

# Overview

## 1. Main features of trade developments in 1999

In the course of 1999, global economic output gained momentum and international trade growth accelerated markedly, reversing the downward trend prevailing until the first quarter of 1999. The recovery in Asia and the continued high growth of output in North America provided the major stimulus to international trade. Restraining factors for the expansion of trade were the deceleration of economic activity in Western Europe together with a decline in output in South and Central America. As the dynamic and contractionary forces balanced each other, the overall rate of trade growth remained unchanged at about 5% in volume terms (i.e., adjusted for price changes). The value of world merchandise exports rose by 3.5% and that of commercial services exports by 1.5% to US\$5.47 trillion and US\$1.35 trillion, respectively.

The strength of GDP growth in Asia and North America led to double digit import growth in these regions. By contrast weaker demand growth in Western Europe halved the region's real import growth if compared with 1998, and the sluggish overall growth in Latin America caused a small decrease in imports. Imports of Africa and the transition economies have slumped in 1999 as their relatively large current account deficits could no longer be financed by capital inflows. Although the strength of intra-regional trade lifted North America's and Asia's real export growth above the global average, their export expansion lagged well behind import expansion. All other regions experienced an excess of export over import growth in 1999 due to sluggish domestic demand growth – providing yet another demonstration of how international trade can attenuate swings in regional business cycles. In North America, international trade contributed to reduce the risks of an overheated economy, while in Latin America and Western Europe it sustained employment and mobilized otherwise idle production capacity.

Looking at trade developments by sector, the fastest growth in value terms could be observed for fuels, office and telecom equipment and automotive products. A decline in international

trade was registered for all major categories of primary products, except fuels, as well as for textiles and iron and steel. The value increase of all three major services categories, transport, travel and other commercial services remained very moderate.

Developing country merchandise exports rose by 9%, increasing their share in world exports in 1999 to 26.5%. The higher share was not only due to the recovery in fuels trade; the larger shares for the developing countries could also be observed for all nine groups of manufactures. In agricultural trade, however, the developing countries' share decreased slightly last year. Taking the period 1990-1999, however, there is consistently an increase in the developing countries' share of total merchandise exports, both in agricultural and manufactured goods. Among manufactured goods, the strongest gains are observed for office and telecom equipment; automotive products and chemicals also expanded annually at double digit rates over the 1990s. For the developing countries as a group, manufactured goods account now for more than two thirds of merchandise exports.

The least-developed countries also saw their merchandise exports increase faster than world merchandise trade. Exports of mining products (including fuels) increased by about one fifth and that of manufactures by about 5%. For agricultural products, however, shipments decreased largely due to lower prices. Available data point to a stagnation or moderate increase in least-developed countries' imports in 1999.

What are the main factors that explain the international trade landscape for 1999? Besides overall economic growth, capital flows and trade policy are the major determinants of international trade flows. The impact of trade policy changes on regional trade patterns is generally seen only over the medium term, while changes in capital flows often have immediate repercussions on year-to-year trade developments. Other factors, such as commodity prices and exchange rate variations also had a notable impact on nominal trade values.

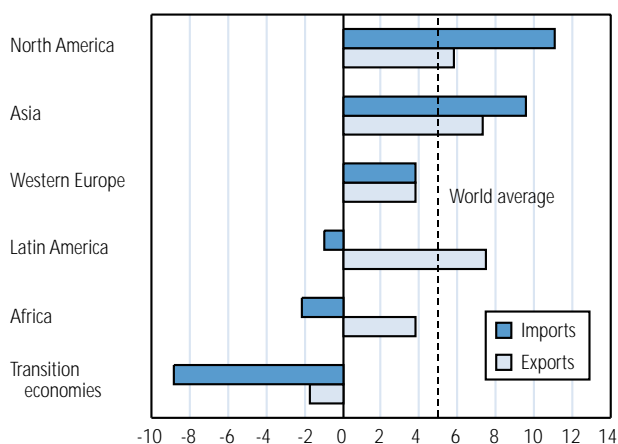
International capital flows remained a major factor in shaping international trade developments in 1999. The sharp increase in the US current account deficit was financed by a record capital inflow. United States domestic investment expenditure stayed strong while the share of savings of private households to disposable income fell to a historically low level. Despite rather sluggish GDP growth, FDI inflows into Latin America continued to increase, thereby dampening the impact of lower portfolio investments and the repayment of bank loans. In 1999, FDI inflows alone exceeded the region's current account deficit. As net capital flows (private and official) to developing Asia remained rather small in 1999, the sizeable current account surplus of Asia was predominantly used to increase the foreign exchange reserves. In contrast to Latin America, IMF estimates indicate that net FDI inflows into Asia decreased for the second year in a row. Net FDI inflows into the transition economies increased slightly to a new peak level of US\$20.5 billion in 1999, although other private capital and official capital flows turned negative. In fact, total net capital flows to all transition economies were reduced by nearly one half to US\$14.6 billion. Much of this reduction is accounted for by capital outflows from Russia.

Summarizing the main features of capital developments in 1999, one can observe that capital flows were increasingly directed to North America and Latin America and that the share of foreign direct investment and securities in total capital flows expanded sharply. At the same time, international bank loans to

Chart 1

### Merchandise trade by selected region, 1999

(Annual percentage change in volume terms)



Source: Table 1.2

banks and non-banks decreased markedly. This implies that the stock of outstanding international bank loans was shrinking in 1999, reducing private banks' exposure to international credit risks.<sup>1</sup>

An important issue is the sustainability of the current pattern of international capital flows, given their role in financing large current account deficits. The composition of international capital flows has shifted from short-term bank loans and portfolio investments to longer-term engagements in the form of foreign direct investments and securities, which reduces the risk of a large, sudden reversal of capital flows. However, capital flows continue to be affected by business cycles and by changing business strategies, which implies that a certain degree of variability is unavoidable and indeed necessary. The current wave of mergers and acquisitions is likely to run out of steam in the future, even if developments in the first half of 2000 indicate a further rise in the volume of announced mergers and acquisitions. This development is bound to lead to a further sharp rise in global FDI flows in 2000.

The increasing number and size of cross-border mergers raises concerns about whether national competition authorities can maintain competitive markets in all sectors of their economies. The present situation, with ad hoc cooperation amongst national and regional authorities, has its limitations. This has led to a growing debate over whether more formal permanent cooperation – and/or a multilateral agreement – could deal better with these issues in the future. More generally, government policies in both developed and developing countries that favour deregulation, privatization of public enterprises and liberalization of investment regimes have supported the boom of FDI flows in recent years.

The strong net capital outflows from the euro area to North America contributed to the weakness of the euro *vis-à-vis* the US dollar. While this development provides support for European exporters and domestic producers competing with imports, it also fuels import prices and contributes eventually to rising consumer prices. Despite very low interest rates in Japan and a large capital outflow, the high level of savings combined with low investment expenditure has caused the yen to appreciate steadily in 1999 and in the first half of 2000.

Prices of international traded goods differed significantly by major product groups. While prices of agricultural products and manufactured goods recorded a further decline in 1999, the prices of fuels recovered partially from their steep fall in 1998. Exchange rate developments, in particular the weakness of the euro *vis-à-vis* the dollar, contributed to the dollar price decline of manufactured and agricultural products.

Goods traded within Western Europe are largely priced in euro or other European currencies and their prices are not changed in the short run if the European currencies change in their dollar value. In 1999, the dollar appreciated *vis-à-vis* the euro and other European currencies which meant that roughly stable prices in euro terms for intra-West European trade declined once in dollar terms. As Western Europe's intra-trade accounts for 30% of world trade, these price changes have repercussions at the global level.

The impact of trade policy on annual changes in trade flows is usually difficult to evaluate. In the case of multilateral or regional trade liberalization, the reduction of tariffs and non-tariff barriers is typically phased in over a number of years. This results in a modest impact in a given year, often dwarfed by other factors such as the business cycle or exchange rate variations. Beginning in 1999, the bulk of the Uruguay Round tariff cuts have been completed in the developed countries – with some exceptions – notably in textiles and agriculture. Consequently, the customs duty collected on imports has

decreased between 1994 and 1999 by 10% to US\$39.4 billion for the United States, the EU (15) and Japan, which combined account for nearly one half of world imports. As their imports increased over the same period by 40%, the ratio of collected duties to imports has decreased by about one third. These reductions closely match those calculated for the bound MFN tariffs agreed in the Uruguay Round. In 1999, the ratio of duties collected to imports ranged from 2.5% for the US (excluding imports from NAFTA partners), over 2.3% in Japan and to 1.7% for the EU (excluding intra-EU imports).

Trade flows of regional integration agreements (RIAs) evolved quite differently in 1999. While NAFTA intra-trade expanded by 11% – in line with the increase in overall imports – its exports to all other regions decreased slightly. The recession in MERCOSUR countries led to a contraction of intra-trade by one quarter while exports to regions outside Latin America stagnated. EU intra-trade lagged behind extra-imports but exceeded extra-regional exports. Among the four major RIAs, only the ASEAN grouping recorded an expansion of intra-trade which exceeded somewhat the growth of extra-regional exports and imports.

## 2. Trade developments in the first half of 2000 and outlook

Economic activity in the first half of 2000 picked up more strongly than most forecasters had projected at the beginning of the year. Recent IMF projections point to global GDP growth of 4.5% for 2000,<sup>2</sup> 1 percentage point more than the preceding year. Stronger demand has already resulted in more dynamic trade growth.

Data available for the first six months of 2000 indicate that the value of world merchandise trade grew by 14% or four times faster than in 1999. Oil exporting countries achieved above average growth due to the continued rise of oil prices which started to exceed US\$30 per barrel on the spot markets in the second quarter. Asia's imports and exports rose by about one quarter. China's trade expanded by more than one third. In the first six months of 2000, imports of the five Asian developing countries most affected by the 1997/1998 financial crisis again exceeded their pre-crisis level. US imports rose by 21% while exports increased by 14%, contributing to a new record current account deficit of US\$400 billion equivalent to 4.5% of GDP. Western Europe's exports and imports in dollar terms rose by 4 and 6% respectively. Latin America's imports recovered and exports rose by about 20%.

Price developments by major product groups differed dramatically in the first half of 2000. While oil prices surged by 90%, non-fuel commodity prices recovered by 5%, those of manufactures remained almost unchanged on a year-to-year basis. A major element in the stability of dollar prices for manufactured goods is the weakness of the euro *vis-à-vis* the US dollar.

The volume of world merchandise trade rose by about 12%. On the assumption that real trade growth is losing some of its steam in the second half but is still growing on a seasonally adjusted basis, the real growth of world merchandise exports should exceed some 10% and thereby match the best annual

1. Information on international capital flows is taken from IMF, *International Capital Markets*, September 2000.

2. Measured with weights using purchasing power parities. Using weights based on market exchange rates – a method retained in WTO statistics – the projected growth for 2000 is 4.1% (see IMF, WEO Sept. 2000, Annex Table 1).

trade growth in the 1990s. For 2001 a deceleration of world trade to 7% is expected.

### 3. Global trade and output developments

The acceleration in the growth of both global GDP and merchandise production to 2.5% in 1999 was accompanied by an expansion in merchandise trade of 5%, which was unchanged from the preceding year. Trade in manufactures rose 6% – significantly faster than trade in agricultural products. For both product groups the expansion in 1999 was somewhat faster than in 1998. Exports of mining products, however, dropped by 4.5% in real terms, the first such decline since 1985. Mining output decreased 2% due to lower oil and coal production. This shows a rather unusual development in an otherwise expanding economy. The source of these developments can be found in the oil industry, by far the largest segment of the mining sector. As prices of crude oil fell to a low of nearly US\$10 per barrel in the first quarter of 1999, OPEC and other oil producing countries agreed to cut back on oil output. OPEC countries reduced their output by about 4% in 1999, which was a marked departure from the steady expansion of their output during the previous ten years. OECD countries also met still rising oil demand by a marked run down of stocks.

The volume of exports of agricultural products (including processed food) in 1999 benefitted from above average growth in Western Europe and the return to positive growth in North American and Asian shipments. Agricultural production rose by 1.5%, somewhat faster than in the preceding year but still less than over the 1990-99 period.

As might be expected, world trade in manufactures in 1999 diverged across regions. While the exports of manufactures from Latin America, Asia and North America expanded above the global average in 1999, those of Western Europe grew less than in the preceding year and less than the world average. Manufacturing production is estimated to have risen by 3.5%, which is somewhat faster than in 1998 and throughout the 1990s when output rose by about 2% annually.

In 1999 trade growth across all major product groups remained below the average rate for the 1990-1999 period. The differences were particularly stark for agricultural products and, above all, mining products. The latter group expanded by 4.5%

annually in the 1990s but dropped by about the same amount in 1999.

A comparison of trade and output growth by sector shows that the historically large gap between the two rates observed in the 1990s narrowed considerably in 1999 for agricultural products and manufactures and was even reversed for mining products. Consequently, 1999 witnessed the smallest excess of total merchandise trade over output growth in the 1990s. Whether this is only an exceptional development linked to the gyrations of the energy markets or a more general feature of the world economy remains to be seen. The indications available for the first half of 2000 with very strong trade growth, however, suggest that it was largely a temporary phenomenon (see Table I.1).

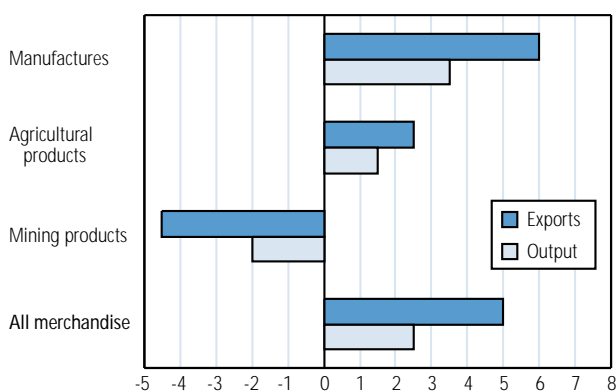
### 4. Merchandise trade by product

The pattern of merchandise trade growth by product group was broadly similar to that experienced over the 1990s with the notable exception of fuels. All primary product groups, and iron and steel saw their share in world trade decline steadily in the 1990s and a decrease in their value in 1999. Despite the marked increase in the export value of fuels, the share of this product group in world trade was only 7.3% in 1999 – still three percentage points below its share in 1990. The product groups which recorded the largest gains in market share throughout the 1990s were office and telecom equipment, chemicals and automotive products which also recorded above average growth in 1999.

Primarily due to weaker prices, the value of food and agricultural raw materials decreased for the third year in a row. Food exports declined by almost 4%, which was one of the strongest decreases among all product groups. With the exception of Australia and New Zealand, all major exporting regions experienced a decline in their agricultural exports. Latin America and Africa, home of many developing countries exporting primarily agricultural products, recorded the strongest export decreases.<sup>3</sup> Although highly sensitive to cyclical variations in global demand growth, the world export values for non-ferrous metals, ores and minerals and iron and steel decreased further in 1999. This was despite the acceleration of global economic activity over the course of 1999. Again weaker prices for these products played a major role in these developments. This was especially true in the case of iron and steel which saw global exports drop by 11% in 1999, the strongest decrease of all 14 product categories distinguished in this report. The steepest export and import declines in this product group were recorded for Latin America and the transition economies.

In 1999, world exports of textiles continued to decrease while global trade in clothing increased by about one-and-a-half per cent. In fact, throughout the 1990s the share of textiles in world export levels tended to decline, reaching a record low of 2.7% last year. In contrast, the share of clothing exports remained between 3 to 3.5%. The 1990s also saw a major shift among the leading suppliers in terms of shares of world textiles trade. Western Europe, which accounted for more than one half of world textiles exports in 1990, saw its share falling by 10 percentage points to 43%, while Asia's share advanced by 6

**Chart 2**  
**World merchandise trade and output growth**  
**by major product group, 1999**  
 (Annual percentage change in volume terms)



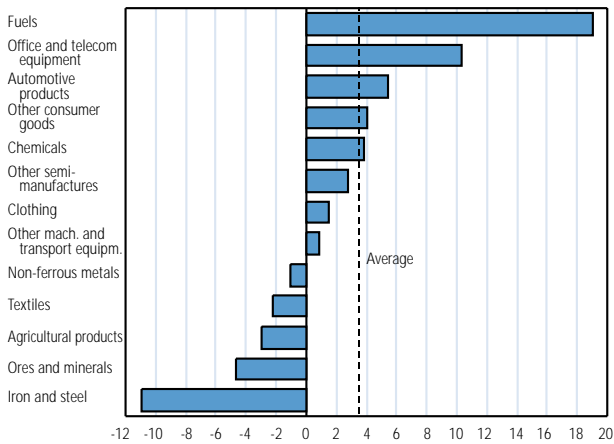
Source: Table I.1

3. From the 33 countries for which exports of agricultural products account for more than one half of their total merchandise exports, 28 are found in Latin America and Africa. Developing countries' agricultural exports contain a relatively high share of primary agricultural products – a product segment in which international trade expanded far less rapidly in the 1990s than for value added agricultural products.

Chart 3

## World merchandise trade by product, 1999

(Annual percentage change in value terms)



Source: Table IV.1

percentage points, nearly matching the share of Western Europe in 1999. Smaller gains in market share could be observed for North America and Latin America, in particular in the 1995-1999 period.

Western Europe, North America and Japan together accounted for more than four fifths of world clothing imports in 1999. Import growth among these three leading importers differed widely. Japan's imports recovered by 11%, while North America's slowed down sharply from the double digit growth recorded in the two preceding years. Western Europe's imports continued to decline moderately, partly due to the weakness of the euro *vis-à-vis* the US dollar. Since 1995, North America's share in world clothing imports has increased from one quarter to more than 30% in 1999, while Western Europe and Japan's share decreased by 3.5 and 2.5 percentage points respectively. Clothing exports from the Asian region recovered by 2.5% due to the strength of shipments to Japan and Western Europe. Although Asia remains the world's largest supplier of clothing, with a 43% share in 1999, this is well below its peak level of 48% reached in 1993, and has remained rather stable over the last four years. The most dynamic region in terms of clothing exports throughout the 1990-1999 period was Latin America. By expanding its shipments annually by 20%, the region has nearly tripled its share in world exports to 10.3% in 1999. Throughout the 1990s Latin American exporters gained considerable market shares in the US primarily at the expense of Hong Kong, China; the Republic of Korea and Chinese Taipei. In 1999, however, the slowdown in North America also contributed to a marked deceleration for Latin America's clothing exports as the region takes more than 90% of Latin America's clothing exports.

Although the transition economies' clothing exports decreased in 1999, overall their shipments expanded throughout the 1990s at twice the pace of global clothing trade. Like Latin America, shipments from transition economies are highly concentrated on one major market, Western Europe, which alone takes nearly 90% of its total clothing exports. The outstanding expansion and high regional concentration of clothing exports of Latin America and the transition economies must be partly attributable to preferences given in various regional integration arrangements, which link these regions closely to the North American and Western European markets (see Tables IV.75-82).

Among manufactures, exports of automotive products and office and telecom equipment recorded the strongest growth in 1999, at 5.5 and 10%, respectively. As the registrations of new

automobiles recovered, production and trade expanded strongly. However, large regional differences in demand prevailed, which in some cases were accentuated by exchange rate developments. North America's imports of automotive products surged by 18% while its exports, largely concentrated on NAFTA countries, increased by 12%.

The importance of the North American market for global trade in automotive products is highlighted by the fact that the size of its imports increased by US\$31 billion in 1999 – a figure which exceeded the rise in total world trade in automotive products.

While North America is the world's largest net importer and Asia the largest net exporter of automotive products, Western Europe remains the largest exporting and importing region with the balance tipped slightly towards exports. As intra-West European trade accounts for about four fifths of Western Europe's exports of automotive products, the marked slowdown from double-digit growth in 1998 to near stagnation in 1999 led to a modest overall increase in the region's trade. The most dynamic exporters of automobiles have not been the large traditional producers, but rather Mexico, the Republic of Korea, Brazil and Central/Eastern Europe, which expanded their exports at double digit rates throughout the 1990s (see Tables IV.59 – IV.66).

World trade in office and telecom equipment was stimulated by strong demand growth for computers, semi-conductors and mobile phones. It has been estimated that the dollar value of world exports in mobile phones rose by one quarter, that of semiconductors by nearly 15% and that of computers (including parts) by somewhat less than 10%. In many respects office and telecom equipment comprises the hardware component of today's revolution in information technology. Trade in this product category has been growing more than two times faster than total trade, not only in 1999, but also throughout the 1990s.

Asia, which accounts for nearly one half of world exports of office and telecom equipment, contributed most to the return to higher growth as both exports and imports expanded by about 15% – considerably faster than the trade of other regions.

Developing countries in Asia have a unique role in the world supply of office and telecom products as they account not only for more than one third of world exports, but also for one quarter of world imports due to their extensive intra-industry exchanges. North America also accounted for one quarter of world imports – and grew only slightly faster than world trade as a whole. In contrast to Asia and North America, Western Europe is the largest importer of office and telecom equipment and recorded a sharp deceleration of its export and import growth to about 3 to 5% in 1999 (see Tables IV.51 – IV.58).

Trade in fuels rose by 19% to US\$400 billion in 1999, recovering about one half of the losses recorded in the preceding year. The increase in fuel exports was equivalent to about one third of global nominal trade growth. Oil prices increased by more than one third in 1999 without fully recovering from their decline in preceding years. World export prices of fuels increased considerably less than crude oil prices on spot markets. Crude oil imported under long-term contracts, oil products and natural gas recorded less price pressure and dampened the overall fuel price increase in 1999. Of the nearly 25 countries for which fuel accounts for one half or more of their total export earnings, 10 are situated in the Middle East. The Middle East is not only the region with the highest share of fuels in its exports, but also by far the largest fuel exporter, accounting for nearly 30% of world fuel exports. Middle East fuel exports rose by nearly one third in 1999. African fuel exports increased by one fifth, but their value remained below the peak of 1997. Among the other regional net exporters of fuels, Latin America's exports rose well above the global average, while the transition economies as a group

recorded only a 10% increase largely due to the further contraction of the region's intra-trade. Looking at world trade in fuels in the 1990s, one notices that the shares of regions in world fuel exports have changed only marginally. On the import side, however, significant changes have occurred. The share of Western Europe and Japan in world fuel imports decreased by 7.5 and 3 percentage points respectively, while developing Asia and Latin America increased their shares by 7 and 1 percentage points respectively. The higher share of these two regions also reflects their above average economic growth in the 1990s. Despite the increased weight of developing countries in world fuel imports, the combined share of North America, Western Europe and Japan in world imports amounted to close two thirds in 1999 (see Tables IV.20 – IV.24).

## 5. Commercial services trade in 1999

World exports of commercial services rose by 1.5% to US\$1350 billion in 1999. As in the preceding year, the overall modest trade expansion conceals rather large regional year-to-year variations. North America and Asia recorded a stronger performance in 1999 over the previous year, while Eastern Europe, the transition economies and Latin America were much weaker.

Particularly strong export and import growth in commercial services was achieved in the United States and the Asian developing countries. In the case of North America, it was transportation services which, linked to the booming merchandise trade, recorded untypically the strongest growth among the three major services categories. In Asia, travel services exports and imports both recovered by about 9% after a double digit decline in 1998. The weaker performance of Western Europe's commercial services trade could be observed in all three product categories, but was most pronounced in the residual group "Other commercial services". Latin America's contraction of commercial services imports was most pronounced for travel services, which decreased by 11%. However, on the export side, travel services still recorded a modest increase indicating that the contraction of intra-regional travel could be offset by an increase of travel receipts from tourists outside the region.

Africa's commercial services exports are estimated to have expanded by 8.5% in 1999, the strongest increase among all

regions. The recovery in Africa's exports can be largely attributed to the rebound of Egypt's tourist earnings which lifted Egypt's exports of commercial services by 18%. However, Africa's exports, excluding Egypt, still increased by about 4%, faster than the global average.

The transition economies form the only region which recorded a sharp contraction in both exports and imports. The shrinking of Russia's exports and imports by about one quarter has been the major element in this development.

While large differences could be observed in the year-to-year variations of commercial services trade by region for the world as a whole, the differences across major product categories remained in a rather narrow range of an average of 1.5%. Throughout the 1990s, global transportation and travel services receipts expanded by 3.5 and 6% annually, markedly less than those of "Other commercial services", which rose to 8.5%. However, in 1999 trade in "Other commercial services" expanded only at the average rate. The less dynamic growth in this product category could be observed across all major regions and is the principal reason why total commercial services trade expanded less rapidly than merchandise trade in 1999 for the first time since 1995.<sup>4</sup> The principal factor behind the lacklustre growth of this service category would appear to be the decline in construction services as well as a marked deceleration in the growth of royalties and license fees.

## 6. Trade by region

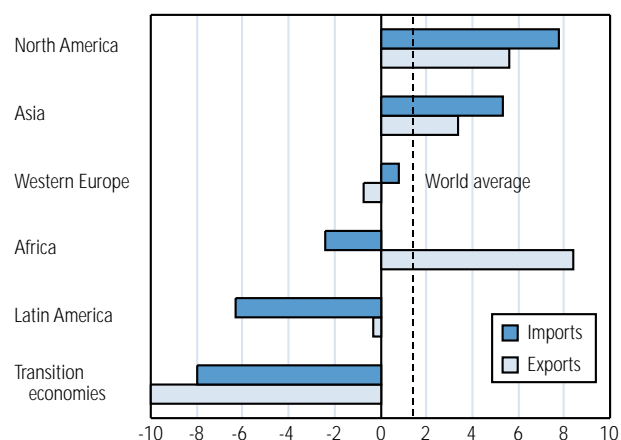
**North America** continued to be the major motor of global trade expansion in 1999. With a share of slightly more than one fifth of world imports, its increase in merchandise imports of US\$128 billion and of commercial services imports of nearly US\$16 billion accounted for more than one half of the expansion of both world merchandise and commercial services trade. The strength of US domestic demand, combined with the high value of the dollar, pushed the United States' share of world merchandise imports to 18%, a level never before reached in history.

For the third year in a row, North America's GDP growth exceeded 4%, contributing to an inflation adjusted import rise of more than 10% annually. Real merchandise export growth accelerated somewhat but remained at nearly 6%, about half the rate recorded for imports. Again for the third year in a row, the value of North America's commercial services imports rose faster than commercial services exports. The region's economic performance is largely determined by the growth patterns of the US economy which is marked by an even larger divergence between export and import growth than the regional aggregate. As a result of these developments, the US merchandise trade deficit continued to widen, the surplus in commercial services trade eroded and the US current account deficit amounted to 3.7% of GDP exceeding the 1987 peak. Although Canada's GDP growth matched that of the US in 1999, its domestic demand growth was markedly lower than that of the US, which is one factor explaining why merchandise exports and imports both expanded by 10.5% in real terms. Another major factor in the strength of Canada's exports has been the rise by one quarter in the value of shipments of automotive products to the United States. Favourable price trends also contributed to the fact that

Chart 4

### Commercial services trade by selected region, 1999

(Annual percentage change in value terms)



Source: Table I.4

4. The statistical data in respect to the category "Other commercial services" seem to be in general of a weaker quality than that of transportation and travel services. The former group is subject to more frequent changes in methods and revisions at the national level and its year-to-year developments have apparently a much weaker link to business cycles than transportation and travel.

Table 1

**GDP and trade developments in North America, 1990-99**

(Annual percentage change)

	North America			United States			Canada		
	1990-99	1998	1999	1990-99	1998	1999	1990-99	1998	1999
GDP	3.1	4.2	4.2	3.1	4.3	4.1	2.2	3.0	4.2
Merchandise									
Exports (nominal)	6.7	-0.7	4.1	6.5	-0.9	1.9	7.2	0.0	11.3
Imports (nominal)	8.0	4.6	11.2	8.3	5.0	12.2	6.7	2.6	6.9
Exports (real)	7.0	3.5	6.0	6.5	2.5	4.5	8.5	8.0	10.5
Imports (real)	8.5	10.5	11.0	8.5	11.5	11.5	8.5	4.5	10.5
Commercial services									
Exports (nominal)	7.5	2.5	5.6	7.5	2.2	5.6	7.1	5.0	5.9
Imports (nominal)	6.4	6.4	7.8	7.0	8.4	8.8	3.8	-1.3	3.4

the value growth of exports exceeded that for imports for both merchandise and commercial services trade.

An analysis of North America's merchandise exports by major destinations reflects the large differences in other regions' import demand growth and, in most cases, a loss of market share for North American products. Intra-North American trade – which accounts for nearly 40% of North America's exports – rose by 10%, slightly less than the region's imports. Exports to Asia – which account for slightly more than one fifth of total exports – rose by 3%, while Asia's imports recovered by 10%. North America's exports to Western Europe rose by nearly 3%, somewhat faster than Western Europe's total imports. A marked fall in US food exports (-US\$2.4 billion) was more than offset by strong growth in shipments of US aircraft (+ US\$3 billion), office and telecom equipment (+ US\$1.5 billion) and Canadian fuel exports (+ US\$2 billion). North American exports to Latin America (excluding Mexico), the Middle East, Africa and the transition countries declined by between 10 and 25% (see Table III.10).

North American imports from Asia, Western Europe and Latin America (excluding Mexico), rose by about 10% – at the same rate as intra-North American trade. Above average growth was recorded for shipments from Mexico and the Middle East. Imports from Africa and the transition economies rose by 5-6% – or only half the rate of total imports.

The major changes in the origin of North American imports between 1990 and 1999 are to be found not at the regional but at the country level. While China increased its share of North American imports by 4.5 percentage points to 7.4%, Japan's share decreased by 5%. The share of the four high-income developing Asian economies (Hong Kong, China; the Republic of Korea; Singapore and Chinese Taipei) also fell by 2.5 percentage points. On balance, Asia's share remained unchanged at 34.5%. Mexico's share in North American imports increased to 9.2% in 1999 – an increase of 4 percentage points since 1990. The share of all the other Latin American countries combined declined by 1% (see Table III.11).

The main feature of the structural change in North American exports in the 1990s is the increased prominence of intra-North American trade – especially exports to Mexico. While the exports to NAFTA countries accounted for nearly 50% of the region's exports – an increase of 9 percentage points since 1990 – exports to Western Europe and Asia experienced a corresponding decline. This major change occurred as exports to NAFTA countries rose by nearly 10% annually, or twice the growth rate of exports to Asia and Western Europe.

Latin America's GDP, which expanded by 3.5% between 1990 and 1997, slowed down in 1998 and stagnated in 1999. Imports of merchandise and commercial services declined for the first time in the 1990s, contrasting sharply with the very dynamic growth throughout the 1990-98 period. The average growth of Latin American trade and output growth masks the very different experience of the region's leading trader, Mexico, and the other Latin American countries. Mexico, which accounts for about 45% of the region's total merchandise trade, recorded double digit merchandise export and import growth in 1999, while all other Latin American countries reported a steep fall in their imports and a stagnation in the value of their exports. The principal explanation for this divergent picture can be found in Mexico's high integration with the North American trading system, while other Latin American countries depend much more on intra-regional trade, which has been shrinking.

Latin America's merchandise trade is highly concentrated among a few countries. Mexico and Brazil alone account for 60% of the region's merchandise trade, and the top five traders account for more than three quarters of the region's merchandise exports and imports.

Chart 5 ranks the Latin American countries according to their overall merchandise trade value in 1999. It shows that merchandise trade often plays a more important role for smaller economies than for larger ones, if measured by the value of per capita trade. The per capita trade values by country in 1999 also reveal the large differences between countries, and indicate the importance of trade to economies with small populations.

The annual variation in merchandise exports in 1999 reflects the above average growth of the oil exporting countries (e.g. Venezuela, Netherlands Antilles and Bahamas) and the above average decline of the MERCOSUR countries. The outstanding growth of Costa Rican exports is linked to the sharp rise in shipments from a new micro-processor plant, lifting the share of office and telecom equipment in Costa Rica's exports to nearly 40%. As regards export developments in 1990-99, the oil exporting countries report below average growth, while Mexico, the Dominican Republic, Costa Rica, El Salvador and Panama report average annual growth rates ranging from 10 to 18%.

The gravity of the recession in Central and South America found its repercussions in a marked import contraction among 15 countries. Despite the widespread recession in the region, 8 countries expanded their imports by more than 10%. The countries which recorded high import and export growth were the Dominican Republic, Costa Rica, El Salvador and Panama.

Latin America. Merchandise trade by country, 1990-99

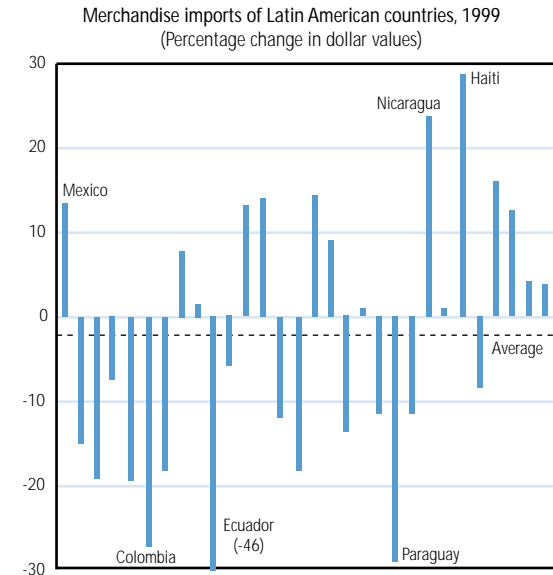
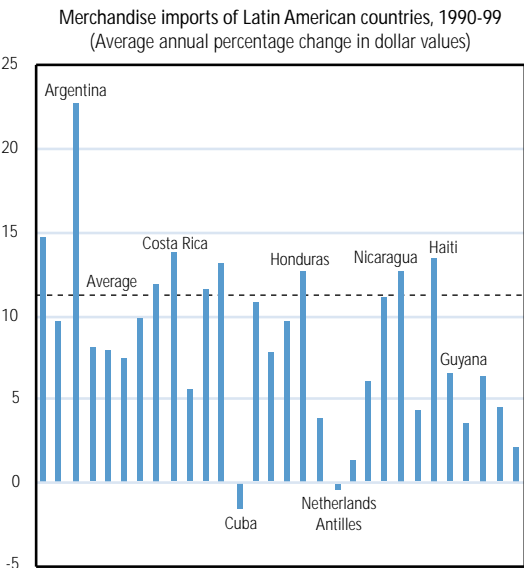
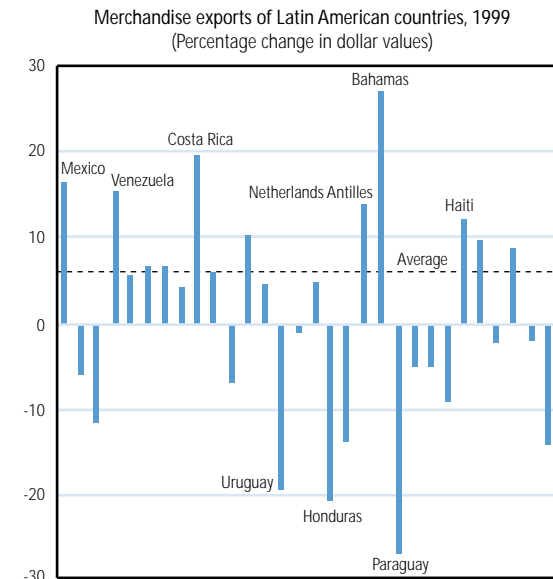
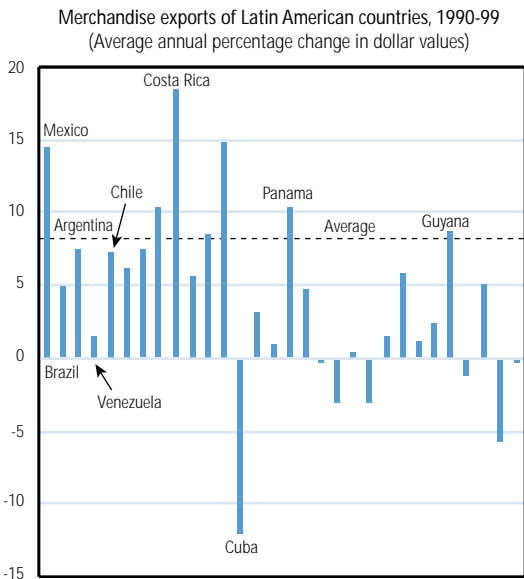
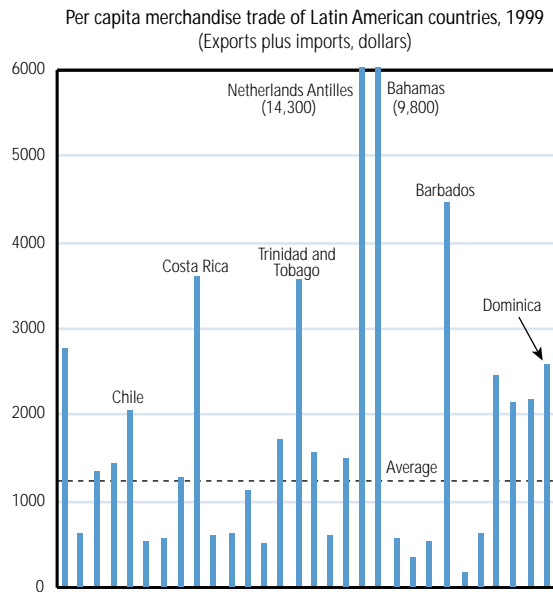
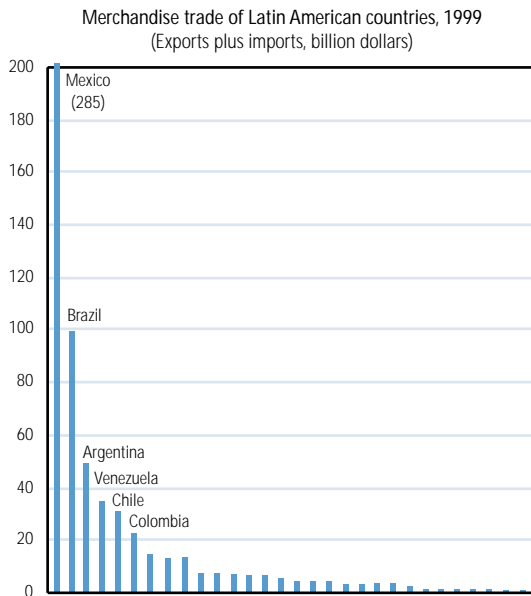


Table 2

## GDP and trade developments in Latin America, 1990-99

(Annual percentage change)

	Latin America			Mexico			Latin America excl. Mexico		
	1990-99	1998	1999	1990-99	1998	1999	1990-99	1998	1999
GDP	3.0	2.1	-0.1	3.1	4.8	3.7	3.0	1.4	-1.0
Merchandise									
Exports (nominal)	8.1	-1.3	6.4	14.4	6.4	16.4	4.7	-6.2	-0.8
Imports (nominal)	11.3	5.0	-3.0	14.6	14.0	13.6	8.9	0.1	-13.2
Exports (real)	8.5	7.5	7.5	14.0	11.0	13.5	5.5	5.5	3.0
Imports (real)	10.5	8.5	-1.0	12.5	16.0	15.5	9.0	4.5	-11.0
Commercial services									
Exports (nominal)	6.5	7.0	-0.5	5.5	6.5	-1.0	7.0	7.0	0.0
Imports (nominal)	6.5	4.5	-6.5	3.5	7.0	9.5	8.0	4.0	-10.0

This was largely due to their extensive processing trade with the United States. Taking a mid-term view, the expansion of imports between 1990 and 1999 exceeded the global average rate of 6% for two thirds of Latin American countries. There are only two countries in Latin America whose import and export value in 1999 was below the 1990 level. In the case of Cuba, the decline of its merchandise trade was largely concentrated in the 1990-92 period and is linked to the break up of its previously close trade ties with the former centrally-planned economies in Europe. In the second half of the 1990s, Cuba's imports of merchandise expanded rapidly while exports stagnated.

Latin America's commercial services exports and imports are less concentrated among a few major traders than is the case for merchandise trade although the three leading traders remain Mexico, Brazil and Argentina. The most dynamic exporters of commercial services are not the large economies of the region, but the Dominican Republic and Cuba, which report double digit export growth not only in 1999 but throughout the 1990-99 period. This is due to their booming tourism industry.

The decline in Mexico's exports of commercial services in 1999 can be partly attributed to the marked fall in tourist earnings, which still accounted for two thirds of Mexico's services exports. Mexico's commercial services imports rose by 9%, while for other Latin American countries commercial services imports

decreased by 10% on average. The largest decline is reported by Brazil (less 24%) and Ecuador (less 16%). The developments in 1999 differ from trends observed over the 1990s in so far as Mexico's average annual import growth of 4% was much smaller than the average growth of the other Latin American countries which rose by 8% – even faster than world trade in commercial services (see Table III.28).

The slowdown of **Western Europe's** trade in 1999 has to be seen in conjunction with the region's weakening GDP growth. Exports and imports of merchandise and commercial services stagnated in nominal dollar terms.<sup>5</sup> Adjusted for the deflation in dollar terms, merchandise exports and imports expanded by nearly 4% in real terms. The impact of the US dollar rise *vis-à-vis* West European currencies had a larger impact on nominal trade flows in dollar terms than the deceleration in volumes. Western Europe's exports by product groups show declines across all categories except fuels, office and telecom equipment, chemicals and automotive products. While the value decline for most other product groups ranged between 2 and 4%, textiles and iron and steel products recorded above average decreases. The decline in

5. If measured in euro terms, Western Europe's exports of merchandise and commercial services rose by 4.6 and 4.2 %, respectively, in 1999.

Table 3

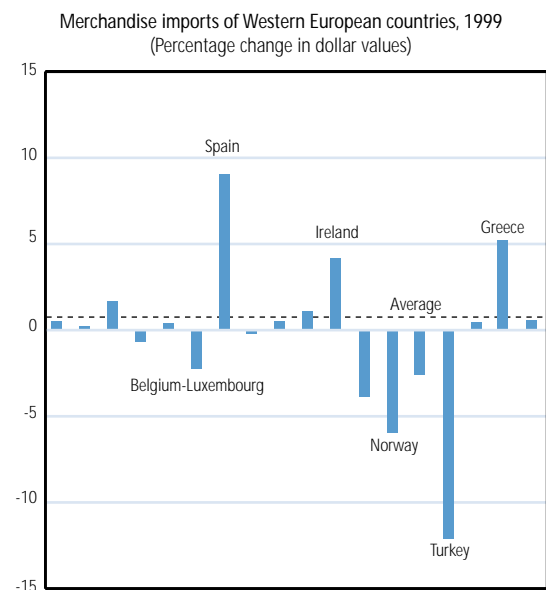
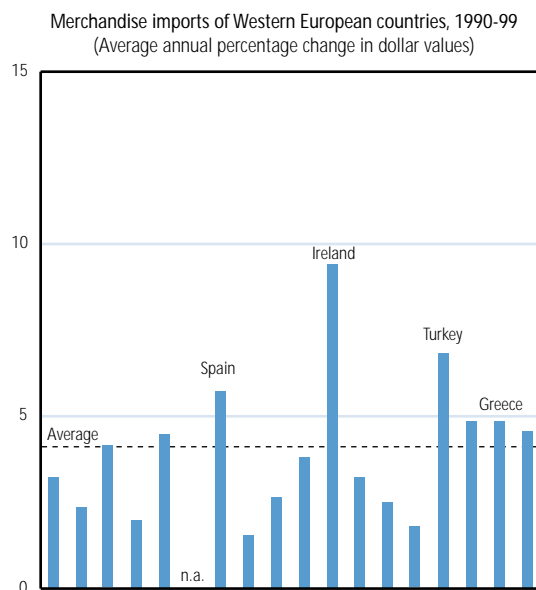
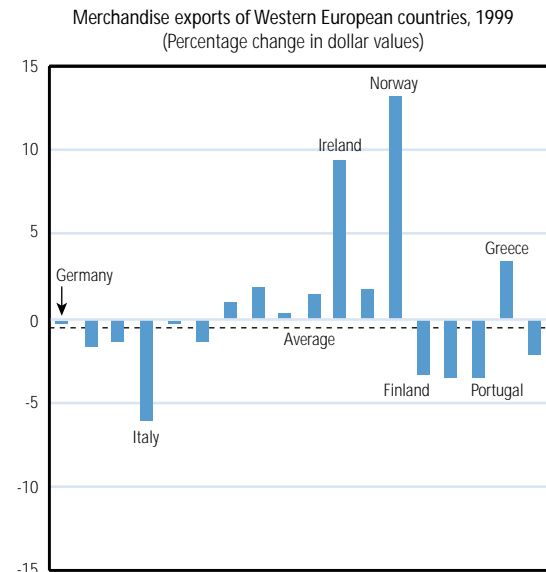
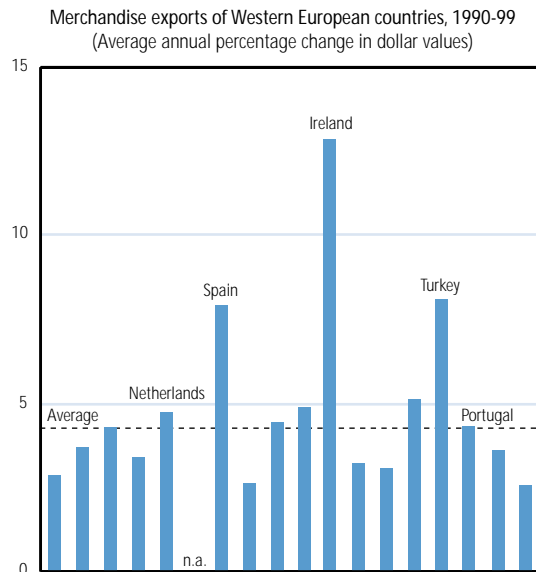
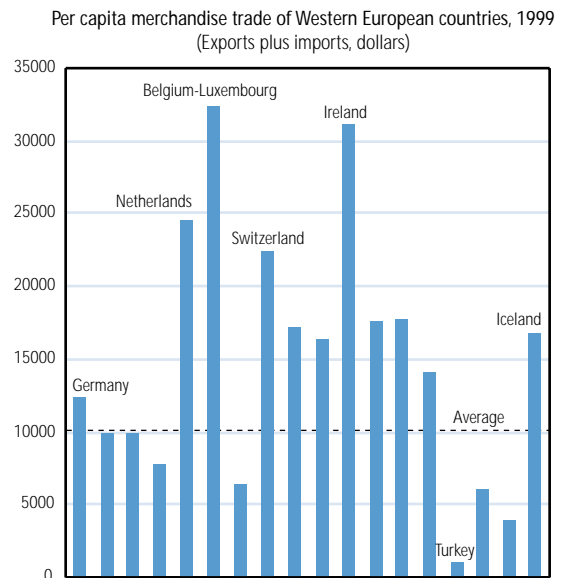
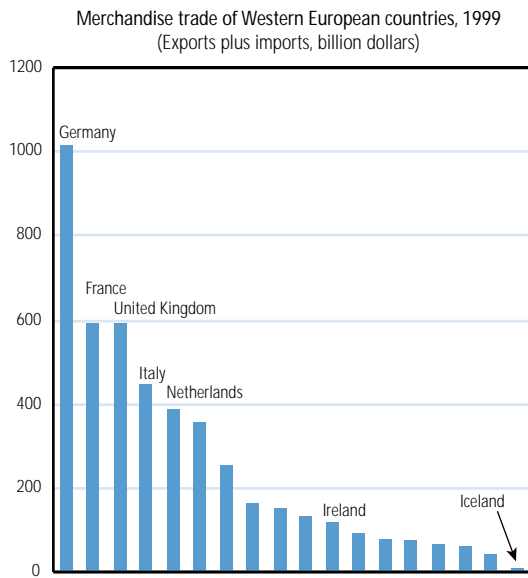
## GDP and trade developments in Western Europe, 1990-99

(Annual percentage change)

	Western Europe			European Union (15)			EU (15) extra-trade		
	1990-99	1998	1999	1990-99	1998	1999	1990-99	1998	1999
GDP	1.8	2.6	2.0	1.8	2.6	2.3	...	...	...
Merchandise									
Exports (nominal)	4.1	3.5	-0.4	4.1	4.0	-0.6	4.6	-0.3	-1.8
Imports (nominal)	4.0	5.5	0.6	4.0	5.9	1.1	4.3	4.6	2.9
Exports (real)	6.0	6.0	4.0	6.0	6.5	3.5	3.5	0.5	3.5
Imports (real)	5.5	8.0	4.0	5.5	8.5	4.0	4.0	7.0	5.0
Commercial services									
Exports (nominal)	4.9	7.2	-0.7	5.0	7.1	0.2	...	...	...
Imports (nominal)	5.0	9.3	0.8	5.4	9.5	0.4	...	...	...



Western Europe. Merchandise trade by country, 1990-99



imports followed a similar pattern in that the highest and lowest growth rates are reported across the same product categories. The product groups with the most dynamic growth in 1999 – office and telecom equipment and automotive products – also recorded above average growth throughout the 1990s with the noticeable exception of fuels (see Tables III.31 and III.32).

Western Europe's export growth by destination differed across regions. While intra-West European trade stagnated, shipments to North America rose by 11.5%. Exports to the transition economies fell by nearly 10%, and to Latin America, Africa and the Middle East by about 6 to 7%. The recovery in Western Europe's exports to Asia remained moderate at 2%. The double digit growth of shipments to Japan and China was offset by a further contraction of shipments to other Asian developing countries. The products which contributed most to the double digit growth of exports to North America and Japan were above all chemicals and automotive products (see Appendix Table A7).

Western Europe's exports of commercial services decreased slightly in 1999 as transportation receipts fell by about 2.5%. Travel receipts stagnated, and receipts from "Other commercial services" grew by a modest 1%. Due to the importance of intra-regional trade, the sectoral growth pattern of commercial services imports was rather similar to that of exports. One of the outstanding developments in Western Europe's commercial services trade was the sharp deceleration in "Other commercial services" trade, which might be partly attributed to a change in the recording methods of some countries.

Western Europe's merchandise trade by country in 1999 and 1990-1999 is reported in Chart 6. Norway and Ireland recorded the fastest export growth in 1999, thanks to the importance of fuels and office and telecom equipment in their export baskets. Spain, Ireland and Greece recorded the strongest import growth. On the other hand, Turkey's imports fell by 12% as its economy contracted under the repercussions of a major earthquake.

In the 1990-1999 period, Ireland, Spain and Turkey achieved by far the highest growth for merchandise exports and imports among the West European countries. Three of the four largest West European traders, (e.g. France, Germany and Italy) recorded export and import growth below the European average.

The **transition economies** grew by nearly 2% in 1999, yet real exports are estimated to have decreased by 1.5% and real imports by nearly 9%. These developments contrast with the preceding years (1995-1998) when trade expanded strongly at a time when output growth was on average slightly negative. This

seemingly anomalous trend can be attributed largely to developments in Russia which led to a steep fall of intra-trade among transition economies. Efforts by the Central/Eastern European countries to limit their current account deficits in the wake of overall stagnating merchandise exports resulted in a moderate import reduction.

Following Russia's financial crisis, the steep devaluation of the rouble, and a contraction of output in 1998, the Russian economy recovered in 1999 by about 3%. Under the impact of the devaluation, merchandise imports plunged by a further 30%. Domestic producers regained competitiveness, maintained their export level and increased their market shares at home. The contraction of Russia's imports translated into a fall of exports for those economies for which Russia was a principal export market (e.g. Belarus, Moldavia and Lithuania).

Moderate GDP growth for the group of Central/East European countries, together with the deceleration in West European import growth and stagnating net capital inflows, led to a marked slow down in trade growth, particularly for imports. The importance of Western Europe in the trade of Central/East European countries has risen steadily over the last years. In 1999, Western Europe was the destination for three quarters of Central/East European merchandise exports. Western Europe also provided two thirds of merchandise imports for these countries (see Tables III.48 and III.49). The product composition of merchandise exports has changed markedly. Exports of manufactured goods account now for more than 80% of total exports due to the very marked increase of the share of automotive products and office and telecom equipment.

A summary review of merchandise trade of all the transition economies provided in Chart 7 shows that 17 out of 21 transition economies recorded a decrease of their imports in 1999. In 12 cases, the decrease ranges between 10 and 45%. For merchandise exports, the number of economies with increasing exports in 1999 nearly matches those with decreasing exports. Some of the smaller traders report even exceptionally strong growth, linked to the marked rise in their crude oil and natural gas production. For 1999, one third of the transition countries report a lower export and import value than for 1995, underscoring the numerous difficulties these countries face in their efforts to participate in the expansion of world trade. Over the same period, four countries – Hungary, Estonia, Azerbaijan and Georgia – recorded an expansion of exports and imports of over 10% annually.

Table 4  
GDP and trade developments in transition economies, 1995-99  
(Annual percentage change)

	Transition economies			C./E. Europe			Russian Federation		
	1995-99	1998	1999	1995-99	1998	1999	1995-99	1998	1999
GDP	0.3	-1.1	1.8	2.1	1.9	1.8	-1.5	-4.6	3.0
Merchandise									
Exports (nominal)	7.5	-4.5	-0.5	6.5	9.5	1.0	4.0	-16.0	0.0
Imports (nominal)	8.5	-2.0	-11.5	8.5	11.0	-1.0	-1.0	-19.5	-30.5
Exports (real)	4.5	5.0	-1.5	...	...	...	...	...	...
Imports (real)	5.5	4.5	-9.0	...	...	...	...	...	...
Commercial services									
Exports (nominal)	1.0	0.5	-10.0	0.0	10.5	-5.5	-3.5	-12.0	-26.5
Imports (nominal)	-1.5	0.5	-8.0	2.5	12.0	3.0	-11.0	-14.0	-23.5

Transition economies. Merchandise trade by country, 1995-99

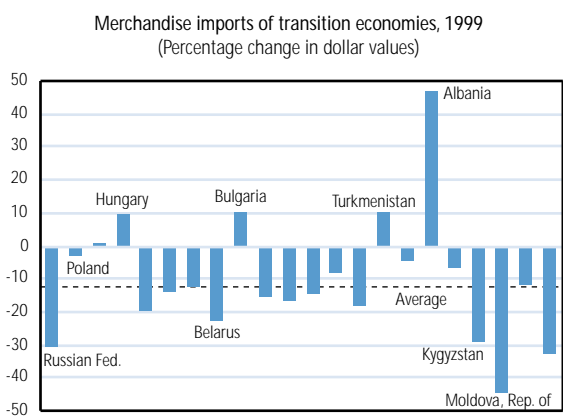
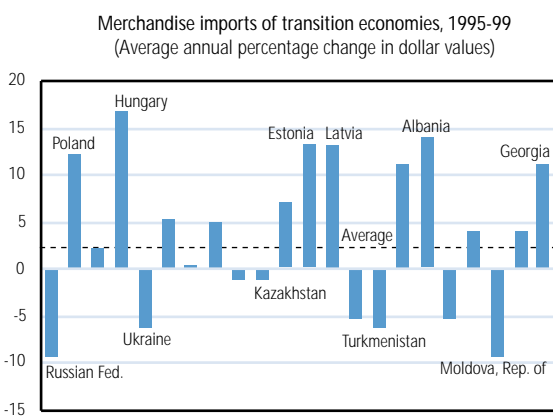
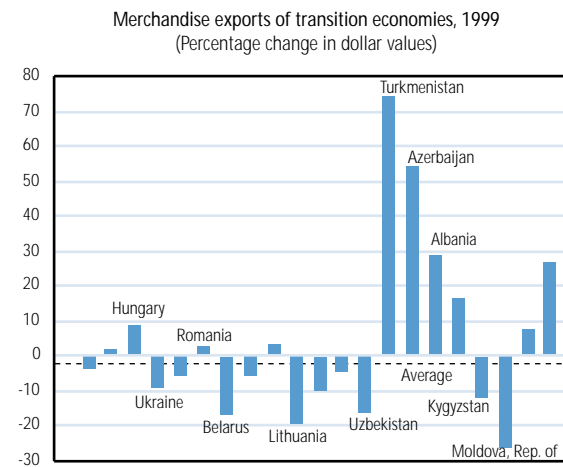
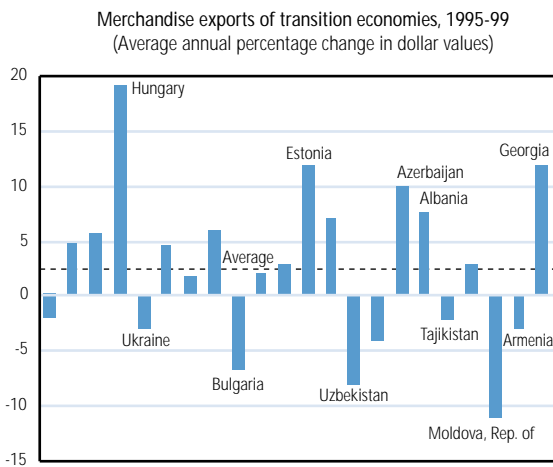
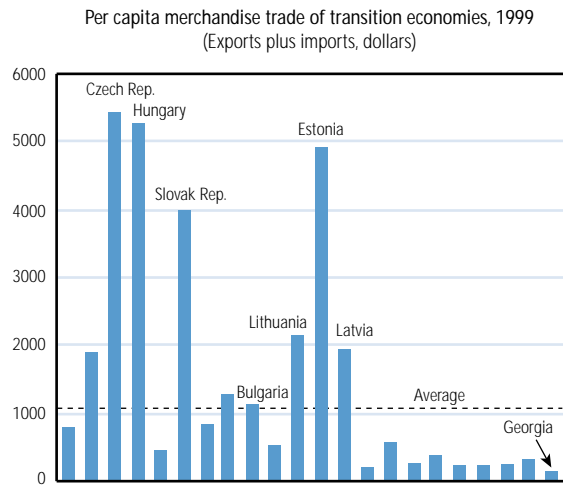
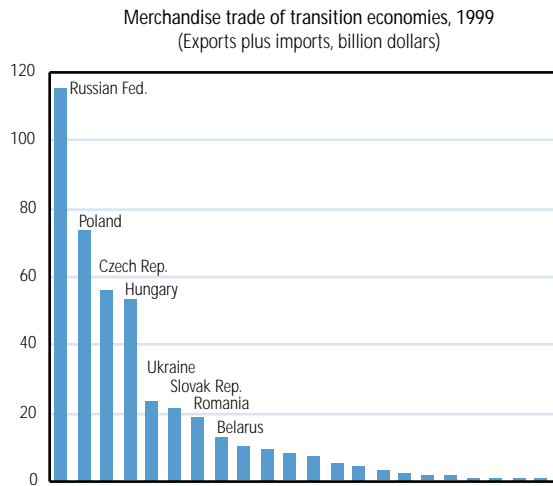


Table 5

**GDP and trade developments in Africa, 1990-99**

(Annual percentage change)

	Africa			South Africa			Africa excl. South Africa		
	1990-99	1998	1999	1990-99	1998	1999	1990-99	1998	1999
GDP	2.3	3.2	3.1	1.4	0.5	1.2	2.6	3.9	3.5
Merchandise									
Exports (nominal)	1.0	-15.5	8.5	2.0	-9.0	1.5	0.5	-18.0	11.0
Imports (nominal)	4.0	1.0	0.0	4.5	-9.5	-8.5	3.5	5.0	2.5
Commercial services									
Exports (nominal)	5.0	-2.5	8.5	3.5	-1.0	-6.5	5.5	-3.0	12.0
Imports (nominal)	3.0	-1.5	-2.5	2.5	-9.0	-1.5	3.0	0.0	-2.5

**Africa's** economic expansion continued at about 3% in 1999, unchanged from the rate in the two preceding years, and hardly above the region's population growth. Merchandise exports recovered strongly in both nominal and real terms. Merchandise imports, however, stagnated as the further strong decrease in South Africa's imports was balanced principally by higher imports among the oil-exporting countries. For commercial services, the available data also points to a sharp increase in exports and a moderate decline in imports. The strength of Africa's commercial services exports can be attributed to the dynamic growth of travel receipts in four countries, Egypt, Morocco, Tunisia and Mauritius. Africa's total travel receipts are estimated to have recovered by 16%, reaching a new peak of US\$14 billion.

Africa's merchandise trade developments are still strongly affected by commodity price developments. While the recovery of fuel prices boosted the earnings of the fuel exporting countries by about one quarter, the further double digit decline of non-fuel commodities prices in 1999 led to another decrease in Africa's exports in agricultural products. Africa's exports of manufactured goods, however, expanded strongly, in particular chemicals and other semi-manufactures.

About one half of Africa's merchandise exports are destined to Western Europe, a share which was somewhat less than at the beginning of the decade. EU imports from Africa recovered by 6% in 1999, due largely to the double digit growth of fuels imports. Despite this recovery, EU fuels imports from Africa were still well below their 1990 level. Imports of manufactures and agricultural products, however, rose by an average of 6 and 2% respectively over the 1990-1999 period. Among manufactured goods, clothing imports rose by 8% annually, amounting to US\$6.8 billion or 11% of total imports from Africa in 1999.

Asia gained in importance as an export destination for African exports, largely due to Asian developing countries' growing demand for African mining products and, in particular, fuels. North America's share of Africa's exports roughly equalled Asia's share – at some 15% each – in 1999. These shares were unchanged from 1990. Intra-African trade accounts for nearly 10% of Africa's merchandise exports in 1999.

A comparison of the merchandise trade developments of 40 African countries in 1999 against the period 1990-99 is shown in Chart 8. Their merchandise trade value in 1999 ranges from more than US\$50 billion (South Africa) to less than US\$500 million (Rwanda). The top five African traders account for more than one half of Africa's total merchandise trade. Africa's trade per capita was about US\$300. Three countries – Botswana, Gabon and Mauritius – report per capita trade of about

US\$3000, but for more than 20 countries per capita trade is below the regional average.

Export and import growth in 1999 showed large variations from country to country. Seven fuel exporting countries reported double digit growth in exports for 1999 – in contrast to the period 1990-1999 when the majority of these same countries reported falling or stagnating exports. Among the 12 African countries which reported a drop in their export earnings in 1999, Burkina Faso, Cameroon, Ethiopia and Malawi experienced the sharpest contractions, ranging from 15 to 30%. About one quarter of the African countries in our sample reported export growth at or above the global average for the 1990-99 period.<sup>6</sup> Although the differences in import growth rates among the African countries are less pronounced than for exports, they remain very large. The imports of 13 African countries decreased, while 8 other African countries recorded import growth of above 10% in 1999.

Due to the oil price developments, the **Middle East's** exports recovered to US\$170 billion in 1999, which was still below the 1997 level. Iraq and Yemen recorded outstanding increases while non-fuel exporters, Lebanon, Jordan and Cyprus reported a modest increase or even a decline in their merchandise export value. Israel's exports rose by 12%, benefitting from the strong expansion of international demand for office and telecom equipment, which accounted for nearly one fifth of Israel's merchandise export revenues. The region's merchandise imports increased by 3% to US\$150 billion. Eight countries saw imports fall, while Iraq, Israel, Qatar and Yemen recorded double digit import growth.

Developments by country in 1999 differ significantly from trends throughout the 1990-1999 period. Despite their strong export recovery, the value of exports from Iran and Iraq in 1999 was still below 1990 levels, while Israel and Jordan's exports rose by 9 and 6% annually (see Table III.64).

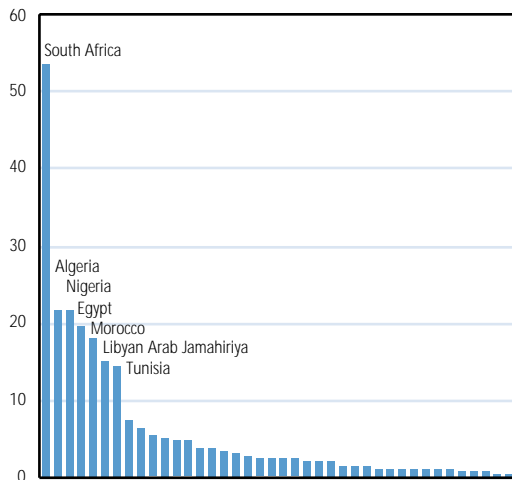
Chart 9 also shows per capita merchandise trade by country. It reveals the large differences that prevail among Middle East economies. Merchandise exports and imports per capita in four of the five economies with populations exceeding 15 million range between US\$300 and US\$700, while in seven economies with smaller populations per capita trade ranges between US\$5000 and US\$20000.

In the aftermath of the financial crisis of 1997/1998, **Asia's** trade and output recovered strongly. The region's GDP growth matched the growth of the global economy as a whole, while Asia's merchandise and commercial services trade exceeded the

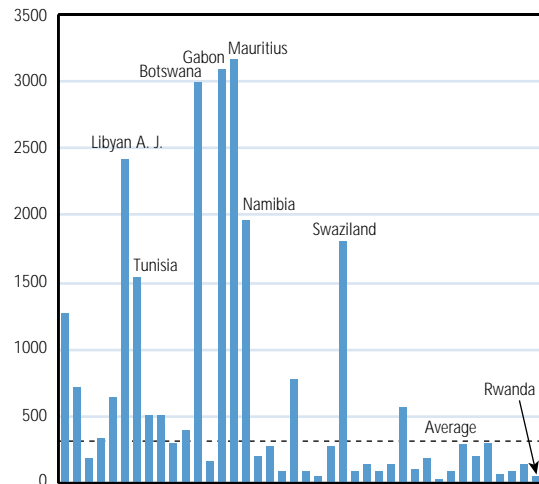
6. In some cases, the high average growth was achieved from exceptionally low levels in 1990.

Africa. Merchandise trade by country, 1990-99

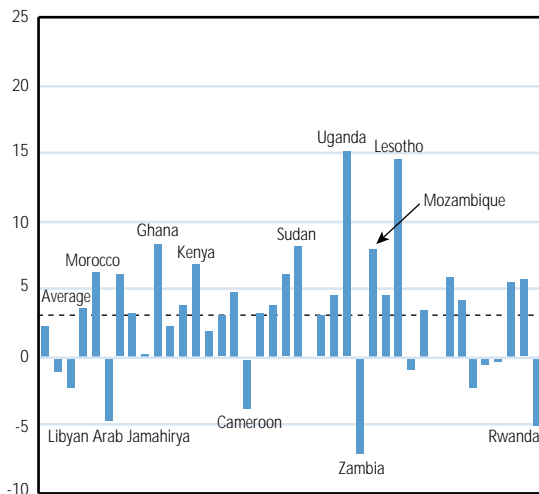
Merchandise trade of African countries, 1999  
(Exports plus imports, billion dollars)



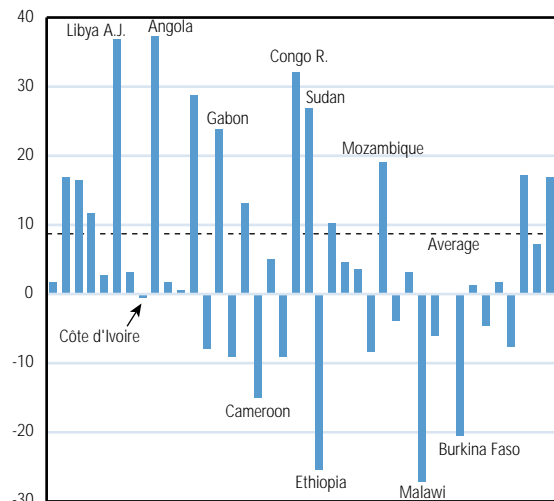
Per capita merchandise trade of African countries, 1999  
(Exports plus imports, dollars)



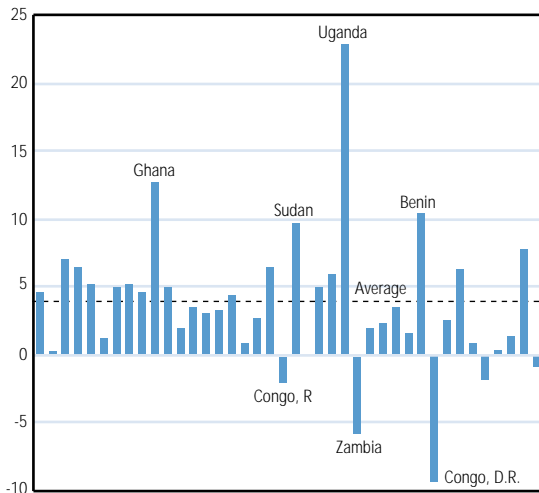
Merchandise exports of African countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise exports of African countries, 1999  
(Percentage change in dollar values)



Merchandise imports of African countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise imports of African countries, 1999  
(Percentage change in dollar values)

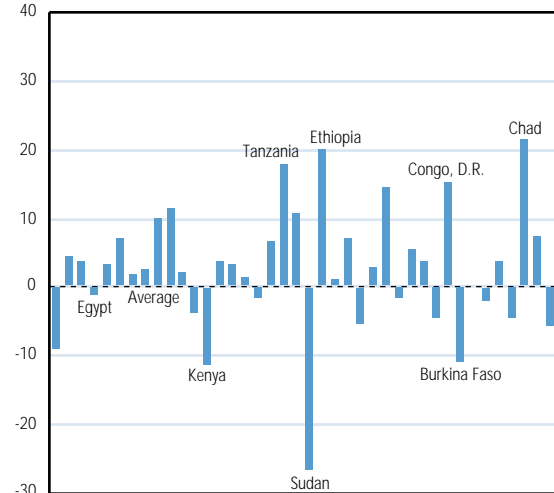
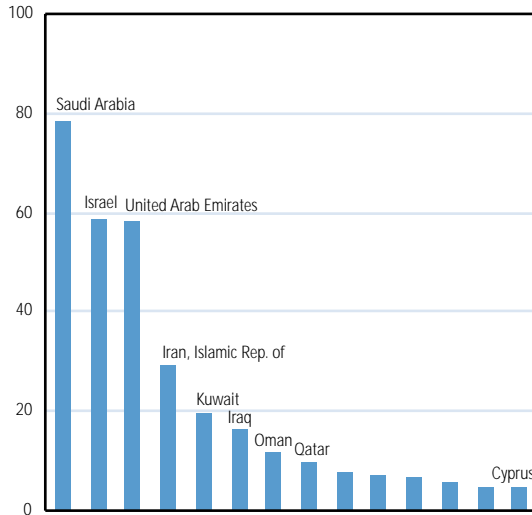


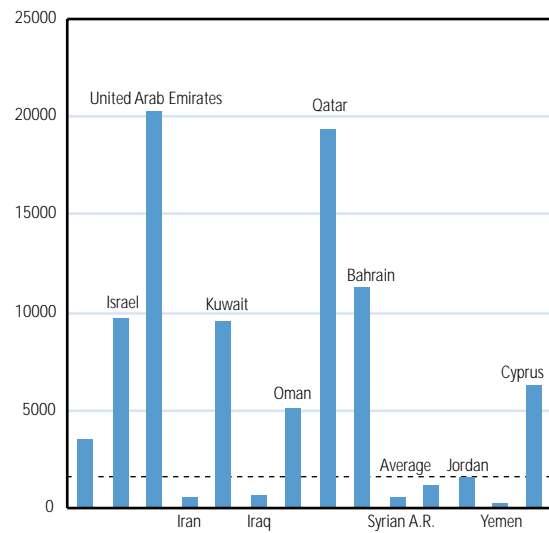
Chart 9

Middle East. Merchandise trade by country, 1990-99

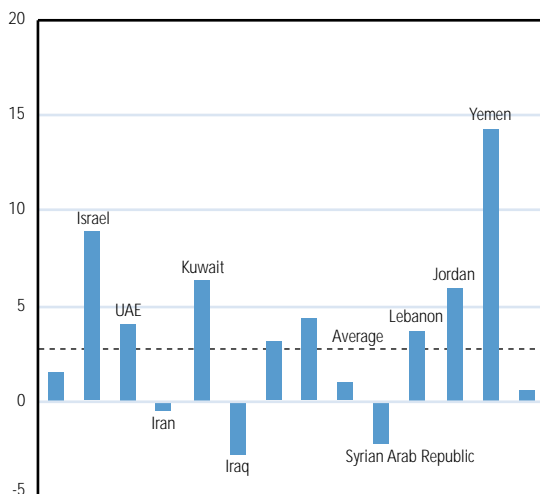
Merchandise trade of Middle Eastern countries, 1999  
(Exports plus imports, billion dollars)



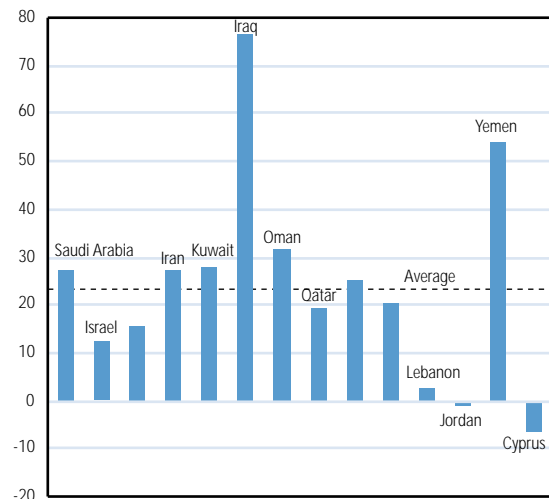
Per capita merchandise trade of Middle Eastern countries, 1999  
(Exports plus imports, dollars)



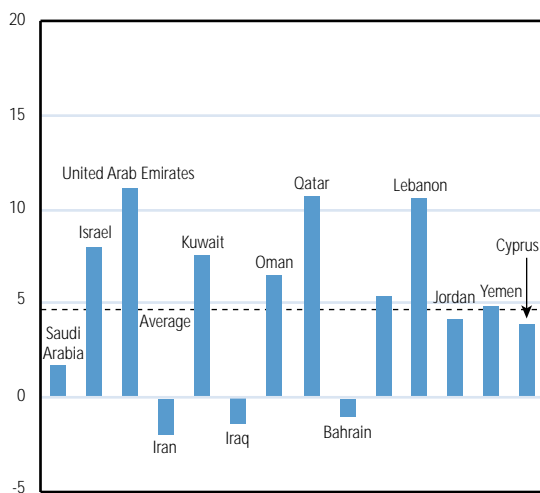
Merchandise exports of Middle Eastern countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise exports of Middle Eastern countries, 1999  
(Percentage change in dollar values)



Merchandise imports of Middle Eastern countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise imports of Middle Eastern countries, 1999  
(Percentage change in dollar values)

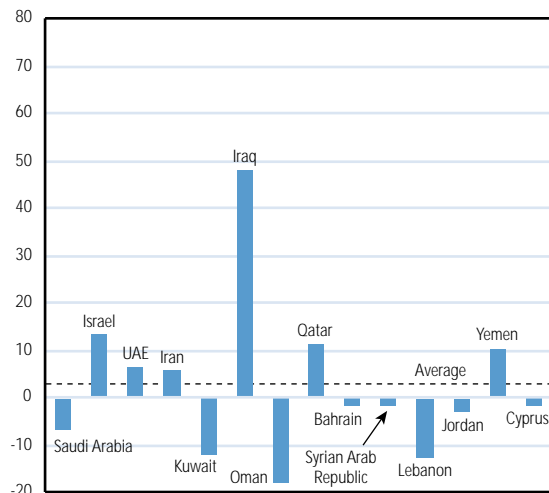


Table 6

## Trade developments in the Middle East, 1990-99

(Annual percentage change)

	1996	1997	1998	1999	1990-95	1995-99	1990-99
Merchandise							
Exports (nominal)	17	5	-23	24	2	4	3
Imports (nominal)	7	8	-3	3	6	4	5
Commercial services							
Exports (nominal)	3	13	7	-3	5	5	5
Imports (nominal)	7	11	-4	2	4	4	4

world average. Large variations could be observed at the country level for both output and trade. The five Asian developing countries most affected by the crisis recorded a GDP growth of 6% – or about twice the global income growth. However, their return to positive growth was quite uneven as individual GDP growth rates ranged from Indonesia's near stagnation to the Republic of Korea's growth of above 10%. The region's largest economy, Japan, recorded sluggish growth. The most populous countries, China and India, achieved an outstandingly high GDP growth of about 6 to 7%.

Following the severe contraction of dollar trade values in 1998, Asia's merchandise and commercial services trade expanded dramatically in 1999 – once again exceeding the global average. The recovery of intra-regional trade, exchange rate developments, higher commodity prices and strong global demand for information technology products were the principal factors underpinning Asia's trade expansion in 1999. The rise in Asia's merchandise exports by 7.5% was boosted by double digit growth of intra-regional exports and a rise of 14% in the region's office and telecom equipment exports. Import growth exceeded export growth in both nominal and real terms. Although the five Asian countries most affected by the 1997/1998 crisis recorded an import surge of about 15%, this increase could not fully offset the steep fall in the preceding years. Japan's import rise in real terms was rather strong given the sluggish state of its economy.

Asia's commercial services exports rose by 3.5% to US\$264 billion in 1999. Travel and transportation receipts recovered by 9 and 6% respectively in conjunction with the region's trade and output recovery. However, other commercial services receipts, comprising communication, construction, financial services and royalties and licence fees, recorded a further decline in 1999. The decline across this product group was particularly marked in China, Chinese Taipei, Japan and the Philippines, and was not fully offset by gains from India and Singapore (see Table 1.7).

Data on Asia's merchandise trade by country are provided in Chart 10. The chart highlights the big variations in per capita trade values between high and middle income countries and low ones. While the former report per capita trade values of about US\$6000 and upwards, the latter group typically displays values well below US\$500.

Many Asian low income countries with a modest share in world trade achieved outstandingly high export growth in both 1999 and throughout the 1990/1999 period. Seven of these countries report export and import growth rates well above the Asian average rates. Export growth exceeding 10% annually can be found for Bangladesh, Cambodia, the Lao People's Democratic Republic, Myanmar, Nepal and Viet Nam. Among the leading traders in Asia, China expanded its merchandise trade at nearly twice the rate of Asia as a group in the 1990s, while Japan's trade growth lagged behind.

Table 7

## GDP and trade developments in Asia, 1990-99

(Annual percentage change)

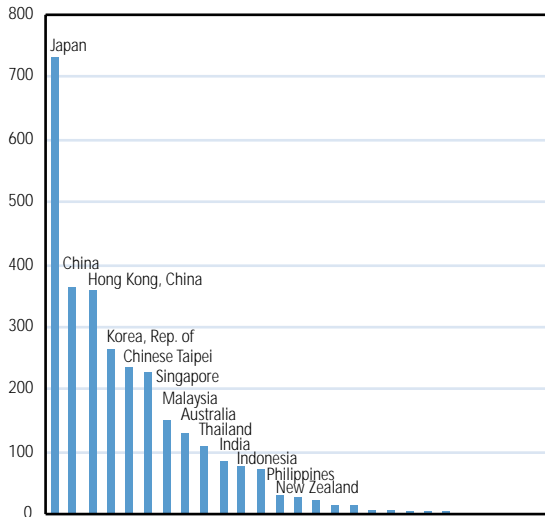
	Asia			Japan			Asia (5) <sup>a</sup>		
	1995-99	1998	1999	1995-99	1998	1999	1995-99	1998	1999
GDP	3.3	-0.8	2.9	1.2	-2.8	0.3	5.0	-8.3	6.1
Merchandise									
Exports (nominal)	7.3	-6.0	7.5	4.3	-7.8	8.1	10.5	-3.5	10.2
Imports (nominal)	6.0	-17.8	10.3	3.2	-17.2	11.0	6.4	-30.9	15.0
Exports (real)	7.5	3.5	7.5	2.5	-1.5	2.0	13.0	13.0	13.0
Imports (real)	7.0	-8.5	11.5	4.5	-5.5	9.5	7.0	-22.5	16.0
Commercial services									
Exports (nominal)	8.1	-14.8	3.4	4.3	-9.3	-2.4	10.5	-24.2	2.3
Imports (nominal)	7.3	-10.8	5.3	3.4	-9.3	3.1	10.7	-26.3	5.9

<sup>a</sup> The five countries most affected by the financial crisis in 1997/98 are Indonesia, Republic of Korea, Malaysia, Philippines and Thailand.

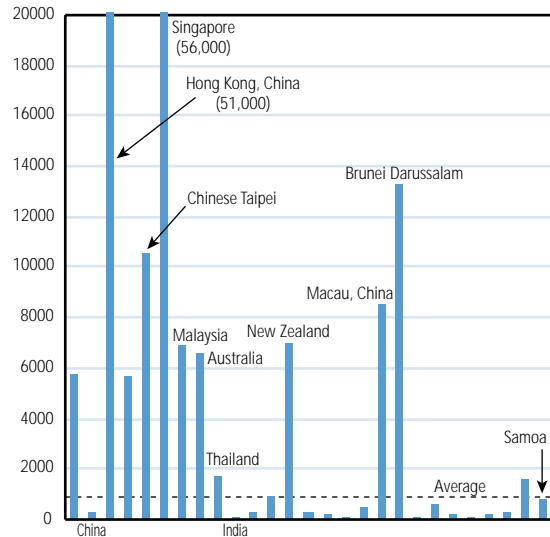
Chart 10

Asia. Merchandise trade by country, 1990-99

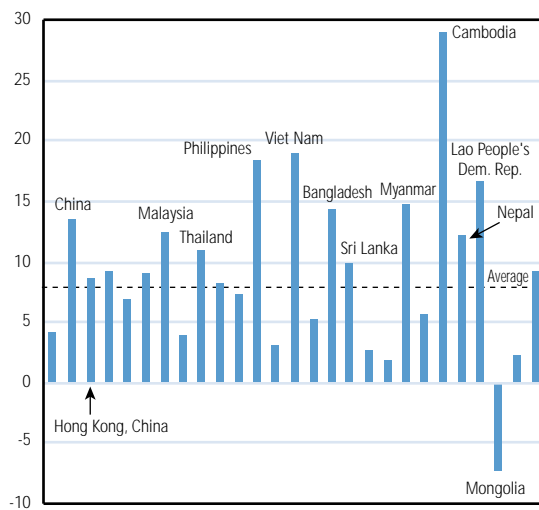
Merchandise trade of Asian countries, 1999  
(Exports plus imports, billion dollars)



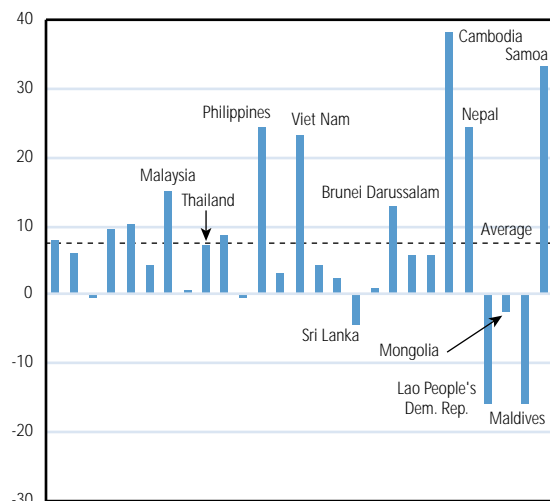
Per capita merchandise trade of Asian countries, 1999  
(Exports plus imports, dollars)



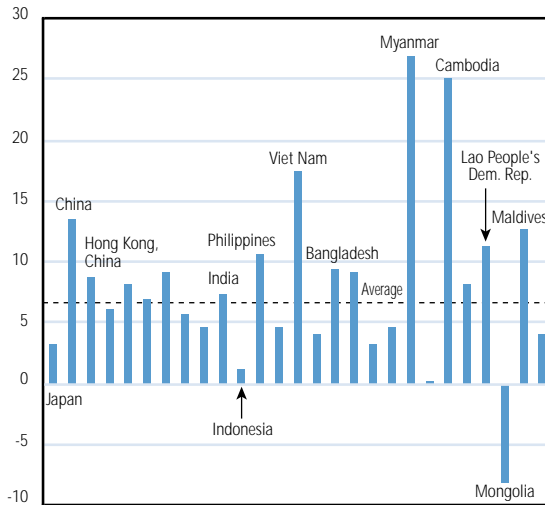
Merchandise exports of Asian countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise exports of Asian countries, 1999  
(Percentage change in dollar values)



Merchandise imports of Asian countries, 1990-99  
(Average annual percentage change in dollar values)



Merchandise imports of Asian countries, 1999  
(Percentage change in dollar values)

