

PART 5 Tasks for Development in the 1990's :
Development Strategies and the International
Economic System : 38. International Economic
System:Basic Figures in 1980s and Issues
Toward 1990s

journal or publication title	Development Strategies for the 21st Century
page range	564-577
year	1991
URL	http://hdl.handle.net/2344/00010163

International Economic System: Basic Figures in 1980s and Issues Toward 1990s

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Introduction

The present international economic system, particularly its institutional framework, is being challenged by the rapid structural changes in the international economic relations in the 1980s. In the field of international trade, the rise of protectionism and the regionalism are observed on one hand while efforts for keeping the free trade principle are intensively made through the multilateral negotiations in the Uruguay Round on the other hand. In the field of international finance, the remarkable increase of international financial transaction has made it difficult to insulate a national economy from the external influences. The international coordination in macro-economic policy is therefore becoming ever more important. Finally, in the field of economic development, there is a fact that large number of developing countries could only achieve very poor economic growth in the 1980s.

The problems in the present international economic system are, to a large extent, rooted in the insufficient response of the system to the intensification of economic interdependence revealed in trade in merchandise and services, and transactions of such production factors as capital and labor. The present international economic institutions, namely, GATT, IMF, and IBRD have almost counted half a decade after their establishment. In the past, the GATT system was adjusted by the results of the Kennedy Round and the Tokyo Round. The IMF system underwent transition from a fixed exchange rate system to a flexible ex-

change rate system in the early 1970s. Macro-economic policy coordination came to be discussed in the Summit, G5 and G7 meetings. The problems faced by the international economic system of today, however, reveal that these efforts are yet insufficient.

This paper aims to highlight the structural changes in the economic interdependence among nations and regions in the 1980s through the observation of the basic figures of merchandise trade, service trade, and financial flows and tries to clarify the issues of international economic system toward 1990s.

I. Structural Changes in Merchandise Trade (1980 – 89)

The international trade under the GATT system has been governed by the multilateral and non-discriminatory principles, or globalism in a word. Many consider the principle is being challenged by such phenomena as the EC integration in 1992, the free trade agreement between USA and Canada, and the economic cooperation among the APEC countries. Some other people regard such regionalism as a transitional step to another global and non-discriminatory economic system. Another GATT principle, multilateralism, is again challenged by the recent increase of bilateral trade negotiations usually triggered by chronic trade imbalances.

To look into whether the up-surge of the regionalism is observed in the trade flows and whether there is worsening trade imbalances among countries, merchandise trade matrices for 1980 and the latest 1989 were compiled. The data are obtained from IMF's *Direction of Trade* yearbooks and the Taiwan's statistical yearbook. Table 1 is the summary of the intra- and inter-regional trade flows among the regions which usually appear in the discussion of regionalism. The Pacific region is composed the three sub-regions. The core is the ten countries of Pacific Asia (hereafter, abbreviated as Pacific Asia 10), i.e., Japan, Asian NIEs (Korea, Taiwan, Hong Kong, and Singapore), and the ASEAN five countries (Brunei, Indonesia, Malaysia, Philippines, and Thailand). China and the two countries of Oceania (Australia and New Zealand) are the most probable candidate of the other two sub-regions. North American region is composed of the USA, Canada, and Mexico. Canada and Mexico are separately tied or being tied with the USA by the free trade agreements. The European region covers the core region of twelve EC member countries and the other neighboring six countries (Austria, Finland, Iceland, Norway, Switzerland, and Sweden). The more detailed matrices which also cover other developing areas are given in Appendix Table 1.

The major features of structural changes during the period of 1980–89 and their implications could be summarized as follows.

(1) Exports from developing countries excluding Asia were stagnant. The Latin American (excluding Mexico) export has increased only by about 10%. The export growth for Africa and the Middle East was even negative. Such poor export performance clearly excludes the possibility of old and well-said formation of the

Table 1. Summary of Intra-regional and Inter-regional Trade (1980 and 1989)

(In billions of US dollars)

From \ To		PA 10	China	OC 2	NA 3	EC 12	OIE 6
Pacific Asia 10 (PA 10)	80	70.4	7.1	7.5	65.8	37.2	
	89	182.8	30.6	16.6	270.0	68.9	
	89/80	2.6	4.3	2.2	4.1	1.9	
China	80	13.2		0.2			
	89	34.0		0.4			
	89/80	2.6		2.0			
Oceania 2 (OC 2)	80	9.7	1.0	1.8			
	89	29.9	1.1	2.3			
	89/80	3.1	1.1	1.3			
North America 3 (NA 3)	80	47.9			102.2	96.5	
	89	105.1			205.3	196.8	
	89/80	2.2			2.0	2.0	
EC 12	80	20.3			46.8	385.1	72.9
	89	63.3			99.8	677.8	118.1
	89/80	3.1			2.1	1.8	1.6
Other Industrialized Europe 6 (OIE 6)	80					61.1	16.4
	89					105.9	27.7
	89/80					1.7	1.7

Note: Definitions of the regions and detail figures are given in the Appendix Table 1.

US-Latin American economic block and the Europe-African block. Instead, it shows the serious situation that most of the developing countries faced with.

(2) The growth rates of the intra-regional trade in each of the three regions are rather lower than those of the inter-regional trade among the regions. Only Pacific Asia 10 shows relatively higher growth of intra-regional. The actual trade flow did not show the tendency for regional protectionism in the 1980s.

(3) Volume of intra-EC trade is quite large in comparison with other intra-regional trade. If we consider the fact that EC is geographically a small regions, it would be rather reasonable to integrate the economies from the view point of economic efficiency expected from the tariff reduction and the abolishment of the complicated export and import procedures. By the same reasoning, there is a increasing possibility of other industrialized Europe being integrated to EC in the near future.

(4) Among the Pacific region, China obviously intensified economic relation with Pacific Asia 10. But, it is not yet conclusive whether Oceanian two countries could be regarded as a part of the economic region.

(5) Trade surplus of Pacific Asia 10 vis-a-vis EC 12 decreased during the ten years, and it almost balanced in 1989. Pacific Asia 10 recorded large trade surplus vis-a-vis North America 3, and the surplus even enlarged in the 1980s. Instead, North

America 3 records trade surplus vis-a-vis EC12. These facts throw shades on the degree of harshness of the bilateral negotiations between the countries. The EC integration in 1992 would give stronger impacts to the North American export rather than to the Asian exports if we consider the trade imbalances among the regions.

II. Structural Changes in the Service Trade (1980 – 88)

Establishing a rule in the service trade is one of the main topics in the Uruguay Round. The growth of the service trade is said to be significant in such items as royalty payment, other payments for intellectual property, and remittance from people temporarily working in foreign countries. In the discussion of service trade, there is not yet consensus on the definitions of service trade. Here, we follow a relatively narrow definition which covers: shipments; other transportation; travel; other private goods, services and income; and private unrequited transfers. Investment income is not included in this definition.

To see the structural change in service trade from 1980 through 1988, the figures were obtained from IMF's *Balance of Payment* yearbook and summarized in Table 2. Country groupings in Table 2 is slightly different from those of Table 1 since the coverage of countries are different due to availability of data. Appendix Table 2 has wider coverage of regional and shows more detailed data. The figures in Appendix Table 2 are given in the unit of SDRs, but they are converted to US dollars in Table 2 by the average market exchange rates of 1980 and 1988 respectively. In Table 2, "shipment etc." refers to the shipment associated with merchandise trade, other transportation, and recently increasing travel. "Other services" are basically a payment for above mentioned newly emerging services. "Private transfers" are remittance made by workers working in foreign land and other private transfers.

Observations and implications from the tables could be summarized as follows.

- (1) The total credit of services given by the regions listed in Table 2 increased 67% during the period of 1980–88. Among the detailed items, other services and private transfers rapidly increased by 76% and 110% respectively, while shipment etc. increased only by 59%. Shares of services other than shipment etc. expanded slightly from 42% in 1980 to 45% in 1988. It follows that the service trade is highlighted these days not because it increased rapidly in comparison with other trade but both because the size of trade itself become not-negligibly large and because the components are changing.
- (2) Trade deficit of the Pacific Asia 7 increased. This is mainly due to Japan's increased payment to travel and other services.
- (3) EC 12 recorded surplus in service trade owing to the surplus of other service revenue. Moreover, the amounts of credit and debit are both large, reflecting the active intra-regional trade. This fact gives another reason for EC integration.
- (4) The service trade balance of the North America 3 turned from surplus in 1980 to deficit in 1988, due to the deficits in travel and other services.

Table 2. Summary of Service Trade (1980 and 1988)

(In billions of US dollars)

	Total									
				Shipment etc.		Other Services		Private Transfers		
	Credit	Debit	Balance	Credit	Debit	Credit	Debit	Credit	Debit	
PA 7	80	35.4	49.3	-13.9	22.9	32.7	11.3	15.7	1.3	0.9
	88	69.7	100.4	-30.7	38.3	59.1	27.7	38.2	3.8	3.0
	88/80	2.0	2.0	—	1.7	1.8	2.5	2.4	2.9	3.3
OC 2	80	5.7	8.3	-2.6	4.2	6.6	0.4	1.0	1.2	0.7
	88	13.2	12.5	0.7	8.6	8.3	1.7	3.2	2.8	0.8
	88/80	2.3	1.5	—	2.0	1.3	4.3	3.2	2.3	1.1
NA 3	80	53.0	49.5	3.5	34.9	37.4	15.2	9.0	2.9	3.1
	88	117.1	123.6	-6.5	68.4	73.7	41.1	44.9	7.5	5.0
	88/80	2.2	2.5	—	2.0	2.0	2.7	5.0	2.6	1.6
EC 12	80	196.3	181.7	14.6	105.0	104.6	77.8	61.2	13.5	15.9
	88	291.8	277.5	14.3	153.2	155.9	115.7	98.2	22.7	23.4
	88/80	1.5	1.5	—	1.5	1.5	1.5	1.6	1.7	1.5
OIE 5	80	27.1	24.7	2.4	17.7	15.7	8.9	7.4	0.5	1.6
	88	39.6	45.6	-6.0	24.1	26.5	14.6	15.5	1.1	3.5
	88/80	1.5	1.8	—	1.4	1.7	1.6	2.0	2.2	2.2

Notes: 1. Shipment etc. includes shipment, other transportation, and travel. Other services correspond to other private goods, services, and income. Private transfers are those of "unrequited."

2. Definitions of the regions and detail figures are given in the Appendix Table 1.

(5) The service trade of developing countries are still small, but we still have to wait to conclude whether the new rules to be introduced by the Uruguay Round will increase the figures or not.

(6) The share of private transfers in service trade are small for industrialized countries while it is relatively large for developing countries.

III. Structural Changes in Financial Flow (1980–88)

International transactions of capital, both of short-term and of long-term, has largely surpassed the merchandise trade in its amount with the recent development of information system, financial market, and with the improvement of direct investment facilities. Transactions of long-term capital, in its role, substitute merchandise trade. In order to see the extent of such substitution, the structural change in the direct foreign investments and the portfolio investments in the long-term will be examined here. Data of 1980 and 1988 is again obtained from IMF's *Balance of Payment* yearbook, and the coverage of regions are identical to Table 2. Detailed figures are given in Appendix Table 3.

Table 3. Private Financial Flows (1980 and 1988)

(In billions of US dollars)

		Total Flows			Direct Investment		Portfolio Investment	
		Outward	Inward	Balance	Outward	Inward	Outward	Inward
PA 7	80	6.4	16.0	-9.6	2.5	2.6	3.9	13.4
	88	122.3	39.5	82.8	34.7	5.0	87.6	34.5
	88/80	19.1	2.5	—	13.9	1.9	22.5	2.6
OC 2	80	0.5	3.8	-3.3	0.5	2.0	0.0	1.8
	88	6.2	11.2	-5.0	5.9	5.6	0.3	5.5
	88/80	12.4	2.9	—	11.8	2.8	0.0	0.3
NA 3	80	26.8	30.5	-3.7	22.9	19.7	3.9	10.8
	88	34.1	124.4	-90.3	24.7	64.9	9.4	59.5
	88/80	1.3	4.1	—	1.1	3.3	2.4	5.5
EC 12	80	41.2	42.0	-0.8	26.2	20.8	15.1	21.2
	88	154.6	92.6	62.0	69.9	48.4	88.7	44.2
	88/80	3.8	2.2	—	2.7	2.3	5.9	2.1
OIE 5	80	8.2	0.4	7.8	1.0	0.4	7.2	0.0
	88	28.8	14.9	13.9	14.9	1.9	13.8	13.0
	88/80	3.5	37.3	—	14.0	4.8	1.9	0.0

Note: Definitions of regions and detail figures are given in the Appendix Table 3.

The international exchange rate alignment after the Plaza Accord in 1985 has triggered the drastic structural change in foreign investments, especially in the Pacific Asia. Other factors, such as trade imbalances and international difference of real interest rates also contributed to both the increase of direct investments and the portfolio investments. The following is the summary observations from Table 3.

(1) Within the Pacific Asia 7, the increase of direct investment from Japan and Asian NIEs to the ASEAN countries is well-known. The large increase of outward flow from the region both in direct and portfolio investments is mainly originated from Japan.

(2) The direct investments within a region seems to be more active in EC 12 because the figures of both outward flow (from each member country) and inward flow (to each member country) are large.

(3) In 1988, major part of the outward flow from Pacific Asia 7 and the EC 12 was absorbed by North America 3.

(4) The integration of EC in 1988 will, if there is any impacts, shifts the direction of financial flow from EC. It will be directed more intensively to the countries in the region or in Eastern Europe, and this will give some adverse effects to North America 3 or to developing countries.

Table 4. Summary of International Transactions
(In billions of US dollars)

		Merchandise Trade		Service Trade		Private Financial Flows	
		Export (fob)	Import (CIF)	Credit	Debit	Outward	Inward
PA 10 (7)	80	258.5	268.7	35.4	49.3	6.4	16.0
	89 (88)	597.8	521.0	69.7	100.4	122.3	39.5
China	80	18.1	19.5	—	—	—	—
	89 (88)	51.8	58.3	0.0	0.0	—	—
OC 2	80	27.4	27.9	5.7	8.3	0.5	3.8
	89 (88)	45.9	53.4	13.2	12.5	6.2	11.2
NA 3	80	304.1	338.1	53.0	49.5	26.8	30.5
	89 (88)	509.2	640.0	117.1	123.6	34.1	124.4
EC 12	80	691.2	772.5	196.3	181.7	41.2	42.0
	89 (88)	1,133.7	1,165.7	291.8	277.5	154.6	92.6
OIE 6 (5)	80	112.4	127.8	27.1	24.7	8.2	0.4
	89 (88)	186.8	194.4	39.6	45.6	28.8	14.9
Middle East	80	233.9	113.8	23.7	48.3	24.7	-1.7
	89 (88)	121.6	104.3	23.1	41.3	1.2	5.9
Latin America	80	87.3	96.8	15.5	23.6	1.6	6.2
	89 (88)	93.9	76.9	19.4	20.3	0.0	5.3
Africa	80	95.5	81.0	14.3	26.9	0.8	0.0
	89 (88)	76.9	76.5	16.3	19.4	0.0	1.4
Other Asia	80	17.1	51.2	18.2	13.0	0.0	0.8
	89 (88)	96.1	103.0	27.4	23.4	0.0	-0.5
Total	80	1,845.5	1,897.3	389.2	425.3	110.2	98.0
	89 (88)	2,913.7	2,993.5	617.6	664.0	347.2	294.7

Notes: 1. Figures of service trade and private financial flows are of 1988, and coverage of countries are PA 7 and OIE 5.

2. Definitions of regions and detail figures are given in the Appendix Tables.

3. Figures for other Asia is not always consistent due to the treatment of Taiwan.

IV. Comparison of the Three Kinds of Transactions

The trend of so far examined three kinds of transactions, namely, merchandise trade, service trade, and private financial flows are compared in Table 4, this time including the figures for other developing regions.

Although the establishment of the rule in service trade is now one of the important issues, the growth of service trade is almost proportional to the growth of merchandise trade. The former is 58% during 1980-89, and the latter 59% during 1980-88. This means that the issue is related both to the changing share of

detailed items in the service trade and to the absolute size of the transaction. Financial transactions are clearly becoming more important, substituting the merchandise trade whose bilateral imbalance easily becomes the source of international economic frictions.

It should also be pointed out that the regions such as Middle East, Latin America, and Africa had been almost completely left out of the international change of economic structures in the 1980s. Middle East in 1988 was no more a source of financial capital as in 1980. Latin America and Africa were stagnant in all three kinds of transactions in the 1980s. As is often said, "lost '80s" is a suitable phrase to express this situation.

V. On the Issues toward 1990s

Observations from the basic figures on the international economic transactions in the previous sections has confirmed the seriousness of some recent issues of the international economic system. Implications from the examination of the basic figures could be boiled down to the following points.

(1) There is no fear of the extreme blockism such as EC-Africa and North America-Latin America. Though Japan-Asian NIEs-ASEAN shows some increasing economic relations, the region's merchandise trade is in large surplus to other areas. It, therefore, is not practical to discuss a formation of closed economic block in this region.

(2) Some fears the integration of EC countries in 1992 as the formation of "fortress Europe." But, in consideration of the large absolute size of the merchandise trade, service trade and financial flows, it may be reasonable that they form an economic region by alleviating the economic barriers from the view point of economic efficiency. Also, the merchandise trade of the EC12 with other regions is almost balanced. This means that there is not a strong incentive for EC to curtail imports from other areas after its integration. If there is an impact to other regions, it will be the decrease of financial outflow from EC. This may be more exaggerated when we take account of the recent development in Eastern Europe.

(3) The region of Japan, Asian NIEs, and ASEAN should continuously make their efforts to decrease its trade surplus against other regions, especially to the North America. Otherwise, it will fuel the protectionism. For this, Japan has to continue its effort to increase its imports. China will gradually be more involved economically with the region in the 1990s. However, Australia, New Zealand and USA do not show an exclusively intensified economic ties with the region. For USA, the APEC will be, if we look at it a little bit cynically, a place of multilateral negotiations indirectly to correct the trade imbalance, and a bargaining power which check the ECs policy.

(4) Coordination between international organizations like GATT, IMF, and IBRD is becoming ever more important. As observed from Table 4, structural changes in merchandise trade, service trade, and long-term financial flow are closely inter-

related. To reach an agreement in negotiations in one area of transactions may be difficult, but comprehensive negotiations covering the broader area of transactions will sometimes lead to a solution.

(5) The most serious issue is the stagnation of developing countries, in particular, large part of Latin America and Africa. The North-South problem of today is more complicated than that of the 1960s. Lots of efforts is needed through the international initiative.

(6) Newly emerging forms of international transaction such as specific kinds of service trade and direct investment requires the early establishment of the rules for its continuous expansion. The success of the Uruguay Round is imperative.

In the present analysis, Eastern Europe, USSR, and other Asian area are excluded due to poor availability of data. Also, international debt problem and economic assistance were untouched. These remain as topics for analyses in future.

Appendix Table 1. World Trade Matrix
(In billions of US dollars)

Importer / Exporter	Pacific Asia10				China		Oceania2		North America3		Latin America		EC12 OIE6		Africa		Middle East		USSR etc.		Other Asia		World Total									
	Japan A		NIES4		ASEANS		USA		USA		USA		USA		USA		USA		USA		USA		USA		USA							
Pacific Asia 10	70.4	27.2	15.8	18.6	7.1	7.5	65.8	60.1	10.2	37.2	5.9	8.5	20.4	9.7	6.6	258.5	182.8	50.0	42.0	38.3	30.6	16.6	270.0	183.1	12.0	68.9	13.6	8.7	16.4	8.5	13.5	597.8
	2.6	1.8	2.7	2.1	4.3	2.2	4.1	3.0	1.2	1.9	2.3	1.0	0.8	0.9	2.0	2.3	28.6	19.4	9.2	5.1	4.1	35.6	31.9	7.1	18.2	3.3	5.3	14.2	3.7	3.1	130.4	
Japan	69.2	52.5	16.7	8.5	9.1	102.6	94.0	6.9	23.2	8.1	4.4	8.1	3.6	5.0	274.6	2.4	2.7	1.8	1.7	2.2	2.9	2.9	1.0	1.3	2.5	0.8	0.6	1.0	1.6	2.1		
	22.2	7.7	7.0	7.5	1.6	2.5	20.5	19.0	1.9	12.6	2.3	2.9	5.3	2.6	2.7	76.3	77.2	30.9	28.1	18.2	20.0	5.8	80.3	73.8	3.5	34.1	4.8	3.4	5.8	0.7	6.4	246.5
A NIES 4	3.5	4.0	4.0	2.4	12.5	2.3	3.9	3.9	1.8	2.7	2.1	1.2	1.1	0.3	2.4	3.2	30.2	19.5	8.9	1.8	0.4	0.9	9.7	9.2	1.2	6.4	0.3	0.4	0.9	3.4	0.9	51.7
	36.4	19.1	13.8	3.4	2.1	1.6	21.5	15.4	1.6	11.6	0.8	0.9	2.5	4.2	1.6	76.7	1.2	1.0	1.6	1.9	5.3	1.8	2.2	1.7	1.3	1.8	2.7	2.3	2.8	1.2	1.8	1.5
ASEAN 5	13.2	4.0	4.8	0.8	0.2	1.1	1.0	0.4	2.4	0.3	0.5	0.8	1.1	1.7	18.1	34.0	8.2	23.6	1.4	0.4	4.4	4.0	0.3	4.7	0.5	0.6	1.4	3.0	1.8	51.8		
	2.6	2.1	4.9	1.8	2.0	4.0	4.0	0.8	2.0	1.7	1.2	1.8	2.7	2.3	2.8	1.5	9.7	6.6	1.7	1.5	1.0	1.8	3.9	3.3	0.3	4.3	0.4	0.3	2.0	5.5	1.5	27.4
China	29.9	11.3	8.3	2.2	1.1	2.3	5.9	5.1	0.4	6.6	0.7	0.5	4.0	6.7	2.7	45.9	3.1	1.7	4.9	1.5	1.1	1.3	1.5	1.5	1.3	1.5	1.8	1.7	2.0	1.2	1.8	1.7
	47.9	125.2	15.1	6.2	4.6	4.7	102.2	51.1	27.1	96.5	8.5	8.0	29.9	4.2	3.4	304.1	105.1	53.7	38.5	8.7	6.9	9.5	205.3	101.1	26.9	196.8	12.9	14.0	45.1	9.7	4.9	509.2
North America 3	2.2	0.4	2.5	1.4	1.5	2.0	2.0	2.0	1.0	2.0	1.5	1.8	1.5	2.3	1.4	1.7	42.1	20.8	15.1	6.2	3.8	4.7	50.5	23.6	58.9	7.5	6.5	14.3	2.3	5.4	220.8	
	91.8	44.6	38.5	8.7	5.8	9.5	103.2	24.1	86.6	11.2	5.1	13.7	4.6	11.3	363.8	2.2	2.1	2.5	1.4	1.5	2.0	2.0	1.0	1.5	1.5	0.8	1.0	2.0	2.1	1.6		
USA	2.2	2.1	2.5	1.4	1.5	2.0	2.0	2.0	1.0	1.5	1.5	0.8	1.0	2.0	2.1	1.6	42.1	20.8	15.1	6.2	3.8	4.7	50.5	23.6	58.9	7.5	6.5	14.3	2.3	5.4	220.8	
	91.8	44.6	38.5	8.7	5.8	9.5	103.2	24.1	86.6	11.2	5.1	13.7	4.6	11.3	363.8	2.2	2.1	2.5	1.4	1.5	2.0	2.0	1.0	1.5	1.5	0.8	1.0	2.0	2.1	1.6		

Appendix Table 1. (Continued)

Importer / Exporter	Pacific Asia10		China		North America3		Latin America		EC12		OIE6		Africa		Middle East		USSR etc.		Other World		
	Japan	A NIES4	ASEAN5	Oceania2	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
Latin America	4.5	3.7	0.6	0.2	0.5	0.1	32.3	24.9	20.7	21.4	2.1	1.8	1.5	2.8	0.5	87.3					
	9.0	5.4	2.6	1.0	1.4	0.4	30.2	27.3	14.4	24.4	2.8	1.3	2.2	3.2	1.0	93.9					
	2.0	1.5	4.3	5.0	2.8	4.0	0.9	1.1	0.7	1.1	1.3	0.7	1.5	1.1	2.0	1.1					
EC12	20.3	6.7	8.4	5.2	2.5	5.3	46.8	38.4	18.0	385.1	72.9	42.0	46.5	16.1	6.5	691.2					
	63.3	23.2	24.2	15.9	6.9	10.2	99.8	84.5	17.6	677.8	118.1	35.9	39.3	20.7	5.0	1133.7					
	3.1	3.5	2.9	3.1	2.8	1.9	2.1	2.2	1.0	1.8	1.6	0.9	0.8	1.3	0.8	1.6					
Other Industrialized	3.9	1.5	1.6	0.8	0.5	0.8	6.5	5.4	2.7	61.1	16.4	3.7	5.8	5.4	0.8	112.4					
Europe 6	11.0	4.6	4.7	1.7	0.9	1.8	16.9	14.0	2.4	105.9	27.7	2.6	4.8	7.8	1.4	186.8					
	2.8	3.1	2.9	2.1	1.8	2.3	2.6	2.6	0.9	1.7	1.7	0.7	0.8	1.4	1.8	1.7					
Africa	4.4	3.1	1.1	0.2	0.2	0.2	23.9	23.5	5.6	37.0	3.5	4.2	8.0	0.8	0.7	95.5					
	5.5	3.4	1.5	0.6	0.3	0.3	14.5	13.5	2.1	31.4	2.6	4.4	1.1	0.9	1.7	76.9					
	1.3	1.1	1.4	3.0	1.5	1.5	0.6	0.6	0.4	0.8	7.7	1.0	0.1	1.1	2.4	0.8					
Middle East	63.2	41.5	16.6	5.2	0.5	2.6	30.5	28.1	12.5	85.6	6.7	3.4	11.0	0.7	6.2	233.9					
	34.4	20.8	10.7	3.0	0.5	1.6	15.7	15.1	3.9	31.6	1.6	2.8	7.6	1.7	7.0	121.6					
	0.5	0.5	0.6	0.6	1.0	0.6	0.5	0.5	0.3	0.4	0.2	0.8	0.7	2.4	1.1	0.5					
USSR etc.	2.5	2.1	0.1	0.2	1.0	0.1	1.1	0.6	0.4	31.6	1.6	0.9	2.6	1.7	55.8						
	4.4	3.4	0.5	0.5	3.0	0.1	1.3	1.0	0.7	18.4	7.2	1.1	1.2	2.8	57.7						
	1.8	1.6	5.0	2.5	3.0	1.0	1.2	1.7	1.8	0.6	4.5	1.2	0.5	1.6	1.0						

Source: IMF, Direction of Trade Statistics, Yearbook.

Upper: 1980, Middle: 1989, Lower: 1989/1980.

Notes: 1. Definition of area

ANIES 4: Korea, Taiwan, Hong Kong, Singapore

ASEAN 5: Philippines, Thailand, Malaysia, Indonesia, Brunei

Oceania 2: Australia, New Zealand

North America 3: USA, Canada, Mexico

OIE 6 (Other Industrialized Europe): Austria, Finland, Iceland, Norway, Switzerland, Sweden

2. Inconsistency among the figures are mainly due to the availability of China data.

Appendix Table 2. Service Trade
(In billions of SDRs)

	Shipment		Other Transportation		Travel		Other Private Goods, Services and Income		Private Unrequited Transfer		Total	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
Pacific Asia 7	7.5	8.1	6.9	11.9	3.2	5.1	8.7	12.1	1.0	0.7	27.2	37.9
	9.8	13.0	8.3	13.5	10.4	17.5	20.6	28.4	2.8	2.2	51.9	74.7
	1.3	1.6	1.2	1.2	3.6	3.4	2.4	2.3	2.8	3.1	1.9	2.0
Japan	5.7	3.2	4.3	10.1	0.5	3.5	4.0	8.0	0.2	0.4	14.8	25.3
	6.5	6.1	5.1	11.0	2.2	13.9	11.7	20.2	0.7	1.5	26.2	52.8
	1.1	1.9	1.2	1.1	4.4	4.0	2.9	2.5	3.5	3.8	1.8	2.1
A NIES 2	1.2	1.7	2.1	1.1	1.4	0.5	3.4	1.9	0.5	0.2	8.5	5.4
	2.5	2.7	2.3	1.6	4.1	1.6	4.9	3.6	1.6	0.7	15.3	10.1
	2.1	1.6	1.1	1.5	2.9	3.2	1.4	1.9	3.2	3.5	1.8	1.9
ASEAN 4	0.7	3.2	0.5	0.7	1.3	1.1	1.3	2.1	0.2	0	4.0	7.2
	0.9	4.3	0.9	0.9	4.1	2.0	4.0	4.6	0.5	0	10.5	11.7
	1.3	1.3	1.8	1.3	3.2	1.8	3.1	2.2	2.5	—	2.6	1.6
Oceania 2	0.5	1.8	1.8	1.6	0.9	1.7	0.3	0.8	0.9	0.5	4.4	6.4
	1.0	1.2	2.5	2.0	2.9	3.0	1.3	2.4	2.1	0.6	9.8	9.3
	2.0	1.5	1.4	1.3	3.2	1.8	4.3	3.0	2.3	1.2	2.2	1.5
Other Asia	0.7	3.6	1.0	1.4	2.6	0.7	4.5	4.0	5.2	0.3	14.0	10.0
	2.8	4.4	4.7	3.5	5.5	4.5	2.4	3.0	5.0	1.7	20.4	17.4
	4.0	1.2	4.7	2.9	2.1	6.4	0.5	0.8	1.0	5.7	1.4	1.7
North America 3	3.9	6.6	8.5	7.9	14.4	14.2	11.7	6.9	2.2	2.4	40.7	38.0
	4.4	10.2	17.5	12.4	29.0	32.2	30.6	33.4	5.6	3.7	87.1	92.0
	1.1	1.5	2.1	1.6	2.0	2.3	2.6	4.8	2.5	1.5	2.1	2.4
USA	3.3	6.6	7.7	6.9	8.1	8.0	8.2	2.8	1.2	2.0	28.5	24.6
	4.4	10.2	16.7	11.7	21.8	24.0	23.5	25.9	1.8	3.1	67.8	73.6
	1.3	1.5	2.2	1.7	2.7	3.0	2.9	9.3	1.5	1.6	2.4	3.0

Appendix Table 2. (Continued)

	Shipment		Other Transportation		Travel		Other Private Goods, Services and Income		Private Unrequited Transfer		Total		
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Balance
Latin America	1.3	4.3	3.1	4.4	3.6	4.8	2.8	3.9	1.1	0.8	11.9	18.1	-6.2
	1.6	3.3	2.9	3.8	5.0	3.4	2.9	4.3	2.0	0.4	14.4	15.1	-0.7
	1.2	0.8	0.9	0.9	1.4	0.7	1.0	1.4	1.8	0.5	1.2	0.8	
EC 12	17.7	20.9	29.0	25.0	34.0	34.5	59.8	47.0	10.4	12.2	150.8	139.6	11.2
	25.8	31.7	31.3	29.2	56.9	55.1	86.1	73.1	16.9	17.4	217.1	206.5	-10.6
	1.5	1.5	1.1	1.2	1.7	1.6	1.5	1.6	1.6	1.6	1.4	1.5	
OIE 5	5.9	1.4	3.4	5.5	4.3	5.2	6.8	5.7	0.4	1.2	20.8	19.0	1.8
	6.0	2.5	4.0	5.9	7.9	11.3	10.9	11.5	0.8	2.6	29.5	33.9	-4.4
	1.0	1.8	1.2	1.1	1.8	2.2	1.6	2.0	2.0	2.2	1.4	1.8	
Africa	1.5	6.2	2.2	2.3	2.2	2.7	2.5	7.2	2.5	2.3	13.0	20.7	-9.7
	1.0	4.7	1.8	1.7	3.4	2.2	2.7	4.7	3.2	1.2	12.1	14.4	-2.3
	0.7	0.8	0.8	0.7	1.5	0.8	1.1	0.7	1.3	0.5	0.9	1.4	
Middle East	0.6	10.6	3.5	2.3	3.1	4.4	5.1	11.0	5.9	8.8	18.2	37.1	-18.4
	0.9	4.9	2.9	1.8	2.6	3.5	5.9	11.6	5.0	8.9	17.2	30.7	-13.5
	1.5	0.5	0.8	0.8	0.8	0.8	1.2	1.1	0.8	1.0	0.9	0.8	

Source: IMF, Balance of Payment Statistics, Yearbook.

Upper: 1980, Middle: 1988, Lower: 1988/1980.

Notes: Definition of Area

A NIES 2: Korea, Singapore

ASEAN 4: Indonesia, Malaysia, Philippines, Thailand

OIE (Other Industrialized Europe): Finland, Iceland, Norway, Sweden, Switzerland

Appendix Table 3. Private Financial Flows

(In billions of SDRs)

	Direct Investment		Portfolio Investment		Total Flows		
	Abroad	In the Economy	Assets	Liabilities	Outward	Inward	Balance
Pacific Asia 7	1.9	2.0	3.0	10.3	4.9	12.3	-7.4
	25.8	3.7	65.2	25.7	91.0	29.4	61.6
	13.6	1.9	21.7	2.5	18.6	2.4	
Japan	1.8	0.2	2.9	10.1	4.7	10.3	-5.6
	25.5	-0.4	65.1	25.7	90.6	25.3	65.3
	14.2	—	22.4	2.5	19.3	2.5	
ANIES 2	0.1	0.9	0.1	0.1	0.2	1.0	-0.8
	0.3	1.6	0.1	-0.2	0.4	1.4	-1.0
	3.0	1.8	1.0	—	2.0	1.4	
ASEAN 4	0.0	0.9	0.0	0.1	0.0	1.0	-1.0
	0.0	2.4	0.0	-0.4	0.0	2.0	-2.0
	0.0	2.7	0.0	—	4.0	0.0	
Oceania 2	0.4	1.5	0.0	1.4	0.4	2.9	-2.5
	4.4	4.2	0.2	4.1	4.6	8.3	-3.7
	11.0	2.8	—	2.9	11.5	2.9	
Other Asia	0.0	0.5	0.1	0.3	0.1	0.9	-0.8
	0.0	-0.6	0.1	-0.5	0.1	-1.1	1.2
	0.0	—	1.0	—	1.0	—	
North America 3	17.6	15.1	3.0	8.3	20.6	23.4	-2.8
	18.4	48.3	7.0	44.3	25.4	92.6	-67.2
	1.0	3.2	2.3	5.3	1.2	4.0	
USA	14.8	13.0	2.8	5.0	17.6	18.0	-0.4
	13.1	43.5	5.9	35.9	19.0	79.4	-60.4
	0.9	3.3	2.1	7.2	1.1	4.4	
Latin America	0.3	3.1	1.0	1.7	1.3	4.8	-3.5
	0.1	3.9	0.2	0.0	0.3	3.9	-3.6
	0.3	1.3	0.2	0.0	0.2	0.8	
EC 12	20.1	16.0	11.6	16.3	31.7	32.3	-0.6
	49.0	36.0	66.0	32.9	115.0	68.9	46.1
	2.4	2.3	5.7	2.0	3.6	2.1	
OIE	0.8	0.3	5.5	0.0	6.3	0.3	6.0
	11.1	1.4	10.3	9.7	21.4	11.1	10.3
	13.9	4.7	1.9	—	3.4	37.0	
Africa	0.6	0.5	0.0	0.3	0.6	0.8	-0.2
	0.0	1.1	0.0	0.0	0.0	1.1	-1.1
	0.0	2.2	0.0	0.0	0.0	1.4	
Middle East	0.4	-1.6	18.6	0.3	19.0	-1.3	20.3
	0.2	1.1	0.1	3.4	0.3	4.5	-4.2
	0.5	—	0.0	11.3	0.0	—	

Notes and Data Source: Same with Appendix Table 2.
Upper: 1980, Middle: 1988, Lower: 1988/1980.