UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Addressing the Forthcoming Challenges for Trade and Development

Note by the UNCTAD secretariat based on the statement by Mr. Rubens Ricupero, Secretary-General of UNCTAD, at the G-15 Meeting of Trade and Economics Ministers, Montego Bay, Jamaica, 6 February 1999.

An Outlook Fraught with Risk for World Trade

For 1999, the prospects for world trade are fraught with considerable risks and uncertainties associated with the current global economic situation. Prior to the Brazilian crisis, the IMF had projected a growth rate of 4.4 per cent. The UN (Project LINK) had expected the expansion in world trade to remain at the same figure as last year, four per cent. In the private sector, J. P. Morgan has been more pessimistic, forecasting a growth in import volume of 3.1 per cent and in export volume of only one per cent for this year. To the extent that the major forces at work during 1998 are likely to continue in 1999, no significant pick-up in the pace of world trade is to be expected. The surge in US imports recorded in 1998 is not expected to be sustained and any significant recovery in the Japanese economy is also unlikely.

In sharp contrast to the widespread acceleration recorded in 1997, when import growth reached nearly 10 per cent, 1998 saw a general slowdown in the growth of import volume of different countries and regions. The IMF projects that 1998 world trade in goods in volume will have grown by 3.9 per cent, the second lowest figure this decade, significantly lower than the 1990-1997 annual average of seven per cent.

Of major significance was the drastic contraction of import volumes of Japan (10 per cent in relation to 1997) and of South and East Asia (excluding China) (6.2 per cent in relation to 1997) (table 1). Import volumes of the five Asian countries most affected by the financial crisis (Indonesia, Republic of Korea, Malaysia, Philippines and Thailand) fell between 12 and 26 per cent (table 2). For the global economy in general, and the most affected Asian economies in particular, the general slowdown in the volume of imports is the major factor underlying the widespread deceleration and decline in the export volumes of various countries and regions.

The widespread reduction of imports was equally evident in value terms. For developing countries, the slowdown in import growth was, by and large, in keeping with a decline in domestic demand and the emergence of constraints on import capacity arising from reduced export earnings. This was largely due, in turn, to a combination of substantial declines in commodity prices and the lack of capital inflows to finance trade deficits. In the first nine months of 1998, Asia’s imports contracted by 16 per cent in value and exports by seven per cent. The five most-affected Asian economies saw even more dramatic import declines. While exports decreased by

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three per cent, their imports fell by fully one-third.[1] Until October, China remained relatively unscathed. But the 9.2 per cent fall that month produced an overall decline of 0.7 per cent for the first 10 months of the year. By and large, contractions in the value of year-on-year quarterly imports were widespread and drastic among countries in East and South-East Asia during the first three quarters of 1998 (table 3).

Because of the importance of the Asian economies in the global market, and the relative dependence in recent years of both developing and developed countries on Asian markets, the economic slowdown in the region resulted in a deceleration in world import demand. The knock-on effect on exports and national incomes hit developing countries in particular. In the case of Latin America, Asia accounts for some 10 per cent of overall merchandise exports. But it accounts for a much higher proportion in some countries, such as Peru and Ecuador, rising to around 35 per cent in the case of Chile. In the third quarter of 1998, Latin American exports fell below the level of the preceding year, in sharp contrast to the substantial expansion seen in 1997. Similarly, import growth in 1998 slowed, down from 15 per cent in the first quarter to five per cent in the third. The deceleration in import growth was widespread among countries in the region. It was particularly significant in Brazil, which experienced a reduction of nearly five per cent in the first nine months of 1998, compared with an increase of 15 per cent in 1997.[2]

In Africa, the impact of the Asian crisis was felt particularly in Zambia, the United Republic of Tanzania and Congo, since over a quarter or more of the exports of these countries go to Asia. Among the economies in transition, Kazakhstan, the Russian Federation, Ukraine and Romania also experienced a reduction in the volume of their exports to Asia. Deteriorating economic conditions in East Asia were a key factor behind the continued decline in commodity prices during 1998, with an adverse impact not only on commodity-dependent developing countries in Africa, Latin America and elsewhere, but also on major developed-country commodity exporters such as Canada and Australia.

Contrary to expectations stemming from the substantial depreciation in the currencies of the affected Asian economies, exports from South and East Asia in 1998 were practically stagnant in volume terms (table 1). Exports were constrained by weak demand throughout the region, particularly in Japan and neighbouring countries, falling export prices and simultaneous depreciations in partner countries. Indirect causes included domestic credit crunches (due to tight monetary policies and capital flight) and rises in prices of imported inputs. Substantial declines were also recorded in the export prices of individual economies. The high degree of interdependence of trade and investment among the economies in East and South-East Asia, once a source of strength, has exacerbated the decline in exports of the countries of the region.[3]

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[1] WTO Annual Report 1998

[2] WTO Annual Report 1998

[3] For a discussion on interregional trade in east and South-East Asia, see UNCTAD Trade and Development Report, 1998 (TDR 1998), Part One, Chapter II, and also Trade and Development Report 1996 (TDR 1996), Part Two, Chapter I.

The United States and European Union absorbed the deceleration in world import demand to an extent by importing more from the affected countries. For example, US imports (in value terms) from ASEAN rose by 11.6 per cent in the first half of 1998 in relation to the same period in 1997, while exports fell by 10.9 per cent. According to the European Commission's own figures, for the same period, while EU imports from ASEAN rose by 16 per cent, exports to the region fell by almost half (43.7 per cent).

Although the turbulence experienced by Asian economies since mid-1997 has subsided, in the midst of a fragile and uncertain external environment they remain vulnerable to both internal and external disturbances.

The Dire State of Commodities

Oil and non-oil commodity markets were plagued by adverse conditions during 1998, as weak demand, ample supply and rising stocks all combined to exert considerable downward pressure on prices. Prices of major commodity groups started to decline as of June 1997, and continued to fall in the course of 1998, particularly in the case of oil (table 4). The decline in oil prices occurred later than for other commodities; but it accelerated in 1998 in the midst of continued sluggish demand and rising inventories. By November 1998, oil prices were down by 31 per cent from the levels of December 1997 and 34 per cent from those of June 1997. In the Middle East and North Africa, collapsing oil prices have reduced export revenues dramatically. The immediate impact of the fallen oil prices is upon government revenues, as the majority of the region's oil companies are state-owned, and government expenditure depends heavily on oil revenues. In nine out of 11 Middle Eastern countries, over half their government revenue derives from oil revenues. In almost all African oil-producing countries, the figure is over 60 per cent. In 1998, as oil prices plunged, sub-Saharan Africa oil-exporting countries (Nigeria, Angola and Gabon) saw their terms of trade deteriorate by 23 per cent, the equivalent of eight per cent of GDP.

Non-oil prices also declined significantly between June 1997 and the end of 1998. A few examples include (table 4):

- 17 per cent for aluminium,
- 22 per cent for wheat,
- 30 per cent for cotton,
- 37 per cent for rubber,
- 38 per cent for coffee, and
- 41 per cent for copper.

The temporary increases observed at the beginning of 1999 in the prices of a few commodities have been, as is often the case, the result of some unexpected events on the supply side rather than changes in the fundamentals of the markets, such as long-term cutbacks in supplies or an upward shift in demand trends.

Measured in US dollars, the price index for non-fuel commodities is now at its lowest level since 1993, the year that marked the lowest point for prices of many products since 1987. Other than for a brief period in 1988, in nominal terms oil prices have not been this low since 1976. In constant dollars, or in real terms, the situation is even worse. In 1997, non-fuel prices were about 20 per cent lower than a decade earlier. Adjusted for inflation in OECD countries, the decline is almost 40 per cent. Hence, in the space of one generation -- thirty years -- the price index for non-fuel commodities declined by approximately 60 per cent. Adjusted for changes in the value of the US dollar, using SDRs as the reference, the index is today less than one-third of what it was in 1970. The background to these figures has been a long-term slowdown in the growth of commodity trade, measured by value. Between 1980 and 1995, world trade in agricultural products grew by 4.7 per cent per year, almost half the rate of manufactured products. Growth in international trade of metals and minerals was even slower than that in agricultural products.

There were, however, significant differences in the experiences of different regions as far as commodity exports are concerned. The share of Africa went down significantly for all commodities; while Asia increased its share for food items, including tropical beverages, as did Latin America for agricultural raw materials. Africa and Latin America also increased their share of exports in metals and minerals.

An examination of the agricultural product exports of developing countries reveals that developing countries' shares have declined sharply in the world export of those products requiring significant blending, processing and marketing activities, in particular marketing under brand names. The result has been that developed countries have taken an increasing part of the value-added of the final product. These products include all three tropical beverages as well as spices and processed foods. For example, over the last 15 years, Germany's share in world coffee exports has gone up from one per cent to about five per cent. In tea exports, its share, which used to be less than half of one per cent, has increased fivefold.

The impact of the Asian crisis has been a significant blow for exporters of commodities because their fastest growing markets were in this region. For example, excluding West Asia, as an importer of food products, Asia's share rose from 8.8 per cent in 1980 to 13.1 per cent in 1995. The most striking rise was for ores and metals, where the share of world imports going to the region over this period increased by more than threefold, from 5.8 per cent to 19.6 per cent.

Compared to the situation during the debt crisis of the early 1980s, the only mitigating factor for commodity exporters is the low level of interest rates. This reduces somewhat the severeness of debt pressure and the need to increase export volumes, and helps maintain demand in the industrialized world. Changes in commodity market structures are also creating difficulties for exporters, such as the disappearance of middle-sized traders on the importing side. Meanwhile marketing boards are being abolished, and exports in many developing countries are left in the hands of small exporters.

Third WTO Ministerial Conference and a new "Trade Round"

Many calls have been heard for the Third WTO Ministerial Conference, to be held in Seattle, USA, this November and December, to launch a new round of multilateral trade negotiations. The benefits developing countries can derive from a new multilateral round will be a function of the extent to which they are able to formulate and effectively pursue proposals in each area of the negotiations. While this should not mean that all proposals should be ready for submission before the start of negotiations, it would be important to foresee that all issues of interest to developing countries, within the agreed negotiating areas, are treated on an equal basis with those priorities put forward by developed countries.

Developing countries feel that major imbalances exist in market access and rule-making areas, which erode their confidence in the multilateral trading system. These questions form part of "a positive trade agenda" for developing countries in future trade negotiations -- a concept aimed at their effective and pro-active participation. UNCTAD gives priority to assisting developing countries formulate such an agenda.[4]

The following examples illustrate issues that could be treated under "a positive trade agenda" of developing countries for future negotiations.

- **Tariff peaks and tariff escalation**: Studies carried out jointly by UNCTAD and WTO[5] have shown that, even after all Uruguay Round concessions are fully implemented by the industrialized countries, significant tariff barriers in the form of high tariff peaks (exceeding 12 per cent and in some cases reaching 300 per cent) continue to affect agricultural and industrial products of export interest to developing countries. Tariff escalation continues to affect trade in sectors of export interest to developing countries such as metals, textiles and clothing, leather and rubber products and, to some extent, wood products and furniture. Accordingly, the removal of such high tariff protection in industrial countries should be given priority. In addition, duty-free access should be extended to all imports from LDCs.

- **Agriculture**. Developing countries´ trade in agricultural goods remains severely hampered by massive domestic support and export subsidy programmes in developed countries, peak tariffs and difficulties in the implementation of the tariff quota system. The recent signs of renewed export subsidy competition have highlighted the need for much more stringent disciplines than those contained in the Uruguay Round commitments, leading to the full elimination of export subsidies.

  The reform of agricultural trade must also take account of non-trade concerns such as food security and the specific problems faced by net food-importing developing countries. There should be different outcomes envisaged in the negotiations, reflecting the differing social impacts of agricultural trade liberalization, between those developing countries where the large majority of their populations are employed directly or indirectly in the agricultural sector, and those countries in which agricultural employment is well under 10 per cent. The general direction of negotiations should be towards the full integration of agricultural trade into the framework of "normal" rules under the WTO, but special provision may need to be made for those developing countries that would be adversely affected.

- **Trade in services.** It is important to ensure that the architecture of the General Agreement on Trade in Services (GATS) remains intact. The GATS provides flexibility

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[4] For further information, see UNCTAD Web site *http://www.unctad.org/en/posagen*.

[5] See, for example, UNCTAD document TD/B/Com.1/14 (1997).

for developing countries to open fewer sectors, liberalize fewer types of transactions, and progressively extend market access in line with their overall development. It also legitimizes the possibility of using performance requirements such as local content, export performance, the transfer of technology, training and employment to meet development objectives. And, it provides that the increasing participation of developing countries in world trade in services (Article IV) should be facilitated through negotiated specific commitments relating to access to information networks, distribution channels and to technology.

Developing countries' trade in services continues to be hampered by restrictions imposed on the movement of natural persons, as well as other barriers. The effective implementation of Article IV of GATS should thus be considered as a priority objective in the next round of negotiations.

- In the case of **industrial subsidies**, there would appear to be a bias against developing countries. The "non-actionable" categories are those which form part of industrial and regional development policy in developed countries, while subsidies of key importance to developing countries fall in the "actionable" category. Furthermore, the non-actionable nature of R&D subsidies permits firms in developed countries to have access to subsidies for the development of new products, for which they are subsequently given a monopoly under the TRIPs Agreement. As the maintenance of R&D subsidies in the "non-actionable" category requires consensus, developing countries will now have the opportunity to correct this imbalance.

- Given the major difficulties faced by developing countries in implementing the **TRIPs Agreement**, the following matters merit consideration:

  (i) Extension of the transitional period to provide for the broadness and complexity of the reform of intellectual property rights (IPR) laws, required to allow time for domestic industries to adjust;
  (ii) adoption of specific measures facilitating the use of compulsory licensing as a means to ensure the transfer of technology, including environmentally sound technologies, and to meet public health concerns (e.g. a compulsory licensing regime for WHO-listed essential drugs);
  (iii) shortening the term on patents, to bring the TRIPs Agreement into line with the Convention on Biodiversity;
  (iv) inclusion of new provisions in the TRIPs Agreement relating to the protection of traditional and indigenous knowledge.

As civil society at large, in both developed and developing countries, is nowadays aware of how such negotiations can affect daily lives and will thus be putting a harsh spotlight on the talks, this time negotiations will inevitably be more difficult. Groups which fear the effect of the globalization process on their acquired social rights, environment, employment and cultural identity will be attempting to influence the outcome of the negotiations to an unprecedented degree. Elements of civil society, which is becoming stronger and more influential on the international plane, have already organized actions against aspects of the implementation of some WTO agreements, and against future liberalization initiatives.

At the same time, UNCTAD studies of private-sector attitudes in selected developing countries indicate that there remains uncertainty over how to make effective use of the WTO as a means of increasing exports. Compared to many developed countries, the business community in many developing countries does not possess a sufficiently clear idea as to how the multilateral trading system can serve its interests. The support of domestic business interests and civil society in general will therefore be crucial in achieving the effective participation of many developing countries in the negotiations.

“Special and Differential Treatment” and the Universality of the System

During the Uruguay Round and throughout much of this decade, there has been an unfortunate tendency to view Special and Differential Treatment (S&D) as a concept which has outlived its relevance. However, the world trade situation, as has been demonstrated above, indicates that S&D should neither be forgotten nor abolished, but updated and made applicable to the realities of globalization.

The underlying reality necessitating S&D for developing countries has not changed in the post-Uruguay Round era. By contrast, the disparity in per capita income between developed and most developing countries has actually increased since 1980. Indeed, many developing countries have fallen into the least developed category. Also, many newly independent countries in transition would also fall into the GATT definition of a less developed country, in that they can only support low standards of living. Developing countries face major handicaps in implementing their multilateral obligations and in deriving benefits from world trade and from the trading system. All the figures, and the overall picture described above, underline the vulnerability of developing countries, even those which have made remarkable strides in trade and per capita income.

As the pressure to extend the "frontiers" of the trading system continues, there is a need to preserve the right of developing countries to take certain measures as essential components of their development policies. However, rather than relying on artificial and arbitrary time frames unrelated to need or performance, S&D treatment should be linked to specific economic and social criteria. There should be an understanding at the beginning of the new trade Round that S & D provisions would be included where a clear case for their need could be demonstrated. This would require a clear understanding as to what measures constituted such "essential policies" and factual demonstration of disadvantages faced by developing countries or their exporters. Accordingly, developing countries’ rights for S&D treatment in the WTO context should be preserved while, if necessary, adapted to current realities and development needs.[6]

S&D treatment is being challenged in the process of accession to the WTO. Developing countries, especially the least developed, currently acceding to the WTO are facing substantial difficulties in their attempt to benefit from some of the S&D provisions of the WTO Agreements. The negotiation of transitional periods, for example, is being strongly resisted by major developed countries. The acceding countries are also being required to accept obligations going beyond those of the original WTO members or the WTO Agreements themselves, for example in such

[6] The report of the G-15 meeting held in Delhi in December 1998 (G-15/99/TM3/2) has made a major contribution to thinking in this respect.

areas as agriculture, privatization, export tariffs and the acceptance of optional plurilateral trade agreements. Moreover, they are facing excessive requests to liberalize market access, in goods and, especially, in services which may not be consistent with their development needs. This approach to acceding countries is often motivated by geopolitical strategies and concern to establish precedents. These imbalances should be corrected.

However, a first step toward defining S&D in the context of the globalized reality is a clear identification of the new *problematique* facing development. A consensus with regard to this *problematique* would provide the basis upon which principles and concrete trade measures could be devised and implemented. UNCTAD X, coming within weeks of the Third Ministerial Session of the WTO, could make a major contribution toward this objective. This would be the principal interface between UNCTAD X and future initiatives in the multilateral trading system.

Globalisation and the significance of UNCTAD X

The changes in the world economy, the impact of globalisation and the progressive liberalisation of all economic policy areas, coupled with the lessons to be learnt from the various economic crises of recent months, all point clearly in one direction: There is a need for a more comprehensive and integrated vision of development issues than has been the case hitherto. The growing interdependence of the world's economies has had important consequences in terms of substantially higher volatility and vulnerability of a large number of countries, including developed countries. Accordingly, it is necessary to go beyond a focus only on trade and economic growth: a stronger emphasis is required on the social aspects and implications of globalisation, liberalisation and other major policy changes of the past two decades. Liberalisation, privatization, and a reduction of the role of the State cannot be aims in themselves. They are valid only if they contribute to the objective of social development.

Globalisation produces a growing interaction of countries through trade, foreign direct investment and capital market transactions. It is facilitated by technological progress in communications and transport and is, in turn, supported by a rapid liberalisation and deregulation of trade, production and capital flows. These processes have undoubtedly contributed to the recent period of economic expansion in which several developing countries have been able to seize the opportunities arising and make considerable economic and social progress. On the other hand, many developing countries possess neither the infrastructural preconditions, nor the financial, institutional and human endowments, necessary to integrate effectively into the world economy and benefit from new opportunities. This has been the case not only for many of the least developed, but also for a number of other less advanced as well as vulnerable, small and commodity- dependent developing countries.

The recent economic crisis -- still very much a reality for some countries -- has thrown into stark relief the greatly increased vulnerability of economies to external shocks and the risk of contagion not only within subregions, but across continents, spreading even to the developed countries. Globalisation, liberalisation and structural adjustment have, for many countries, implied high social costs, unemployment, and increased poverty, as well as significant losses in their hard-earned stock of capacities and knowledge. And, the process of adjustment continues to give rise to additional social costs as well as to widening disparities within and between countries.

Globalisation and its consequences have therefore created new challenges to development policy-making at the level of individual countries as well as at that of the international policy framework. The policies of the past two decades were geared to economic growth and the highest possible efficiency. The policy instruments formerly used by many developing countries have been largely replaced: development models based on inward-looking import substitution policies have been replaced by policies focusing on macro-economic stability and export orientation; intensive state intervention has been replaced by the operation of market forces; and national industrialisation policies and public ownership replaced by privatisation and deregulation. Instead of heavy protection of domestic markets, production and investment, most developing countries now follow fairly liberal trade policies and compete to attract rather than to control FDI. This approach has yielded substantial results in many developing countries in terms of improving their macro-economic, fiscal and monetary balances. And it has also led to important gains in efficiency and international competitiveness.

However, development must encompass broader goals than these, with more emphasis on social implications and more appropriate instruments for achieving practical results in economic and social development. And, because of the existence of major market failures, for globalisation and the free operation of market forces to be efficient in terms of such development goals, the markets cannot be left unregulated. They need to be accompanied by an appropriate institutional framework, both at the national level, where stronger government institutions are needed, as well as at the international level where the search is still on.

In the preparations for its next Conference, scheduled to be held in Bangkok in early February 2000, UNCTAD is addressing a number of core questions: How can countries be empowered to seize opportunities generated by globalisation whilst overcoming the constraints created, particularly for the weakest players, on the uneven and inequitable economic playing field? How can the integration of developing countries into the global economy be given concrete definition and substance, so as to stem the fear of marginalisation?

UNCTAD X will need to recognize that the asymmetry between developed and developing countries not only continues to exist, but has been exacerbated by the phenomena of globalisation. This, in turn, has raised new challenges for the integration of developing countries into the international trading system in a manner which will support their struggle to achieve sustainable development. UNCTAD shall strive to ensure that UNCTAD X identifies the appropriate policy instruments to meet these challenges and that they are subsequently reflected in future WTO negotiations. However, the efforts will come to naught if developing countries are unable to raise their technical preparation and negotiating skills to the levels required to succeed in the tough world of WTO negotiations. Political determination and coordination will be required to strengthen the power of developing countries to influence the course and outcome of the new Round.

Table 1

EXPORTS AND IMPORTS BY MAJOR REGIONS AND ECONOMIC GROUPINGS, 1996-1998

(Percentage changes in volume over previous year)

	1996	*1997*	*1998* [a]
World [b]	5.4	9.5	4.1
Exports			
Developed market-economy countries	4.2	9.2	4.6
of which:			
North America	6.2	10.9	4.4
Western Europe	3.9	8.4	6.4
Japan	0.6	9.6	-3.7
Developing countries	6.6	11.1	1.9
of which:			
Africa	8.0	3.9	0.3
Latin America	9.3	13.3	8.8
South and East Asia	6.0	10.3	1.0
China	2.4	26.4	4.6
Imports			
Developed market-economy countries	4.7	9.0	6.6
of which:			
North America	5.6	13.3	13.1
Western Europe	4.3	7.6	5.7
Japan	3.5	2.7	-10.0
Developing countries	8.5	11.1	-0.5
of which:			
Africa	3.4	8.2	2.4
Latin America	8.4	26.6	11.6
South and East Asia	8.1	8.4	-6.2
China	11.4	10.3	4.2

***Source*:** UN/DESA, based on data of the United Nations regional commissions and the IMF.

a Preliminary estimates.

b Average of the growth of the volume of world exports and imports.

Table 2

EXPORT AND IMPORT VOLUME OF SELECTED ASIAN ECONOMIES, 1996-1998

(Percentage change over previous year)

	Export volume			Import volume		
Country	*1996*	*1997*	*1998* [a]	*1996*	*1997*	*1998* [a]
Indonesia	5.5	10.2	-9.4	7.8	17.2	-26.6
Republic of Korea	13.0	23.6	12.2	14.8	3.8	-20.8
Malaysia	7.2	8.8	-4.2	4.2	8.3	-19.8
Philippines	20.3	17.6	16.9	21.1	14.4	-12.6
Thailand	-1.8	6.6	4.6	-0.9	-10.0	-25.0

Source: IMF, “Economic and Financial Situation in Asia: Latest Developments”, background paper prepared for presentation by Michel Camdessus, Managing Director of the International Monetary Fund, Asia-Europe Finance Ministers Meeting, Frankfurt, Germany, 16 January 1999.

a Estimates.

Table 3

EXPORTS AND IMPORTS OF SELECTED ASIAN ECONOMIES: FIRST THREE QUARTERS OF 1998 [a]

(Percentage change from the same quarter 1997)

	Hong Kong, China	*Indonesia*	*Japan*	*Republic of Korea*	*Malaysia*	*Philippines*	*Singapore*	*Taiwan Province of China*	*Thailand*
					Import value				
Q1	-5.1	-31.3	-13.3	-35.5	-18.7	-5.9	-16.3	-5.4	-39.8
Q2	-6.1	-26.7	-19.4	-36.7	-33.1	-17.4	-24.4	-6.9	-38.2
Q3	-15.4	-46.4	-20.3	-39.6	-29.3	-10.6	-23.4	-15.4	-34.2
					Export value				
Q1	-0.9	-1.0	-2.8	8.5	-11.3	23.8	-6.8	-0.3	-2.9
Q2	-3.2	-8.8	-12.2	-1.8	-9.6	14.4	-14.0	-7.8	-5.3
Q3	-10.3	-3.4	-13.1	-9.6	-10.0	15.2	-9.3	-9.6	-8.7
					Export volume				
Q1	1.4	32.8	2.2	32.4	-	-	7.6	3.8	14.1
Q2	-0.5	19.1	-3.5	20.7	-	-	-2.1	0.8	12.8
Q3	-7.3	27.6	-1.6	11.4	-	-	-1.8	-	5.7

Source: IMF, *World Economic Outlook and International Capital Markets*, Interim Assessment, Washington, D.C., December 1998, Table 4.5.

a In US dollar terms on a national accounts basis except for the Philippines, Singapore and Thailand where figures are on a balance-of-payments basis.

Table 4

WORLD PRIMARY COMMODITY PRICES, 1995-1998

(Percentage change over previous year)

Commodity group	*1995*	*1996*	*1997*	*Nov. 1998* [a]	*Nov. 1998* [b]
All commodities [c]	**9.9**	**-4.2**	**0.0**	**-13.5**	**-18.4**
Food and tropical beverages	**4.5**	**2.1**	**2.1**	**-18.5**	**-20.1**
Tropical beverages	1.1	-15.2	33.3	-26.9	-33.3
Coffee	0.7	-19.1	54.7	-34.4	-47.6
Cocoa	2.7	1.2	11.2	-8.2	-5.5
Tea [d]	-	9.9	41.5	-13.9	9.2
Food	5.9	6.8	-4.0	-16.9	-15.9
Sugar	10.8	-9.9	-4.9	-34.6	-29.5
Beef	-31.2	-6.4	4.0	-10.3	-5.6
Maize	15.5	25.0	-25.3	-14.8	-14.7
Wheat	18.5	16.2	-22.6	-8.2	-9.5
Rice	-10.1	5.0	-10.7	2.3	-14.8
Bananas	0.1	7.5	4.3	38.0	9.4
Vegetable oilseeds and oils	**10.3**	**-4.2**	**-0.9**	**8.0**	**13.0**
Agricultural raw materials	**15.0**	**-9.9**	**-10.3**	**-4.1**	**-14.1**
Hides and skins	4.3	-23.7	-19.8	-44.6	-42.9
Cotton	27.1	-14.1	-9.0	-7.5	-13.0
Tobacco	-11.2	15.6	15.5	-11.6	-11.0
Rubber	38.6	-11.9	-28.3	-4.8	-36.7
Tropical logs	5.4	-20.1	-5.5	5.6	3.3
Minerals, ores and metals	**20.2**	**-12.1**	**0.0**	**-9.4**	**-23.7**
Aluminium	22.3	-16.6	6.2	-15.4	-17.4
Phosphate rock	6.1	8.6	7.9	4.9	4.9
Iron ore	5.8	6.0	1.1	2.8	2.8
Tin	13.7	-0.8	-8.4	-0.6	-1.6
Copper	27.2	-21.8	-0.8	-10.7	-39.7
Nickel	29.8	-8.8	-7.6	-30.5	-41.5
Tungsten ore	49.6	-17.9	-9.3	-6.5	-14.0
Lead	15.2	22.7	-19.4	-6.1	-19.6
Zinc	3.4	-0.6	28.4	-12.3	-28.6
Crude petroleum	**9.3**	**20.8**	**-6.0**	**-30.9**	**-33.7**

Source: UNCTAD, *Monthly Commodity Price Bulletin*, various issues.

a Change from December 1997.

b Change from June 1997.

c Excluding crude petroleum.

d New series with data starting in 1995.