi, Chinghai, Honan, Kansu and Chekiang - have announced the formation of provincial party organisations, and the signs are that a number of others - including Hupeh and Kwangsi - have completed much of the necessary preparatory work and are about to convene party congresses to elect the members of their respective committees. In addition, party committees have also been set up in the two key municipalities of Shanghai and Peking and work is reported to be going on all over the country to complete the network of lower level party units as soon as possible.

Military firmly in control

There can be little doubt that, just as the revolutionary committees, the new Communist party is dominated by the army. This is indicated by the fact that in 10 of the 13 provincial and important municipal party committees established so far, the top job is occupied by a high-ranking military figure and that most of the deputy secretaries and other important members are also army representatives. In fact, in a number of provinces, the list of the principal party committee members reads very much like the local army list. Thus, in Liaoning four members - including the first secretary - of the top five are army officers, whereas in Anhwei, Kiangsu and Kiangsi the army's score is three out of five. It is obvious that in bringing in a few non-military figures, the army displayed a marked preference for older cadres at the expense of the young revolutionaries. Thus, most of the civilians occupying important positions are of the old guard some of whom held important posts in the pre-cultural revolutionary party and were denounced and publicly humiliated by the red guards. The single exception to the general pattern is the Shanghai municipal party committee. This is led by two of Madame Mao's closest supporters and collaborators, while most of the remaining members are regarded as red revolutionaries, many of whom have attained prominence (and notoriety) during the violent phases of the cultural revolution. At the same time, several well known local military figures have been excluded from the committee altogether.

The party versus the revolutionary committees

Although it is clear that the leftists scored a clear victory in Shanghai, this is not surprising in view of the fact that this area has taken a pretty extreme line ever since the beginning of the cultural revolution. In fact, the composition of the Shanghai party committee does no more than reflect the existing power structure in the city, where the revolutionary committee is firmly in the hands of the same left-wing elements. Thus, the top dogs of the party committee are the top dogs of the revolutionary committee and there are many other people who are members of both bodies. Much the same situation prevails in other parts of the country. Almost invariably, the newly elected party boss is also the boss or a high ranking member of the local revolutionary committee - a pattern that is often repeated in the case of the less important party committee members. Presumably, this dual set-up will make it easier to minimise the conflict between the revolutionary and the party committees over respective spheres of influence and responsibility. At present this question does not appear to worry the authorities. Up to now, the problem has received very little attention in the press, but - judging by a recent Nanking article - official thinking is that while the party committees are clearly superior, they should allow considerable powers to the revolutionary committees in executing party policy.

Bourgeois tendencies still linger on

Although official jubilation over the appearance of the new party committees has not yet died down, a campaign against complacency is already in full swing. This reflects Mao's fear that now that the situation is returning to normal, the masses' revolutionary spirit may once again give way to bourgeois and capitalistic tendencies. In order to ensure that this does not happen, the state propaganda machine has launched a full scale attack on the view ("held by some comrades") "that everything is fine" and that the class struggle can safely be relaxed. It is stressed day after day that, due to their backgrounds, most people still have petit-bourgeois leanings which can only be exercised by relentless class struggle and a continuous campaign of re-education. Complacency about the political tasks ahead also seems to be a problem in the new party organisations, where some cadres are said to feel that the new party is so pure that there is no need to give serious attention to class struggle. According to the Red Flag, those who hold this view are helping Liuist agents to make a comeback and must make urgent efforts to remould their outlook. Another problem appears to be arrogance on the part of the party members. Hence the attacks on the "I have always been right" mentality and the warnings that everyone (except, presumably, the great Chairman Mao) makes mistakes and adopts erroneous views from time to time.

Hsieh Fu-chih back in the limelight

One interesting by-product of the formation of the new provincial and municipal party committees is the revelation that the minister of public security, Hsieh Fu-chih, whose long absence from public life was thought to indicate a loss of power, remains a member of the country's ruling circle. This is shown by his election (or appointment) as the head of the Peking municipal party committee - a position that must imply support and confidence from the highest quarters. However, Comrade Chen Po-ta who has also been absent from the public eye, continues to remain politically invisible, while one of his closest colleagues, Kang Sheng, has also been out of the limelight for over three months. It is clearly dangerous to draw any hard and fast conclusions from this, but, if their prolonged absence does indicate a loss of influence, it must be regarded as a serious blow for the leftist faction, for - unlike the relatively moderate Hsieh Fu-chih - both are on the far left of the political spectrum.

THREE CHEERS FOR THE ECONOMY

Industry doing well

Last year's progress in strengthening the country's administrative structure and in rebuilding the Communist party network was, it seems, accompanied by a good growth in the economy. There is an unmistakable air of optimism and satisfaction in both Peking and the provincial capitals, reflected in numerous reports of record production levels in various sectors of the economy. Industry, agriculture, transport, construction, domestic trade, etc, have all come in for considerable praise, and while some of the provincial claims appear to be inconsistent and even contradictory, there is no doubt that 1970 will justly be remembered as a year of solid economic achievements. In industry, at least two dozen provinces and important production centres reported the overfulfilment of their yearly targets, many claiming increases of 20-40 per cent on the 1969 output level. Shensi, for example, is said to have boosted gross industrial production by 26 per cent while Anhwei and Kwantung have been claiming gains of 30 per cent and 33 per cent. Taking all the known figures and the latest "guesstimates" of the more important provinces' share in total industrial production into account, it seems that gross industrial output may have been an increase of about 20 per cent over 1969 - a year that is thought to have recorded a pretty good growth. According to the first official national production figures to come to light for over ten years (given by Chou En-iai to American journalist Edgar Snow), the value of the country's industrial output totalled \$90 bn. Compared with the national accounts figures of the more important countries, as given by the United Nations, this would make China's industry the third largest in the world, after the US and the USSR. However, comparisons of this nature must be used with a great deal of caution, especially in view of the fact that no information is available on what the Chinese figure includes or how it is calculated. Japan's economic planners estimate that China's GNP rose by 10 per cent last year to \$75 bn. This would put China eighth or ninth in the GNP league.

More coal and steel -

As in previous years, the main stress was put on the coal and steel industries. Chou En-lai gave no information about coal output, but he estimated that 1970 crude steel production reached about 18 mn tons. This is somewhat higher than most estimates made by outside observers and indicates that during the last few years growth in the iron and steel industry has been faster than generally supposed. Certainly, 1970 seems to have recorded a satisfactory growth. Most provinces reporting a successful year in industry include steel and rolled steel among the products that did particularly well and there is also some evidence of good progress in most important steel producing centres. The Maanshan Iron and Steel Company, for example, produced 88 per cent more pig iron, 50 per cent more steel and 57 per cent more rolled steel than in 1969, while the Penchi works in Liaoning boosted pig iron and crude steel output by 40 per cent and 50 per cent. At the same time, the giant Anshan steel complex is said to have fulfilled its annual plan by December 21, as a result of which output for the year was "far above" the level of 1969. The combined production of the country's numerous small iron and steel works also appears to have seen a good increase, although their importance in national production is likely to be relatively small. A good growth is also claimed in iron ore production; according to the New China News Agency, the output of iron ore was some 43 per cent higher than in the previous year.

- and oil

During the last three months or so, little specific information has been published about the country's principal oil producing areas, but since the "learn from Taching" campaign shows no signs of losing momentum, it must be assumed that the authorities are quite happy with the progress of at least this oilfield. Thanks to Chou En-lai, however, it is now known that China's total output of crude oil amounted to 20 mn tons in 1970 - a figure that is 40/50 per cent higher than most outside estimates. Chou has also confirmed that output is now sufficient to meet domestic requirements.

Spotlight on chemicals and textiles

Chemical fertilisers also appear to have done well. According to Chou, last year's output amounted to 18 mn tons, covering about half of the country's requirements. A large part of the gain in output over the last few years can be attributed to the growth in the number of small, commune-run, plants, which are now officially estimated to account for 40 per cent of the national output, as against a mere 12 per cent in 1965. Other branches of the chemical industry, especially plastics and synthetic fibres, are also said to have recorded a satisfactory advance. The same is true of cotton yarn and cloth, knitwear, silk, satin and wide range of other textile products. In Sinkiang, for example, the output of cotton textiles went up by 33-55 per cent; in Shensi the textile industry recorded a growth of 17 per cent during January-November, 1970, and in Kwangsi, Kirin, Hupeh and a number of other provinces production is claimed to have increased by a "big" margin. As a result, most national textile production targets

were fulfilled well before the end of the year and the output of cotton fabrics reached 8.5 bn metres, making China the world's largest producer. The supply of other household necessities and some consumer durables is also said to have increased at a satisfactory rate.

Small industry drive continues -

The resources devoted to industrial capital construction are said to have been very much greater than in 1969 in most parts of the country. Hupeh talks of a "tremendous increase" in building work, Inner Mongolia boasts of "unprecedented" construction activity, while Shensi claims an increase of 60 per cent in the funds devoted to this purpose. In addition, a score of other provinces talk of the early fulfilment of the state construction plan and give details of a large number of newly completed enterprises. As in 1969, however, attention was mainly concentrated on small, local factories. During the last few months, there were only a handful of reports dealing with large-scale projects - including a 100,000 tons-a-year phosphate fertiliser factory in Kansu, a "large" chemical fertiliser plant in Fukien and a plate glass factory in Taiyuan - but there were numerous references to the building of medium-sized and small plants, coal mines and power stations. Thus, local broadcasts claim that last year saw the completion of 2,000 small coal pits and that 8,000 small power stations are under construction in Kwantung province. Shensi puts the number of small coal mines and hydro-electric power stations brought into operation during 1970 at over 1,000, and Hupeh is claiming credit for completing about 2,000 small and medium-sized factories, leading to a 57 per cent increase in the value of the province's local industrial production as compared with 1969.

- with an eye on past mistakes

However, in encouraging local industrial development, the authorities seem to be determined to avoid some of the mistakes that characterised and ultimately killed the "backyard production drive" of the great leap. Hence the appeals to proceed "from the actual conditions in local areas" and to give constant attention to meticulous planning, to more efficient ways of raw material utilisation and to improving quality. A Red Flag article published last year admitted that some local factories were set up without very much regard for the availability of raw materials and the existing production facilities in the area. Although it is not thought that problems of this nature have been encountered on a very wide scale, there are now signs that some provincial authorities are strengthening their control over small-scale industrial activities and are taking steps to avoid excessive decentralisation. The old question of how far local industry should support agriculture has also been in the limelight. This indicates that some small plants are still giving priority to producing relatively profitable industrial components, rather than articles of direct benefit to agriculture.

Grain harvest all-time record

However, judging by the optimistic tone of most rural reports, agriculture has little to complain about. As a result of an expansion in the area under cultivation and a good improvement in yields, there appears to have been a satisfactory increase in the output of most principal farm products. According to Chou En-lai, the grain harvest reached 240 mn tons - a figure that is not only higher than most estimates made by outside observers, but is also claimed to be a record. No official output figures are available in respect of other agricultural products, but - in view of the New China's News Agency's proud claim of an "all round development" and the highly optimistic provincial reports - it seems safe to assume that most other crops - cotton, tobacco, oilseeds, sugarbeet, fruit, etc. - also did better than in 1969. The record production levels of 1969 were also surpassed in the fisheries and the forestry sectors. Thanks to a relatively early start to the fishing season and an increase in the number of motorised and modernised craft, fish catches by the ten major fishing provinces and municipalities were 17 per cent higher in the first ten months of 1970 than in the corresponding period of the preceding year. Timber production went up by 13 per cent and greater attention was paid to afforestation. With the aid of a mass afforestation campaign, in which about 1 mn people took part, the country's largest timber producing province, Heilungkiang, afforested some 354,000 ha - 18 per cent more than last year. At the same time, Hunan planted trees on about 340,000 ha in the spring, more than during the whole of 1969. All in all, Chou estimated that the value of China's agricultural output reached \$30 bn - about one-third of the figure given for that of industrial production.

Exploiting the peasants' revolutionary zeal -

The busy spring farming season is now under way and the authorities' principal preoccupation is to ensure that, despite the increase in rural incomes resulting from last year's good harvest, peasants do not relax their efforts to increase production. This involves two different campaigns, one which is designed to appeal to the masses' revolutionary spirit and one which is meant to exploit their undoubted interest in material rewards. Thus, on the one hand, there is a constant flow of exhortations to learn from the model Tachai production brigade, which is enlivened only by approving stories about individual peasants who resolutely faced all kinds of hardships in order to win "even greater victories" in production. At the same time, there are frequent warnings against complacency; a recent editorial in the People's Daily even conceded that the level of agricultural production was not high enough and that "difficulties of one kind or another" may still be encountered.

- and their bourgeois leanings

But just in case these well-worn revolutionary clichés fail to inspire the rural work force, considerable attention is paid to the economic benefits of greater efforts in production. There are frequent references, for example, to the need to ensure that due regard is paid not only to the interests of the state and of building up reserves, but to the income of the individual. Although "putting money in command" is still regarded as a dangerous Liuist crime, cadres are warned to repudiate those who advocate "egalitarianism" and do not conform to the principle of "each according to his work". Equally, the authorities seem to be anxious to reassure peasants that, as long as they fulfil their obligations to the production team, their private sideline activities are not in danger of being curbed. This is indicated by a campaign to justify and even praise such activities on economic grounds and to persuade those who take an "extremist view" that they are fully compatible with Maoist thinking. Thus, a recent Chekiang broadcast, which was echoed in several other provinces, claimed that rural household sideline occupations should be actively encouraged by the communes, since they form an essential part of the socialist economy and have an important bearing on the income of their members. Therefore, as pointed out by several local papers, it is necessary to draw the correct distinction between encouraging capitalism to flourish and promoting "diversified economy" by paying due regard to both collective and private sideline occupations. That this surprisingly pragmatic approach has the full support of the central leadership and is not just a reflection of local pressures is underlined by a recent article in the People's Daily on pig breeding. This called not only for greater efforts in this field by individuals, but went as far as to claim that the number of pigs raised by each household is not a valid criterion for the purpose of determining whether there is any danger of capitalism.

More of everything?

As a result of the improvement in industrial and agricultural production, the supply of foodstuffs and consumer goods appears to have been very much better than for many years. Most provinces claim a highly satisfactory progress in procurement during 1970 and talk of thriving markets, growing savings and a large gain in consumers' expenditure. In some areas, such as Hupeh, both procurement and sales are said to have increased at a pretty spectacular rate (20-30 per cent), but - according to a recent NCNA report - the increase for the country as a whole was of the order of 10 per cent. The supply of consumer durables, footwear and textiles appears to have seen a better than average improvement; sales of transistor radios, for example, were 280 per cent higher than in 1969 and those of rubber shoes, towels, bicycles, sewing machines, etc., went up by 40-150 per cent. Prices are described as generally stable and there are numerous claims of an increase in the variety of products available. However, in contrast to usual practice, little has been said about improvements in quality, which may indicate that the performance of the small plants, which are thought to be responsible for the bulk of the increase in the supply of consumer goods, leaves much to be desired in this respect.

FOREIGN TRADE AND PAYMENTS

Imports rose sharply in 1970

Last year's good economic performance is reflected in the trend of foreign trade. During 1970, the value of Peking's trade with its most important non-communist trading partners (listed below) grew by some 13 per cent to \$2,564 mn, which is well above the previous record set in 1967. However, despite the increase in industrial and agricultural production, Chinese sales abroad did not do particularly well. Thus, following a 9 per cent increase in 1969, last year saw a gain of less than 2 per cent to \$1,188 mn, the bulk of which was accounted for by a slight advance in sales to Hong Kong and Japan. Exports to China, on the other hand, recorded a spectacular advance - a development that reflects not only the growing import needs of an expanding economy but greater confidence in the future. During 1970, sales by the countries listed below went up by about 25 per cent, which brought their total to \$1,376 mn. Although most countries managed to increase their sales, much of the extra business was provided by Japan, which - despite the political tension between the two countries - pushed up its shipments by about 45 per cent. France increased its sales by approximately 80 per cent to \$80 mn and Canada also saw a fairly good gain. British exporters, however, failed to repeat their exceptionally good 1969 performance; their sales fell by about 18 per cent.

China's Foreign Trade

(\$ mn, monthly averages)

	<u>Export to China</u>		<u>Imports from China</u>	
	<u>1969</u>	<u>1970</u>	<u>1969</u>	<u>1970</u>
West Germany	13.2	13.9	7.4	7.0
France	3.7	6.7	6.4	5.8
Belgium	1.3	1.9	1.0	0.9
Italy	4.7	4.8	5.4	5.2
<u>Netherlands</u>	<u>1.9</u>	<u>1.8</u>	<u>2.3</u>	<u>2.2</u>
<u>EEC total</u>	<u>24.8</u>	<u>29.1</u>	<u>22.4</u>	<u>21.2</u>
United Kingdom	10.9	8.9	7.6	6.7
Sweden	1.0	1.9	1.6	1.6
Norway	0.4	1.0	0.5	0.5
Denmark	0.1	0.3	0.8	0.9
Switzerland	1.2	1.7	1.5	1.5
<u>Austria</u>	<u>0.3</u>	<u>0.4</u>	<u>0.8</u>	<u>1.0</u>
<u>EFTA total</u>	<u>14.4</u>	<u>15.3</u>	<u>13.3</u>	<u>12.7</u>
Canada	9.4	11.3	2.1	2.1
Australia	10.0	10.7	2.8	2.9
Hong Kong	0.6	0.9	37.0	38.9
<u>Japan</u>	<u>32.6</u>	<u>47.4</u>	<u>19.6</u>	<u>21.2</u>
<u>Grand total</u>	<u>91.8</u>	<u>114.7</u>	<u>97.2</u>	<u>99.0</u>

Peking in the red

On the basis of the above figures, Peking faced a trade deficit of about \$190 mn. However, these figures are derived from trading partners' returns and in order to make some allowance for China's shipping and other costs, exports to China should be increased by 10 per cent and imports from it decreased by 10 per cent, except in the case of trade with Hong Kong, where these costs are thought to be negligible. This would indicate a true deficit of about \$400 mn, considerably larger than last year. It is not expected that more than half of this was covered by the surplus earned in other countries. China usually has a favourable balance of about \$100 mn-\$150 mn in Singapore and a number of other Asian and African countries, but partial statistics for 1970 provide no indication that this surplus was very much larger than usual. Although the widening trade gap is expected to lead to greater Chinese efforts to increase sales during the current year, it is not thought that it will seriously affect the growth of imports.

Trade as a political weapon -

After lengthy negotiations, agreement has been reached on the renewal of the China/Japan trade memorandum for the current year. According to the agreement, memorandum trade between the two countries will total about \$70 mn, roughly the same as last year; however, while Japanese sales will still account for well over half of the total, their value is expected to be reduced from \$53 mn in 1970 to some \$47 mn. The full list of products involved will not be settled until later, although it is known that Japanese exports will include fertilisers, steel and machinery. As usual, the price of Peking's signature was a joint communiqué in which the Japanese negotiators obligingly underwrote yet another Chinese attack of the "revival of Japanese militarism" and Premier Sato's "anti-Chinese" policy. The communiqué, which has become a regular but largely ignored feature of Sino/Japanese trade, is part of Peking's campaign to force Tokyo to change its policy towards China. Another development, serving the same purpose, was the recent round of discussions between the Japanese ex-foreign secretary, Mr Aiichiro Fujiyama, and Chou En-lai, who lost no opportunity to stress that a serious improvement in relations between the two countries is conditional upon a drastic change in Japanese foreign policy.

- but Mr Sato is not impressed

It is undeniable that there is considerable internal opposition to the Tokyo government's China policy - its extent indicated by the fact that over half of all Diet members have joined a recently-formed all-party body, the aim of which is to press for better relations between the two countries. Unhappily for Peking, there is no evidence that Mr Sato is planning any significant changes in foreign policy. On the contrary, government spokesmen have made it clear that there can be no question of withdrawing recognition from Formosa and that an armed conflict

between China and Taiwan would be regarded as an international conflict - a situation in which Japan could not adopt an indifferent attitude. However, the government is trying, within the limits of its overall foreign policy, to be as conciliatory towards Peking as possible. Thus, it was announced recently that there were no official objections to using Chinese yuans in trade between the two countries, as long as full convertibility is guaranteed. It has also been made known that Tokyo is studying the possibility of extending tariff preferences to China, while Mr Sato, in one of his public speeches, dispensed with normal practice and referred to China by its official designation of "People's Republic". Needless to say Peking appears to be distinctly unimpressed by these small olive branches and some businessmen fear that its displeasure will have an adverse effect on trade. However, many people, including the EIU, take the view that such fears are alarmist and that China's leaders are pragmatic enough not to allow political factors to interfere unduly with their overseas transactions, which, after all, are of considerable importance to their economic plans. It is argued that Peking could transfer its orders to other countries, but again, it seems unlikely that less competitive suppliers would be given preference for political reasons. This is indicated by the rapid growth in last year's trade between the two countries, which took place in spite of a pretty uncompromising Chinese attitude on political questions.

This quarter's trade agreements

The Sino/Rumanian trade and payments agreement was signed in February. It stipulates an increase in trade compared with 1970 and provides for the exchange of Chinese steel, other metals, cotton textiles, chemicals and machine tools for Rumanian petroleum and petroleum products, aluminium, chemicals, drilling machinery, vehicles, machine tools and electric motors. In 1969, Sino/Rumanian trade amounted to \$81 mn (Rumanian exports \$39 mn, imports \$42 mn), which made the country China's largest communist trading partner (excluding Albania, for which no figures are available). A similar agreement has been reached with Finland, which provides for a 70 per cent increase in trade and for the exchange of Finnish cellulose and paper for Chinese soybeans, fruit and textiles. Other trade agreements signed during this period include one with the Sudan, which aims at a two-country trade of \$68 mn; one with Ceylon, which provides for the sale of 200,000 tons of Chinese rice, textile products and machinery for 41,000 tons of rubber, coconut products and some manufactured goods; and one with Afghanistan, which aims to double Afghan sales to China during 1971.

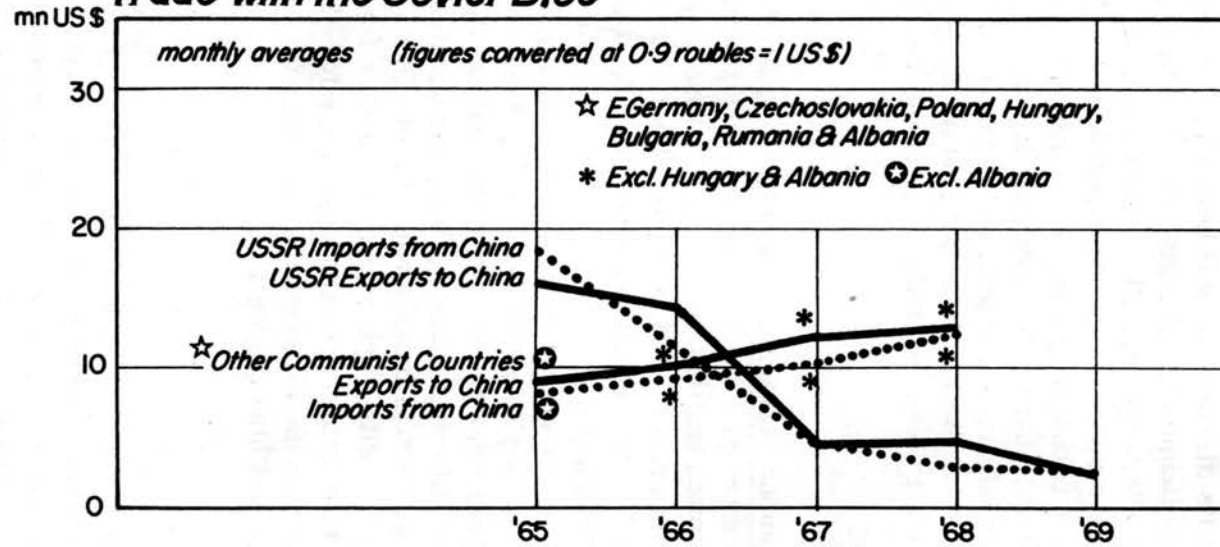
Trade news in brief

There is evidence that China, which bought four Hawker-Siddeley Trident jets from Pakistan International Airlines last year, is in the market for more Western aircraft. According to American reports, Chinese officials are now negotiating with a US firm for the purchase of a number of jets - although the suggested figure of about 100 aircraft at a cost of \$1,000 mn seems to be difficult to accept. In the meantime, a Hawker-Siddeley team has been invited to Peking and the Chinese are also reported to have made inquiries about the VC-10 and a number of French planes. There is growing concern in Australia about Peking's apparent lack of interest in negotiating a new wheat contract. Normally, this is discussed in December, but - despite two approaches to Peking - there are no indications that China intends to conclude a new agreement. Last year, China bought Australian wheat worth about \$130 mn.

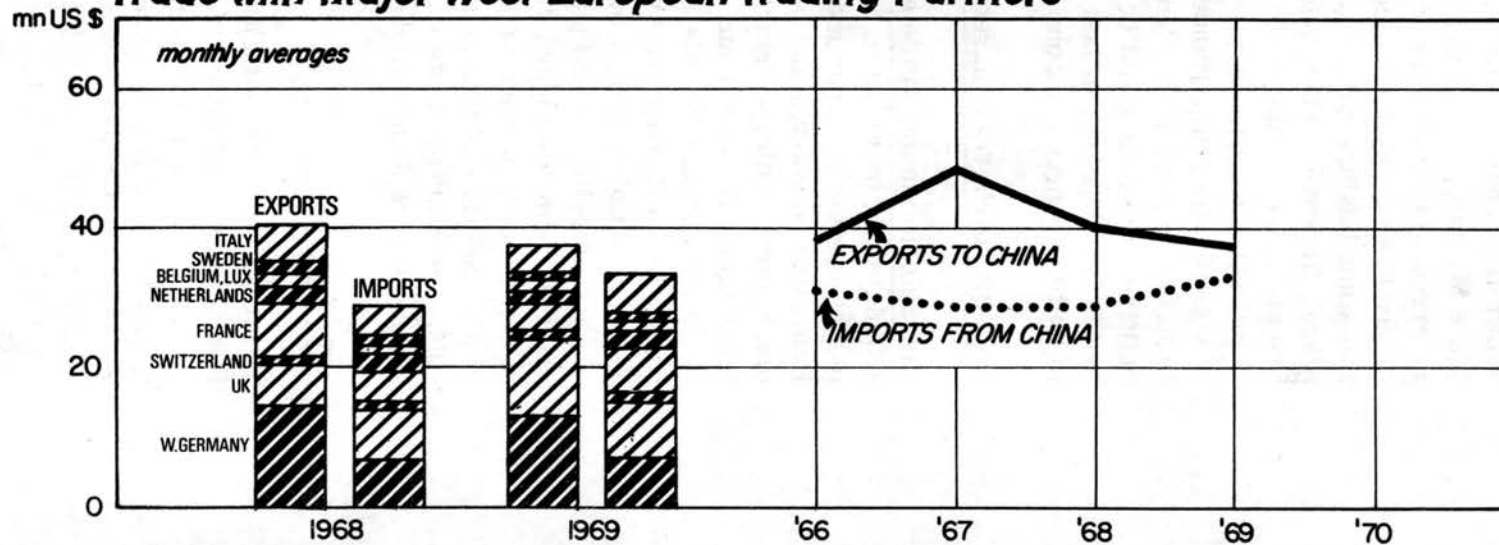
Economic Trends in China & Hong Kong

CHINA

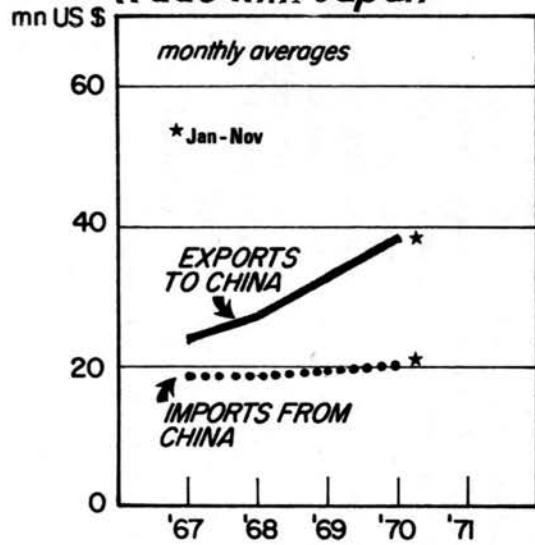
Trade with the Soviet Bloc



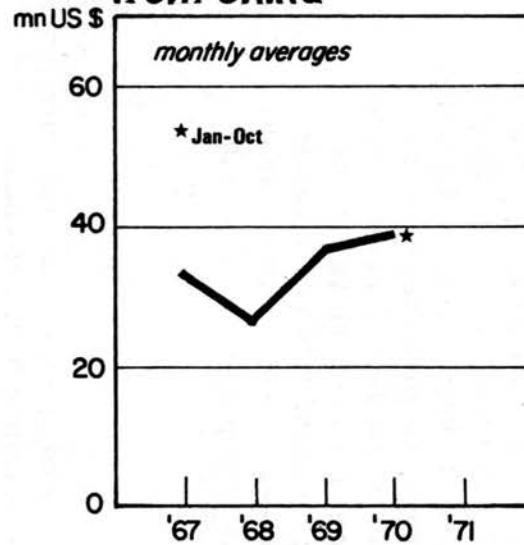
Trade with Major West European Trading Partners



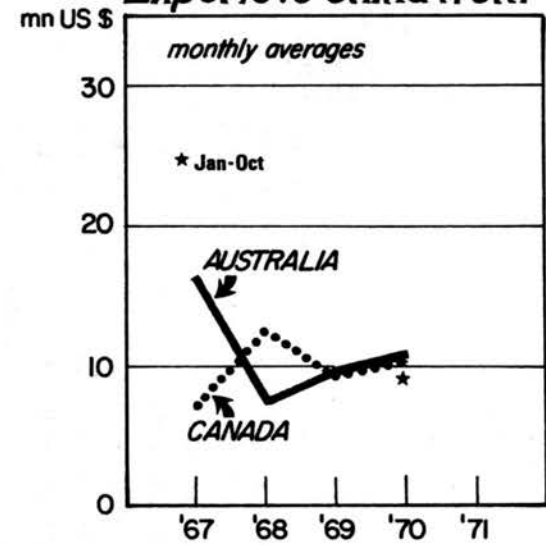
Trade with Japan



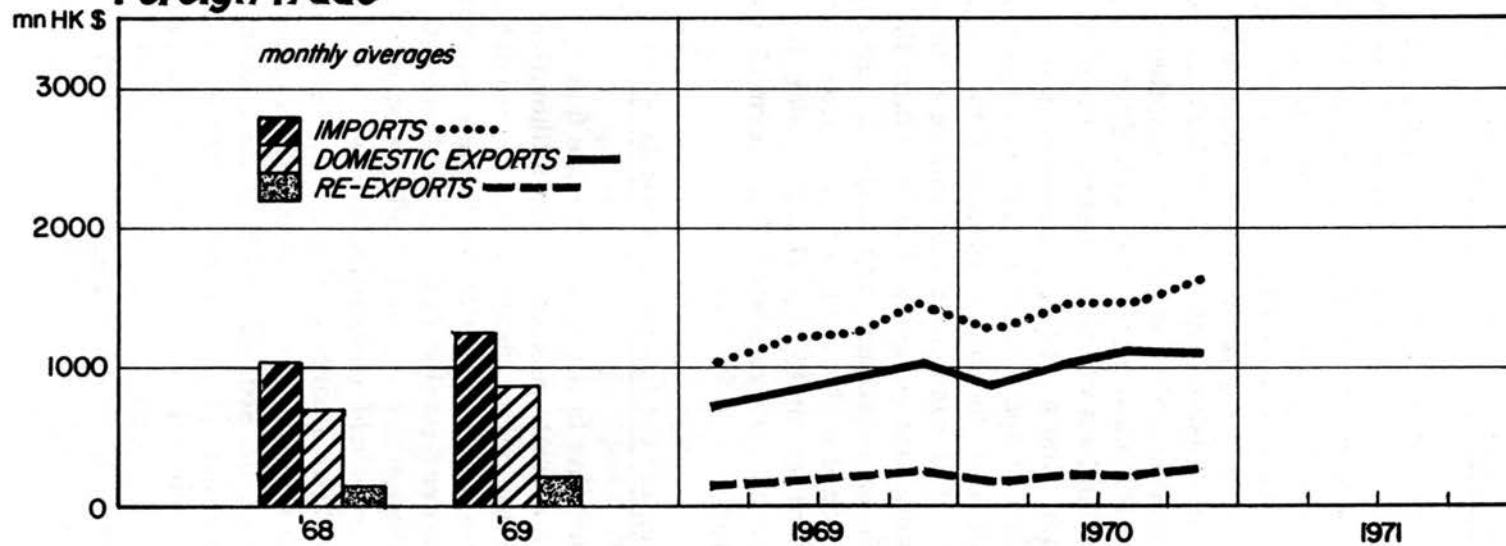
Hong Kong Imports from China



Exports to China from:



HONG KONG Foreign Trade



NORTH KOREA

JAM TOMORROW

Seven-year-plan targets not reached?

More than three months have elapsed since the end of the last seven-year plan, but the authorities have still not added to the rather scanty information which was revealed at the November party congress (see QER No. 1 - 1971, pages 10-12) about its achievements. Since in normal circumstances, production figures are published a few days after the end of the year, this must indicate that no such figures are likely to be forthcoming at all. This, in turn, must be regarded as pretty conclusive evidence that - despite the three-year extension of the plan announced in 1966 - many of the detailed targets have not been reached. This applies to both industry and agriculture. Although it is claimed that industrial production as a whole has reached the planned level, the available information does not allow a meaningful comparison between last year's output and the original targets in respect of more than seven products. Furthermore, since the figures indicate a slight underfulfilment of the targets in five of these, it seems likely that the shortfall was considerably more serious in many other products. This must inevitably cast some doubt on the claim that overall output did in fact come up to original expectations. Similarly, in agriculture, reports about the 1970 harvest are couched in the vaguest terms, which - together with the fact that the grain output target for 1976 is slightly lower than the originally planned figure for 1970 - must mean the Pyongyang's long-term planning has also gone badly awry in the countryside.

Building for the future: electricity -

No doubt this is the reason for the fact that - apart from repeating the production figures already published - the authorities are concentrating on future tasks. During the period under review, more details have been revealed about the capital construction programme for the next six years. These show that the bulk of the central construction fund will be devoted to fuel and power and heavy industry and that development in such fields as chemical fertilisers, clothing, footwear and other household necessities will be dependent on expansion in the number of small, often locally financed, plants. In electricity, the principal projects planned include thermal power stations at Namhung, Kaechon, Chongjin, Huichon, Unggi, Pukchang and Sodusu, of which the last two and possibly more, are already under construction. There is little information about the size of these projects, although it is known that Unggi will have a capacity of 100,000 kw. and that Pukchong will acquire an extra 700,000 kw. All in all, the country aims to have a total generating capacity of 5 mn kw. by 1976, of which 50 per cent will be accounted for by thermal plants. A hydro-electric plant at Kumsong is also under construction.

- chemicals, steel, textiles

Other important building projects include a 2 mn-ton oil refinery at Unggi, which will use Soviet crude and will turn out petroleum, diesel oil and a range of petrochemical products. It is also planned to build steel shops at the Kimchaek and the Kangsong iron and steel works (the former will have a capacity of 1 mn tons and will be built with Soviet assistance) and to construct a pelletising shop at the Hwanghae iron works. A new 20,000-ton aluminium works is also contemplated (no location is given) and there are plans for rapid expansion at several coal and iron mines. Among the latter are the Musan iron ore mine, the capacity of which will be expanded to 6.5 mn tons, the Tokchon mine, which will produce 750,000 tons by 1976, and the Yongwon and Kaechon mines, the output of which is planned to reach 1.2 mn tons. In chemicals, the two projects most often mentioned are a synthetic rubber factory and a scheme to double the capacity of the Chongjin chemical fibre plant. In textiles, small plants will continue to provide a significant part of the country's total output, but there are plans to build at least two larger units - the "May" and the "September" textile mills. Much attention is also paid to strengthening the building materials industry, which will - among other projects - necessitate the construction of a glass factory at Iwon and the expansion of the existing plant at Nampo.

Steep targets are set in engineering

In engineering, the two most important projects on the drawing board are the Yangchaek engineering works and a television tube factory. These are likely to play a significant role in reaching the rather optimistic engineering targets laid down for the current six-year plan. Apart from those given in QER No. 1 - 1971 (page 13), these include a 400 per cent increase in the output of generators, 230 per cent in that of test drills, 220 per cent in excavators, 110 per cent in railway freight wagons, 80 per cent in electric motors and 50 per cent in air compressors. Considerable expansion is also envisaged in the shipbuilding industry; this will involve the development of the Yukdoe and other shipyards.

Foreign trade to grow

North Korea's foreign traders have been extremely busy during the period under review. In December, a delegation from Pyongyang visited Somalia to discuss the possibility of constructing a cement plant as part of North Korea's aid programme. In January, a trade and payments agreement was concluded with Cuba, which envisages an increase in trade between the two countries, and another with Hungary, under which North Korean machine tools, magnesia clinker, chemicals and light industrial products will be exchanged for measuring instruments, chemicals, medicines and light industrial equipment. This was followed by a five-year trade agreement with the USSR; according to Soviet sources this stipulates a growth of 55 per cent in trade over the previous five-year period and will involve the exchange of Russian coke, petroleum and petroleum products, machinery, tools, ferrous and non-ferrous metals and chemicals for Korean metal-cutting tools, electrical products, non-ferrous metals, building materials, magnesia clinker

and fruit. Another important long-term trade pact signed recently is with East Germany, under which Pyongyang will supply machine tools, magnesia clinker, tobacco, and light industrial products for machine tools, precision equipment, electronic products and chemicals. A recent agreement with Albania specifies the exchange of North Korean bitumen, chromium and copper wire for lorries, instruments and steel. Trade talks have also been held with Poland, but so far no details are available.

HONG KONG

Hong Kong to get UNCTAD preference

One of the principal economic uncertainties over Hong Kong's horizon was removed in February when the EEC decided to accept the colony as a "developing" nation for the purposes of the UNCTAD generalised preference scheme. The decision, which was largely an attempt to soften the impact of its refusal to grant the colony associate status should the UK enter the Community, is particularly important in that it will make it more difficult for Japan and the US not to accord the same treatment to the colony. If the Americans and Japanese decide to follow the EEC's example, many of the colony's manufactured products will be given preferential treatment in developed countries, which will not only increase their competitiveness vis-à-vis domestic producers but will also ensure that Hong Kong will not be at a disadvantage in relation to its competitors, especially South Korea and Taiwan. Needless to say the EEC's generosity did not extend to the colony's much feared and respected textile industry. Textile products, which account for about half of its exports, and footwear have been excluded from the preferences and it seems highly unlikely that these products will be treated any more favourably either by Japan or the USA. The EEC has also reserved the right to limit the extent of the preferences on so-called "sensitive" products. So far it is not clear how these will be selected or how the preference limits will be determined, although it is feared that electrical products, wigs etc., may come into this category.

Although these exemptions and qualifications greatly reduce the value of the concessions, these were still welcomed in the colony, since only a few months ago it was thought that Hong Kong products would be completely excluded from the scheme. There is now also more optimism about future textile exports to the USA. Although it is accepted that the Mills Bill may well be reintroduced during the current year, it cannot become effective for some time. Secondly it now seems that the chances of a US/Japanese textile agreement are better than for some time and it is generally assumed that an agreed solution is likely to mean less onerous terms for the colony than unilateral American action.

Rapid growth likely -

The effect of these developments was to strengthen confidence in the colony's economic future, which showed some signs of flagging a few months ago. Apart from the uncertainty over the UNCTAD scheme and textile exports to the US, this was due to fears about economic growth in the most important markets, rising labour costs, increasing competition from other countries and to an instinctive feeling that after several years of such rapid growth, difficulties must emerge sooner or later. And last year's export growth - which came to only 17 per cent as against 25 per cent in 1969 - seemed to provide concrete evidence that the steam is going out of the colony's economic miracle.

This seems to be an unduly pessimistic assessment. It was quite clear for some time that exports could not be expected to grow at 25 per cent a year indefinitely, and although last year's gain was a little smaller than expected, it was still a creditable achievement, especially in view of the sluggishness of the US economy. Secondly, although the rise in wages, prices and rents was faster than desirable, this is a problem that also affects Hong Kong's competitors and has not so far led to a marked loss of competitiveness by the colony's products. For example, during 1970 South Korean retail prices grew by nearly 13 per cent as against an increase of only 8 per cent in Hong Kong, and although comparable figures are not available for the rise in wages, there is evidence that South Korean manufacturers find this no less a problem than their Hong Kong counterparts. At the same time, there are indications that the US economic performance will be better during the current year than in 1970 and that growth in the UK may also see a slight acceleration. Thus, although the colony's exports are unlikely to grow as fast as in 1969, there seems to be no reason why they should not grow faster than last year.

- but some long-term difficulties remain

This is not to suggest that there are no difficulties ahead. Apart from the longer term effects if Britain enters the EEC, there is the problem of the growing shortage of skilled labour, rising expectations and wages, the need to improve productivity, the question of faster diversification of products and markets and the need to devote greater resources to social advance without endangering the colony's strong financial position. However, although progress has not been as fast as it could have been, the government and business are taking steps to deal with these problems and - provided that relations with the mainland remain smooth - the outlook for the next few years seems promising.

Export growth slackens

Hong Kong's exports, which lost some of their buoyancy in the second half of last year, recorded a growth of only 17.4 per cent (to HK\$12,347 mn) for the whole of 1970, compared with gains of 24.8 per cent and 25.8 per cent during the previous two years. Although sales to most of the colony's principal markets recorded a slowdown, the main reason for last year's modest increase was the relatively small gain achieved in the US and the UK, which account for well over 50 per cent of its total sales. Thus, shipments to the US grew by only 17 per cent as against 27 per cent in 1969, while sales to the UK advanced by only 1 per cent compared

with 9 per cent in the preceding year. The growth in Hong Kong's exports to its third largest market, West Germany, slowed down from 53 per cent to 29 per cent, and although there was a spectacular gain of 39 per cent in Japan, this was considerably smaller than that achieved in 1969. Imports increased by 18.2 per cent to HK\$17,607 mn; purchases from Japan went up faster than imports as a whole, but China and the US saw a reduction in their share of the market. Some evidence of the colony's industrial expansion and modernisation is provided by the 29 per cent increase in purchases of machinery and transport equipment; other rapidly increasing product groups included iron and steel and other metals (up by 37 per cent) and scientific instruments (up by 22 per cent). On the export side, clothing recorded an advance of only 13 per cent as against 27 per cent in 1969, and the gain in electrical machinery and appliances also fell back from 36 per cent to 22 per cent. Wig exports, which more than doubled in 1970, grew by only about 45 per cent and sales of plastic toys and dolls and artificial flowers also recorded a relatively poor performance. Textile yarns, fabrics and made-up articles, however, improved their position; in 1969 sales of these grew by only about 9 per cent, but last year's advance was in the region of 13 per cent.

APPENDIX - 1 TRADE OF CERTAIN NON-COMMUNIST COUNTRIES WITH CHINA

monthly averages

mn US\$

Imports from China	January-December			1969	1970	Months covered
	1967	1968	1969			
<u>Industrial countries</u>						
Hong Kong	33.3	26.1	37.0	37.0	38.9	January-December
Japan	22.5	18.7	19.6	19.6	20.4	January-November
West Germany	6.4	7.1	7.4	7.2	7.0	January-November
United Kingdom	6.8	6.9	7.6	7.6	6.7	January-December
Switzerland	1.4	1.3	1.5	1.5	1.5	January-December
France	4.0	4.4	6.4	6.4	5.8	January-December
Netherlands	2.3	2.3	2.3	2.3	2.2	January-November
Belgium/Luxemburg	1.1	1.0	1.0	1.1	1.0	January-October
Sweden	1.4	1.5	1.6	1.5	1.6	January-November
Italy	4.8	4.0	5.4	5.3	5.2	January-November
Total of above	84.0	73.3	89.8	89.5	90.3	
<u>Others</u>						
Ceylon	2.6	3.4	4.0	4.0	4.1	January-December
States of Malaya	5.3	4.8	4.8	1.3	4.4	January-March
Singapore	10.5	12.5	11.4	11.4	10.5	January-December
Pakistan	2.8	2.5	2.2	2.2	2.3	January-December
Egypt	1.9	1.7	1.1	1.0	1.5	January-June
Canada	1.9	1.8	2.1	2.2	1.6	January-October
Australia	2.3	2.5	2.9	2.9	3.0	January-December
Burma	1.0	0.1	...			
Total of above	28.3	29.3	28.5	28.0	27.4	
<u>Exports to China</u>						
<u>Industrial countries</u>						
Hong Kong ^a	0.6	0.4	0.4	0.4	0.5	January-December
Japan	24.0	27.1	32.6	30.9	48.2	January-November
West Germany	17.2	14.5	13.2	13.2	14.1	January-November
United Kingdom	9.0	5.8	10.9	10.9	8.9	January-December
Switzerland	1.8	1.6	1.2	1.2	1.7	January-December
France	7.8	7.3	3.7	3.7	6.8	January-December
Netherlands	1.0	2.4	1.9	2.0	1.9	January-November
Belgium/Luxemburg	1.9	1.7	1.3	1.3	1.9	January-October
Sweden	3.7	2.0	1.0	1.9	1.8	January-November
Italy	6.1	5.1	4.7	4.6	4.8	January-November
Total of above	73.1	67.9	70.9	70.1	90.6	

TRADE OF CERTAIN NON-
COMMUNIST COUNTRIES WITH CHINA (cont'd)
monthly averages

mn US\$

Exports to China	January-December			1969	1970	Months covered
	1967	1968	1969			
Others						
Ceylon	2.1	2.7	3.4	3.4	3.5	January-December
States of Malaya	0.5	2.0	3.7	3.4	3.4	January-March
Singapore	2.6	2.2	4.8	4.8	1.9	January-December
Pakistan	2.9	2.2	2.4	2.4	1.8	January-December
Egypt	1.6	1.4	1.2	1.8	2.6	January-June
Canada	7.0	12.6	9.4	10.0	10.4	January-October
Australia	16.2	7.4	9.9	9.9	10.8	January-December
Burma	0.7	...	...	
Total of above	33.6	30.5	34.8	35.7	34.4	

APPENDIX - 2 TRADE OF COMMUNIST COUNTRIES WITH CHINA mn roubles^a

	Exports to China			Imports from China		
	1967	1968	1969	1967	1968	1969
USSR	45.3	53.4	25.0	51.0	33.0	26.1
East Germany	30.2	33.7	26.9	31.7	24.4	29.8
Czechoslovakia	17.0	21.6	...	12.5	18.3	...
Poland	25.7	22.1	16.5	16.8	28.1	21.0
Hungary	...	...	...	...	...	...
Bulgaria	1.6	2.2	...	1.1	2.2	...
Rumania	35.5	36.8	...	29.9	39.2	...
Albania	...	...	...	...	...	...
Total of above (mn roubles)	155.3	169.6	68.4	143.0	145.7	76.9
(mn US\$)	172.6	188.4	76.0	158.9	161.9	85.5

a Valued at 0.9 roubles = \$1.00.

APPENDIX - 3 EXPORTS TO CHINA FROM MAJOR TRADING PARTNERS^a monthly averages

'000 US\$

	Japan		W. Germany		UK		Italy		France	
	Jan-Oct		Jan-Sept		Jan-Dec		Jan-Dec		Jan-Dec	
Exports to China, fob	1969	1970	1969	1970	1969	1970	1969	1970	1968	1969
Cereals & products	-	-	...	...	...	...	...	...	2,267	1,171
Textile fibres & waste	291	611	50	333	685	320	170	23	...	...
of which: synthetic fibres	291	611	50	333	...	...	170	23	...	...
Chemicals	9,910	11,563	3,473	3,477	607	740	2,575	2,524	1,130	566
of which: chemical elements & compounds	...	...	1,672	2,143	480	476	1,662	1,551	667	403
dyeing & tanning materials	...	...	421	567	22	79	30	22	123	76
fertilisers, manufactured	...	...	624	565	...	27	662	547	288	52
plastic materials	...	...	68	82	...	21	179	226	40	25 ^b
Textile yarn, cloth & manufactures	1,073	1,298	240	463	64	85	401	823	313 ^b	82 ^b
Iron & steel	11,850	19,359	3,573	5,297	437	625	580	199	431 ^c	561 ^c
Non-ferrous metals	2,131	2,718	3,966	2,042	5,600	4,359	5	12	1,523 ^c	337 ^c
Metal manufactures	753	1,011	293	294	...	52	17	22	5	-
Machinery, non-electric	)	(	892	832	230	352	776	852	476	428
Electric machinery & appliances	) 3,340	9,890	(208	133	134	239	7	36	57	75
Transport equipment	)	(	25	296	125	199	64	227	748	554
Scientific instruments, etc.	309	583	295	194	185	158	...	6	105	69
Total including other items	30,176	48,960	12,968	14,812	10,360	8,917	4,693	3,748	7,305	3,932

NB: commodity totals are the sum of items shown in the trade accounts and may be incomplete.

a Figures from partners' trade accounts. b Including fibres. c Including manufactures.

APPENDIX - 4 USSR TRADE WITH CHINA mn roubles^a

Exports, fob (including re-exports)	1968	1969
Power-generating equipment	0.2	0.6
Electrotechnical equipment	0.2	-
Industrial machinery & complete plants	0.3	-
Tractors & agricultural machinery	2.6	3.3
Motor vehicles & garage equipment	5.2	5.0
Aircraft	1.8	4.7
Petroleum products	0.5	0.7
of which: motor spirit	-	-
kerosene	-	-
diesel fuel	-	-
greases & lubricants	-	-
Rolled ferrous products	5.1	1.6
Pipes	2.6	1.0
of which: petroleum pipes	0.8	-
Non-ferrous metals & alloys	0.9	-
Non-ferrous rolled goods	0.4	0.3
Chemicals, excluding fertilisers	2.4	0.3
of which: explosives	2.1	-
Round wood	-	-
Domestic appliances	-	-
Total including other items (mn roubles)	53.4	25.0
(mn US\$)	59.3	27.8
Imports, fob		
Metal ores & concentrates	-	0.1
Cast iron	-	-
Non-ferrous metals & alloys	0.5	0.1
of which: tin	0.5	0.1
Chemicals, excluding fertilisers	-	-
Textile fibres & yarn	-	-
of which: raw wool	-	-
Tea	-	-
Meat & preparations	0.1	1.9
Fruit & vegetables	4.4	2.2
Textile cloth & manufactures etc.	-	4.4
of which: cotton cloth	-	-
silk cloth	-	1.9
Clothing & household linen	22.9	13.7
Footwear	-	-
Domestic appliances	-	1.6
Total including other items (mn roubles)	33.0	26.1
(mn US\$)	36.7	29.0

a Valued at 0.9 roubles = \$1.00.

APPENDIX - 5 QUARTERLY INDICATORS OF ECONOMIC ACTIVITY IN HONG KONG

		1968	1969				1970			
		4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
<u>Industry</u>	<u>Monthly averages</u>									
Cement	'000 met tons	25.9	30.4	29.1	33.7	32.9	37.2	36.5	30.2	39.3
<u>Construction</u>										
Cost of new building work completed	mn HK\$	49.9	33.3	16.2	27.3	49.3	57.4	38.6	37.2	49.1
of which: housing	"	28.8	15.0	8.4	6.4	16.5	35.2	12.5	20.2	29.4
<u>Immigration & Tourism</u>										
Arrivals: total	'000	175	195	197	209	192	257	240	269	218
Chinese: net ^a	"	2	-	2	2	-2	4	6	-	-1
others	"	44	63	96	84	86	90	113	120	98
<u>Prices</u>										
Cost of living: all items	Sept 63/Aug 64=100	112	117	116	121	119	123	124	130	129
food	"	121	129	127	136	132	138	141	152	150
<u>Money & Banking</u>	<u>End of quarter</u>									
Notes in circulation	mn HK\$	1,984	2,001	1,986	2,045	2,116	2,177	2,189	2,317	2,413
Demand deposits	"	3,144	3,207	3,205	3,455	3,714	3,835	3,967	4,251	4,326
Time & savings deposits	"	7,223	7,744	8,086	8,311	8,584	9,161	9,683	10,082	10,629
Loans & advances: comm. & ind.	"	6,038	6,329	6,755	7,288	7,884	8,396	8,739	8,960	9,670
Number of banks reporting	number	75	73	73	73	73	73	73	73	73
<u>Foreign Trade: merchandise</u>	<u>Monthly averages</u>									
Domestic exports, fob	mn HK\$	829	716	816	940	1,034	878	1,006	1,123	1,109
Re-exports, fob	"	204	187	200	242	264	199	244	241	279
Imports, cif	"	1,187	1,025	1,206	1,262	1,472	1,291	1,460	1,480	1,638
<u>Exchange Rate</u>	<u>End of quarter</u>									
Par value	HK\$ per US\$	6.061	6.061	6.061	6.061	6.061	6.061	6.061	6.061	6.061

Note: annual figures of most of the series shown above will be found in the Annual Supplement.

a Arrivals less departures.

APPENDIX - 6 FOREIGN TRADE OF HONG KONG January-December

mn HK

Main Trading Partners	Domestic exports		Re-exports		Imports	
	1969	1970	1969	1970	1969	1970
Australia	286.3	358.7	49.8	64.7	357.3	430.1
Canada	352.4	389.3	24.3	27.1	103.4	123.1
Singapore	227.8	280.3	317.9	336.8	282.3	358.4
Malaysia	74.0	70.6	43.6	47.6	44.3	57.8
Pakistan	11.1	10.5	9.6	12.1	230.8	223.0
United Kingdom	1,464.8	1,481.4	71.8	74.7	1,200.7	1,517.3
China Mainland	6.8	30.2	30.4	33.8	2,700.0	2,830.4
Taiwan	87.2	147.1	124.6	153.8	502.0	819.8
Indonesia	89.9	77.1	287.9	202.5	120.8	157.9
Japan	354.7	491.7	502.7	584.5	3,484.0	4,188.4
Thailand	91.2	86.9	63.7	59.6	350.1	324.5
Belgium/Luxemburg	43.6	64.0	102.9	91.4	262.8	255.9
France	47.3	49.4	9.4	12.3	173.1	205.4
West Germany	764.7	984.7	22.5	29.6	544.2	256.6
Italy	70.9	105.3	4.2	3.8	170.3	259.5
Netherlands	166.3	215.8	11.5	15.4	161.6	236.7
Switzerland	98.1	118.3	36.8	99.7	412.5	512.5
Sweden	208.0	242.5	8.9	6.7	42.6	53.3
Rep. South Africa	111.8	141.5	10.6	12.5	143.0	147.0
USA	4,428.5	5,190.3	208.9	244.3	2,002.4	2,316.8
Main commodities						
Live animals	0.7	-	3.1	3.0	460.3	495.1
Dairy products	0.4	0.3	9.3	11.6	238.0	249.6
Cereals & products	17.9	20.9	25.8	21.6	597.7	556.2
Fruit, vegetables & products	23.9	24.4	95.5	99.0	553.6	671.1
Sugar & products	15.9	16.9	22.5	12.0	95.5	102.3
Tobacco & manufactures	35.3	45.1	7.9	13.9	150.7	171.3
Textile fibres & waste	12.0	11.6	12.3	11.1	717.7	796.0
Mineral fuels & lubricants	-	-	41.1	42.1	480.3	515.1
Chemicals	100.9	104.1	419.9	492.7	1,195.8	1,422.8
Paper & manufactures	14.4	17.2	28.9	29.4	355.6	439.0
Textile yarn, cloth & mnfrs. ^a	1,126.2	1,276.7	402.8	387.3	2,555.7	3,012.3
Non-metallic mineral mnfrs. ^a	91.4	96.2	608.3	704.7	1,161.6	1,235.4
Iron & steel ^b	45.9	53.2	16.4	17.1	315.5	464.2
Non-ferrous metals ^b	26.5	27.7	27.0	22.8	218.4	270.3
Metal manufactures	291.7	344.9	22.9	22.9	144.2	203.7
Machinery, non-electric	60.9	93.1	98.3	138.4	648.0	969.2
Electric machinery & appls.	1,058.3	1,292.7	113.7	106.3	1,310.0	1,508.4
Transport equipment	54.4	68.9	26.7	32.1	279.6	419.4
Clothing	3,827.6	4,336.6	46.5	53.4	231.2	278.1
Footwear	295.2	302.3	9.2	4.8	53.6	52.5
Scientific instruments, etc.	183.4	215.8	147.6	190.0	715.9	875.5
Misc. manufactures incl. plastic products	2,495.2	3,141.6	140.5	101.0	623.4	791.1
Total: merchandise	10,518.0	12,346.5	2,679.1	1,891.6	14,893.0	17,606.7
gold & specie	-	-	183.7	192.4	448.4	306.7

a Including precious stones.

b Including precious metals.



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