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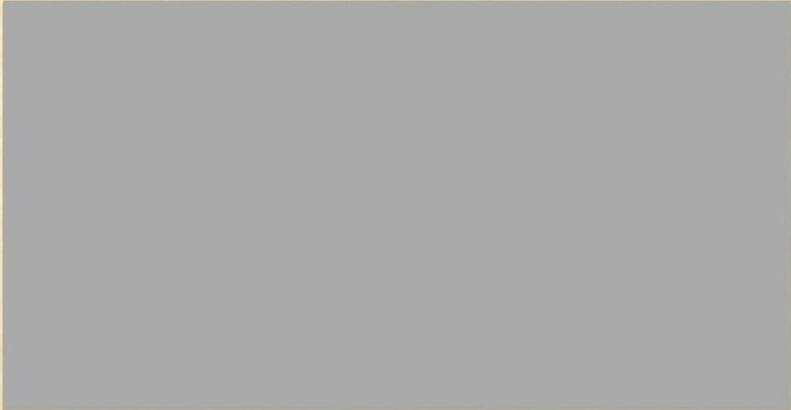
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Clausen's: Development Committee - April 28-29, 1983

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April 22, 1983

To: Members of the Executive Board

From: The Secretary

Subject: World Economic Outlook

The attached paper on the world economic outlook has been prepared by the staff as a background document for the April 28-29 meeting of the Development Committee.

It is being made available to the Executive Secretary of the Development Committee for transmittal to the members and associates.

Att: (1)

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April 22, 1983

INTERNATIONAL MONETARY FUND

World Economic Outlook

Note Submitted by the Fund Staff

This background document for the forthcoming meeting of the Development Committee provides a brief updating of the world economic situation on the basis of the staff's latest estimates and projections. These are summarized through 1983 in the appended tables; in addition, tentative projections for 1984 are referred to at several points in the text.

Following a broad "overview" of the world economic scene, the text briefly assesses developments and prospects in the industrial countries. Against this background, it then discusses the situation facing the oil exporting countries and the non-oil developing countries.

1. Overview

The level of economic activity remains depressed in most parts of the world. In 1982, total output failed to rise in the industrial countries, after two years of sluggishness, and it increased at a lesser rate than population in the developing world. Unemployment grew rapidly, reaching the highest levels in the postwar period. The weakness of economic activity affected international trade both directly and through the intensification of protectionist pressures; the Fund's view regarding the paramount importance of resisting these pressures and, if possible, rolling them back, was emphasized by the Managing Director in his note (ICMS/Doc/83/3) of last February. The volume of world trade contracted in 1982, and the terms of trade shifted further against the developing countries. (See appended Tables 5 and 6.) These countries thus faced serious strains in their external situation, which for several of them reached crisis proportions in the second half of 1982.

Prospects for 1983, however, are for a modest but significant improvement in the economic climate. Declining inflation and interest rates, which were an important positive feature of developments in 1982, appear to have laid the basis for a return of confidence and a more sustainable growth of output. In recent months, firmer evidence of economic recovery in the industrial world, especially in the United States, has become available. This evidence has resulted in moderate upward revisions in the staff projections of output growth presented at the February meeting of the Interim Committee, and it also has influenced the tentative projections that have been prepared for 1984.

Part of the reason for this improved short-term outlook is the recent drop in oil prices. These prices, which had been softening during much of 1981 and 1982, fell by about 12-15 per cent in March/April 1983,

in the wake of the OPEC decision to reduce prices of crude oil exports. The projections included in this note are based on the working assumption that the new level of world oil prices will be maintained in nominal terms for the remainder of 1983 and 1984. The reduction in oil prices should have a generally beneficial impact on the world economy, by reducing inflation and by creating more room for an expansion in real demand. It is likely to ease financial pressures on non-oil developing countries, both directly through a reduction in import payments and indirectly through its contribution to a sustainable recovery in the industrial world. Lower oil prices, however, will have some negative effects-- notably, as discussed below, an intensification of economic and financial problems in a number of oil exporting countries.

Although prospects are now for some improvement in the world economic situation, the pace of expansion is likely to remain slower than during earlier recovery periods. There are several reasons for this. First, the rate of increase of productive potential in the industrial countries is estimated to be significantly less than in the 1960s and 1970s, partly because of the lower rate of capital formation in recent years, and partly because of structural changes reducing productivity growth. Second, financial policies in the industrial countries are, in general, likely to remain restrained, in an endeavor to complete the transition to a disinflationary economy and thereby to improve the basis for sustainable growth of output and employment. Third, the erosion of business and consumer confidence resulting from the prolonged period of stagflation in the industrial world has led to uncertainties that will still take time to be dispelled. Fourth, in the developing world, the weakening in many countries' external financial positions will force them to be cautious in adopting policies that might lead to a premature resumption of import growth.

2. Industrial Countries

Economic policies in the industrial countries continue to be directed to the achievement of more stable financial conditions, in order to create the conditions necessary for stable growth over the medium term. For the past two or three years, this has involved a basically restrictive stance of policy, with monetary policy receiving insufficient support from fiscal policy and bearing by far the greater share of the burden of restraint. The result of this unbalanced policy approach has been unprecedentedly high interest rates, in real as well as nominal terms, in almost all of the industrial countries.

More recently, however, financial conditions have begun to ease. Slower growth of nominal GNP has left more room within given monetary targets for a real increase in credit availability. This, together with a flexible implementation of monetary policy and the impact of declining inflation on expectations, has permitted a significant fall in nominal interest rates. In real terms, however, interest rates remain high in most industrial countries, particularly in relation to what is usual at

the initial stages of economic recovery. The industrial countries continue to give emphasis to the counterinflationary objectives of their financial policies, although the targets that have been announced for 1983 appear to provide adequate room for the expansion in output that is envisaged in the projections presented here.

Real GNP in the industrial countries, which had increased by barely over 1 per cent in 1980 and 1981, actually declined a little in 1982. (See appended Table 1.) Investment expenditure was particularly weak, and inventories continued to be reduced at an unexpectedly rapid rate. Beginning in the first half of 1983, however, these negative factors seem likely to operate less strongly; and this circumstance, in conjunction with a modest strengthening in other elements of demand, is expected to result in output growth of 3 per cent at an annual rate from the first to the second half of 1983 in the major industrial countries (Table 1). A similar pace of expansion is tentatively projected for 1984. Within the group of industrial countries, the United States and Canada are expected to experience an earlier and faster recovery, with growth in Europe picking up rather later and more hesitantly. Japan weathered the recession better than the other industrial countries, and is expected to have the same growth rate (about 3 per cent) in 1983 as in 1982.

Unemployment (Table 4) grew rapidly in 1982 and by the end of the year approached or exceeded 10 per cent in all of the major industrial countries except Japan. With the modest recovery projected for 1983 and 1984, some reduction in aggregate unemployment is expected. But it is likely to be slow, and on a year-to-year basis unemployment is projected to average higher in 1983 than in 1982.

Progress in reducing inflation has been generally more rapid than expected, although not all countries have met with the same degree of success. From a peak of 9 per cent in 1980, the increase in the GNP deflator for industrial countries as a group declined to 7.2 per cent in 1982; it is projected at 5 1/2 per cent in 1983 (Table 1) and 5 per cent in 1984. A number of factors have contributed to this progress, including the unexpected severity of the recession, the effectiveness of official anti-inflation policies, and declines in oil and other commodity prices.

Declining inflation has brought lower interest rates in most major industrial countries. In the United States, short-term rates have fallen by about 10 percentage points from the peak levels reached in 1981, while longer-term rates have fallen by 3-4 percentage points. In other countries the declines have been somewhat less, so that interest differentials have generally narrowed. The smaller response in the longer maturities may reflect the persistence of inflationary expectations, as well as the related fear that large fiscal deficits will compete with private demands for credit as recovery proceeds, thus keeping real interest rates high.

The current account position of the industrial countries as a group, excluding official transfers, is estimated to have been in rough balance in 1981 and 1982 and, with lower oil prices, should move into moderate surplus in 1983. (See Table 7; balances including official transfers are shown in Table 8.) Among individual countries, there has been a notable weakening in the current account position of the United States, together with a strengthening in the Japanese and German positions--movements that are projected to persist or intensify in 1983 and 1984. Most other industrial countries are expected to have a stable or strengthening position, although in France, Italy, and some of the smaller industrial countries the external position will continue to be a constraint on domestic policy.

The reasons for the recent and prospective shifts in the current account positions of the United States, Japan, and Germany are to be found mainly in the lagged effects of exchange rate changes during 1981 and most of 1982. As described in the Managing Director's note to the Interim Committee last February, these changes--continued appreciation of the U.S. dollar and the corresponding weakness of the yen and, to a lesser extent, of the deutsche mark--are difficult to explain in light of underlying economic and financial developments. Since November 1982, the U.S. dollar has weakened somewhat, especially against the yen; and such a change, though modest, could be viewed as being in the direction of restoring a more sustainable pattern of exchange rates.

3. Oil Exporting Countries

The oil exporting countries are currently faced with the need for major policy adjustments in response to the weakening in their financial position brought about by the large decline in export earnings. These earnings had increased by some 67 per cent in real terms (i.e., deflated by import prices) from 1978 to 1980, but fell sharply during the following two years because of the substantial weakening of oil demand. With a further drop in prospect for 1983, reflecting mainly the recent price decline, the earlier gain in real export earnings is expected to be eliminated.

This fall in export receipts has had fundamental implications for the balance of payments of the oil exporting countries. Their combined current account surplus, which reached \$114 billion in 1980, was virtually halved in 1981 and disappeared altogether in 1982 (Table 7). For 1983, a deficit of some \$27 billion is projected. A noteworthy feature of the very large swing through 1982 is the extent to which it was concentrated among those countries whose external positions had previously been relatively strong, and which had accumulated substantial external reserves. In part because of this, recourse to international capital markets for balance of payments financing has thus far been limited for the oil exporting group.

Nevertheless, a few oil exporting countries did begin to experience significant financial difficulties during 1982, and were obliged to take

strong measures to contain imports and other foreign exchange payments. With the further large drop in export earnings in early 1983 and substantial outflows of private capital from a few countries, some oil exporters are now faced with major financing problems. Partly because the emergence of these problems has coincided with an increasing tendency of private commercial banks to limit their international loan exposure, it is expected that they will have to be addressed primarily by further adjustment measures, in some cases of a structural nature. The increase in total outstanding external debt of the oil exporting countries--highly concentrated in a few of them--will therefore probably not be very large.

In their domestic economies, the oil exporting countries as a group are being faced with the need for a fundamental reappraisal of existing policies, so as to bring financial commitments into conformity with the shrinking availability of financial resources. However, the severity of the adjustment problem varies considerably within the group. The countries with relatively large holdings of foreign assets--and generally smaller populations--are in a position to stretch out the adjustment process more than others, and they also have considerable scope for pruning expenditures without substantially disrupting the development process. In other oil exporting countries, however, the need for substantial adjustment measures is more immediate, and the effects are likely to be more far-reaching. Mainly because of the pursuit of increasingly restrictive financial policies, the total non-oil output of the oil exporting countries is estimated to have declined from about 5 per cent per annum in 1980 and 1981 to less than 4 per cent in 1982, and a further slowdown, to about 2 1/2 per cent, is foreseen in 1983.

4. Non-Oil Developing Countries

The non-oil developing countries have been particularly hard hit by the international recession. Sluggish markets in the industrial world, deteriorating terms of trade, and sharply higher debt servicing costs have forced a retrenchment in import demand, and this has inevitably been associated with a decline in the achievable growth rate.

Output in these countries as a group rose by 2.5 per cent in 1981, and is now estimated to have grown by only 1.4 per cent in 1982, the fourth consecutive year in which the rate of output growth has declined (Table 2). For 1983, some increase in the growth rate, to 2.3 per cent, is projected. Disappointing as they are, these figures do not give a full picture of the strains being experienced by the non-oil developing countries. The deterioration in their terms of trade and the need to curtail the size of their external deficits have meant that domestic absorption has had to be restricted to a much lower rate of growth than GDP. Furthermore, since these countries have a high rate of population growth, the recorded increases in output, even in the absence of adverse external factors, would leave virtually no room for increases in per capita income. It should also be remembered that the average growth rate for this large and disparate group of countries conceals a diversity

of experience, so that growth performance in a considerable number of countries has been significantly below the average. In the Western Hemisphere region, for example, output actually declined in both 1981 and 1982, and a further decline is projected for 1983. Last, and most obviously, since the income level of many developing countries is very low, their capacity to meet and adapt to a significant deceleration in their growth rate is correspondingly less.

Monetary and fiscal policies have often been unable to come to grips with this combination of adverse circumstances. As a result, fiscal deficits in the non-oil developing countries have tended to become larger, and monetary expansion has remained high. The weighted average inflation rate in these countries (Table 3) continued above 30 per cent in 1982 for the fourth successive year, complicating the task of encouraging investment and posing difficult problems in the area of exchange rate management. Some progress has been made recently in the adoption of policies aimed at combating inflation. This is reflected in the decline of observed price increases for the median of non-oil developing countries; a further modest decline in the median inflation rate is projected for 1983.

With respect to the external position of these countries, their aggregate current account deficit is estimated to have declined from a peak of \$108 billion in 1981 to \$87 billion in 1982 (Table 7). A further improvement, to some \$67-68 billion, is in prospect for 1983 and 1984, making the deficit actually smaller, in relation to exports of goods and services, than the average for the period 1976-78. The present situation differs from that period, however, in that it represents a response to extreme financial pressures, rather than a more comfortable balance between underlying payments and receipts. In 1982, aggregate net inflows of capital to the non-oil developing countries actually declined by around \$35 billion, chiefly because of the reduction in borrowing from international commercial banks (Table 9); and it was only through substantial use of reserves and reserve-related credit that the need for an even greater compression of the current account deficit was avoided. Reliance on these sources of financing, while temporarily softening the cutback in flows of imported resources, tended to impair external liquidity positions and thus to make necessary the further reduction in current account deficits projected for 1983.

Substantial as it is, the decline that has taken place in the aggregate current account deficit of the non-oil developing countries understates the real adjustment in their external position. For it has occurred against the background of a strong adverse trend in their terms of trade, growing weakness in their principal export markets, and a very high interest burden on external debt. It has been achieved, therefore, at the cost of a severe compression of imports, and consequent low growth of output. While the volume of exports from non-oil developing countries increased by an estimated 21 per cent from 1979 to 1982, the volume of imports was the same in both years (Table 5). For 1982, the projected

recovery in output and demand in the industrial world should bring some moderate acceleration of export volume growth, together with a partial reversal of the 1982 decline in primary commodity prices. This would result in an upswing--estimated at \$25 billion--in the non-oil developing countries' earnings from merchandise exports.

The current account developments and financing patterns discussed above have brought important changes in the level, composition, and rate of growth of the external debt of the non-oil developing countries (Table 10). Scaled in relation to exports of goods and services, the outstanding total of such debt (including China's) rose from 120 per cent at the end of 1981 to 136 per cent at the past year-end. The further debt expansion projected for 1983, however, is expected to be broadly matched by export growth, so that the corresponding ratio for the current year would increase only marginally, to 137 per cent.

The rate of growth of total external debt of the non-oil developing countries in 1982 was about 9 1/2 per cent, considerably more than the growth of exports, which were seriously affected by the global recession. Nevertheless, the rate of increase in debt was only about half as rapid as in 1981, or in the preceding six years on average. The slowdown was concentrated mainly in lending by international banks. Such lending is estimated to have fallen from just over \$50 billion in 1981 to around \$20 billion in 1982 (Table 9). The staff's projections for 1983 indicate that net bank lending may recede a little further; with reserves already severely depleted (Table 12), there will therefore continue to be strong pressure to curb current account deficits--pressure that will be only slightly moderated by an expected substantial increase in the use of Fund credit.

Despite the slower growth of debt in 1982 than in other recent years, debt service payments continued to rise sharply as a proportion of export earnings, reaching 24 per cent compared with 20 per cent in 1981. (See Table 11.) This increase reflected the downturn in export earnings, as well as the enlargement of outstanding debt and some further shortening of its average maturity, only partially offset by a small decline in average interest rates and some impact of debt rescheduling. Geographically, by far the highest average debt-service ratios and the steepest increases of the past two years were those of the Western Hemisphere region, reflecting its heavy reliance on borrowing in private markets during a period of very high interest rates.

In 1983, the impact of debt rescheduling on debt service payments will be significantly larger. Agreements reached until now involve the rescheduling of some \$15 billion of long-term debt falling due in 1983; without this, the debt service ratio for non-oil LDCs as a group would be 2 1/2 percentage points higher than the ratio shown in Table 11. So far, the principal beneficiaries of rescheduling have been Western Hemisphere countries, whose debt service ratio is projected to fall by about one fourth in 1983, and may fall further as a result of negotiations

currently under way. Beyond the impact of rescheduling on calculated debt service ratios, the external financial position of countries undertaking such agreements is being eased by the refinancing of large amounts of short-term debt (the amortization of which is not included in debt service ratios) at longer maturities.

Of course, rescheduling or refinancing agreements will represent merely a postponement of debt service problems to future years unless developments and policies in the intervening period bring about an improvement in the balance of payments performance of the countries concerned. In this context, it is of particular importance to consider the implications of world economic prospects over the medium term for the external positions of non-oil developing countries. In its "central scenario," the staff has made estimates of possible developments in the balance of payments and external debt of these countries for the period 1984-86, on the principal assumptions of moderate growth in world output and trade and of appropriate adjustment policies on the part of the debtor countries themselves. These calculations suggest that the aggregate current account deficit of the non-oil developing countries could be expected--in association with a growth rate for these countries averaging 4 1/2 per cent--to settle in the neighborhood of 14 per cent of their exports of goods and services. This is a considerably lower ratio than in 1981-82 and similar to the average for the latter 1970s. A deficit of this size should not pose serious financing problems or unmanageable debt burdens in the aggregate, despite the difficulties that may be encountered by individual countries.

A markedly less satisfactory course of the world economy, however, would lead to a different outcome. Lower growth in the industrial countries would have serious consequences for the trade and growth performance of the non-oil developing countries, as would a further cutback in lending to these countries by private banks or a further intensification of protectionist pressures.

Table 1. Industrial Countries: Changes in Output and Prices, 1963-83 ^{1/}
(In per cent)

	Average 1963-72 ^{2/}	Change from Preceding Year											Memo: 1st Half 1983 to 2nd Half 1983 ^{3/}
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	
<u>Real GNP</u>													
Canada	5.5	7.5	3.6	1.2	5.5	2.1	3.6	2.9	0.5	3.1	-4.8	1.7	4.0
United States	4.0	5.8	-0.6	-1.2	5.4	5.5	5.0	2.8	-0.4	1.9	-1.7	2.4	3.8
Japan	10.5	8.8	-1.2	2.4	5.3	5.3	5.1	5.2	4.8	3.8	3.0	2.8	3.9
France ^{4/}	5.5	5.4	3.2	0.2	5.2	3.0	3.7	3.4	1.1	0.4	1.6	--	0.2
Germany, Fed. Rep. of	4.5	4.6	0.5	-1.6	5.6	2.8	3.5	4.0	1.8	-0.2	-1.2	0.5	2.4
Italy ^{4/}	4.6	7.0	4.1	-3.6	5.9	1.9	2.7	4.9	3.9	-0.1	-0.3	-0.1	1.4
United Kingdom ^{4/}	2.8	7.2	-1.8	-1.1	3.4	1.6	3.9	2.0	-2.1	-2.2	0.7	1.5	1.3
Other industrial countries ^{5/}	5.0	5.5	3.4	-0.2	3.6	2.4	2.1	3.0	2.1	0.6	0.2	0.6	...
All industrial countries	4.7	6.1	0.5	-0.6	5.0	4.0	4.1	3.4	1.3	1.2	-0.3	1.6	...
Of which:													
Seven larger countries above	4.7	6.2	0.1	-0.7	5.3	4.3	4.5	3.5	1.1	1.5	-0.4	1.8	3.0
European countries	4.4	5.8	2.0	-1.2	4.6	2.6	3.0	3.4	1.5	-0.2	0.2	0.6	...
<u>GNP deflator</u>													
Canada	3.6	9.1	15.3	10.8	9.5	7.1	6.5	10.3	11.0	10.1	10.7	8.2	6.2
United States	3.5	5.7	8.8	9.3	5.2	5.8	7.4	8.6	9.3	9.4	6.0	4.1	4.1
Japan	4.7	11.7	20.6	8.1	6.4	5.7	4.6	2.6	2.8	2.7	2.1	1.7	2.2
France ^{4/}	4.8	7.8	11.2	13.3	9.9	9.0	9.5	10.3	11.8	12.0	12.1	9.8	8.4
Germany, Fed. Rep. of	4.1	6.5	6.8	6.1	3.4	3.7	4.2	4.0	4.4	4.2	4.8	4.0	3.2
Italy ^{4/}	5.2	11.6	18.5	17.5	18.0	19.1	13.9	15.9	20.7	18.4	17.5	15.1	16.0
United Kingdom ^{4/}	5.2	7.0	14.9	26.9	14.6	14.1	10.9	15.0	19.2	12.2	8.0	6.0	5.6
Other industrial countries ^{5/}	5.4	9.4	12.2	13.3	10.5	9.7	9.1	8.0	8.8	9.1	9.7	8.6	...
All industrial countries	4.2	7.5	11.5	11.1	7.6	7.5	7.6	8.0	9.0	8.6	7.2	5.6	...
Of which:													
Seven larger countries above	4.0	7.3	11.5	10.8	7.1	7.1	7.3	8.0	9.1	8.5	6.7	5.1	4.9
European countries	5.0	8.2	11.7	13.8	9.8	9.6	8.8	9.0	10.7	9.9	9.5	8.0	...

^{1/} Composites for the country groups are averages of percentage changes for individual countries weighted by the average U.S. dollar value of their respective GNPs over the previous three years.

^{2/} Compound annual rates of change.

^{3/} Seasonally adjusted annual rates.

^{4/} GDP at market prices.

^{5/} Comprise Australia, Austria, Belgium, Denmark, Finland, Iceland, Ireland, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, and Switzerland.

Table 2. Developing Countries: Changes in Output, 1968-83 ^{1/}
(In per cent)

	Average 1968-72 ^{2/}	Change From Preceding Year										
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Oil exporting countries</u> ^{3/}	9.0	10.7	8.0	-0.3	12.3	6.1	2.0	3.1	-2.3	-4.3	-5.4	-0.2
Oil sector	...	13.2	-1.0	-11.1	13.5	1.9	-4.2	3.3	-12.1	-15.2	-18.2	-5.5
Other sectors	...	9.7	12.3	12.4	11.3	9.1	6.0	3.0	4.9	5.1	3.8	2.5
<u>Non-oil developing countries</u>												
Weighted average ^{4/}	...	...	...	...	...	5.6	6.3	5.0	4.8	2.5	1.4	2.3
Excluding People's Republic of China	6.0	6.1	5.4	3.3	6.0	5.2	5.4	4.6	4.3	2.4	0.9	1.9
Median	4.9	4.6	5.7	3.8	5.5	5.0	5.6	4.5	3.5	3.0	2.2	3.0
<u>By analytical group</u>												
<u>Weighted averages</u> ^{4/}												
Net oil exporters ^{5/}	7.0	8.3	6.5	6.2	6.7	3.5	6.2	7.3	7.3	6.4	0.8	1.1
Net oil importers	...	...	...	...	...	5.9	6.4	4.6	4.5	1.9	1.5	2.5
Excluding People's Republic of China	5.8	5.7	5.2	2.7	5.9	5.5	5.2	4.2	3.8	1.7	0.9	2.1
Major exporters of manufactures ^{6/}	8.0	9.5	6.5	1.3	6.7	5.7	4.9	6.4	4.5	-0.2	0.2	0.4
Low-income countries ^{7/}	...	...	...	...	...	6.5	8.6	3.3	5.5	3.7	3.9	4.6
Excluding People's Republic of China	3.4	2.0	3.0	5.4	4.4	5.2	5.5	-0.1	3.2	4.4	3.0	4.3
Other net oil importers ^{8/}	5.4	4.1	5.5	2.7	5.9	5.4	5.5	3.4	3.0	3.1	0.5	3.4
<u>Medians</u>												
Net oil exporters ^{5/}	5.4	6.4	7.7	6.1	8.0	4.9	6.6	5.1	4.9	4.4	1.8	1.5
Net oil importers	4.7	4.1	5.5	3.3	5.2	5.0	5.3	4.4	3.0	2.7	2.4	3.0
Major exporters of manufactures ^{6/}	8.6	11.2	6.2	2.2	6.9	6.4	6.7	6.8	4.9	4.2	0.3	1.9
Low-income countries ^{7/}	3.9	1.6	5.1	3.1	5.0	3.9	4.7	4.0	2.2	3.0	3.0	3.3
Other net oil importers ^{8/}	5.0	4.7	5.7	4.7	4.9	5.5	5.9	4.7	3.0	2.3	1.9	2.9
<u>By area</u>												
<u>Weighted averages</u> ^{4/}												
Africa	4.8	3.0	6.6	2.6	4.2	1.8	2.2	2.3	4.4	2.9	1.1	2.3
Asia	...	...	...	...	...	7.1	9.5	4.7	5.1	4.7	4.2	5.0
Excluding People's Republic of China	4.5	5.0	3.8	4.9	7.5	6.6	7.9	3.3	3.4	5.8	3.7	4.9
Europe	6.0	5.8	4.2	0.8	6.8	5.4	5.4	3.9	1.5	2.2	2.0	1.5
Middle East	7.5	4.9	4.8	8.7	8.4	4.3	7.4	4.3	7.3	4.7	2.7	3.0
Western Hemisphere	7.6	8.4	6.9	3.1	5.5	5.0	4.5	6.7	6.0	-0.1	-1.5	-0.2
<u>Medians</u>												
Africa	4.2	2.5	5.5	3.6	5.3	3.5	3.5	3.4	2.4	3.0	3.0	3.4
Asia	4.8	5.3	5.7	3.3	5.7	5.8	6.7	6.1	5.4	5.4	3.9	4.6
Europe	6.6	5.4	5.7	5.8	7.3	6.6	6.8	5.8	2.6	2.2	2.0	0.9
Middle East	6.4	4.9	6.3	7.4	9.6	5.6	8.2	4.5	5.3	4.8	2.0	4.2
Western Hemisphere	5.0	5.0	5.7	3.8	4.6	5.3	6.4	4.7	3.5	1.4	0.0	1.5

1/ Data in this table cover all Fund members except those listed in Table 1, together with a few territories for which balance of payments statistics are readily available. The main groups of "oil exporting countries" and "non-oil developing countries", as well as each of the regional subgroups of non-oil developing countries, conform to the classification used in *International Financial Statistics*.

2/ Compound annual rates of change.

3/ This group comprises only countries meeting both of the following criteria (applied at present to 1977-79 averages): that oil exports (net of any imports of crude oil) account for at least two thirds of the country's total exports; and that such net exports are at least 100 million barrels a year (roughly equivalent to 1 per cent of annual world exports of oil).

4/ Arithmetic averages of country growth rates weighted by the average U.S. dollar value of GDPs over the previous three years.

5/ Comprise Bahrain, Bolivia, People's Republic of the Congo, Ecuador, Egypt, Gabon, Malaysia, Mexico, Peru, the Syrian Arab Republic, Trinidad and Tobago, and Tunisia. Although these countries export more oil than they import, none of them satisfies both of the criteria mentioned in footnote 3.

6/ Include Argentina, Brazil, Greece, Hong Kong, Israel, Korea, Portugal, Singapore, South Africa and Yugoslavia.

7/ Comprise 42 countries whose per capita GDP, as estimated by the World Bank, did not exceed the equivalent of US\$350 in 1978.

8/ Middle-income countries that, in general, export mainly primary commodities.

Table 3. Developing Countries: Changes in Consumer Prices, 1968-83 ^{1/}

(In per cent)

	Average	Change from Preceding Year										
	1968-72 ^{2/}	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Oil exporting countries</u>												
Weighted average ^{3/}	8.0	11.3	17.1	18.8	16.8	15.5	9.8	10.9	12.7	12.9	9.8	12.2
<u>Non-oil developing countries</u>												
Weighted average ^{3/}	...	...	...	...	...	22.6	19.8	24.6	31.8	31.0	32.8	34.0
Excluding People's Republic of China	9.1	21.9	28.5	27.6	27.3	26.5	23.4	28.8	36.5	36.5	38.3	39.6
Median	4.2	10.4	18.4	14.6	9.7	11.2	9.4	12.2	15.0	13.5	11.4	10.0
<u>By analytical group</u>												
<u>Weighted averages ^{3/}</u>												
Net oil exporters	4.1	11.1	20.6	14.6	14.9	22.8	17.7	17.7	24.2	24.3	44.0	55.1
Net oil importers	...	...	...	...	...	22.6	20.2	25.7	33.0	32.0	31.0	30.7
Excluding People's Republic of China	10.0	23.8	29.9	30.1	29.7	27.3	24.5	31.0	38.8	38.9	37.3	36.6
Major exporters of manufactures	14.1	21.3	24.9	40.1	55.7	40.6	37.4	44.9	54.1	62.1	62.9	66.6
Low-income countries	...	...	...	...	...	6.9	3.6	6.7	11.7	9.0	8.6	4.7
Excluding People's Republic of China	6.5	21.9	29.7	13.4	-0.2	10.7	6.8	11.3	15.9	18.2	13.6	11.1
Other net oil importers	8.4	30.4	38.8	27.3	18.8	19.6	18.6	23.9	31.5	19.6	16.3	16.1
<u>Medians</u>												
Net oil exporters	3.8	11.2	18.7	15.5	10.5	12.3	10.6	9.0	15.1	14.6	15.5	13.5
Net oil importers	4.2	10.3	18.4	14.4	9.6	10.6	9.1	12.6	15.0	13.4	10.5	10.0
Major exporters of manufactures	7.6	18.2	24.3	15.2	13.3	12.2	14.4	19.0	24.9	22.6	21.0	18.5
Low-income countries	4.3	10.0	17.4	18.1	8.3	9.6	9.1	10.5	13.8	13.6	11.9	10.0
Other net oil importers	3.9	10.6	18.4	13.2	9.3	11.2	8.3	12.9	14.4	12.4	9.7	9.0
<u>By area</u>												
<u>Weighted averages ^{3/}</u>												
Africa	4.6	9.7	15.0	15.0	14.6	19.4	15.9	19.3	20.1	22.0	15.8	12.8
Asia	...	...	...	...	...	5.5	3.7	6.7	12.6	9.9	6.8	4.3
Excluding People's Republic of China	6.5	21.5	30.1	13.2	0.5	7.3	5.6	9.8	15.9	14.8	9.9	5.7
Europe	6.1	12.5	17.6	13.7	11.8	15.1	19.7	25.9	37.8	24.3	23.8	20.2
Middle East	4.3	12.7	23.3	21.7	18.6	20.1	21.7	26.0	43.4	35.3	37.6	35.9
Western Hemisphere	15.3	32.1	37.5	52.0	66.1	51.2	42.4	49.6	58.2	65.4	78.0	90.2
<u>Medians</u>												
Africa	4.2	9.3	15.5	15.5	10.6	12.0	10.1	12.2	13.8	13.0	13.5	12.0
Asia	3.8	14.0	23.1	8.8	5.9	5.0	6.0	7.7	13.4	13.4	7.9	6.4
Europe	3.8	12.9	17.3	11.1	8.3	11.1	9.9	14.3	16.2	15.7	19.4	14.3
Middle East	4.4	17.1	22.2	14.1	13.9	14.3	12.0	14.0	15.2	11.2	11.8	13.0
Western Hemisphere	4.3	12.9	23.3	17.0	9.7	11.5	10.2	15.6	18.1	14.8	9.4	8.8

^{1/} For classification of countries in groups shown here, see Table 2.

^{2/} Compound annual rates of change.

^{3/} Geometric averages of country indices, weighted by the average U.S. dollar value of GDPs over the previous three years.

Table 4. Major Industrial Countries: Employment and Unemployment, 1963-83 ^{1/}

(In per cent)

	Average 1963-72	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Growth in employment</u>												
Canada	3.0	5.0	4.2	1.8	2.1	1.8	3.3	4.0	2.8	2.6	-3.2	-0.4
United States	2.1	3.6	2.1	-1.1	3.4	3.7	4.4	2.9	0.5	1.1	-0.9	0.2
Japan	1.2	2.4	-0.6	0.1	1.2	1.3	1.2	1.3	1.0	0.8	1.0	0.9
France	0.8	1.0	1.0	0.2	0.7	0.8	0.4	-0.1	0.1	-0.6	-0.9	-0.3
Germany, Fed. Rep. of	--	0.7	-1.3	-2.8	-0.8	-0.2	0.6	1.3	0.9	-0.7	-1.9	-1.3
Italy	-0.7	0.9	2.2	0.5	0.5	1.0	0.5	1.1	1.5	0.4	-0.4	--
United Kingdom	-0.1	2.2	0.5	-0.5	-0.6	0.3	0.7	0.4	-1.0	-4.5	-3.2	-1.3
All seven countries	1.2	2.6	0.9	-0.5	1.9	2.2	2.6	2.0	0.7	0.3	-0.9	--
<u>Unemployment rates</u>												
Canada	4.7	5.5	5.3	6.9	7.1	8.1	8.4	7.5	7.5	7.6	11.0	12.2
United States	4.7	4.9	5.6	8.5	7.7	7.1	6.1	5.9	7.2	7.6	9.7	10.2
Japan	1.2	1.2	1.4	1.9	2.0	2.0	2.2	2.1	2.0	2.2	2.4	2.5
France	1.9	2.6	2.8	4.1	4.4	4.7	5.2	5.9	6.3	7.3	8.6	9.5
Germany, Fed. Rep. of	0.9	1.1	2.3	4.1	4.0	3.9	3.8	3.3	3.4	4.9	6.8	8.7
Italy ^{2/}	5.4	6.4	5.4	5.7	6.7	7.2	7.2	7.7	7.6	8.4	9.1	9.8
United Kingdom	2.4	2.6	2.6	3.9	4.0	5.7	5.7	5.4	6.5	10.1	11.9	13.2
All seven countries ^{3/}	3.2	3.4	3.8	5.5	5.4	5.4	5.2	5.0	5.7	6.4	8.1	8.8

^{1/} The figures in the table are not comparable among countries since they are based on the differing labor force definitions and concepts used by the respective national statistical agencies.

^{2/} Figures for 1963 to 1976 have been adjusted by the staff to allow for a discontinuity in Italian labor force statistics.

^{3/} National unemployment rates weighted by labor force in the respective countries.

Table 5. World Trade Summary, 1963-83 ^{1/}
(Percentage changes)

	Average 1963-72 ^{2/}	Change from Preceding Year										
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 ^{3/}
<u>World trade</u> ^{4/}												
Volume	8.5	12.0	4.5	-3.5	11.0	5.0	5.5	6.5	2.0	0.5	-2.5	1.0
Unit value (in U.S. dollar terms)	3.0	23.5	40.5	9.5	1.5	8.5	10.0	18.5	20.0	-1.0	-4.0	--
(in SDR terms) ^{5/}	2.0	12.0	40.0	8.5	7.0	7.5	2.5	14.5	19.0	9.0	2.5	2.0
<u>Volume of trade</u>												
<u>Exports</u>												
Industrial countries	9.0	13.2	7.0	-4.2	10.6	5.2	6.0	6.7	4.8	2.5	-2.5	0.5
Developing countries												
Oil exporting countries	9.1	14.2	-1.6	-11.7	14.3	0.4	-4.3	2.8	-12.3	-16.0	-19.1	-4.0
Non-oil developing countries	6.7	9.3	-0.1	-0.3	11.2	4.8	8.7	9.6	9.0	6.3	0.8	4.5
<u>Imports</u>												
Industrial countries	9.0	11.5	1.4	-8.1	13.3	4.5	5.1	8.5	-1.5	-2.4	-0.5	2.0
Developing countries												
Oil exporting countries	8.3	20.6	38.5	41.4	20.6	16.0	4.8	-12.3	15.2	19.9	5.0	-8.0
Non-oil developing countries	6.2	8.6	5.2	-4.1	4.2	7.0	8.5	10.3	4.7	2.6	-7.7	2.5
<u>Unit value of trade</u> (in SDR terms) ^{5/}												
<u>Exports</u>												
Industrial countries	2.1	10.1	23.8	10.8	5.6	6.5	5.7	11.9	11.9	6.3	3.3	3.0
Developing countries												
Oil exporting countries	2.6	27.5	204.4	4.3	11.8	8.6	-6.0	42.6	57.3	20.8	1.8	-10.5
Non-oil developing countries	1.2	20.0	37.0	-1.2	12.3	12.7	-1.6	14.0	15.1	9.3	1.5	3.5
<u>Imports</u>												
Industrial countries	1.8	12.0	39.6	8.1	6.6	7.7	2.6	14.9	21.4	7.2	0.9	1.5
Developing countries												
Oil exporting countries	2.1	12.5	26.9	9.9	5.7	7.7	4.9	10.5	11.2	8.7	3.1	4.5
Non-oil developing countries	1.1	14.0	45.6	8.0	6.0	6.5	2.2	14.3	22.7	13.7	4.3	2.5

^{1/} For classification of countries in groups shown here, see Tables 1 and 2. Excludes data for the People's Republic of China prior to 1978.

^{2/} Compound annual rates of change.

^{3/} Figures are rounded to the nearest 0.5 per cent.

^{4/} Averages based on data for the three groups of countries shown separately below and on partly estimated data for other countries (mainly, the Union of Soviet Socialist Republics and other nonmember countries of Eastern Europe and, for years prior to 1978, the People's Republic of China). Figures are rounded to the nearest 0.5 per cent.

^{5/} For years prior to 1970, an imputed value of US\$1.00 has been assigned to the SDR.

Table 6. Summary of Terms of Trade and World Prices, 1963-83 ^{1/}

(Percentage changes)

	Average	Change from Preceding Year										
	1963-72 ^{2/}	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 ^{3/}
<u>Terms of trade</u>												
Industrial countries	0.3	-1.8	-10.6	2.5	-1.0	-1.1	2.7	-2.4	-7.4	-0.8	2.5	1.5
Developing countries												
Oil exporting countries	0.5	13.3	140.0	-5.1	5.8	0.8	-10.4	29.1	41.5	11.1	-1.3	-14.5
Non-oil developing countries	0.3	5.5	-5.6	-8.5	5.9	5.9	-3.7	-0.3	-6.2	-3.9	-2.7	1.0
Net oil exporters	-0.2	15.4	15.7	-14.1	8.1	6.1	-3.0	16.8	6.6	-6.3	-8.2	-5.0
Net oil importers	0.5	4.0	-8.7	-7.5	5.6	5.8	-3.8	-3.0	-8.4	-3.4	-1.6	2.5
Major exporters of manufactures	0.7	2.2	-9.4	-6.0	5.3	3.2	-1.7	-3.6	-7.7	-2.6	-0.8	3.0
Low-income countries ^{4/}	-0.2	6.8	-6.4	-16.3	15.6	16.6	-9.1	-1.5	-12.7	-10.3	-3.2	2.5
Other net oil importers ^{5/}	0.3	6.7	-7.3	-7.6	4.3	5.9	-4.7	-2.1	-9.8	-5.1	-4.0	2.5
<u>World trade prices (in U.S. dollar terms) for major commodity groups ^{6/}</u>												
Manufactures	3.0	17.7	21.8	12.3	--	9.0	14.7	15.3	10.5	-5.1	-2.0	2.0
Oil	3.0	40.0	225.8	5.1	6.3	9.3	0.1	48.7	62.0	10.1	-4.6	-13.5
Non-oil primary commodities (market prices)	2.5	53.2	28.0	-18.2	13.3	20.7	-4.7	16.5	9.7	-14.8	-12.1	5.0

^{1/} Based on foreign trade unit values except where indicated. For classification of countries in groups shown here, see Tables 1 and 2. Excludes data for the People's Republic of China prior to 1978.

^{2/} Compound annual rates of change.

^{3/} Figures are rounded to the nearest 0.5 per cent.

^{4/} Excluding the People's Republic of China, and India.

^{5/} Middle-income countries that, in general, export mainly primary commodities.

^{6/} As represented, respectively, by (a) the United Nations' export unit value index for the manufactures of the developed countries; (b) the oil export unit values of the oil exporting countries; and (c) the International Financial Statistics index of market quotations for non-oil primary commodities.

Table 7. Summary of Payments Balances on Current Account, 1973-83 ^{1/}

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 ^{2/}
<u>Industrial countries</u>	20.3	-11.0	20.0	0.5	-2.4	32.8	-5.6	-40.5	0.6	-1.4	16.5
Canada	--	-1.6	-4.6	-4.0	-4.0	-4.0	-4.3	-1.2	-4.8	1.9	4.5
United States	9.1	7.6	21.2	7.5	-11.3	-11.6	3.1	6.2	9.0	-2.7	-20.0
Japan	0.1	-4.6	-0.1	4.0	11.1	17.0	-7.9	-9.9	6.2	7.9	18.5
France	2.1	-2.8	3.8	-2.4	1.0	8.5	6.9	-2.4	-2.8	-9.4	-2.0
Germany, Fed. Rep. of	7.0	13.0	7.6	7.7	8.5	13.4	--	-8.3	0.1	9.9	15.0
Italy	-2.2	-7.6	-0.1	-2.6	3.1	7.9	6.4	-9.5	-7.5	-4.9	-0.5
United Kingdom	-1.3	-6.9	-2.6	-0.2	1.9	5.2	2.6	10.9	15.9	10.3	5.5
Other industrial countries	5.5	-8.1	-5.1	-9.6	-12.6	-3.5	-12.3	-26.3	-15.5	-14.4	-4.5
<u>Developing countries</u>											
Oil exporting countries	6.7	68.3	35.4	40.3	30.2	2.2	68.6	114.3	65.0	-2.2	-27.0
Non-oil developing countries ^{3/}	-14.5	-37.9	-47.1	-33.0	-28.9	-41.3	-61.0	-89.0	-107.7	-86.8	-68.0
<u>By analytical group</u>											
Net oil exporters	-2.6	-5.1	-9.9	-7.7	-6.4	-7.9	-8.5	-12.5	-23.5	-15.6	-14.0
Net oil importers ^{3/}	-12.0	-32.8	-37.2	-25.3	-23.6	-32.7	-51.0	-74.1	-86.2	-76.3	-56.5
Major exporters of manu- factures	-3.6	-18.8	-19.1	-12.2	-7.9	-9.8	-21.7	-32.5	-37.6	-34.3	-18.5
Low-income countries ^{3/}	-4.3	-7.5	-7.6	-4.3	-3.7	-8.2	-10.4	-14.0	-15.6	-15.6	-15.0
Other net oil importers ^{4/}	-4.1	-6.5	-10.5	-8.7	-12.0	-14.7	-18.9	-27.6	-33.0	-26.4	-23.0
<u>By area</u>											
Africa ^{5/}	-4.5	-4.0	-7.2	-6.5	-6.6	-9.4	-9.9	-12.9	-14.0	-13.2	-13.5
Asia ^{3/}	-2.9	-10.0	-9.1	-2.7	-1.7	-6.5	-13.2	-21.9	-24.2	-20.8	-21.0
Europe	0.6	-4.4	-4.9	-4.7	-8.4	-6.7	-9.9	-12.5	-10.5	-7.1	-4.0
Middle East	-2.8	-4.5	-6.9	-5.4	-5.1	-6.2	-8.5	-9.4	-11.1	-12.9	-12.0
Western Hemisphere	-4.7	-13.5	-16.3	-11.8	-8.5	-13.3	-21.4	-33.4	-45.4	-34.9	-21.5
Total ^{6/}	12.5	19.4	8.3	7.8	-1.1	-6.2	2.0	-15.1	-42.1	-90.4	-78.5

^{1/} On goods, services, and private transfers. For classification of countries in groups shown here, see Tables 1 and 2.

^{2/} Figures are rounded to the nearest \$0.5 billion.

^{3/} The People's Republic of China, which is classified as a low-income country but is also a net oil exporter, is included in the total (for 1977 onward) but not in the subgroups.

^{4/} Middle-income countries that, in general, export mainly primary commodities.

^{5/} Excluding South Africa.

^{6/} Reflects errors, omissions, and asymmetries in reported balance of payments statistics on current account, plus balance of listed groups with other countries (mainly the U.S.S.R. and other nonmember countries of Eastern Europe and, for years prior to 1977, the People's Republic of China).

Table 8. Industrial Countries: Balances on Current Account,
Including Official Transfers, 1973-83 1/

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 <u>2/</u>
Canada	0.1	-1.5	-4.7	-3.9	-4.0	-4.3	-4.2	-0.9	-4.5	2.2	5.0
United States	7.1	2.1	18.3	4.4	-14.1	-14.8	-0.5	1.5	4.5	-8.1	-25.0
Japan	-0.2	-4.8	-0.4	3.7	10.8	16.6	-8.8	-11.2	4.8	6.7	17.0
France	1.5	-3.9	2.7	-3.4	-0.4	7.0	5.2	-4.2	-4.8	-12.0	-5.0
Germany, Fed. Rep. of	4.6	10.0	4.1	3.9	4.1	9.0	-6.1	-15.7	-6.5	3.3	8.0
Italy	-2.6	-8.2	-0.5	-2.8	2.5	6.4	5.5	-9.7	-8.2	-5.5	-1.0
United Kingdom	-2.2	-7.6	-3.4	-1.6	--	2.0	-1.8	6.7	12.4	6.9	3.0
Other industrial countries	4.8	-9.3	-7.0	-11.0	-14.3	-5.6	-14.6	-29.6	-19.0	-18.3	-8.5
All industrial countries	13.3	-23.2	9.1	-10.6	-15.5	16.3	-25.3	-63.1	-21.2	-24.8	-7.0
Of which:											
Seven larger countries above	8.5	-13.9	16.1	0.3	-1.3	21.8	-10.7	-33.5	-2.2	-6.5	1.5

1/ The balances shown in this table cover goods, services, and all (private and official) current transfers. For country classification, see Table 1.

2/ Figures are rounded to the nearest \$0.5 billion.

Table 9. Non-Oil Developing Countries: Current Account Financing, 1973-83 ^{1/}

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Current account deficit ^{2/}	14.7	38.3	46.9	31.3	28.9	41.3	61.0	89.0	107.7	86.8	67.8
Use of reserves	-10.9	-3.2	1.1	-13.5	-12.5	-17.4	-12.6	-4.5	-2.1	7.1	-7.2
Nondebt-creating flows, net	10.3	14.6	11.8	12.6	14.4	17.9	23.9	24.1	28.0	25.1	24.2
Official transfers	5.4	8.6 ^{3/}	7.0	7.4	8.2	8.2	11.6	12.5	13.8	13.2	13.1
SDR allocations, valuation adjustments, and gold monetization	0.6	0.6	-0.6	0.1	0.8	2.3	3.4	1.4	0.3	0.5	0.2
Direct investment flows, net	4.3	5.3	5.3	5.1	5.4	7.3	8.9	10.1	13.9	11.4	10.9
Net external borrowing ^{4/}	15.3	26.9	34.0	32.2	27.0	40.8	49.7	69.3	81.8	54.6	50.8
Long-term borrowing, net ^{5/}	12.2	19.0	28.1	28.9	24.6	37.2	36.5	47.2	62.7	46.0	54.1
From official sources	5.0	7.0 ^{3/}	11.9	10.6	11.4	13.8	13.3	17.6	23.0	19.5	23.8
From private sources	7.2	12.1	16.2	18.3	13.2	23.4	23.2	29.6	39.7	26.5	30.3
Financial institutions*	6.9	11.0	14.9	16.0	9.4	19.5	21.7	28.4	35.7	22.8	29.2
Other lenders	0.3	1.1	1.4	2.3	3.8	3.9	1.5	1.2	4.0	3.7	1.1
Use of reserve-related credit facilities ^{6/}	0.2	1.6	2.4	4.6	0.4	0.3	0.4	1.8	5.9	10.7	10.8
Use of Fund credit	0.1	1.5	2.1	3.2	--	--	0.2	1.2	5.6	6.3	13.5
Other short-term borrowing, net, including errors and omissions	2.9	6.2	3.5	-1.3	2.0	3.3	12.8	20.4	13.2	-2.1	-14.2
Exceptional financing*	--	--	0.1	0.4	2.6	1.2	-0.4	4.1	6.7	14.4	-7.6
Payment arrears	--	--	--	--	1.5	0.4	0.8	1.1	2.4	7.1	-5.0
Other short-term borrowing, net*	3.5	8.2	8.4	3.8	2.7	4.9	14.6	20.8	10.1	-16.5	-6.6
Residual errors and omissions ^{7/}	-0.7	-1.9	-4.9	-5.5	-3.3	-2.8	-1.4	-4.5	-3.7		

^{1/} Excludes data for the People's Republic of China prior to 1977. For country classification, see Table 2.

^{2/} Net total of balances on goods, services and private transfers, as defined in the Fund's *Balance of Payments Yearbook* (with sign reversed).

^{3/} Excludes the effect of a revision of the terms of the disposition of economic assistance loans made by the United States to India and repayable in rupees and of rupees already acquired by the U.S. Government in repayment of such loans. The revision has the effect of increasing government transfers by about \$2 billion, with an offset in net official loans.

^{4/} Includes any net use of nonreserve claims on nonresidents, errors and omissions in reported balance of payments statements for individual countries, and minor deficiencies in coverage.

^{5/} On a balance of payments basis. Disaggregation by type of creditor is based on debt statistics.

^{6/} Comprises use of Fund credit and short-term borrowing by monetary authorities from other monetary authorities.

^{7/} Errors and omissions in reported balance of payments statements for individual countries, and minor omissions in coverage.

Note: The sum of the three items with asterisks represents a rough estimate, broadly consistent with national balance of payments statistics, of total net borrowing (short-term and long-term) from private banks. For 1982 and 1983, the estimates are \$20-25 billion and \$15-20 billion, respectively, compared with \$52.6 billion in 1981.

Table 10. Non-Oil Developing Countries: Long- and Short-Term External Debt
Relative to Exports and to GDP, 1973-83 ^{1/}

(In per cent)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Ratio of external debt to exports of goods and services ^{2/}</u>											
All non-oil developing countries	115.4	104.6	122.4	125.5	126.4	130.2	119.2	112.9	124.9	142.9	144.2
By analytical group:											
Net oil exporters	154.7	124.9	162.4	169.5	179.3	176.9	144.3	128.4	154.6	179.5	192.2
Net oil importers	109.4	100.9	115.4	117.5	116.8	121.8	114.1	109.5	118.3	134.7	133.9
Major exporters of manufactures	91.7	88.6	103.0	103.3	99.5	101.1	96.9	94.0	100.6	115.5	113.6
Low-income countries	227.9	214.5	226.1	225.1	217.8	226.3	209.8	201.4	231.1	254.1	262.9
Other net oil importers ^{3/}	96.9	84.7	98.3	104.3	111.6	124.8	115.5	110.9	121.9	138.0	136.6
By region:											
Africa	71.5	65.4	80.9	94.2	103.1	111.4	100.8	97.4	119.9	147.4	148.6
Asia	92.9	81.0	91.6	84.4	83.3	77.7	70.2	68.2	72.5	80.9	85.4
Europe	102.4	97.1	108.0	114.9	127.4	136.4	125.6	121.6	118.2	129.6	129.7
Middle East	145.4	105.2	131.5	137.5	140.4	142.4	133.8	113.1	112.6	134.3	133.1
Western Hemisphere	176.2	163.4	195.8	204.1	194.1	211.5	192.9	178.4	207.4	244.3	241.6
<u>Ratio of external debt to GDP ^{2/}</u>											
All non-oil developing countries	22.4	21.8	23.8	25.7	27.4	28.5	27.5	27.6	31.0	34.6	34.6
By analytical group:											
Net oil exporters	26.2	25.5	27.7	32.3	38.5	39.3	37.4	34.0	36.1	44.7	43.5
Net oil importers	21.7	21.2	23.0	24.4	25.4	26.6	25.8	26.3	29.7	32.4	32.6
Major exporters of manufactures	20.2	19.6	22.2	22.7	23.9	25.1	24.6	25.1	29.3	33.0	33.6
Low-income countries	20.1	20.1	20.9	24.4	24.9	24.0	24.4	23.6	24.7	26.2	26.5
Other net oil importers ^{3/}	26.2	25.2	26.2	27.7	28.6	31.5	28.8	30.6	34.1	35.8	35.6
By region:											
Africa	19.4	19.6	21.6	25.8	28.4	29.4	28.9	28.8	30.6	35.2	35.1
Asia	19.7	18.9	20.4	22.4	23.4	22.3	22.2	23.2	25.2	26.7	27.1
Europe	24.5	23.1	22.8	24.6	25.7	28.6	25.1	29.0	33.1	34.7	34.5
Middle East	36.2	34.0	39.0	42.3	45.4	48.3	56.0	52.6	51.3	50.3	47.4
Western Hemisphere	23.0	22.8	25.5	26.4	28.4	30.3	28.8	27.0	31.9	38.0	38.4
Memorandum items:											
Ratios including People's Republic of China ^{2/}											
To exports:											
All non-oil developing countries	...	...	...	...	123.6	127.0	116.1	109.4	119.8	136.2	137.4
Low-income countries	...	...	...	...	169.0	170.0	152.0	137.7	140.0	148.7	155.5
To GDP:											
All non-oil developing countries	...	...	...	...	23.9	24.6	23.9	24.1	27.3	30.4	30.4
Low-income countries	...	...	...	...	14.3	13.5	13.4	13.2	14.3	15.1	15.3

Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.

^{1/} Excludes data for the People's Republic of China, except where noted. For classification of countries in groups shown here, see Table 2.

^{2/} Ratio of year-end debt to exports or GDP for year indicated.

^{3/} Middle-income countries that, in general, export mainly primary commodities.

Table 11. Non-Oil Developing Countries: Debt Service Payments on Short- and Long-Term External Debt, 1973-83 ^{1/}

(Values in billions of U.S. dollars; ratios in per cent)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>All non-oil developing countries</u>											
Value of debt service payments	17.9	22.1	25.1	27.8	34.7	50.3	65.0	76.2	94.7	107.1	99.0
Interest payments	6.9	9.3	10.5	10.9	13.6	19.4	28.0	40.4	55.1	59.2	55.1
Amortization ^{2/}	11.1	12.8	14.6	16.8	21.1	30.9	36.9	35.8	39.7	47.9	43.9
Debt service ratio ^{3/}	15.9	14.4	16.1	15.3	15.4	19.0	19.0	17.6	20.4	23.9	20.8
Interest payments ratio	6.1	6.1	6.7	6.0	6.0	7.3	8.2	9.3	11.9	13.2	11.4
Amortization ratio ^{2/}	9.8	8.3	9.4	9.3	9.4	11.7	10.8	8.3	8.6	10.7	9.1
<u>By analytical group:</u>											
Net oil exporters											
Debt service ratio ^{3/}	29.0	21.1	24.2	24.4	27.0	34.0	32.5	24.7	30.8	37.9	31.5
Interest payments ratio	8.8	7.8	9.3	9.2	9.9	11.4	11.3	12.6	18.2	21.8	20.4
Amortization ratio ^{2/}	20.1	13.3	14.9	15.3	17.2	22.6	21.2	12.0	12.6	16.1	11.1
Major exporters of manufactures											
Debt service ratio ^{3/}	14.5	14.7	16.4	14.2	14.6	16.9	17.6	17.4	19.6	23.7	20.0
Interest payments ratio	5.6	6.1	6.9	5.5	5.4	6.5	7.7	9.0	11.4	12.8	10.8
Amortization ratio ^{2/}	8.9	8.5	9.5	8.7	9.2	10.5	9.9	8.3	8.2	10.9	9.2
Low-income countries											
Debt service ratio ^{3/}	14.6	13.7	14.5	12.8	10.2	10.3	9.7	9.9	10.3	11.8	11.4
Interest payments ratio	6.1	5.4	5.4	4.9	4.1	4.8	4.7	5.0	5.0	4.6	4.1
Amortization ratio	8.5	8.3	9.2	7.8	6.1	5.6	5.0	4.9	5.3	7.2	7.3
Other net oil importers ^{4/}											
Debt service ratio ^{3/}	12.7	10.6	11.8	12.9	12.7	18.2	17.3	16.6	19.6	20.5	19.0
Interest payments ratio	5.4	5.2	5.3	5.4	5.8	7.7	8.7	9.5	11.5	12.4	10.5
Amortization ratio ^{2/}	7.2	5.5	6.5	7.4	6.9	10.5	8.6	7.1	8.1	8.1	8.5
<u>By region:</u>											
Africa											
Debt service ratio ^{3/}	8.8	6.7	8.0	8.5	9.8	12.0	11.7	11.9	15.2	20.1	18.4
Interest payments ratio	2.9	2.5	2.8	2.9	3.4	4.6	4.7	5.5	7.8	8.9	7.6
Amortization ratio ^{2/}	5.9	4.3	5.2	5.6	6.4	7.4	7.0	6.3	7.3	11.2	10.8
Asia											
Debt service ratio ^{3/}	9.6	7.8	8.5	7.7	7.6	9.6	8.7	8.2	9.2	9.8	9.5
Interest payments ratio	3.9	3.4	3.5	3.3	3.3	3.7	4.0	4.6	5.5	5.7	5.2
Amortization ratio ^{2/}	5.7	4.4	4.9	4.4	4.3	5.9	4.7	3.7	3.7	4.0	4.3
Europe											
Debt service ratio ^{3/}	13.5	13.4	14.2	13.7	14.7	16.3	18.8	19.5	20.6	20.5	21.1
Interest payments ratio	6.1	6.5	6.2	5.9	6.5	8.2	9.2	10.3	12.1	12.4	10.6
Amortization ratio ^{2/}	7.4	6.9	8.0	7.8	8.2	8.1	9.7	9.2	8.5	8.1	10.5
Middle East											
Debt service ratio ^{3/}	20.9	14.4	16.0	13.0	14.5	13.8	15.7	13.2	17.5	17.6	15.8
Interest payments ratio	5.8	4.2	4.6	3.8	5.1	5.6	5.6	5.5	6.7	7.5	6.9
Amortization ratio ^{2/}	15.2	10.2	11.4	9.2	9.4	8.2	10.1	7.8	10.8	10.1	8.9
Western Hemisphere											
Debt service ratio ^{3/}	29.3	27.9	32.2	31.4	31.2	41.7	40.9	35.6	41.7	54.0	41.9
Interest payments ratio	11.1	11.9	14.2	12.3	11.7	14.9	17.1	19.4	25.4	30.4	26.1
Amortization ratio ^{2/}	18.2	16.1	18.0	19.1	19.4	26.8	23.8	16.2	16.3	23.6	15.8

Sources: World Bank Debtor Reporting system; and Fund staff estimates and projections.

^{1/} Excludes data for the People's Republic of China prior to 1977. For classification of countries in groups shown here, see Table 2.

^{2/} On long-term debt only. Estimates for the period up to 1981 reflect actual amortization payments. The estimates for 1982 and 1983 reflect scheduled payments, but are modified to take account of the rescheduling agreements of 1982 and early 1983.

^{3/} Payments (interest, amortization, or both) as percentages of exports of goods and services.

^{4/} Middle-income countries that, in general, export mainly primary commodities.

Table 12. Non-Oil Developing Countries: Reserves and Ratios of Reserves to Imports of Goods and Services, 1973-83 ^{1/}

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
(In billions of U.S. dollars)											
<u>Official reserve holdings</u>											
All non-oil developing countries	41.2	42.9	40.3	52.9	67.4	83.4	93.9	95.2	96.0	90.6	96.8
By analytical group											
Net oil exporters	4.8	6.4	6.6	7.3	9.3	10.4	13.4	16.8	17.3	13.9	14.4
Net oil importers	36.4	36.5	33.8	45.6	55.3	70.9	77.8	75.3	73.1	64.9	67.8
Major exporters of manufactures	21.4	19.0	16.6	23.4	27.8	37.5	39.7	35.5	37.9	33.9	38.2
Low-income countries	3.7	4.1	3.6	6.0	8.9	10.3	11.9	11.1	8.5	8.2	8.3
Other net oil importers ^{2/}	11.3	13.4	13.5	16.3	18.6	23.1	26.1	28.7	26.7	22.8	21.3
By area											
Africa	4.1	4.4	4.2	4.3	4.8	5.2	5.7	5.7	5.0	4.3	3.7
Asia	11.5	13.3	13.7	19.4	23.9	27.8	31.0	32.3	34.6	35.8	37.3
Europe	9.6	8.9	7.4	8.6	8.5	10.3	9.7	10.3	9.5	7.7	9.3
Middle East	4.0	4.5	5.0	5.5	7.1	9.0	9.8	10.6	10.5	11.2	10.7
Western Hemisphere	12.0	11.9	10.0	15.2	20.3	28.9	34.8	33.2	30.9	19.7	21.3
(In per cent)											
<u>Ratios of reserves to imports of goods and services ^{3/}</u>											
All non-oil developing countries	30.6	21.5	19.0	23.5	25.2	25.9	22.3	17.5	16.2	16.3	16.9
By analytical group											
Net oil exporters	27.5	22.4	19.6	20.6	23.5	22.1	21.0	19.3	16.8	14.8	15.3
Net oil importers	31.1	21.3	18.9	24.1	25.1	26.9	22.9	17.4	15.7	14.7	14.9
Major exporters of manufactures	35.3	20.7	17.8	23.1	23.9	26.5	21.0	14.7	14.3	13.5	15.1
Low-income countries	23.0	18.4	15.3	25.8	33.6	30.5	28.9	21.2	16.6	15.9	15.4
Other net oil importers ^{2/}	28.0	23.5	22.0	25.0	24.0	26.3	23.8	20.6	17.9	16.3	14.5
By area											
Africa	16.5	13.1	11.2	11.2	11.7	10.8	10.0	7.7	6.5	6.2	5.3
Asia	28.7	22.3	22.9	28.5	29.5	26.7	22.4	18.3	17.9	18.7	18.2
Europe	39.7	25.5	20.1	21.7	17.9	19.7	14.5	12.6	11.1	9.7	11.6
Middle East	36.3	26.5	25.2	26.8	29.7	33.0	28.2	23.6	21.0	22.4	20.1
Western Hemisphere	34.9	21.6	17.4	25.7	30.7	37.2	32.9	23.2	18.8	13.6	15.1
Memorandum items											
Low-income countries (excluding People's Republic of China and India)	21.4	16.4	13.0	17.1	19.0	14.5	14.2	10.8	10.2	9.3	9.0
Africa (excluding South Africa)	16.7	14.7	12.1	12.7	13.6	12.6	12.0	9.1	8.2	7.8	6.2

^{1/} For this table, official holdings of gold are valued at SDR 35 an ounce. This convention results in a significant underestimate of the reserves of those groups of countries that have substantial holdings of gold. The People's Republic of China, which is classified as a low-income country but is also a net oil exporter, is included in the total (from 1977 onward) but not in the subgroups. For classification of countries in groups shown here, see Table 2.

^{2/} Middle-income countries that, in general, export mainly primary commodities.

^{3/} Ratio of year-end reserves to imports of goods and services during the year indicated.



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Document Date March 10, 1983	Document Type Memorandum			
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January 17, 1983

To: Members of the Executive Board
From: The Secretary
Subject: World Economic Outlook - General Survey

The attached paper giving a general survey on the World Economic Outlook is being scheduled for Executive Board discussion on Monday, January 31, 1983.

As with previous papers on the world economic outlook, this document is being given limited distribution.

Att: (1)

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WBG ARCHIVES

CONFIDENTIAL

January 17, 1983

World Economic Outlook--General Survey 1/

A new exercise on the World Economic Outlook has recently been launched in the Fund, accelerating the previous schedule of work by several months in view of the difficult state of the world economy. Present plans call for additional papers on the World Economic Outlook to be issued in the next few months, followed in the spring by publication of the fourth annual WEO report by the staff.

This paper consists of a text divided into four main parts, an appendix note on trade policy developments, and a series of statistical tables. Drawing on these tables, the first section of the paper endeavors to provide a concise summary of the current and prospective situation of the world economy. Against that background, the next two sections focus on policies in the major industrial countries and on external adjustment and financing--two subjects of critical importance at the present juncture. The fourth section lists several topics on which, it is suggested, the Executive Directors may wish to focus in their forthcoming discussion of the World Economic Outlook.

The estimates and projections summarized in the appended tables have involved a thoroughgoing, "full-scale" exercise, as opposed to an "update" of existing figures. This exercise has been similar to previous full-scale exercises except in two significant respects.

First, because the current exercise has come earlier than usual, projections at this time have been more limited (extending only through 1983). Projections for 1984 will be made in the next few months, when more information on policies in the large industrial countries becomes available, and they will be incorporated in another WEO paper and in a draft of the 1983 report for publication. Meanwhile, the staff has extended the time horizon in the current exercise by reworking the medium-term scenarios for 1984-86 presented in the World Economic Outlook report published in April 1982.

Second, the estimates and projections have been substantially improved in certain respects. For the non-oil developing countries, an intensive effort has gone into the preparation of figures on capital flows, and on outstanding external arrears and short-term debt. In addition, detailed statistics on external debt have been collected for 39 member countries, selected from the industrial, oil exporting, and non-oil developing groups. This new information is incorporated in

1/ Prepared by the Research Department in collaboration with the Area Departments and with the Exchange and Trade Relations and Fiscal Affairs Departments.

a companion paper (ID/83/2), which also contains a great deal of other material, on "Trends and Prospects in International Capital Markets and Survey of External Debt Situation."

The current WEO exercise has had the benefit of consultations with a number of member countries, including special or Article IV consultations with the United States, Canada, Japan, the Federal Republic of Germany, France, Italy, and the United Kingdom. These consultations have proved very valuable, influencing both the statistical work and the analyses in many places even though explicit references to them may not be made.

In accordance with the usual practice, the staff projections are based on the assumption of "present policies"; for a few countries this has been interpreted to encompass certain policy adaptations or changes that seem likely to occur even though they have not been announced by the authorities. It was also assumed, as a working hypothesis, that the average exchange rates of a recent period (the first ten days of December 1982) will prevail throughout the forecast period 1983. Another working hypothesis for present purposes is that the average price of oil will remain constant in nominal (U.S. dollar) terms from the fourth quarter of 1982 through 1983.

The character of the projections is substantially affected by these working assumptions regarding present policies, exchange rates, and oil prices (which are the standard types of assumptions used by the Fund and other international agencies for the purpose of making statistical projections). It should also be borne in mind that the projections have been made at a time of great uncertainty and unusual problems; past relationships furnish only a limited guide to probable future developments, and the margins of error in this type of exercise are at present undoubtedly larger than customary.

I. Overview of Recent Developments and Short-Term Prospects

The year 1982 was one of stagnant economic activity and rising unemployment in almost all parts of the world. The volume of world trade contracted, and an increasing number of countries faced external payments problems. More encouraging, however, were the declines of inflation and interest rates in the industrial world, reflecting the effectiveness of anti-inflation policies, as well as the severity of the recession. The revival of economic activity to which lower inflation and interest rates are expected to contribute is now projected to gather pace gradually during 1983. Another positive development, assisted by the Fund, was the cooperative manner in which the acute payments difficulties of a few large developing countries were tackled, at a time of cutbacks in international lending by private commercial banks and threats to the stability of the world financial system.

1. Output and unemployment

In the industrial world, output is estimated to have declined fractionally in 1982, and is expected to grow by only a little over 1 per cent from 1982 to 1983. (See appended Table 1.) The new projections are lower than those presented (in ICMS/Doc/82/8) to the Interim Committee at its meeting last September--which, in turn, had been revised downward from the projections published in the April WEO report. The present revisions reflect essentially a deferral of the widely-expected moderate recovery that had been projected for the latter part of 1982. That this did not take place is due in part to unanticipated declines in fixed investment and inventory holdings. An additional contributory factor was the drop in real imports by the non-oil developing countries, made necessary by the continued weakness in their external position. In the absence of further such declines in 1983, the underlying growth in other components of demand is expected to initiate an upturn in overall activity that for the industrial countries as a group is projected to result in growth of real GNP at an annual rate of about 2 1/2 per cent in the second half of the year. (See "memo" column of Table 1.)

The fact that 1982 saw an actual decline in output reflected the particularly pronounced weakness of the North American economies, which contracted sharply in the first half of the year before tending to stabilize in the second. For the year as a whole, output is estimated to have declined by 5 per cent in Canada and by almost 2 per cent in the United States--in both cases, a worse outcome than had been generally foreseen earlier, and one that brought real GNP back to the levels of late 1978. For both countries, output is expected to resume expanding early in 1983, but the uncertainties still facing consumers and business, including those stemming from budget deficits, make it unlikely that expansion will be rapid enough to prevent some further increase in unemployment during the first half of the year.

The major European economies had a somewhat contrasting experience in 1982, with the second half being much weaker than the first. In France, activity had been supported in the early part of the year by a number of stimulative measures taken by the Government in 1981; and, although growth slowed over the course of 1982, output for the year as a whole was some 1 1/2 per cent above the level of 1981. In Italy and the United Kingdom, a recovery that seemed as if it might be under way in the first half of 1982 had faltered or been reversed by year's end, although both countries managed to record an increase in output of about 1/2 per cent on a year-to-year basis. In the Federal Republic of Germany, output declined by an estimated 1 1/4 per cent, with a small downturn in the first half becoming more marked as the year progressed. For 1983, the projected recovery in the first half of the year is generally weaker in Europe than in the North American economies. By the second half of the year, however, output is expected to be growing at broadly similar rates in both regions.

Developments in Japan have been relatively less erratic than in the other major economies, at least on a year-to-year basis and in terms of overall activity. Economic growth declined gradually from about 5 per cent just before the second round of oil price increases to 3 per cent in 1982--a rate that is expected to be sustained in 1983.

Among the components of demand in industrial countries, the weakest has been gross fixed investment. Investment in real terms is estimated to have fallen by 4 per cent in 1982, the third successive yearly decline. A further decline is in prospect for 1983, although the staff's projections suggest that the trough will be reached shortly and that a modest recovery (albeit from a low base) will be under way by the second half of the year.

A shift in the real foreign balance from expansionary to contractionary also contributed to the weak outturn for the industrial countries in 1982. The foreign balance had helped to sustain activity in Japan and continental Europe in 1981 but, with demand weakening in the rest of the world, its impact was less positive, or negative, in 1982. A similar picture emerges for 1983, as the effects of adjustment efforts in the developing world continue to make themselves felt in the net exports of industrial countries.

For the non-oil developing countries, sluggish markets in the industrial world, deteriorating terms of trade, and sharply higher debt servicing costs have forced a retrenchment in import demand, and this has inevitably been associated with a decline in the achievable growth rate. Output in these countries as a group rose by 2.8 per cent in 1981, and growth is now estimated at 1.8 per cent for 1982 and 2.4 per cent for 1983. (See Table 2.) These latter figures are markedly lower than the already worrisome projections for 1982 and 1983 presented last year in ICMS/Doc/82/8.

The growth rates of the non-oil LDCs for 1981-83 represent a dramatic slowdown from the rates of around 6 per cent achieved in the late 1960s and early 1970s and of 5 per cent in the late 1970s and in 1980. Even so, they do not give a full picture of the strains being experienced by this group of countries. First, the deterioration in their terms of trade and the need to curtail the size of their external deficits have meant that domestic absorption has had to be restricted to a much lower rate of growth than GDP. Second, since the developing countries have a high rate of population growth, the recorded increases in output, even in the absence of adverse external factors, would leave virtually no room for increases in per capita income. Third, the average growth rate for this large and disparate group of countries conceals a diversity of experience, with Latin America and Africa suffering declining output per head while many Asian countries have weathered the recession with a relatively small reduction in output growth. Last, and most obviously, since the income levels of most developing countries are very low, their capacity to meet and adapt to a significant deceleration in their growth rate is correspondingly less.

Benefiting from the oil price increases of 1979-80, most of the oil exporting countries have so far been able to weather the deterioration in world economic conditions better than countries in the non-oil group. However, the weakening of the international oil market since early 1981 has led to substantial pressures on the payments and reserves position of several countries in the group--resulting in a scaling down, and in some cases an outright cutback, in ambitious development programs. For both 1982 and 1983, growth of non-oil GDP of the oil exporting countries is estimated to average about 4 per cent, against 5 per cent in the previous two years.

As is to be expected, the weakness of economic activity has been reflected in sluggish demand for labor and higher unemployment. (See Table 4.) The average number of persons actually employed in the seven major industrial countries as a group is estimated to have been about 1 per cent lower in 1982 than the previous year--the first such decline since 1975. Unemployment in these countries, after averaging 5 per cent of the labor force in 1979, amounted to 8 per cent in 1982 and by year-end had reached almost 9 per cent. With the increasing severity of the recession, the rate of increase in unemployment accelerated in 1982, with roughly twice as many persons being added to unemployment rolls as in either of the two previous years. The biggest increases came about in North America, but there was also a substantial rise in most European economies.

Outside the industrial countries, statistical information on unemployment is generally lacking, and much of the unemployment that exists is disguised in character. Nevertheless, it is likely that the slowdown of the last two years in developing countries has added considerably to their already high levels of underemployment.

2. Inflation and interest rates

The counterpart of weak economic activity and growing unemployment in the industrial countries has been a decline in inflation, which in the event has turned out to be greater than projected in WEO documents during 1982. (See Table 1.) In 1982, the GNP deflator for the seven major industrial countries, taken as a group, was 6 3/4 per cent above that of the previous year (the smallest increase since 1972); in the second half of 1982, inflation according to this measure was down to 5 3/4 per cent at an annual rate. For 1983, the increase in the combined deflator for the major industrial countries is projected at 5 1/2 per cent on an annual basis (over 1982) while receding to a rate of 5 per cent in the second half of the year.

Most of the decline in inflation from 1981 to 1982 can be attributed to the noteworthy progress made by the United States and the United Kingdom. The rise in the GNP deflator declined by 3.4 percentage points and 3.8 percentage points, respectively, in these two countries, with none of the five other major countries exhibiting much change. In Japan and Germany, inflation remained at relatively low levels, but in

Italy, France, and Canada it was still disturbingly rapid. In France and Canada, however, the weakness of economic activity, combined with measures of wage and price restraint, have now begun to exert a more significant influence on the rate of inflation.

Since, for the most part, it has been countries with above-average inflation rates that have recorded (or are expected to record) the largest declines, the dispersion of inflation rates across countries seems likely to moderate. This tendency is far from universal, however, with Italy being the most striking example of lack of progress. While inflation rates in the other six major countries are expected to lie within the range of 3-8 per cent by the end of 1983, there seems little prospect at present that the Italian rate will come down significantly from the 1982 level of 17 per cent. Other countries where rates of inflation are sufficiently different from those of their trading partners to give rise to potential problems include Ireland, Spain, and, to a lesser extent, Belgium.

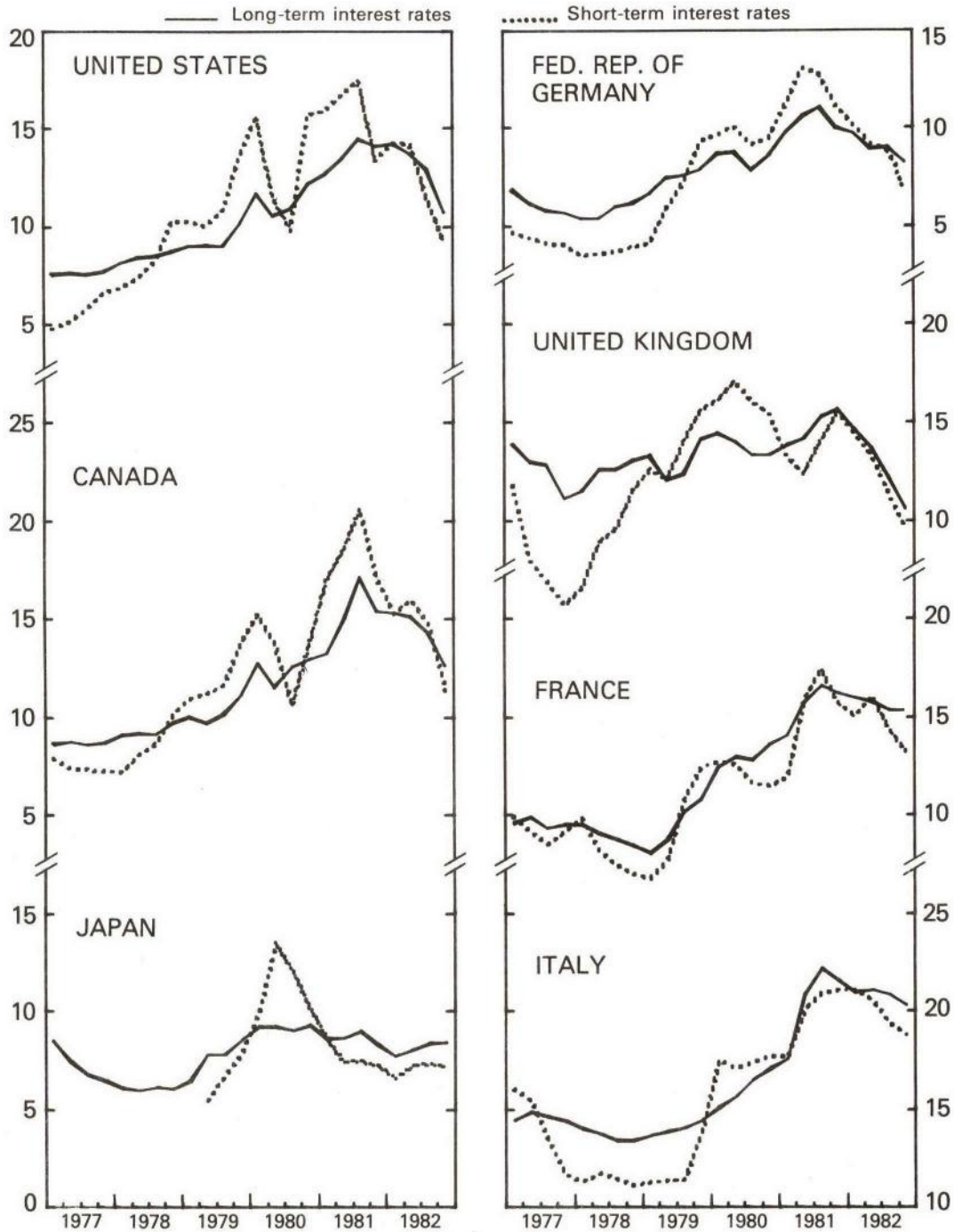
In the non-oil developing countries, inflationary pressures have intensified in recent years because of accommodating financing policies, as well as the higher cost of oil and other imported goods--with the weighted average rate of consumer price increase rising from 20 per cent in 1978 to 32 per cent in 1980 and continuing above 30 per cent since then. (See Table 3.) When median rates are considered, however, it is seen that the average inflation rate in the non-oil developing countries is at a much lower level and that a modest decline has occurred--from about 15 per cent in 1980 to 12 per cent in 1982. That more progress has not been made must be considered disappointing; it seems to result from governments' difficulties in keeping budget deficits and monetary expansion under control at a time when slow growth is adversely affecting their revenue bases but demands for government services continue to grow.

Among the oil exporting countries, the weighted average inflation rate is estimated to have declined from close to 13 per cent in 1980 and 1981 to about 10 per cent in 1982, and a further slight decline is projected for 1983. These developments reflect the impact of the more restrained demand management policies being pursued since late 1981 and the effects of moderating or declining import prices.

It is to be expected that declining inflation would lead, via its impact on expectations, to downward pressure on nominal interest rates, while weak economic activity, via its impact on the demand for credit, would be conducive to declining real rates. Such a framework helps in understanding some of the developments in interest rates during 1982, but falls considerably short of a full explanation. (Nominal and real interest rates in the major industrial countries are shown here in Charts 1-3.)

In the United States, short-term interest rates fell sharply in the second half of 1981 and stabilized during much of the first half of 1982. With the concurrent decline in inflation, however, real interest rates

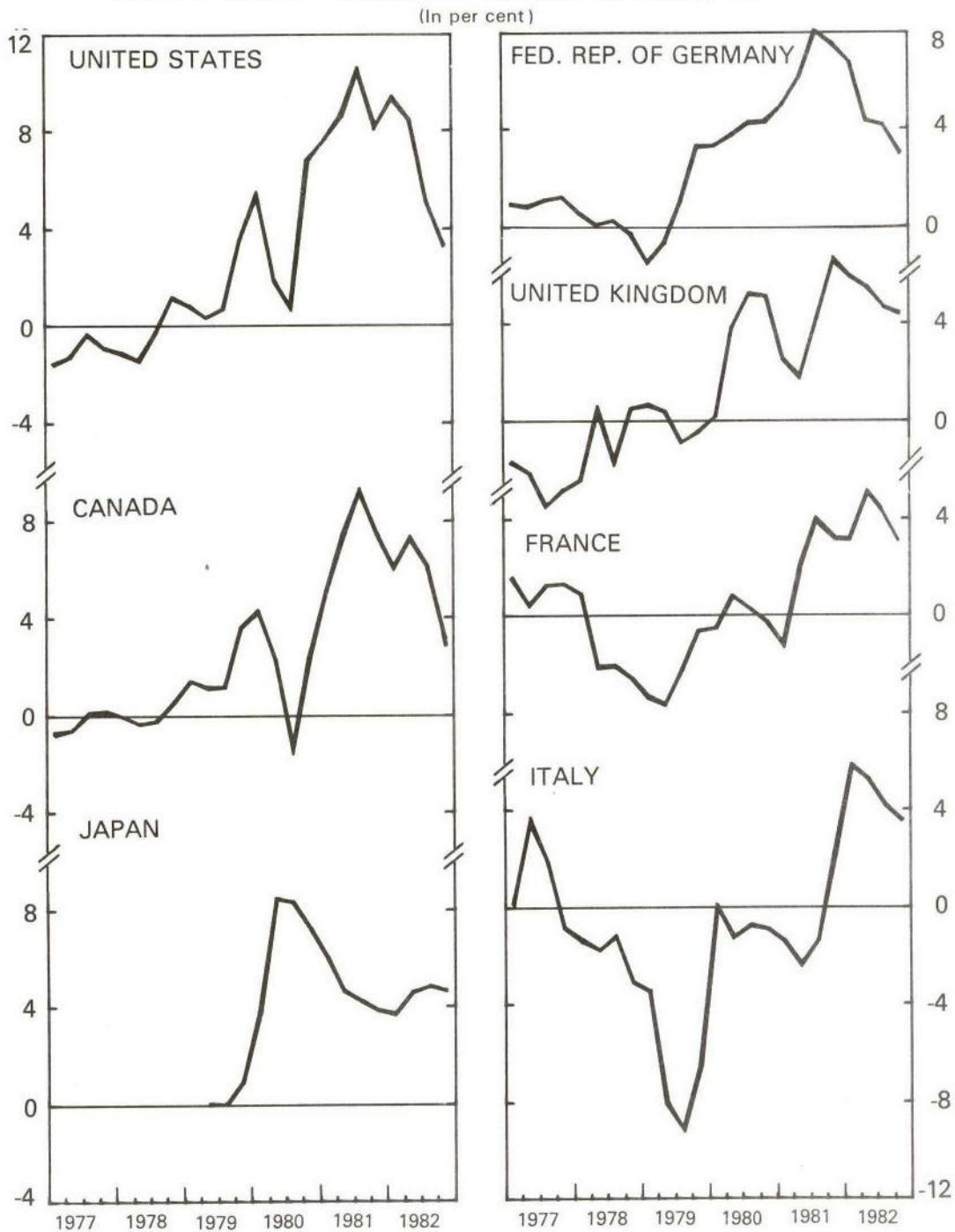
CHART 1
MAJOR INDUSTRIAL COUNTRIES:
NOMINAL INTEREST RATES, 1977-82^{1,2}
(In per cent)



¹ Long-term rates are quarterly averages of daily or weekly yields on government bonds, with maturities ranging from 7 years for Japan to 20 years for the United States and United Kingdom. Short-term rates are quarterly averages of daily rates on money market instruments of about 90 days maturity, except for Japan (discount rate on two month private bills).

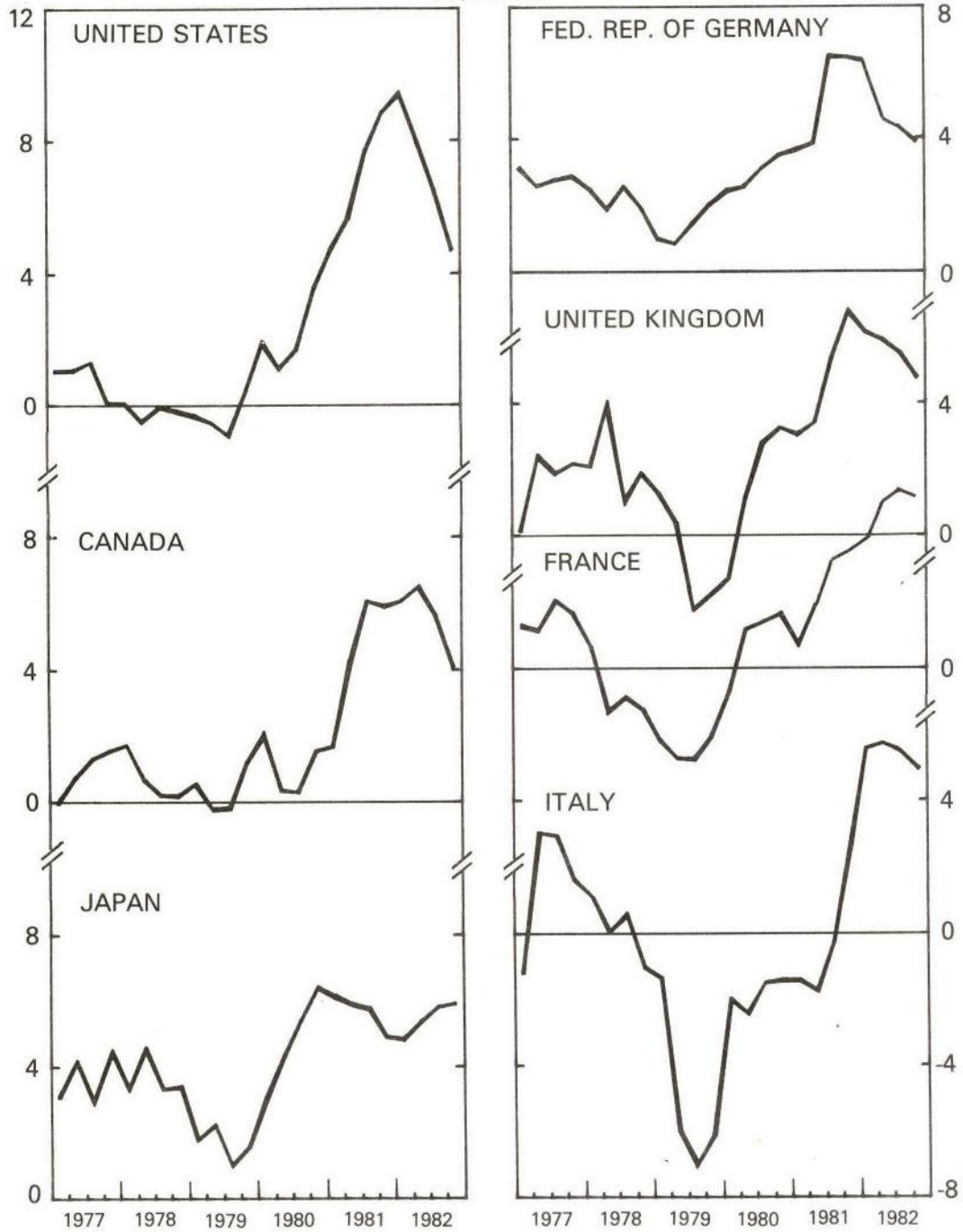
² Long-term rates for the fourth quarter of 1982 are based on preliminary staff estimates.

CHART 2
MAJOR INDUSTRIAL COUNTRIES:
REAL SHORT-TERM INTEREST RATES, 1977-82¹



¹ The short-term nominal rates underlying these data are those shown in Chart 1.

CHART 3
MAJOR INDUSTRIAL COUNTRIES:
REAL LONG-TERM INTEREST RATES, 1977-82^{1,2}
(In per cent)



¹The long-term nominal rates underlying these data are those shown in Chart 1.

²Rates for the fourth quarter of 1982 are based on preliminary staff estimates.

remained at levels that were extremely high and difficult to explain in terms of historical precedents. One possible reason was general concern that the U.S. budget deficit would remain large over the next few years. This could have helped keep interest rates high because of fears that pressure to monetize the deficit might be hard to resist, and that inflation would therefore regain momentum, and also because of expectations that competition from the Government for a limited supply of savings would keep real rates high.

In the second half of 1982, a sharp downward movement in U.S. nominal interest rates took place. By year-end, this had brought short-term yields down to the 8-9 per cent range and longer-dated yields to around 11 per cent (Chart 1). With inflation declining by only about 1 percentage point during the same six-month period, estimated real interest rates also declined sharply. The lower rate structure that had been established by the end of the year probably reflected a strengthening of expectations on the part of market participants that monetary policy in the United States would be such as to sustain continuing moderation in price increases. At the same time, the weaker than expected climate of economic activity dampened real credit demands.

Nominal interest rates in most other major countries (except Japan) also moved downward during 1982, although the decline was generally less than that for the United States, so that yield differentials tended to change unfavorably for the dollar. In most cases these movements served to eliminate a positive real interest-rate differential in favor of the U.S. currency, and by the end of 1982 real short-term interest rates were at about the same level in all the major countries.

3. International trade and payments

After ceasing to rise in 1981, the volume of world trade declined by some 1 1/2 per cent in 1982--the first decline since 1975. (See Table 5.) Imports were flat in the industrial countries, and grew by only 5 per cent in the oil exporting countries (against 20 per cent in 1981). The imports of non-oil developing countries actually fell, by an estimated 4 per cent; at the same time, the terms of trade moved against them again, for the fifth consecutive year (Table 6). Since oil prices were also weak, there was a small positive shift in industrial countries' terms of trade, the first since 1978.

Characterization of the pattern of global current account positions continues to be complicated by the diverse situations of individual countries. A noteworthy feature of developments in 1982, and of prospects for 1983, is the shift in the position of the oil exporting countries from large surplus to approximate balance. The sharp decline in the surplus from 1981 to 1982 resulted mainly from a further large drop in oil export volumes--for the third consecutive year--and some downward movement in oil prices. The combined current account balance of the industrial countries remained in rough balance in 1982, and there was

a welcome improvement in the aggregate position of the non-oil developing countries. Overshadowing the trends just described is the persistence of a large "statistical asymmetry" in the estimation of global current account balances.

The statistical asymmetry, which was discussed in the April 1982 World Economic Outlook report (pp. 5 and 141-42), remained minor in size until the late 1970s, although it moved from being generally positive to generally negative about the time of the first oil price increase. ^{1/} Since about 1979, however, it has grown strongly, and is projected at \$93 billion in 1982 and \$77 billion in 1983. (See Table 7.) The asymmetry is due basically to errors in national statistical sources, rather than to the uncertainties of forecasting. It centers in the service and transfer accounts, involving either an overestimation of payments or an underestimation of receipts, or some combination of both. Since the great bulk of the service and transfer flows are between and among industrial and oil exporting countries, it is the current balances of these countries that are probably subject to the largest errors. The staff does not believe that the estimates of the combined current account balance of non-oil developing countries convey a seriously misleading impression.

According to the estimates shown in Table 8, 1982 brought little change in the combined deficit of the industrial countries, after it had declined by some \$40 billion in 1981. Declines in both the volume and average price of imported oil were matched in 1982 by a notable slowdown in import absorption by the rest of the world of the industrial countries' exports. For 1983 the position of the industrial countries as a group is projected to deteriorate marginally, with a small further improvement in their terms of trade being more than offset by continued low demand for their exports on the part of the rest of the world.

More significant than the combined current account balance of industrial countries are shifts in the relative positions of individual countries. Care must be taken in the interpretation of the estimated shifts because of the uncertainties introduced by the statistical asymmetry; however, it seems unlikely that a more accurate accounting would alter the broad pattern of contrasting movements shown in Tables 8 and 9. Particularly noteworthy are the weakening of the U.S. position, to a prospective large deficit in 1983, and the substantial narrowing of the U.K. surplus. Much of the counterpart positive movement is to be found in the accounts of Japan, Germany, and the smaller European industrial countries.

Estimated shifts in the relative current account positions of individual countries within the industrial group can be explained largely in terms of cyclical developments and changes in competitiveness. During 1981, the recession tended to be more severe in Europe than elsewhere,

^{1/} A negative asymmetry means that the sum of recorded or estimated current account balances is in deficit (i.e., the system must contain underrecorded surpluses and/or overrecorded deficits).

bringing sharp current account improvements to Germany, the United Kingdom, and a number of the smaller economies. In contrast, 1982 saw a severe downturn in North America, particularly in the first half of the year, while most European countries showed slightly higher growth than in 1981--a development that may have helped delay the deterioration in the U.S. current account that now seems to be getting under way.

The effects of competitiveness on current account positions are generally harder to assess than cyclical developments, since the lags at work are longer and more variable. Competitive factors, however, seem to be important in explaining the recent--and especially the prospective--adverse movements in the current balances of the United Kingdom and United States. (See Chart 5.) In the opposite direction, Japan and Germany have experienced swings in competitiveness and in their current account balances that have broadly mirrored those of the United States and the United Kingdom.

As shown in Table 8, the combined current account surplus of the oil exporting countries virtually disappeared in 1982, after falling from \$114 billion in 1980 to \$65 billion in 1981. The chief explanation of the change in 1982 is to be found on the receipts side of the trade accounts. With a decline in oil prices of about 4 1/2 per cent, and a contraction of some 20 per cent in the volume of oil shipped, export receipts from oil are estimated to have declined by about \$60 billion, or 23 per cent, from 1981 to 1982. The six "surplus" countries within the oil exporting group (i.e., those with persistent surpluses during the period 1970-80) bore the brunt--some four fifths--of the dramatic shift in the group's combined surplus that occurred from 1980 to 1982.

As far as the non-oil developing countries are concerned, their aggregate current account position is estimated to have improved from the peak deficit of \$103 billion in 1981 to a deficit of \$90 billion in 1982 (Table 8). A further improvement to some \$70 billion is in prospect for 1983, making the deficit actually smaller, in relation to exports of goods and services, than the average for 1976-78 (Table 10). These improvements have taken place despite a strong adverse trend in the terms of trade of the non-oil LDCs, the growing weakness of their principal export markets, and substantial increases in their debt servicing costs; they are being achieved, therefore, at the cost of a severe compression of imports, and consequent low growth of output. While the volume of exports from non-oil developing countries increased by an estimated 21 per cent from 1979 to 1982, the volume of imports grew by only 2 per cent.

All analytic subgroups of non-oil developing countries, as well as all areas, shared in these broad developments. It is noteworthy, however, that a number of the European and Asian countries that began their adjustment efforts relatively early have had a larger and more sustained improvement in their external positions, and a somewhat better record with respect to growth of output.

For most of 1982, the most striking feature of exchange market developments was the continuing appreciation of the U.S. dollar and the corresponding weakness of the Japanese yen and, to a lesser extent, of the deutsche mark. (See Chart 4.) Developments in the last two months of the year, however, represented a reversal of this trend, particularly for the yen, which by the middle of January had been restored to levels similar to those prevailing at the beginning of 1982. In real terms, the effective exchange rate for the yen at the end of 1982 was still considerably lower than a year earlier. (See Chart 5.)

The developments in the first ten months or so of 1982 were all the more difficult to explain in light of (a) a persistent, though declining, adverse inflation differential between the United States, on the one hand, and Germany and Japan, on the other; (b) the fact that the U.S. dollar had already appreciated strongly for most of 1981; and (c) the fact that Germany and Japan were moving into significant surplus on their current accounts, while the U.S. position was showing clear signs of erosion.

While short-term fluctuations in exchange rates that had taken place during 1981 and the first half of 1982 appeared to reflect, at least in some degree, the variations in interest differentials among the major countries that were occurring at the same time, subsequent developments were less consistent with such a pattern. In the third quarter of 1982 the interest differential in favor of assets denominated in U.S. dollars declined sharply while the U.S. dollar was moving to new highs against the deutsche mark and the yen. In any event, movements in interest differentials do not explain the general appreciation of the U.S. dollar over the past two years or so.

Exchange rates are affected also by trends in current and capital account positions and by market perceptions of how such positions are likely to shift in the future. It may be that the improvement in the current account positions of Japan and Germany in 1982 were smaller than the market expected, thus contributing to the general weakness of the yen and the deutsche mark against the U.S. dollar. Furthermore, in the past few years there has been a tendency for the U.S. capital account to improve, perhaps because of inflows induced by unsettled economic and political conditions abroad and, more recently, by the improved outlook for inflation in the United States. At the same time, capital outflows from Germany and Japan have grown in importance. When all these considerations are weighed, however, it is not clear that they provide a full explanation for the dollar's rise against the yen and deutsche mark. Thus, the shift in exchange market tendencies since November 1982 could be viewed as a move back toward a more sustainable pattern of exchange rates.

Other exchange rate developments, although important for the individual countries concerned, have been of lesser significance in a global context. Strains within the European Monetary System were alleviated by

CHART 4
MAJOR INDUSTRIAL COUNTRIES:
INDICES OF MONTHLY AVERAGE U.S. DOLLAR AND
EFFECTIVE EXCHANGE RATES
JANUARY 1979 - DECEMBER 1982

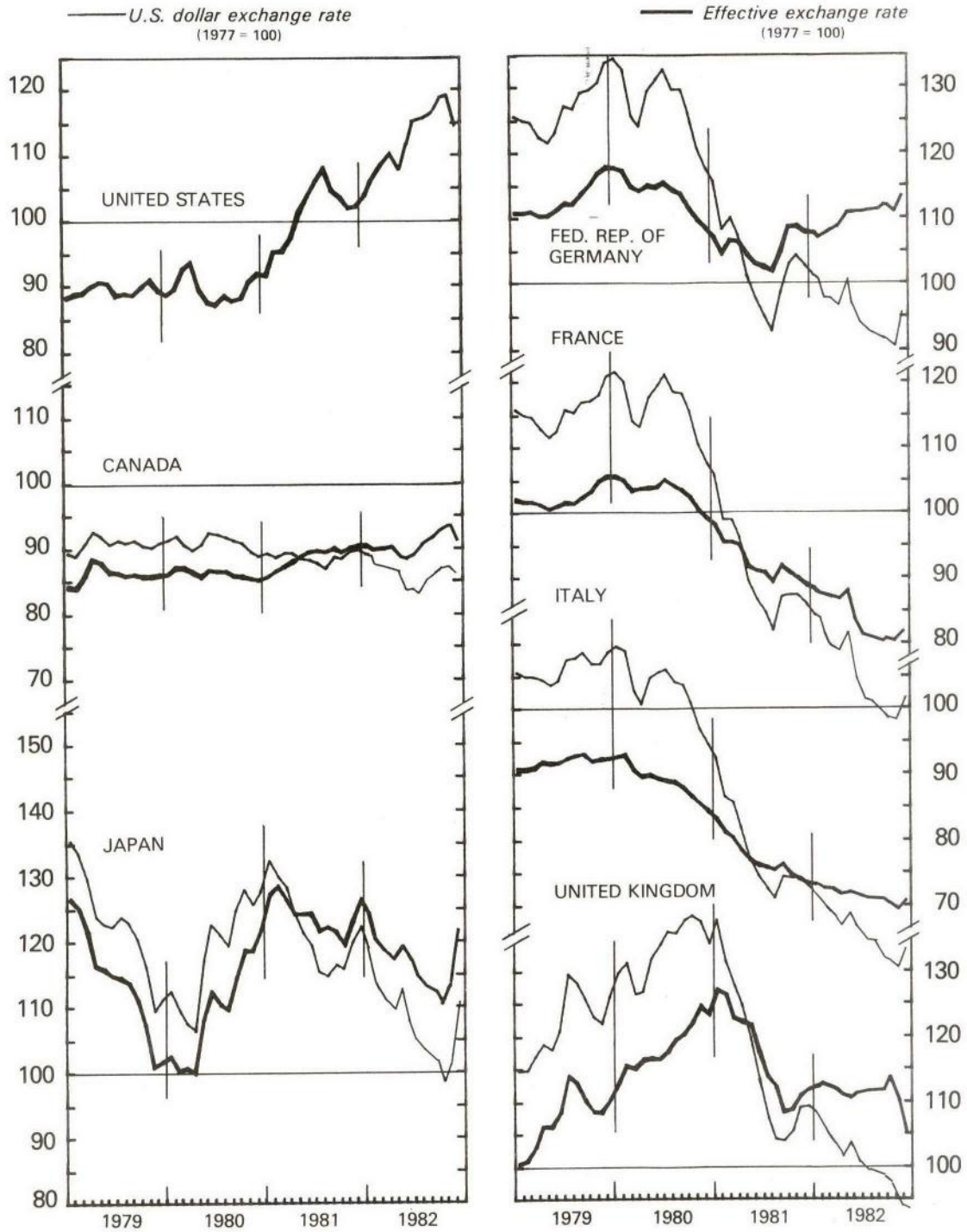
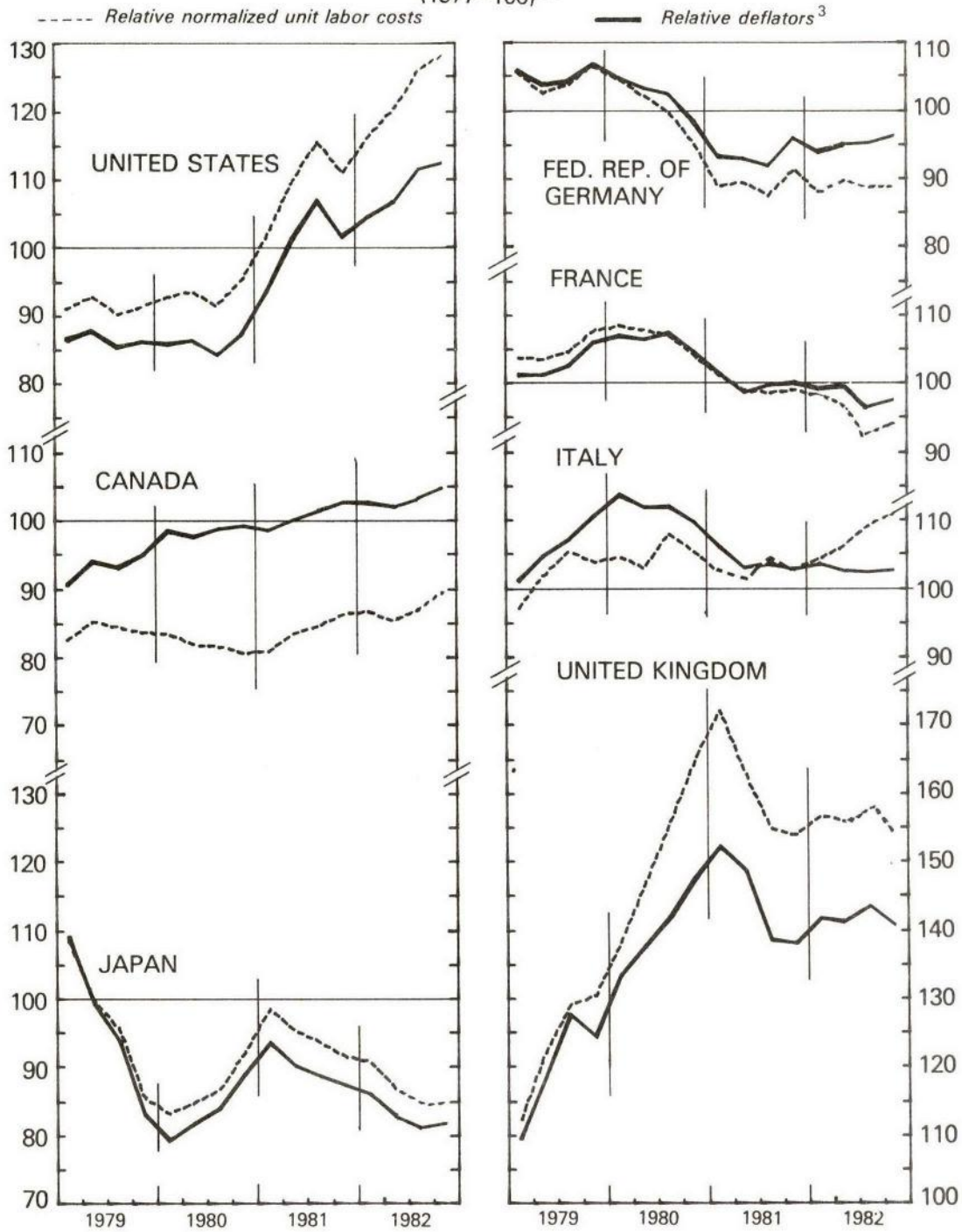


CHART 5

MAJOR INDUSTRIAL COUNTRIES:

RELATIVE PRICES OF MANUFACTURES ADJUSTED FOR EXCHANGE RATE CHANGES

(1977=100)^{1,2}



Source: *International Financial Statistics*.

¹Indices of the type shown here are frequently referred to as indices of real effective exchange rates.

²The data for Q 4 1982 are based on preliminary staff estimates.

³Annual deflators for gross domestic product originating in manufacturing with quarterly interpolations and extrapolations (beyond the latest available annual data) based on wholesale price data for manufactures.

the timely implementation of two sets of exchange rate realignments. There also appears to have been a reduction in the degree of policy divergence as the year progressed. Some pressure did arise, however, after the devaluation of two of the Nordic currencies in October, particularly a larger-than-expected devaluation of the Swedish krona. The nominal effective exchange rate for the Italian lira declined by some 5 per cent during 1982, but this development was not sufficient to prevent a significant deterioration in the country's competitive position (Chart 5). The pound sterling remained stable for most of 1982, although at a level that continued to imply a poor level of competitiveness of manufacturing industry in the United Kingdom. In the last two months of the year, however, an easing of domestic monetary conditions led to a depreciation of sterling amounting to some 6 per cent in real effective terms.

II. Policies in the Major Industrial Countries

The length and severity of the slump in economic activity in the industrial world have naturally raised questions about the appropriateness of the policy course being pursued. For several of the larger industrial countries, many observers are now calling for relaxation of monetary restraint and/or adoption of more expansionary fiscal policies. This highly topical and important issue is examined in the present section, which first looks at individual-country situations and, against that background, then presents some conclusions and recommendations.

At the outset, one must emphasize the extreme difficulty of formulating and conducting economic policies in the major industrial countries at the present time, and of judging the likely timing and magnitude of the effects of these policies. Essentially, this difficulty reflects the complex economic situation that has resulted from the building up of "stagflation" over a period of many years and from the attack on it over the past three years primarily through the use of monetary policy without the adequate support of fiscal and other policies. The focus of this section is mainly on fiscal and monetary policies, which are in the forefront of attention, but sight should not be lost of the need for effective policies to reduce structural imbalances and rigidities, aiming particularly at the roots of the severe unemployment problem. (It may be recalled that policy issues concerning stagflation in the industrial world were discussed briefly in the Fund's 1982 Annual Report, on pp. 35-38.)

1. Developments in individual countries

Following is a brief summary of the key policy developments that occurred during 1982 and that, on the basis of "present policies", are projected for 1983 in each of the major industrial countries.

United States.--The Federal Reserve's target ranges for U.S. monetary growth during 1982 implied the continuation of a restrictive policy stance. ^{1/} Monetary growth was broadly consistent with the targets until July, but an acceleration occurred thereafter. By November, M-1 was about 3 per cent above the upper end of its target range (with M-2 above its range by about 1 per cent). Such overshooting was tolerated initially by the Federal Reserve because of its view that increased uncertainty about income and employment appeared to have led to a rise in the public's desire to hold precautionary balances. Then, the growth of M-1 was boosted in October and November as maturing All Savers certificates issued one year earlier were temporarily being held in liquid form. Further, M-1 is also being distorted by the new financial instruments (i.e., money market accounts at depository institutions and checking accounts with no interest rate ceilings) introduced in December and in January 1983.

In these circumstances, the Federal Open Market Committee has been attaching much less than the usual weight to movements of M-1 in gauging the appropriate course of monetary growth in the period immediately ahead. Greater emphasis is being placed on M-2 and M-3, which are probably being much less affected by the introduction of new financial instruments since most of the shifts among such instruments are expected to take place within the broader aggregates. The Federal Reserve has emphasized that lasting economic recovery and growth must be sought in a framework of continuing progress toward price stability and that guidelines for restrained growth in money and credit are necessary to ensure against a renewal of inflation.

At the present time of serious problems with interpretation of the monetary aggregates, there is considerable uncertainty about how monetary objectives should be pursued. For the purpose of its projections for the U.S. economy, the staff has assumed that the growth of M-1 from the fourth quarter of 1982 to the fourth quarter of 1983 will be of the order of 5 per cent, close to the upper bound of the preliminary target range announced by the Federal Reserve last July (this range being the same as that for 1982). This assumption abstracts from the effects on the growth of M-1 resulting from the introduction of new financial instruments in late 1982 and early 1983 or from changes in the public's desire to hold precautionary balances in liquid form.

U.S. fiscal policy was expansionary in 1982 and is projected to continue to be so in 1983. The fiscal "impulse" on the part of the Federal Government--that is, the annual net increase in the cyclically adjusted

^{1/} In February 1982, the target range for the growth of M-1 from the fourth quarter of 1981 to the fourth quarter of 1982 was set at 2 1/2 to 5 1/2 per cent, compared with a range of 3 1/2 to 6 per cent in the preceding year. The target ranges for the broader aggregates (6 to 9 per cent for M-2 and 6 1/2 to 9 1/2 per cent for M-3) were not changed from 1981 to 1982 as it appeared that the ongoing changes in financial technology and regulation would tend to boost the growth of these aggregates.

deficit--is estimated at about 3/4 per cent of GNP for 1982 and about 1 per cent for 1983. ^{1/} Because of this expansionary thrust, but also because of the effects of recession on revenue and expenditure, the actual fiscal deficit rose from 2 1/2 per cent of GNP in 1981 to 4 1/4 per cent in 1982, and is projected at 5 1/2 per cent of GNP in 1983.

The latest official estimates indicate that--in the absence of further measures to raise revenue or to cut expenditure--the U.S. fiscal deficit is likely to be in the range of \$180-200 billion in both fiscal year 1983 (ending September 30) and fiscal year 1984. A large fiscal imbalance--the "structural" component of the deficit--would still remain after the economy had recovered and the inflation premium on the interest rate had been eliminated. As discussed below, the U.S. fiscal stance thus continues to be a major policy issue.

Japan.--The economic policies of the Japanese Government during 1982 reflected efforts to meet three major objectives--to provide conditions conducive to a recovery of domestic demand, to reduce the budget deficit, and to reverse the yen's almost continuous depreciation (until November) vis-à-vis the U.S. dollar. Conflicts among these objectives were severe.

On the fiscal side, no progress was made during 1982 in reducing the budget deficit--more specifically, in meeting the authorities' objective of terminating the issue of bonds to finance current expenditure by FY 1984/85 without a tax increase. Such progress was frustrated primarily by a shortfall in revenue; larger-than-budgeted public works expenditure designed to counter the weakness of private demand played some role. In the event, the central government's budget deficit in 1982 amounted to about 5 1/2 per cent of GNP, only slightly below that in recent prior years; and this understates the supportiveness of fiscal policy since it does not include the effect of additional bond-financed expenditures undertaken by local governments at the encouragement of the central government.

Fiscal policy was used flexibly by the authorities in 1981, as well as in 1982, in response to weaker-than-expected economic growth. In its projections, the staff has assumed that fiscal stimulus will not be withdrawn until indications of a recovery of private demand are established--not earlier than the second half of 1983. However, according to the (incomplete) information that has just become available, the proposed budget for FY 1983 (beginning April 1) of the new Government that took office late in November appears to signify a somewhat more restrictive stance of fiscal policy than that implied by the staff assumption.

Despite sluggish growth and a low rate of inflation, monetary policy in Japan was tightened during 1982 in response to the weakening of the yen. The year-to-year growth of broad money decelerated from 10-11 per cent in

^{1/} These new estimates, prepared for the current WEO exercise, are based on the staff's usual "cyclically neutral budget" analysis. For a brief description of this, see the April 1982 World Economic Outlook, pp. 102-103.

late 1981 to 8-9 per cent during the last two quarters of 1982, although it still remained somewhat above the increase in nominal GNP adjusted for the declining trend of velocity. Real interest rates were kept at very high levels in support of the yen.

For 1983, flexible use of monetary policy to help stimulate domestic demand will depend on developments with respect to U.S. interest rates and the exchange rate of the yen. Even after the sharp appreciation of the yen vis-à-vis the U.S. dollar and major European currencies since early November, the value of the yen is still considered by the authorities to be somewhat weaker than warranted by the fundamentals of the Japanese economy. At the same time, there is considerable domestic pressure for lower interest rates to help bolster flagging domestic investment.

Federal Republic of Germany.--The protracted decline in economic activity and the related sharp rise in unemployment (appended Tables 1 and 4) pose considerable problems for the German authorities. Their essential task is to create the conditions for a lasting revival of domestic demand without rekindling inflation. However, business confidence in a sustained increase of demand is low as capacity utilization is still declining, and there is continuing concern about the profit position. Also, despite the weakness of domestic demand, the authorities are facing increased calls for fiscal consolidation because of the large and persistent increase in the budget deficit (which went from about zero in the early 1970s to 4 1/4 per cent of GNP in 1982 in terms of the general government accounts, covering the states and municipalities and the social security system in addition to the central government).

The new Government that took office in September 1982 (with elections to be held in March 1983) is seeking to strike a balance in the fiscal area between measures that would promote consolidation in the medium term and measures that at least do not further stifle a recovery of economic activity in the short run. In terms of the cyclically-neutral measure, the central government budget seems likely to impart a moderately contractionary impulse on the economy in 1983. ^{1/} However, the authorities hope that the proposed reduction in the structural deficit, stemming from cuts in entitlement programs, will elicit a positive response from the private sector leading to a decline in long-term interest rates and a stimulus to investment.

Monetary policy eased during 1982 in view of the decline in domestic economic activity. This change in emphasis by the Bundesbank was facilitated by a strengthening of the external balance, a deceleration in the

^{1/} A similar small impulse appears to have occurred in 1982. Nevertheless, the original intention of the authorities to reduce the central government deficit from 2 1/2 per cent to 1 3/4 per cent of GNP was not realized. Weaker-than-expected activity had a depressive effect on revenues and led to increases in spending under entitlement programs, notably unemployment compensation. It also prompted some additional spending and tax-relief measures.

rate of inflation, and a decline in U.S. interest rates. The Bundesbank's effort to support domestic activity has been clearly evident with respect to both a sizable reduction of official interest rates and a stepping up of the growth of central bank money, which during 1982 was consistently at the upper limit of the target range. For 1983, the Bundesbank has announced that the growth target for central bank money would remain unchanged at 4-7 per cent (fourth quarter 1983 over fourth quarter 1982), and that the aim would be to keep money growth in the upper end of the range (price and cost movements and the external situation permitting).

United Kingdom.--Room for maneuver was more limited in the United Kingdom than in Japan or Germany during 1982 because the rate of inflation, while considerably reduced, was still relatively high. Financial policies continued to adhere to the broad thrust of the medium-term strategy initiated some three years previously. However, following difficulties experienced in the short-run control of sterling M-3, the authorities increased the number of monetary aggregates used as guides in monitoring the stance of policy and changed the target range for money growth in the period February 1982-April 1983 from the previously announced 5-9 per cent to 8-12 per cent. In the event, all of the targeted aggregates stayed within the 8-12 per cent range during 1982, and were generally below the growth rates of the previous year. In response to this cautious monetary policy, there was a sharp deceleration in the rate of inflation in the course of 1982, but only a limited decline in real interest rates. For the period February 1983-April 1984, the authorities have tentatively set a target range of 7-11 per cent for the monetary aggregates--which should enable monetary conditions to become easier, given the much improved price performance.

Fiscal policy in the United Kingdom--unlike that in many other industrial countries--was markedly contractionary in 1982. The initial budget for the fiscal year ending in April 1983 envisaged a public sector borrowing requirement (PSBR) amounting to 3 1/2 per cent of GDP, versus an actual PSBR of 4 1/2 per cent of GDP in the previous year and of nearly 6 per cent in the year before that. In fact, it now seems almost certain that the actual PSBR for 1982/83 will be somewhat below the budget estimate. For 1983/84, the tentative objective calls for a PSBR of 2 3/4 per cent of GDP.

Canada.--Monetary policy in Canada was tightened considerably beginning in late 1980, with interest rates allowed to rise sharply in order to curb inflation and to relieve downward pressures on the Canadian dollar in the face of rising U.S. interest rates. Short-term interest rates rose to above 20 per cent in nominal terms and 6 per cent or more in real terms in the summer of 1981; interest rates declined subsequently but remained very high until around the middle of 1982. 1/ Because inflationary

1/ The growth of the principal monetary aggregate, M-1, has been difficult to interpret in the past year or so because of a sizable and continuing shift out of M-1 as a result of changes in banking practices. In late

expectations had become deeply entrenched, the impact of monetary restraint was felt to a much greater extent on output than on prices. Inflation remains high both by past Canadian standards and in relation to that in Canada's trading partners, but in the last several months it has shown a clear tendency to decline, reflecting the large degree of slack in the economy and a program of wage-price restraints introduced in June 1982. ^{1/} The recent moderation of inflation, combined with the severe recession and the drop in U.S. interest rates, has led to a significant decline of interest rates in both nominal and real terms. Thus, the stage has been set for a recovery of output.

The federal fiscal deficit is estimated to increase from 3 per cent of GNP in fiscal year 1982 (ended in March 1982) to 6 1/4 per cent in fiscal year 1983. Roughly two thirds of this deterioration may be attributed to cyclical developments. In the absence of action to raise revenue or cut expenditure, very substantial deficits would likely persist in the foreseeable future; they would have adverse consequences for capital formation and for the sustainability of economic recovery, by preempting savings and perhaps by giving rise to confidence problems.

France.--Monetary policy in France was markedly expansionary in the first half of 1982, when the money supply (M-2) rose at a seasonally adjusted annual rate of 17 per cent, compared with 11 1/2 per cent during 1981. The Government's budget deficit for 1982 amounted to 3 per cent of GDP--smaller than that of many other industrial countries but double the percentage for 1980. The stance of economic policies tightened when the franc was devalued last June within the EMS in the face of a mounting trade deficit and a massive loss of reserves. A temporary freeze on prices and wages was imposed, and this was followed by administered control of price and wage increases with the lifting of the freeze on October 31. In the main, firms are permitted to raise prices only by amounts that are consistent with the Government's 8 per cent inflation target through 1983. Public sector wages are to rise by 18 per cent over the two-year period to December 1983, in line with the projected inflation rate, with lower wages rising at a somewhat faster rate. Wage agreements in the private sector are subject to the same guidelines.

A target of 10 per cent has been set for the growth of M-2 during 1983, in line with the expected rise in nominal GDP. This is intended to strengthen credibility in the incomes policy that has been adopted. Combined with a proposed budget deficit that remains at 3 per cent of

^{1/} (cont'd from p.15) November, the Governor of the Bank of Canada announced that the Bank no longer had a target range for M-1. The Bank has stressed that the target was dropped solely for technical reasons, and that there has been no change in the thrust of monetary policy.

^{1/} For a description of this program, see pp. 6-7 of the Staff Report for the 1982 Article IV Consultation with Canada, SM/82/240, 12/29/82.

GDP, and given the large external current-account deficit, 1/ the planned degree of monetary restraint will require a tight control over credit expansion.

Italy.--The problems confronting the Italian authorities in 1982 continued to be high inflation and hence high interest rates, a large and increasing budget deficit, continued weakness in the balance of payments, and rapidly rising unemployment. Despite the aim of reducing the Government's fiscal deficit to 12 per cent of GDP in 1982, 1 percentage point lower than the actual deficit in 1981, latest estimates put the deficit at 16 per cent of GDP. This sharp increase gave rise to an expansion in total domestic credit substantially in excess of the initially targeted 16 1/2 per cent. Currently, the rate of increase is about 20 per cent, while credit to the private sector is growing only by 13-14 per cent and hence declining in real terms. In these circumstances, the authorities are reluctant to offset the overrun of credit to the public sector with a further tightening of the ceilings on private sector credit.

At the turn of the year, the new Government announced fiscal measures intended to yield Lit 15 trillion, reducing the government deficit in 1983 to about Lit 70 trillion, equivalent to around 13 per cent of GDP. Also, credit ceilings on private sector borrowing were extended to mid-year and reserve requirements on bank deposits were raised. However, effective implementation of the fiscal measures in particular remains in doubt in view of widespread protest strikes in the country and divisions within the coalition Government. Equally doubtful are the prospects for success in the Government's efforts to modify the wage indexation mechanism and secure the targeted moderation of cost and price increases to 13 per cent in 1983.

2. Conclusions and recommendations

At the present time, economic conditions and policy stances differ markedly across the larger industrial countries. Japan is the only one of the seven countries where the existing combination of inflation and unemployment is anywhere close to being satisfactory, although even in the case of Japan the degree of underutilization of economic capacity is certainly greater than would be acceptable in the longer run. Among the other six countries, all are suffering from severe underemployment of resources, but the extent to which this is combined with continued inflationary pressures varies considerably. The Federal Republic of Germany has been the most successful of the six in controlling inflation in the aftermath of the 1979-80 oil price increases, but continuing fears of an inflationary flare-up are not far below the surface. The United Kingdom and the United States have had notable success in bringing inflation down from the excessive rates of a year or two ago toward a more acceptable level; nevertheless, sufficient time has not elapsed to permit the development of firm expectations that inflation

1/ Estimated at \$11 1/2 billion for 1982 and projected at \$9 billion for 1983 (Table 9).

in these two countries will continue to be reduced and then held down. Canada has been lagging behind them in reducing inflation, although signs of significant progress in this area have become apparent in recent months. France has begun the disinflationary process only very recently. In Italy, price pressures remain very strong.

In the view of the staff, the prevailing conditions in Canada, France, and Italy allow no room for relaxation of monetary and fiscal policies. In all three of these countries with relatively high inflation rates, there is continued need for firm implementation of the restrictive monetary policies that have been adopted by the authorities. On the fiscal side, problems are particularly severe in Italy; in Canada and France, however, any easing of fiscal policy would (inter alia) run the risk of creating a serious problem of confidence. The incomes policies that have been implemented in these three countries will, if successful, mitigate the costs of restrictive financial policies in terms of output and employment, but they can in no way be regarded as an alternative to monetary and fiscal restraint.

A more complex question is whether there is room or need for shift toward a more expansionary stance of policy in the United States, Japan, Germany, and the United Kingdom. A number of considerations are relevant to this question.

Monetary conditions in the United States, Germany, and the United Kingdom have become noticeably easier over the past year or so. The real money stock is growing faster, and real short-term interest rates have declined substantially (to the 3-4 per cent range by the end of 1982). Current monetary targets or intentions for 1983 would seem to be consistent with lower short-term interest rates and a moderate rise in output. The expected easing of monetary conditions is not predicated on any projected acceleration of monetary growth, but rather it reflects the additional room--within roughly unchanged monetary targets--provided by the deceleration of inflation that has been taking place. Monetary policies in these three countries have supported or encouraged an easing of monetary conditions, and have been implemented so as to provide for maximum rates of monetary growth consistent with anti-inflation objectives. In the case of Japan, as indicated above, monetary growth was slowed down during 1982, and interest rates were kept high, because of exchange rate considerations.

In three of the four countries under consideration (all but the United Kingdom), the implementation of fiscal policy in 1982 turned out to be more expansionary or less contractionary than originally intended. Present staff estimates of cyclically adjusted budget deficits indicate that the "impulse" of fiscal policy in 1982--compared with government intentions early in the year 1/--became more positive (United

1/ Based on estimates published in Table 48 of the April 1982 World Economic Outlook.

States), shifted from negative to positive (Japan), or became less negative (Germany). A similar pattern of developments had occurred in 1981. In each case, the revision was sizable. In the United Kingdom, fiscal policy in both 1981 and 1982 was contractionary as planned.

To come to a general view, it should first be emphasized that, despite the severity of the recession and unemployment, national authorities in the major industrial countries did not forego their anti-inflation policy stances, as happened so often in the past. At the same time, financial policies and monetary conditions during the past year were in general not nearly so tight as in 1980 or 1981--a fact that seems not to be widely recognized. Further, the same situation is carrying over into 1983; for countries with relatively low inflation rates, one can certainly welcome the further easing of monetary conditions now in process and the continuing endeavor of those countries to take judgmental advantage of their "room for maneuver" to support the level of activity or encourage recovery--so long as they maintain a stable framework of policy, being careful in their use of policy instruments to avoid having adverse effects on inflationary expectations and confidence in the credibility of government policies.

The projections in this paper--of a slow recovery gradually picking up strength through 1983--represent central estimates, but are subject to considerable error and uncertainty and should be viewed in the light of factors that could lead to substantially different results. On the pessimistic side, output could continue to stagnate if the lags with which larger industrial economies respond to the disinflationary process were to prove longer than expected, or if the fears and uncertainties generated by the present severe recession were to feed on themselves. On the other hand, if a recovery gets under way and seems to be firmly established, the return of confidence could provoke a more rapid upturn in spending than envisaged here. In those conditions, the overall rise of real GNP in the major industrial countries expected to occur in the second half of 1983--around 2 3/4 per cent at an annual rate--could turn out to be significantly higher.

The strength and character of the projected economic recovery will depend importantly on developments in the three largest countries.

--For the United States, the staff believes that a policy aimed at consolidating and extending the progress made in reducing inflation requires continued restraint over the growth of nominal demand in 1983, and on this basis only a moderate growth of output should probably be expected; to aim for significantly faster growth in 1983 would risk a new upturn in inflation and thus would be counter-productive. The progress on inflation, it should be emphasized, would be setting the stage for faster economic growth and a reduction in unemployment during 1984. However, the fiscal policy now in place raises questions about the durability of the prospective economic expansion. In the absence of fiscal action, federal budget deficits would remain very large, even after emergence of the economy from the current recession; these deficits

would absorb a huge share of net private saving, generate uncertainty about the future of policies, and in general be detrimental to capital formation. To ensure sustained growth of output and employment, there would have to be a decisive improvement in the fiscal position; this is important not only for the United States itself, but also for the economic stability and growth of other countries.

--In Japan, a key issue concerns the stance of fiscal policy. The proposed budget for FY 1983 (as noted earlier) seems to signify a more restrictive stance of fiscal policy than that assumed by the staff in making its projections. On the other hand, in the face of the recent appreciation of the yen, the external constraint operating on monetary policy over the past year may be receding. These matters are now being explored in Article IV consultation discussions, and doubtless will be given attention by the Board in the forthcoming consultation. Meanwhile, it may be noted that in the WEO paper (ID/82/2) issued last August, the staff advised caution in reducing the budget deficit in the short run because of the continuing weakness of private domestic demand. More specifically, the staff suggested that the Japanese authorities should not aim to withdraw fiscal stimulus faster than private demand can expand to absorb an equivalent amount of net saving.

--For the Federal Republic of Germany, the following aspects of economic policy seem particularly important. (a) This policy has a medium-term orientation; in present circumstances, a shift to stimulative general monetary and fiscal policies is considered inappropriate. (b) Borrowing requirements of the public sector are large and, at least in the medium term, the budget deficit should be reduced significantly in order to restore public confidence and facilitate a durable revival of private sector activity. (c) A sustained reduction in unemployment can only be sought in a medium-term context by strengthening the incentives for investment and moderating labor costs in a noninflationary environment. These related points, drawn from the Chairman's summing up, represent important conclusions of the 1982 Article IV consultation with Germany last August 18; they appear equally relevant and valid at the present time.

In order to extend the time horizon of staff projections beyond 1983, the medium-term scenarios published last year in the April 1982 World Economic Outlook have been updated and revised. In the "central" scenario (Scenario A), the staff still expects that persistence with policies of monetary restraint, reinforced by compatible and supportive fiscal policies and by a certain effort to deal effectively with structural rigidities, would lead to a sustained, noninflationary economic recovery in 1984-86. Such prospects are obviously difficult to quantify. By comparison with the rates assumed in last year's WEO report, the prospects for economic recovery in European countries and in Japan have been revised downward by about 1/2 percentage point per year for 1984-86 because of the poor investment performance of these countries. The average growth rate for all industrial countries for 1984-86 is now envisaged to be slightly less than 3 per cent per annum. In the event, these rates--which would

not lead to much of a decline in unemployment--could be on the low side if the effects of pursuing sound policies came through faster than the staff has allowed. But to get much higher growth rates (as in Scenario C), major steps would have to be taken to deal with rigidities. For example, some substantial progress would have to be made to re-establish real wage rates for European countries that are consistent with an adequate rate of return on capacity-expanding investment.

The outcome of revised Scenario A cannot be described as very good. However, the staff believes that a marked shift in the stance of monetary and fiscal policies aimed at stimulating growth in the short term would in fact carry a serious risk of making medium-term prospects much worse. Such an outcome is quantified in Scenario B, in which markedly expansionary policies during 1983 lead to higher growth late in that year and during 1984, and then to an acceleration of inflation and a new recession in 1985 and 1986, when the industrial countries would be back roughly to where they were in the late 1970s, with several years of low or negative growth in front of them. These assumed consequences of such a policy shift have a substantial conjectural element as to their timing and magnitude, and are illustrative in nature. But it may be noted that relaxation of financial restraint during recovery periods of the 1970s, at times when spare capacity existed but expectations of price stability had not been adequately restored, led to a resurgence of inflationary pressures. Thus, the stage was set for a difficult and painful process of disinflation such as the one from which the world economy is only now emerging.

The current pressing need for more economic growth--for sustainable growth--is not a matter at issue, the issue actually being how to achieve it. Risks not only on the downside, but also with respect to the possible resurgence of inflation, must be weighed. In light of the various questions and considerations touched on above, the staff would conclude that a shift to actively expansionary policies in the four major industrial countries with relatively low inflation rates would be inadvisable. Such a policy shift would be far too risky, if only because the progress made against inflation--and toward sustainable growth--still remains fragile.

At this critical juncture, expectations of future inflation could all too easily be rekindled if the impression was created that governments were losing their nerve and opting for aggressive reflation. If that were to happen, any new expansion of nominal demand would again be reflected mainly in price increases (except perhaps in the short run), leaving very little scope for real expansion. Interest rates have in any case stayed disconcertingly high at the long end, suggesting persistent skepticism regarding the sustainability of anti-inflation policies. Confirming such skepticism could not but undercut the positive effect on activity that may have been intended by a significant reflation of nominal incomes.

Within the constraints of a noninflationary, stable framework of policy, the authorities in countries where inflation is now relatively low may continue to have some leeway (extending the recent experience touched on above) to implement monetary and fiscal policies in specific

ways so as to exercise a positive influence on domestic activity. In addition to such a flexible adaptation of noninflationary financial policies in the current difficult circumstances, it is of fundamental importance--to repeat a point made at the outset of this section--that governments do more to reduce structural imbalances and rigidities in order to increase economic activity and reduce unemployment without the risk of rekindling inflation.

III. External Adjustment and Financing

The discussion of current account balances in Section I has indicated the exceptional magnitude and variability of payments imbalances generated by the oil price increases and cyclical developments of the past four years. These imbalances in current flows of real resources have had as their counterpart an exceptional growth and fluctuation of private capital flows, particularly through the international banking system. International financial strains intensified during 1982, becoming extremely serious in the latter part of the year.

1. Introduction

The effective lending capacity of the international commercial banks came under increasing pressure as the unexpected prolongation of the international recession hindered the adjustment of external payments positions on the part of many countries. In these countries, initial adaptations to the enlargement of deficits on current account were geared to export earnings prospects much more favorable than those which materialized. Under these circumstances, postponement of adaptive reactions led to heavy external borrowing by a number of countries during 1981 and early 1982.

By the middle of 1982, as prospects for an early revival of growth in the world economy faded, lenders became progressively more apprehensive about the desirability of further expansion of international credit at the pace prevailing in the previous year. In the private banking community, intense concern arose regarding the ability of some of the heaviest borrowers, particularly in Eastern Europe and Latin America, to meet their external financing commitments under adverse economic conditions, and a growing reluctance of banks to make new credit commitments to borrowers in such countries became apparent. By the third quarter, a marked reduction of new commitments--especially to Latin American countries--had occurred.

This abrupt slowing of credit commitments after a long period of rapid growth quickly generated a new and serious concern--that inability of some major borrowers to "roll over" or refinance maturing loans could precipitate a crisis of confidence in the solvency of the lending institutions themselves, with incalculable consequences for the whole network of international trade and payments.

Against this background, several of the major borrowers turned to the Fund for assistance. The Managing Director--in close liaison with national monetary authorities and with the Bank for International Settlements, which provided needed short-term credit facilities--undertook to impress on the private banking community the importance of a measured deceleration in the growth of bank credit to countries in severely strained positions, rather than an abrupt reduction. In particular, it was made clear that large amounts of Fund credit could not be supplied in substitution for private credit, but could support orderly adjustment processes only in supplementation of adequate continuing flows of private credit.

The informally coordinated arrangements resulting from application of the foregoing principles appear to have gone far toward easing tension in international financial markets. The borrowing countries mainly concerned--notably, Mexico, Brazil, and Argentina--have adopted comprehensive adjustment programs calculated to restore satisfactory payments positions over an extended period of time. Also, they have obtained reasonable assurance--within the context of those programs--of sufficient net inflows of credit to support their economies during the transition period envisaged.

Notwithstanding all the difficulties and uncertainties still inherent in the current situation, the threat of an imminent new contractionary force in an already weak world economy thus appears to have been considerably diminished in recent months. It will take some time before the many countries now in the process of carrying out Fund-assisted adjustment programs are in position to provide an active stimulus to world trade through their demands for imports, but the risk of a drastic and damaging collapse of import demand in these countries has been mitigated.

The primary focus of this section is on the problems of external adjustment confronted by non-oil developing countries whose difficulties center around financing needs as such--i.e., around the problem of obtaining sufficient imports of real resources to sustain real investment and growth. Some attention is also given, in Sections III-3, III-4, and III-5, to problems of a similar nature among several of the smaller industrial countries, certain nonmember countries in Eastern Europe, and some of the oil exporting countries.

2. Non-oil developing countries

As is widely recognized, serious economic and financial difficulties confront the non-oil developing countries. The prolonged international recession, coming on the heels of the 1979-80 increases in oil prices and accompanied by unprecedentedly high interest rates in international financial markets, has brought the external financial positions of these countries under severe strain. In many instances, the unavoidable strains of the recession itself have been compounded by the consequences of inappropriate domestic financial policies and delays in making necessary adjustments to an unexpectedly discouraging external environment. Heavy borrowing

to sustain imports has led to an overhang of debt-service commitments that now presents a serious obstacle to the full use of export earnings for procurement of real resources.

This overhang is also an obstacle to the maintenance of capital inflows to supplement current earnings of foreign exchange. The bank-lending component of those inflows was sharply reduced in 1982 as banks became concerned about their high "exposure" in various developing countries, and the threat of further reduction in 1983 cannot be lightly dismissed. Given the rather bleak prospects for any early renewal of buoyancy in export earnings, many countries are being obliged to seek some form of refinancing of their external debts or rescheduling of payments under the original commitments. As noted above, the Fund itself has played an active role in these rearrangements. In addition, direct use of Fund credit (net of repayments) provided \$6 billion of new financing in 1982 and is projected to furnish an additional \$12.4 billion in 1983 (Table 11).

a. Current account balances

The aggregate current account deficit of the non-oil developing countries, swollen first by the 1979-80 increases in oil prices and then by the impact of the international recession and the unprecedentedly high interest rates of recent years, rose from \$41 billion in 1978 to a peak now estimated at \$103 billion in 1981. (See Table 8.) The latter figure was equivalent to some 22 per cent of the group's total exports of goods and services, compared with about 16 per cent in 1978 (Table 10). The 1981 ratio, although high in historical perspective, is not unprecedented. The corresponding average ratio reached 30 per cent in 1975 and 22 per cent in 1971, being strongly affected in each of those years, as in 1981, by recession conditions in the major industrial countries.

On each of those prior occasions, however, a strong cyclical recovery in the following year brought quick relief in the form of buoyant export markets for primary commodities and a sharp upswing in prices of such goods. Developments in 1982 followed quite a different course, and even in 1983 the moderate cyclical recovery visualized here seems unlikely to bring any significant improvement in the terms of trade of the non-oil developing countries (Table 6).

Present staff estimates indicate that the combined current account deficit of these countries, under the influence of widespread adjustment efforts and constraints on external financing, receded to \$90 billion (20 per cent of exports of goods and services) in 1982 and will be scaled back substantially further in 1983, to perhaps \$70 billion, or roughly 14 per cent of exports of goods and services. The latter ratio, although a little below its 1978 level, would be achieved under conditions of great duress that were not generally evident during 1978.

Certain compositional features of recent and prospective changes in the aggregate current account balance of the non-oil developing countries are summarized in the accompanying table. Of the \$62 billion increase in the group's combined deficit from 1978 to 1981, more than half--an estimated \$34 billion--can be attributed to the rise in interest payments (reflecting sharp increases in both outstanding external debt and interest rates paid on it) and nearly one third to deterioration of the group's oil trade balance, even though important net exporters of oil (e.g., Mexico and Egypt) are included among its members. For net oil importing members alone (excluding China), the deterioration of the oil trade balance amounted to \$41 billion, equivalent to about four fifths of the total rise in their collective current account deficit from 1978 to 1981.

The significant adjustments already under way since 1981 are reflected in the last column of the table, showing that the oil trade deficit of the oil importers will have subsided appreciably by 1983; that total interest payments will have leveled off; ^{1/} and that the positive net balance on transactions other than oil trade and interest payments will have risen by some \$26 billion, three fourths of which is projected to be in the accounts of oil importing countries, while the remainder reflects primarily the expected adjustment of Mexico's current account balance.

With respect to the oil importing countries, the residual shown in line "c" of the accompanying table indicates that considerable adjustment has already taken place in recent years. However, the positive shift in this residual from 1978 to 1981 would be considerably greater if a concrete statistical allowance could be made for the adverse effects of the recession, in addition to those for the oil trade balance and interest payments. Even in the absence of precise statistical evidence, this consideration greatly strengthens the significance to be attached to the positive changes in the residual balance as shown in the table.

The severe weakness of export earnings in 1982 reflected both falling prices of primary commodities (as expressed in terms of U.S. dollars) and low growth in export volume. For the non-oil developing group as a whole, the volume expansion (Table 5) was limited to 3 1/2 per cent and export unit values dropped by an average of about 6 1/2 per cent, so that the aggregate U.S. dollar value of the group's merchandise exports declined for the first time since 1975. The 1982 decline amounted to about \$11 billion, or 3 per cent.

If export volume growth had matched its 1980-81 average (already depressed by the recession) and export unit values (in terms of U.S. dollars) had declined no more than import unit values from 1981 to 1982, then dollar earnings of the non-oil developing countries from merchandise exports would have risen by about \$11 billion instead of falling. A much

^{1/} With declines in interest rates (reflected after a lag) roughly offsetting the continuing rise in indebtedness. (See Table 16.)

Current Account Balances of Non-Oil Developing Countries 1/

(In billions of U.S. dollars)

	1978	1981	1982	1983	Changes	
					1978-1981	1981-1983
<u>All non-oil developing countries</u>						
Current account balance	-41	-103	-90	-70	-62	33
Of which:						
a. Oil trade balance <u>1/</u>	-19	-38	-32	-30	-19	8
b. Interest payments (-) <u>1/2/</u>	-19	-53	-58	-54	-34	-1
c. Other current trans- actions, net <u>3/</u>	-3	-12	--	14	-9	26
<u>Net oil-importing developing countries 4/</u>						
Current account balance	-33	-83	-75	-57	-50	26
Of which:						
a. Oil trade balance <u>1/</u>	-27	-68	-63	-61	-41	7
b. Interest payments (-) <u>1/2/</u>	-15	-39	-41	-39	-24	--
c. Other current trans- actions, net <u>3/</u>	9	24	29	43	15	19

1/ Estimates for 1982 and 1983 should be viewed only as orders of magnitude.

2/ On short- and long-term external debt.

3/ Residually calculated.

4/ Excluding China.

larger hypothetical deficiency of export earnings could be calculated, of course, on the basis of more "normal" growth of exports in real terms and some recovery in the terms of trade. This deficiency of export earnings was an important and pervasive factor in determining the magnitude of the adjustments required during the past year, quite apart from the reduction in availability of external credit.

For 1983, according to the staff projections, the mild upswing in output and demand in the industrial world during the course of the year should bring some moderate acceleration of export volume growth for the non-oil developing countries. It should also bring a partial reversal of the 1982 decline in primary commodity prices, making possible a significant upswing--estimated at \$30 billion--in total earnings of these countries on merchandise exports. Such an increase would go far, given the import adjustments already carried out, toward establishing a more viable set of current account balances.

At the same time, cessation of the previous sharp rise in interest payments should make room for somewhat stronger import growth within any given aggregate of balances on current account. If net capital inflows remain close to their reduced 1982 level, as suggested in the following subsection, merchandise imports of the non-oil developing countries could rise by some \$20 billion in 1983. After allowance for a 2 1/2 per cent rise in import prices expressed in U.S. dollars, this would mean about 2 1/2 per cent in volume. Such an increase would represent only an incomplete recovery from the 1981-82 decline, leaving the group's 1983 imports, in real terms, still slightly below their 1981 level.

b. Distribution of current account changes among regions and analytical subgroups.

Both the increase in the aggregate current account deficit of the non-oil developing countries from 1978 to 1981 and the projected decline from 1981 to 1983 show a somewhat disproportionate concentration among countries of the Western Hemisphere area that are members of the subgroups exporting either oil or manufactures. The Western Hemisphere region, which had accounted for only about one third of the aggregate deficit in 1978, was responsible for nearly half of its rapid growth from that year to 1981 and is expected to account for more than three fifths of the 1981-83 decline. Unduly liberal utilization of bank credit by several of the largest countries in the region, together with their delays in adapting policies to the impact of the recession, underlay the initial upsurge; and the strong adjustment programs now in progress in Mexico, Brazil, and Argentina will be the principal factors in the projected cutback. In the Asian and European regions, downward adjustments of current account deficits were already well under way in 1981, and the need for additional adjustment in 1983, especially in Asia, thus appears to be less pressing. The African countries, apart from South Africa (another large developing country whose current account deficit rose disproportionately from 1978 to 1981, but is now being very sharply reduced), are not expected to reduce their combined current account deficit very much. Their lack of access to private credit had prevented that deficit from rising very sharply in the 1979-81 period, and their generally

urgent need for imports means that they will continue to make full use of available financing, largely from official sources. Only in the Middle East is the regional deficit of non-oil developing countries expected to remain higher in 1982 and 1983 than in 1981.

In terms of the analytical subgroups of non-oil developing countries set forth in Table 8, the one expected to show the largest adjustment of its current account balance from 1981 to 1983 is that comprising the major exporters of manufactures. Among these are several of the larger developing countries now engaged in major stabilization programs. At the other end of the spectrum are the low-income countries, where current account deficits in relation to exports (Table 10) are typically quite large because of heavy dependence on official transfers and concessional loans for the financing of imports. Their pressing needs and inflows of official financing will tend to sustain their combined current account deficit (apart from China and India) close to its 1981 level. In this large subgroup, where purchasing power has been relatively weak for a number of years, the volume of imports implied by this projection would still be, on a per capita basis, some 15-20 per cent below the level of 1978.

c. Financing of the current account deficits

The financing pattern that supported the growth of current account deficits among the non-oil developing countries during the 1979-81 period exhibited two main features: first, the very sharp expansion in flows of credit from private financial institutions; and second, the virtual elimination of any net accumulation of reserves, which had absorbed substantial amounts of the foreign exchange accruing to these countries during the 1976-78 period (and, indeed, through 1979).

In 1982, the severity of the external financial constraint felt by non-oil developing countries was much greater than is suggested, on the surface, by that year's reduction of \$13 billion in their combined current account deficit. The aggregate of net inflows on capital account actually declined from 1981 to 1982 by nearly \$30 billion, chiefly because of the reduction in borrowing from commercial banks (Table 11). However, the concurrent reduction in the combined current account deficit was held down by a massive swing in reserve movements--from a combined accumulation of \$2 billion in 1981 to a drawdown of about \$11 billion in 1982--and a \$3 1/2 billion rise, to \$10 billion, in reserve-related official borrowing (mainly net use of Fund credit). Reliance on these sources of financing, while temporarily softening the cutback in flows of imported resources, tended to impair external liquidity positions and thus to make necessary the further reductions of current account deficits here projected for 1983.

The international commercial banking system played a major role (through short-term credit, as well as medium- and long-term loans) in financing the upsurge in current account deficits through 1981, and the slowdown in bank lending during 1982 (especially after mid-year) was a major factor in the adjustment of current account balances that has already taken place and is expected to be carried considerably further in 1983.

It is estimated that net bank lending to non-oil developing countries (including short-term credit) rose from about \$23 billion in 1978 to \$53 billion in 1981 (Table 11) and thus provided roughly half of the financing of the peak current account deficit in the latter year. The staff's best estimate at present is that this net bank lending was cut back to about \$25 billion in 1982 (substantially all in long-term form) for the non-oil developing countries as a whole. This would imply an increase of only 9 per cent in outstanding private bank credit to these countries, compared with an increase of 22 per cent in 1981 and increases averaging about 25 per cent annually over the previous six years. ^{1/}

For 1983, the staff is projecting net bank lending of some \$20-25 billion, divided rather differently between long-term and short-term components. Chiefly because of the rescheduling of Mexico's external debt, the inflow of long-term bank credit would be appreciably larger than in 1982, but would be partly offset by an unusually large outflow of short-term capital from banking sources. Altogether, the net flow of bank credit projected for 1983 would raise the outstanding liabilities of non-oil developing countries to foreign banks by some 7-8 per cent--less than one third of the average annual rate of growth prevailing during the 1975-81 period.

Assuming some net outflows of short-term capital other than bank credit, but also a moderate recovery of official development assistance and direct investment inflows to about their 1981 levels, and assuming little change in reserve-related borrowing (with further substantial growth in net use of Fund credit being offset by a contrary swing in other official borrowing for balance of payments support), the staff projects for 1983 a total inflow on capital account (including official transfers and reserve-related borrowing) virtually the same as in 1982--i.e., in the range of \$75-80 billion. However, as already suggested, this flow will not support a current account deficit as large as that of 1982. Many of the countries that used reserves during the past year to provide part of the financing of their current account deficits simply do not have reserves left to support a continuation of that means of financing; instead, efforts of some countries to rebuild depleted reserves are expected to outweigh any further reductions by other countries, and thus absorb a minor, but significant, portion of the projected 1983 capital inflow. (See Table 17.)

^{1/} Because of data gaps and inconsistencies among the various available sources of information on flows of credit to the non-oil developing countries from private banks elsewhere, any comprehensive estimate of such lending is necessarily highly tenuous. The figures cited here are based primarily on (i) balance of payments statistics of member countries (many of which do not provide adequate identification of foreign banks among creditors, especially for short-term loans); (ii) debt statistics of member countries, as reported to the World Bank (which are also deficient in coverage, especially with respect to short-term liabilities); and (iii) supplementary reference to data reported by banks in certain areas, as compiled by the Bank for International Settlements.

d. Features of the debt situation

This section notes briefly the main aspects of the external debt situation of the non-oil developing countries. It is based on the survey of external debt developments described in ID/83/2 and summarized here in Tables 14-16. These tables provide a good deal of new information, including breakdowns by analytic and regional subgroups, as well as coverage of short-term debt.

The current account developments and financing patterns discussed above have brought significant changes in the level, composition, and rate of growth of the external debt of the non-oil developing countries. Scaled in relation to exports of goods and services, the outstanding total of such debt (including China's) rose from 117 per cent at the end of 1981 to 131 per cent at the past year-end. The further debt expansion projected for 1983, however, would not quite keep pace with expected export growth, so that the corresponding ratio for the current year would slip back to 130 per cent.

The rate of growth in total external debt of the non-oil developing group in 1982, although much higher (at about 9 1/2 per cent) than that of export earnings during a period of global recession, was only about half as high as the debt expansion recorded for 1981, or of the average for the preceding six years. The slowdown was concentrated mainly in lending by international banks (as discussed above).

While the slowdown in growth of external debt since 1981 has been broadly based, it has been centered particularly in the Latin American region and in the analytical subgroups characterized by sizable exports of manufactures or of oil. The recent large and coordinated financial arrangements with Mexico and Brazil, involving the commercial banking community, the national authorities, and the Fund, offer a prospect of orderly readjustment of the external payments positions of these countries provided they implement their policy actions with determination. Nonetheless, many problems involving smaller developing countries remain, as attested by the recording of further payments arrears for more than 30 such countries during 1982, raising the aggregate of these arrears to an estimated \$20 billion. Multilateral debt reschedulings have been arranged or are currently under negotiation for 20 countries.

Despite the slower growth of debt in 1982 than in other recent years, debt service payments continued to rise sharply as a proportion of export earnings, reaching 24 per cent compared with 20 per cent in 1981. (See Table 16.) This increase reflected the downturn in export earnings, as well as the enlargement of outstanding debt and some further shortening of its average maturity, only partially offset by a small decline in average interest rates. Geographically, by far the highest average debt service ratios and the steepest increases of the past two years have been those of the Western Hemisphere region, reflecting its heavy reliance on borrowing in private markets during a period of very high interest rates. Although no other region approaches the Western Hemisphere in this respect, a number

of low-income countries, especially in Africa, are likely to encounter continuing difficulty in meeting their debt service obligations; for the African region, such obligations--apart from South Africa's--averaged 26 per cent of export earnings in 1982. The recent declines in interest rates will be moderately helpful to the Latin American and other countries relying heavily on market borrowing, but will ease only marginally the debt service burden of the low-income countries that obtain external financing mainly from official sources.

e. Medium-term outlook

The medium-term scenario analysis presented in the April 1982 World Economic Outlook has been reworked, according to the methodology described in Appendix A-2 of that report.

On the assumption that the policy stances of the industrial countries will be such as to bring about a further reduction of inflation and a resumption of moderate growth in world output and trade over the next several years, and on the further assumption that the non-oil developing countries themselves follow appropriate adjustment policies, the aggregate current account deficit of these countries could be expected to settle in the neighborhood of 16 per cent of their exports of goods and services in 1984-86 (Table 18)--substantially lower in relation to exports than in the past two years, and close to the average for the latter 1970s. These external balances would be associated with appreciably lower GDP growth rates for some subgroups of non-oil developing countries than were projected a year ago. The average 1984-86 growth rate for the net oil exporters is now projected at 5 per cent instead of 7 per cent (chiefly because of the lowering of Mexico's prospects), and the rate envisaged for the major exporters of manufactures has been scaled down to 4 per cent instead of 5 per cent. Expansion of output in the low-income countries (nearly half of whose GDP originates in agriculture and is thus less sensitive to external developments) is still projected to average about 3 1/2 per cent during the 1984-86 period, while the growth rate for the "other" net oil importers has been increased somewhat, to 5 per cent. The overall average projected for the whole group of non-oil developing countries is now about 4 1/2 per cent.

With the improvement of the global environment envisioned in the staff's Scenario A, including lower real interest rates as well as the other improvements mentioned above, the projected current account deficits should not, in the aggregate, pose serious financing problems. They would be consistent with an increase in net bank claims (long-term and short-term) on non-oil developing countries of 8 1/2 per cent per annum in the 1984-86 period. In comparison with the projections made last year, the annual rate of growth of net bank claims in this period is 1 1/2 percentage points less.

The overall decline in the debt/export ratio now projected to occur by 1986 is less than that projected in the April 1982 WEO publication, mainly because the prospects for export performance have been lowered.

However, the 1986 debt levels shown here are actually somewhat lower than those projected earlier, reflecting more rapid adjustment and a slower rate of growth in borrowing. Not included in the calculated debt ratios is indebtedness to the Fund, which is expected to increase.

Debt/export ratios for the low-income countries and the subgroup of "other" net oil importers (mainly countries whose exports consist chiefly of primary commodities) are projected to increase gradually after 1984, while those of the major exporters of manufactures would decline moderately and debt of the net oil exporting subgroup would change little in relation to its exports (Table 19). However, the ratio of interest payments to export earnings would show a marked improvement for all of the subgroups except the low-income countries (where it is now lowest because of the concessional element in their external debt). This projected improvement reflects the decline in market interest rates consistent with the economic conditions embodied in Scenario A, and would be of most benefit to the net oil exporters and the major exporters of manufactures because the bulk of their debt is owed to private creditors.

Amortization payments are projected to be somewhat lower (in relation to exports) in the 1984-86 period than in 1983 for all of the subgroups. However, this result depends primarily on the assumed average maturity of the debt, which is very difficult to assess in view of the uncertainties stemming from recent and prospective reschedulings of obligations. In some cases (e.g., Argentina and Brazil), significant declines in 1984 are expected to be followed by increases in 1985 and 1986 that would leave amortization payments still below 1983 levels. Beyond 1986, however, amortization payments are expected to increase substantially.

Whether the debt service projections in Scenario A pose a serious problem or not depends to a large extent on what happens beyond 1986. A deterioration of debt service ratios measured in terms of exports of goods and services is to be expected during a period of recession and slow recovery, and it need not cause undue concern if reversal is in prospect. With the improved global environment envisioned for the latter half of the 1980s in Scenario A, the projected current account deficits and implied debt burdens would not seem likely to prove unmanageable. A markedly less satisfactory course of the world economy, however, would lead to a different outcome. Lower growth in the industrial countries would have serious consequences for the trade and growth performance of the non-oil developing countries, as would a further cutback in lending to these countries by private banks.

A reduction of 1 per cent per annum in the average growth of the industrial countries over the period 1984-86, for example, is calculated to reduce the level of export earnings of non-oil developing countries by proportions ranging, among the various subgroups, from 7 1/2 per cent to 13 1/2 per cent; and it would reduce real GNP growth by an estimated 3/4 of 1 percentage point per annum for the major exporters of manufactures and 1/4 of 1 percentage point for the subgroup of "other" oil importers. No statistical basis has been found for imputing effects on

growth in the other two subgroups, but the low-income countries, which depend almost entirely on foreign exchange earnings and official financing to pay for imports, would almost certainly be affected domestically by the decline in their export earnings.

The effects of lower bank lending would depend on the size of the reduction and its distribution among the borrowing countries, as well as their reactions. By way of illustration, however, staff estimates suggest that a \$10 billion reduction in the annual rate of bank lending to the non-oil developing countries, plausibly distributed, would eventually reduce imports of these countries and exports of the industrial countries by a somewhat larger amount. After allowance for second-round and multiplier effects, the level of GNP in the industrial countries would be reduced by about one fourth of a percentage point. How the reduction in imports of the non-oil developing countries affected their economies would depend on their adjustment policies. If achieved solely by reducing economic activity, rather large declines in GDP, ranging from 2 per cent to 2 1/2 per cent for the various subgroups, would be implied. While this outcome would be unlikely, a significant impact on resources available for capital investment, and hence for growth, would be highly probable.

3. Smaller industrial countries

For a substantial majority of the 14 smaller industrial countries, current account deficits and accumulations of external debt have been long-standing features of the balance of payments. The debt survey presented in ID/83/2 notes that nine of the countries have traditionally recorded surpluses on capital account. Although none of these countries has encountered external financing problems as severe as those discussed in Section III-2, external debt has been growing rather rapidly during recent years in most of the smaller industrial countries covered by the staff survey. Except in Norway ^{1/} and in Australia, this growth has outpaced the concurrent increases in either GDP or export earnings. And in two of the countries where intensification of balance of payments pressures has been particularly evident (Denmark and Ireland), the estimated ratios of external debt to export earnings at the end of 1982 exceeded the average for non-oil developing countries.

In several of the smaller industrial countries, fiscal deficits too large for ready accommodation through domestic saving appear to have contributed importantly to the rise in external debt in recent years. Sweden's public sector budget deficit, for example, is estimated to have been equivalent to about 9 per cent of GDP in 1982 and is projected to exceed 10 per cent in 1983. Both directly, through support of nominal domestic demand, and indirectly, through its influence on monetary expansion and domestic

^{1/} Where external liabilities have declined since 1980 with the movement of the current account into surplus following completion of the country's main oil-producing facilities in the North Sea.

inflation, this fiscal imbalance is contributing to the external deficit on current account; and official foreign borrowing is expected to cover the latter deficit in its entirety, as well as a sizable share of the fiscal deficit. The imbalance in Belgium's public finances is currently even larger, with a 1982 public sector borrowing requirement estimated at some 19 per cent of GNP. This serious imbalance is imposing a heavy strain on domestic resources, tending to perpetuate a large current account deficit and giving rise to substantial foreign borrowing and a high and rising debt service burden.

Large fiscal deficits are also major factors in the current account deficits of Denmark and Ireland, both of which are being financed to an important extent through official borrowing abroad. Denmark's debt service ratio of 26 per cent is particularly high for an industrial country, and the stabilization program introduced by the Danish authorities in October 1982 was designed, inter alia, to reduce the current account deficit and thus restrain any further growth in the relative size of the external debt.

Among the industrial countries covered in the recent debt survey, a relatively high proportion of the debt outstanding is at the short end of the maturity spectrum. In three instances (Finland, Ireland, and Sweden), the most recent data available indicate that short-term obligations comprised more than one third of total external liabilities. This proportion is considerably greater than the average for non-oil developing countries (which is around 16 per cent). The difference reflects, inter alia, the relative openness of the industrialized economies and their ease of access to commercial credits.

Bank credit accounts for an important, but widely varying, share of the total external debt incurred by the smaller industrial countries. Among those under review here, the share of bank credit in the total at the end of 1981 ranged from less than one third for Norway to four fifths for Spain. In general, these proportions were considerably higher for the smaller industrial countries surveyed than for most of the other industrial countries. Much of the bank credit received by the smaller countries--some two fifths at the end of 1981--is of a short-term character.

4. Eastern European countries

Nonmember countries in Eastern Europe, 1/ whose current account deficit on convertible currency transactions rose in 1980 and 1981 after dipping somewhat in 1979, have continued to finance this deficit by borrowing substantial amounts from lenders in other countries, and especially from banks operating in the Euro-currency market. The outstanding indebtedness of these countries in convertible currencies rose by about \$6 billion per annum during the 1979-81 period, reaching an estimated \$74 billion by the end of 1981. Of that amount, about two thirds was

1/ Including Bulgaria, Czechoslovakia, the German Democratic Republic, Poland, and the U.S.S.R. (Member countries in Eastern Europe are included among the developing countries covered in Section III-2.)

owed to banks in the BIS reporting area, with more than half of the bank credit on maturities of less than two years. The mismatch in timing between these short maturities and the foreign currency earnings generated by credit-financed projects--which are typically spread over a number of years--has been an important factor making for pressures on the international liquidity positions of some of the Eastern European countries.

Although the latest reported annual increase in convertible-currency debt of the countries in this group was well under 10 per cent, the average rate of increase during the preceding six years had been about 25 per cent--a little higher than the average rate of growth in external debt of non-oil developing countries over the same period. For the Eastern European countries, the rise in debt had been particularly rapid during the 1974-76 period, when it had reflected not only the expansion of commercial credits associated with a surge in trade with Western Europe and North America, but also the financing of large industrial development projects. Some of these proved over-ambitious and did not generate foreign exchange as rapidly as expected--an outcome that contributed to the emergence during the latter 1970s of difficulties on the part of some Eastern European countries in meeting their convertible currency obligations. Moreover, because virtually all of the debt of these countries has been contracted on commercial terms, the rise in Euro-dollar interest rates in recent years has added greatly to borrowing costs.

Throughout the latter 1970s, problems in the management of cash flows in convertible currencies became increasingly severe, especially in Poland. By 1979, that country had accumulated external debt equivalent to more than three times its annual export earnings in convertible currencies, and its debt service ratio had risen above 90 per cent. The resultant pressures led Poland to seek during 1981 a rescheduling of amortization payments due to both private and official creditors; and a further rescheduling of payments on private debt was undertaken in 1982.

The slowdown in growth of bank lending to the Eastern European countries in 1981 was primarily a result of efforts by the international banking community to limit loan exposure to those countries. Convertible-currency debts of three countries in the group--Bulgaria, Czechoslovakia, and Poland--were reduced in absolute terms during the year, and preliminary data for the first half of 1982 (from banks in the BIS reporting area) indicate a continuation of that downward trend.

5. Oil exporting countries

As noted in Section I, the combined current account surplus of the oil exporting countries virtually disappeared in 1982. Several of these countries had to draw down reserves accumulated during the preceding three years, and some resorted to increased external borrowing. For the group as a whole, net borrowing was approximately doubled from 1981 to 1982, reaching about \$9 billion. ^{1/} Recourse to international financial

^{1/} On a consolidated basis--i.e., excluding loans from members of the oil exporting group to others within the group.

markets was rather limited, however, as the group's estimated net borrowing over the past year remained well below its 1978 peak of \$16 billion. Although there have been a few reports of payments arrears involving oil exporting countries, and the authorities of one or two countries may have encountered difficulty in contracting new loans, the external debt and financing problems of this group have generally been much less severe than the problems of many non-oil developing countries. However, with the outlook for the international oil market remaining highly uncertain, some of the oil exporters could experience increasing problems in 1983.

A factor tending to minimize the emergence of debt and debt-servicing problems within the main oil exporting group in 1982 was the concentration of the bulk of the shift in its combined current account surplus in countries that had had persistent surpluses during the previous decade and thus were in relatively good position to absorb an adverse swing. Substantial adjustments of domestic economic and financial policies also helped to contain the growth of external borrowing.

In addition, special factors played a role, particularly in some of the oil exporters with the largest external debts. A major part of Indonesia's debt, for example, is owed to governments and international development agencies, in forms that have involved only moderate escalation of debt-servicing costs. Algeria, which within this group has the highest ratio of debt-service payments to export earnings, has stabilized its total debt and minimized recourse to financial markets since 1979; its debt-service ratio is expected to decline in 1983 if projected increases in gas exports materialize. Venezuela has been subject to some strains because of its debt profile (encompassing a high proportion of short-term liabilities), but has recently been making new efforts to roll over and stretch out its maturing short-term debt.

IV. Topics for Discussion

Listed below are four topics that the staff feels may usefully serve as a basis for discussion by the Executive Directors. The first three of these have been treated in the main text of the paper. It is suggested that Executive Directors make a single intervention covering their remarks on whatever topics they decide to speak on.

1. Overview of recent developments and short-term prospects.--Commentary on this topic should perhaps be rather limited--confined to key features of the global situation or of the staff projections, with little (if any) attention to developments in individual countries.

2. Policies in the major industrial countries.--In its handling of this topic in Section II, the staff has endeavored to provide an adequate basis for discussion by first sketching recent and prospective developments

of policy significance in each of the seven major industrial countries, and then by presenting conclusions and recommendations bearing on judgments about the appropriateness of these policies. Many of the issues involved are complex and controversial. Executive Directors may wish to react to the views of the staff, which at the risk of oversimplification may be briefly recapitulated as follows:

--In Canada, France, and Italy, the prevailing conditions do not permit any relaxation of the anti-inflation stance of monetary and fiscal policies. A more complex question is whether there is room or need for shift toward a more expansionary stance of policy in the United States, Japan, Germany, and the United Kingdom. The transition to a disinflationary economy is "working" in these four countries. Substantial progress has been made in bringing down inflation. Monetary conditions have become easier, and interest rates have declined. Policies in all four countries are consistent with a resumption of economic growth during 1983, although the timing and extent of recovery are uncertain. In their use of monetary and fiscal policy instruments, these countries should continue to take judgmental advantage of their "room for maneuver," within an anti-inflation framework of policy, to support the level of activity or encourage recovery. But shifting to a more expansionary stance of policy would be inadvisable; it would be far too risky, if only because the progress made against inflation--and toward sustainable growth--still remains fragile. Of crucial importance in this regard is the need to avoid adverse effects on inflationary expectations and on confidence in the credibility of government policies.

--What happens to the projected economic recovery after 1983 will depend very much on the character of the policies pursued. In terms of the "central" scenario (Scenario A), the staff still expects that persistence with policies of monetary restraint, reinforced by compatible and supportive fiscal policies and by a certain effort to deal effectively with structural rigidities, would lead to a sustained, though moderate, economic recovery in 1984-86. The general outcome of this scenario cannot be described as very good, and the challenge facing national authorities (as touched on above) is how to do better. On the other hand, conditions in the medium term could be much worse than those depicted in Scenario A if national authorities were to fail to maintain coherent policy courses to deal with problems of inflation and structural adjustment.

3. External adjustment and financing.--Section III of the paper ranges widely over this topic. One issue on which Executive Directors may wish to focus is the general outlook for the external position of the non-oil developing countries. There seems to be a good chance that the adjustments of external positions that have already been made or initiated could bring the current account deficits of this group of countries into a broadly viable range--provided that the pace of economic activity in the industrial countries does not prove substantially slower than that projected by the staff, that further sharp curtailment of net flows of credit to the non-oil developing countries from private financial institutions does not occur, and that the adjustment programs already in place

operate reasonably well. Even on these assumptions, the need for additional adjustment will remain acute in numerous developing countries. However, there are also countries whose positions have already benefited from early adjustment measures and where some scope for resumption of moderate expansion in the use of real and financial resources from abroad seems to exist. Clearly, needs and capabilities among the non-oil developing countries with respect to adjustment of current account positions differ markedly. The role of the Fund in assisting and supporting a multicountry process of adjustment over the next few years--as depicted in medium-term Scenario A--could be crucial. Meanwhile, the size of the outstanding external indebtedness already incurred by the non-oil developing countries and the present high level of debt service payments associated with it pose serious problems for many countries in the group.

In this connection, a subject of particular interest is the situation with respect to commercial bank lending to non-oil developing countries. According to the present staff estimates, the rate of increase in outstanding bank loans to these countries declined from 22 per cent in 1981 to 9 per cent in 1982 and is projected at some 7-8 per cent for 1983. The corresponding rate envisaged for the medium term (1984-86 average under the conditions posited in the staff's Scenario A) is 8 1/2 per cent.

Two points implicit in these figures are noteworthy. (a) Although a major slowdown in bank lending to non-oil developing countries occurred in 1982, the adjustment was largely completed within that year, according to staff projections. (b) Estimates made prior to the 1982 Annual Meeting already foreshadowed a very marked slowdown in the aggregate bank lending to developing countries that would be required as their process of adjustment proceeded. The impact of recent international banking developments is most instructively indicated by comparison of the currently projected 1983 increase in bank credit to non-oil developing countries (7-8 per cent), not with the 22 per cent increase of 1981, but with the staff estimate of 12 per cent that was built into the WEO projections for the Interim Committee meeting in September 1982. With respect to the medium-term projections, the presently estimated annual rate of increase in bank lending to non-oil LDCs for 1984-86 is only 1 1/2 percentage points below the comparable average of 10 per cent included in the scenario analysis published in the April 1982 World Economic Outlook.

Executive Directors may wish to address another important aspect of external financing in the non-oil developing countries. In Section III-2, emphasis has been placed on (a) the massive use of reserves and reserve-related borrowing in 1982 to compensate for part of the shortfall in net capital inflows, and (b) the probability that lack of scope in many countries for further drawdowns of reserves, and need for rebuilding in some cases, will require a substantial downward adjustment of the combined current account deficit of this group of countries in 1983. It may be noted that the modest rebuilding of reserves projected by the staff for

1983 would fall \$3 billion short of restoring the end-1979 level of reserves in terms of their absolute U.S. dollar value, and would leave the reserve/import ratio still 7 percentage points lower than in 1979 and 3 1/2 percentage points lower than in the recession year 1975. (See Table 17.)

4. International cooperation.--Several aspects of this topic may be distinguished. One concerns the need to preserve a liberal international environment for trade and payments. In discussing this aspect, Executive Directors may wish to refer to the accompanying appendix note on trade policy developments.

Second, there is the question of how far policies in the major industrial countries might be "coordinated". In light of prior experience, the staff believes that attempts at detailed ex ante policy coordination are not likely to be very successful. On the other hand, the staff would strongly endorse what might be termed international "harmonization", or "concertation"--involving the independent pursuit of sound policies in each country, but with the important qualification that these policies should be assessed in light of international discussions of their probable interactions and mutual compatibility. The Board discussion of "World Economic Outlook--Main Issues" (ID/82/1) last April represented an exercise in the area of harmonization, and the staff believes that this type of effort warrants greater emphasis. Executive Directors may wish to react to this view.

Third, there is the role of the Fund. Recent programs of balance of payments adjustment and financing constitute something of a new departure, not so much because of the large sums that are involved and the promptness with which arrangements have been established (both of which are very important), but because of the more active role taken by the Fund in arranging financing from private sources. Executive Directors may care to give their preliminary views on the significance and future implications of this innovation, particularly as it bears on (i) the Fund's future relationships with commercial banks and (ii) the need for a timely and adequate increase in Fund quotas.

Trade Policy Developments

Last year's WEO papers noted that protectionist pressures and trade frictions among major trading nations had become more acute since the cyclical downturn of 1980. Subsequently, the Executive Directors held a further discussion on developments in international trade policy in September 1982 on the basis of a staff paper prepared for this purpose (SM/82/136, and Supplements 1 and 2). ^{1/} During the discussion, Directors expressed concern that the system of open trade had been eroded in a number of ways in both the industrial and agricultural sectors, and stressed that protectionism impeded structural adjustment, endangering efficient producers in industrial and developing countries. (See the Chairman's summing up in Buff 82/170.) In line with the conclusions of that discussion, the staff in its conduct of Article IV consultations, particularly with the larger trading nations whose trade policies have an especially important bearing on world trade, intends to include analysis of trade policy in the context of its overall appraisal (Buff 82/229). In addition, the staff is in touch with GATT officials in order to examine possible modalities of intensified Fund-GATT collaboration in the light of the Board discussion at EBM/82/123.

The rise in pressures for protection in the major trading nations has been in evidence for some years. Only in the past year, however, has it become evident that national perceptions about the appropriate policy response have shifted so far away from the traditionally liberal attitudes as to give rise to concern about the future direction of international trade policy. Three elements underlie this shift in attitudes. First, in the industrial countries as a group there appears to be more widespread acceptance of government intervention, particularly in the form of support for industry, as a solution to current economic difficulties. Second, in recent months policymakers appear to have been increasingly perceptive to the notion that the traditional stance of trade policy should be modified in accordance with the perceived "fairness" or "unfairness" of trade actions of trading partners. And finally, several major decisions and measures in the trade field have been based on the premise--implicit or explicit--that pressures for protection of sensitive economic sectors will, unless defused through bilateral arrangements or restrictions, inevitably lead to unilateral trade restrictions applied through legislative action.

Trade policy developments in the past six months have reflected these attitudes and concerns. In many countries, there has been further

^{1/} The paper was subsequently published as Fund Occasional Paper No. 16.

slippage into restrictive trade policies. ^{1/} In the industrial countries, such actions often form part of policies ostensibly aimed at preserving employment or profitability in import-competing or export sectors, while in some developing countries measures to restrict imports or current payments and to promote exports through subsidies have been motivated by balance of payments reasons. The balance of payments-induced restrictions of the latter group are being assessed in the context of the financial programs that several developing countries have implemented recently. In contrast, the trade restrictions in industrial countries have their origin in cyclical difficulties as well as in long-standing structural problems affecting key economic sectors.

The recent developments pose a threat of proliferation of trade restrictions, with potentially severe consequences for the liberal international trading order. The record of the past three years makes it clear that, in the face of intense protectionist pressures, governments of most industrial countries have rarely been able to adopt a "do nothing" attitude, particularly when existing government support programs for some industries or sectors encourage other sectors to demand similar assistance. Programs to rationalize and modernize traditional industries have, on the whole, not achieved the degree of success that would permit a relaxation of long-standing trade restrictions. In addition, attempts to apply the "fairness" principle in trade policy have shifted the debate away from liberalism versus protectionism, and toward a search for bilateral solutions likely to be accepted as "fair" by the foreign and domestic interest groups affected. As a result, most new trade restrictions are bilateral and sector-specific, and other similar solutions are being considered or implemented, as exemplified by proposals on local content requirements and disposal of subsidized agricultural surpluses under discussion in the United States, and the administrative measures adopted in France to slow certain imports.

Against the background of intensifying protectionist pressures and threats of erosion of multilateral discipline in international trade, in November 1982 the GATT held a ministerial-level meeting--the first since

^{1/} The main trade restrictions introduced in the major industrial countries since July 1982 include (1) an agreement limiting, until the end of 1985, the European Community's exports of steel to the United States to 5.75 per cent of the U.S. market; (2) extension of a bilateral restraint agreement on Japanese automobile exports to Canada; (3) agreements by the European Community with Thailand, Indonesia, and Brazil, limiting their exports of manioc to the Community; (4) voluntary export restraint agreements on meat concluded until the end of 1983 by the United States with Australia, Canada, and New Zealand to avoid the imposition of formal import quotas; and (5) administrative means adopted in France to slow certain imports. In addition, most of the trade measures of recent origin described in Fund Occasional Paper No. 16 remain in effect.

the 1973 meeting that launched the Tokyo Round of trade negotiations. 1/ In it, the Ministers recognized that "protectionist pressures on governments have multiplied, disregard of GATT disciplines has increased, and certain shortcomings of the GATT system have been accentuated," and they resolved to overcome these threats to the system. A key element of the declaration is the undertaking by contracting parties "to make determined efforts to ensure that trade policies and measures are consistent with GATT principles and rules, and to resist protectionist pressures in the formulation of national trade policy and in proposing legislation." Ministers also undertook "to refrain from taking or maintaining any measures which would limit or distort international trade." In addition, a detailed work program to be pursued under GATT auspices was agreed.

Given the difficult economic situation and the scope and intensity of protectionist pressures, the unanimous reaffirmation of support for an open, multilateral trading system contained in the declaration, while falling short of a specific commitment to liberalize trade, represents a welcome first step in the battle against protectionism. In the staff's view, the need now is to give substance to the principles emphasized at the GATT Ministerial meeting, through concrete action at least to roll back the protectionist measures of recent years, so as to lay the basis for renewed trade liberalization in the future.

1/ The staff report on the proceedings of the meeting, and the ministerial declaration, are contained in SM/82/234 (12/16/82).

Table 1. Industrial Countries: Changes in Output and Prices, 1963-83 ^{1/}
(In per cent)

	Average 1963-72 ^{2/}	Change from Preceding Year											Memo: 1st Half 1983 to 2nd Half 1983 ^{3/}
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	
<u>Real GNP</u>													
Canada	5.5	7.6	3.6	1.2	5.5	2.1	3.6	2.9	0.5	3.1	-4.9	0.9	2.5
United States	4.0	5.8	-0.6	-1.2	5.4	5.5	5.0	2.8	-0.4	1.9	-1.8	1.6	2.9
Japan	9.8	8.8	-1.2	2.4	5.3	5.3	5.1	5.2	4.2	2.9	3.0	3.0	3.9
France ^{4/}	5.5	5.4	3.2	0.2	5.2	3.1	3.8	3.3	1.1	0.4	1.4	0.4	1.9
Germany, Fed. Rep. of	4.5	4.9	0.4	-1.8	5.3	2.8	3.6	4.0	1.8	-0.2	-1.2	-0.3	2.4
Italy ^{4/}	4.6	7.0	4.1	-3.6	5.9	1.9	2.7	4.9	3.9	-0.2	0.4	0.9	2.3
United Kingdom ^{4/}	3.0	7.2	-1.9	-1.1	2.8	2.2	3.7	2.0	-2.1	-2.2	0.6	1.0	2.5
Other industrial countries ^{5/}	5.0	5.5	3.4	-0.2	3.6	2.4	2.1	3.0	2.0	0.5	0.2	0.5	1.7
All industrial countries	4.7	6.2	0.5	-0.6	5.0	4.0	4.1	3.4	1.2	1.2	-0.3	1.3	2.6
Of which:													
Seven larger coun- tries above	4.7	6.3	0.1	-0.6	5.2	4.3	4.5	3.5	1.0	1.3	-0.4	1.4	2.8
European countries	4.5	5.8	2.0	-1.2	4.5	2.7	3.0	3.4	1.5	-0.3	0.2	0.5	2.1
<u>GNP deflator</u>													
Canada	3.6	9.1	15.3	10.8	9.5	7.1	6.5	10.3	11.0	10.1	10.4	7.0	6.3
United States	3.5	5.7	8.7	9.3	5.2	5.8	7.4	8.7	9.3	9.4	6.0	4.6	4.2
Japan	5.5	11.9	20.6	7.8	6.4	5.7	4.6	2.6	3.0	2.9	2.4	2.7	3.3
France ^{4/}	4.8	7.8	11.1	13.4	9.9	9.0	9.5	10.3	11.8	12.0	12.5	9.0	7.5
Germany, Fed. Rep. of	4.0	6.0	6.9	6.7	3.3	3.8	4.2	4.1	4.4	4.2	4.4	4.0	3.4
Italy ^{4/}	5.0	11.6	18.5	17.5	18.0	19.5	13.9	15.9	20.7	17.6	17.1	17.2	17.6
United Kingdom ^{4/}	5.3	7.0	15.0	26.9	14.6	14.0	11.0	15.0	19.2	12.1	8.3	5.6	4.8
Other industrial countries ^{5/}	5.4	9.4	12.2	13.3	10.5	9.8	9.2	8.0	8.8	9.1	9.6	8.8	8.4
All industrial countries	4.2	7.5	11.7	11.1	7.6	7.6	7.6	8.0	9.1	8.6	7.2	6.0	5.6
Of which:													
Seven larger coun- tries above	4.0	7.3	11.6	10.7	7.1	7.1	7.3	8.0	9.1	8.5	6.8	5.5	5.1
European countries	4.9	8.2	11.7	13.8	9.8	9.7	8.9	9.1	10.7	9.7	9.4	8.1	7.6

^{1/} Composites for the country groups are averages of percentage changes for individual countries weighted by the average U.S. dollar value of their respective GNPs over the previous three years.

^{2/} Compound annual rates of change.

^{3/} Seasonally adjusted annual rates.

^{4/} GDP at market prices.

^{5/} Comprise Australia, Austria, Belgium, Denmark, Finland, Iceland, Ireland, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, and Switzerland.

Table 2. Developing Countries: Changes in Output, 1968-83 ^{1/}
(In per cent)

	Average 1968-72 ^{2/}	Change From Preceding Year										
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Oil exporting countries ^{3/}	9.0	10.7	8.0	-0.3	12.3	6.1	2.0	3.1	-2.3	-4.3	-4.7	4.5
Oil sector	...	13.2	-1.0	-11.1	13.5	1.9	-4.2	3.3	-12.1	-15.2	-16.8	5.2
Other sectors	...	9.7	12.3	12.4	11.3	9.1	6.0	3.0	4.9	5.0	4.0	4.2
Non-oil developing countries												
Weighted average ^{4/}	...	...	...	...	...	5.6	6.4	5.0	4.9	2.8	1.8	2.4
Excluding China	6.0	6.1	5.4	4.1	6.1	5.1	5.4	4.7	4.3	2.7	1.3	2.0
Median	4.9	4.6	5.7	4.1	5.4	5.0	5.4	4.4	3.4	3.2	2.4	3.0
By analytical group												
Weighted averages ^{4/}												
Net oil exporters ^{5/}	7.0	8.3	6.5	6.2	6.7	3.5	6.2	7.3	7.3	6.4	2.4	1.5
Net oil importers	...	...	...	...	...	5.9	6.4	4.6	4.5	2.2	1.7	2.6
Excluding China	5.8	5.7	5.2	3.7	6.0	5.5	5.3	4.2	3.8	2.0	1.0	2.1
Major exporters of manufactures ^{6/}	8.0	9.5	6.5	3.4	6.7	5.6	4.9	6.4	4.5	0.4	0.4	0.4
Low-income countries ^{7/}	...	...	...	...	...	6.5	8.7	3.2	5.4	3.8	4.0	5.0
Excluding China	3.4	2.1	3.0	5.4	4.8	5.2	5.7	-0.3	3.1	4.7	3.1	5.1
Other net oil importers ^{8/}	5.4	3.8	5.5	2.5	6.0	5.3	5.5	3.6	3.1	3.1	0.7	3.2
Medians												
Net oil exporters ^{5/}	5.4	6.4	7.7	6.1	8.0	4.9	6.6	5.1	4.9	4.4	2.6	3.5
Net oil importers	4.7	4.1	5.5	3.8	5.0	5.0	5.3	4.4	2.8	3.0	2.1	3.0
Major exporters of manufactures ^{6/}	8.6	11.2	6.2	3.8	6.9	6.4	6.7	6.8	4.9	4.2	2.5	2.9
Low-income countries ^{7/}	3.9	1.6	5.1	3.1	4.9	3.7	4.6	4.0	1.7	3.0	2.7	3.0
Other net oil importers ^{8/}	5.0	4.7	5.7	4.7	4.9	5.5	6.1	4.8	2.9	2.6	2.0	2.6
By area												
Weighted averages ^{4/}												
Africa	4.8	3.0	6.6	2.6	4.2	1.8	2.0	2.5	4.4	2.9	1.3	1.4
Asia	...	...	...	...	...	7.1	9.6	4.6	5.1	4.8	4.1	5.3
Excluding China	4.5	5.0	3.9	5.7	7.7	6.6	8.1	3.1	3.3	6.0	3.6	5.5
Europe	6.0	5.6	4.1	4.4	7.1	5.2	5.4	4.1	1.6	2.2	2.3	1.5
Middle East	7.5	4.9	4.6	4.6	4.3	6.3	6.8	4.5	6.7	4.2	2.5	5.4
Western Hemisphere	7.6	8.4	6.9	3.2	5.5	5.0	4.5	6.7	5.9	0.5	-0.7	-0.3
Medians												
Africa	4.2	2.5	5.5	3.6	5.3	3.5	3.5	4.0	2.4	3.0	3.0	3.4
Asia	4.8	5.3	5.7	4.1	4.9	5.8	6.7	6.1	5.4	5.4	3.8	4.5
Europe	6.6	5.4	5.8	5.7	7.3	6.5	6.7	5.7	2.6	2.2	2.3	0.6
Middle East	6.4	4.9	6.3	7.4	9.6	5.6	8.2	4.5	5.3	4.8	3.5	4.7
Western Hemisphere	5.0	5.0	5.7	3.8	4.6	5.3	6.5	4.7	3.5	2.0	0.0	2.0

^{1/} Data in this table cover all Fund members except those listed in Table 1, together with a few territories for which balance of payments statistics are readily available. The main groups of "oil exporting countries" and "non-oil developing countries", as well as each of the regional subgroups of non-oil developing countries, conform to the classification used in International Financial Statistics.

^{2/} Compound annual rates of change.

^{3/} This group comprises only countries meeting both of the following criteria (applied at present to 1977-79 averages): that oil exports (net of any imports of crude oil) account for at least two thirds of the country's total exports; and that such net exports are at least 100 million barrels a year (roughly equivalent to 1 per cent of annual world exports of oil).

^{4/} Arithmetic averages of country growth rates weighted by the average U.S. dollar value of GDPs over the previous three years.

^{5/} Comprise Bahrain, Bolivia, People's Republic of the Congo, Ecuador, Egypt, Gabon, Malaysia, Mexico, Peru, the Syrian Arab Republic, Trinidad and Tobago, and Tunisia. Although these countries export more oil than they import, none of them satisfies both of the criteria mentioned in footnote 3.

^{6/} Include Argentina, Brazil, Greece, Hong Kong, Israel, Korea, Portugal, Singapore, South Africa and Yugoslavia.

^{7/} Comprise 42 countries whose per capita GDP, as estimated by the World Bank, did not exceed the equivalent of US\$350 in 1978.

^{8/} Middle-income countries that, in general, export mainly primary commodities.

Table 3. Developing Countries: Changes in Consumer Prices, 1968-83 ^{1/}
(In per cent)

	Average	Change from Preceding Year										
	1968-72 ^{2/}	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Oil exporting countries												
Weighted average ^{3/}	8.0	11.3	17.0	18.8	16.8	15.5	9.8	10.9	12.7	12.9	10.0	9.5
Non-oil developing countries												
Weighted average ^{3/}	...	...	...	...	...	22.8	20.0	24.7	32.2	31.3	35.5	31.6
Excluding China	9.1	22.1	28.6	27.4	27.5	26.8	23.7	29.0	37.0	37.1	41.9	37.0
Median	4.2	10.4	18.4	14.6	9.6	11.2	9.2	12.0	15.1	13.4	11.8	10.0
By analytical group												
Weighted averages ^{3/}												
Net oil exporters	4.1	11.1	20.6	14.6	14.9	22.8	17.7	17.7	24.2	24.4	60.9	40.1
Net oil importers	...	...	...	...	...	22.8	20.4	25.8	33.4	32.5	31.5	30.1
Excluding China	10.0	24.1	30.1	29.8	30.0	27.6	24.9	31.2	39.4	39.6	38.3	36.3
Major exporters of manufactures	14.1	21.3	24.9	40.1	55.7	40.6	37.4	44.9	54.2	62.2	62.6	58.4
Low-income countries	...	...	...	...	...	6.8	3.8	6.6	11.9	8.9	7.4	6.8
Excluding China	6.5	21.9	29.7	13.6	-0.3	10.7	6.7	11.1	16.4	15.8	13.1	11.5
Other net oil importers	8.4	31.8	40.3	29.0	19.7	20.4	19.3	24.7	32.8	20.5	17.4	18.9
Medians												
Net oil exporters	3.8	11.2	18.7	15.5	10.5	12.3	10.6	9.0	15.1	14.6	15.0	13.5
Net oil importers	4.2	10.3	18.4	14.4	9.5	10.6	9.0	12.2	15.1	13.3	10.5	10.0
Major exporters of manufactures	7.6	18.2	24.3	15.2	13.3	12.2	14.4	19.0	24.9	23.3	20.4	19.3
Low-income countries	4.3	10.0	17.4	18.1	8.3	9.6	9.1	9.9	15.0	13.5	12.0	11.0
Other net oil importers	3.9	10.6	18.4	14.4	9.5	10.6	9.0	12.2	15.1	13.3	10.5	10.0
By area												
Weighted averages ^{3/}												
Africa	4.6	9.7	15.0	15.0	14.4	19.2	15.5	18.9	19.9	22.1	18.5	21.1
Asia	...	...	...	...	...	5.4	3.8	6.6	12.7	9.8	5.6	5.8
Excluding China	6.5	21.5	30.1	11.4	0.2	7.2	5.8	9.7	16.1	14.7	7.9	8.0
Europe	6.1	12.7	17.5	14.7	12.5	16.1	21.1	27.5	40.5	26.1	25.7	18.3
Middle East	4.3	12.1	22.2	21.6	19.1	19.6	21.1	25.9	42.4	34.7	38.4	35.1
Western Hemisphere	15.3	32.1	37.5	52.0	66.1	51.2	42.4	49.6	58.3	65.5	86.3	73.8
Medians												
Africa	4.2	9.3	15.5	15.5	9.7	12.0	10.1	11.7	13.6	13.0	14.1	12.0
Asia	3.8	14.0	23.1	8.8	5.9	5.0	6.1	7.9	15.0	13.0	8.0	7.5
Europe	3.8	12.9	17.3	11.1	8.3	11.1	9.9	14.3	16.2	15.7	19.6	14.2
Middle East	4.4	17.1	22.2	14.1	13.9	14.3	12.0	14.0	15.2	11.2	11.8	13.0
Western Hemisphere	4.3	12.9	23.3	17.0	9.7	11.5	10.2	15.6	18.1	14.8	9.4	9.0

^{1/} For classification of countries in groups shown here, see Table 2.

^{2/} Compound annual rates of change.

^{3/} Geometric averages of country indices, weighted by the average U.S. dollar value of GDPs over the previous three years.

Table 4. Major Industrial Countries: Employment and Unemployment, 1963-83 ^{1/}

(In per cent)

	Average 1963-72	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Growth in employment</u>												
Canada	3.0	5.0	4.2	1.7	2.1	1.8	3.3	4.0	2.8	2.6	-3.0	-0.3
United States	2.1	3.5	2.0	-1.1	3.4	3.7	4.4	2.9	0.5	1.1	-0.9	0.3
Japan	1.2	2.6	-0.4	-0.3	0.9	1.3	1.2	1.3	1.0	0.8	0.4	1.0
France	0.8	1.3	0.7	-1.2	0.6	0.8	0.4	-0.1	0.1	-0.6	-0.3	-0.2
Germany, Fed. Rep. of	0.6	0.6	-1.8	-3.5	-0.5	0.3	1.1	1.8	1.3	-0.5	-2.0	-1.2
Italy	-0.7	1.0	2.1	0.6	0.7	1.0	0.5	1.1	1.5	0.4	--	0.5
United Kingdom	-0.1	2.2	0.5	-0.6	-0.6	0.3	0.7	0.4	-2.6	-5.3	-2.9	-1.5
All seven countries	1.2	2.5	0.9	-0.8	1.6	2.0	2.6	2.0	0.6	0.2	-0.9	--
<u>Unemployment rates</u>												
Canada	4.7	5.5	5.3	6.9	7.1	8.1	8.4	7.5	7.5	7.6	10.9	12.9
United States	4.7	4.9	5.6	8.5	7.7	7.0	6.1	5.9	7.2	7.6	9.6	10.4
Japan	1.2	1.3	1.4	1.9	2.0	2.0	2.2	2.1	2.0	2.2	2.4	2.2
France	1.9	2.6	2.8	4.1	4.4	4.7	5.2	5.9	6.3	7.3	8.5	9.5
Germany, Fed. Rep. of	0.9	1.0	2.2	4.1	4.1	4.0	3.8	3.3	3.4	4.9	6.9	8.3
Italy ^{2/}	5.4	6.4	5.4	5.9	6.7	7.2	7.2	7.7	7.6	8.4	9.5	10.0
United Kingdom	2.4	2.6	2.6	3.9	5.3	5.8	5.7	5.4	6.9	10.7	12.4	13.4
All seven countries ^{3/}	3.2	3.4	3.8	5.5	5.4	5.4	5.1	5.0	5.7	6.5	8.0	8.7

^{1/} The figures in the table are not comparable among countries since they are based on the differing labor force definitions and concepts used by the respective national statistical agencies.

^{2/} Figures for 1963 to 1976 have been adjusted to allow for a discontinuity in Italian labor force statistics.

^{3/} National unemployment rates weighted by labor force in the respective countries.

Table 5. World Trade Summary, 1963-83 ^{1/}

(Percentage changes)

	Average	Change from Preceding Year										
	1963-72 ^{2/}	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^{3/}	1983 ^{3/}
World trade ^{4/}												
Volume	8.5	12.5	4.0	-4.5	11.5	4.5	5.0	6.5	1.5	--	-1.5	3.0
Unit value (in U.S. dollar terms)	3.0	22.5	40.0	10.0	1.5	9.0	10.5	18.5	20.0	-1.5	-4.0	2.0
(in SDR terms) ^{5/}	2.0	11.5	38.5	9.0	7.0	7.5	3.0	15.0	19.0	9.0	2.5	3.0
Volume of trade												
Exports												
Industrial countries	9.0	13.2	7.1	-4.5	10.7	5.3	6.1	6.7	4.6	2.5	-1.5	1.5
Developing countries												
Oil exporting countries	9.1	14.8	-1.6	-11.7	14.3	0.4	-4.3	2.8	-12.3	-15.8	-18.0	6.5
Non-oil developing countries	6.7	9.3	-0.1	-0.4	11.2	4.8	9.2	8.9	8.8	7.2	3.5	6.5
Imports												
Industrial countries	9.0	12.1	0.5	-8.0	13.7	4.4	5.3	8.7	-1.5	-2.5	--	3.0
Developing countries												
Oil exporting countries	8.3	20.3	38.5	41.4	20.6	16.0	4.8	-12.3	15.2	19.9	5.0	1.5
Non-oil developing countries	6.2	11.4	7.4	-4.1	4.2	7.3	8.6	10.3	4.4	1.8	-4.0	2.5
Unit value of trade (in SDR terms) ^{5/}												
Exports												
Industrial countries	2.1	9.8	23.7	10.7	5.5	6.5	5.3	12.1	11.9	6.1	3.0	3.5
Developing countries												
Oil exporting countries	2.6	25.7	204.4	4.3	11.8	8.6	-6.0	42.6	57.3	20.4	2.5	1.0
Non-oil developing countries	1.2	20.0	37.0	-1.2	12.3	12.7	-1.6	14.1	15.1	9.3	-0.5	3.5
Imports												
Industrial countries	1.8	11.7	40.6	8.0	6.6	7.7	2.4	14.8	21.3	7.2	1.5	3.0
Developing countries												
Oil exporting countries	2.1	12.5	26.9	9.9	5.7	7.7	4.9	10.5	11.2	8.7	3.0	3.5
Non-oil developing countries	1.1	14.1	45.9	8.0	6.0	6.5	2.2	14.4	22.7	13.7	3.0	3.5

^{1/} For classification of countries in groups shown here, see Tables 1 and 2. Excludes data for the People's Republic of China prior to 1978.

^{2/} Compound annual rates of change.

^{3/} Figures are rounded to the nearest 0.5 per cent.

^{4/} Averages based on data for the three groups of countries shown separately below and on partly estimated data for other countries (mainly, the Union of Soviet Socialist Republics and other nonmember countries of Eastern Europe and, for years prior to 1978, the People's Republic of China). Figures are rounded to the nearest 0.5 per cent.

^{5/} For years prior to 1970, an imputed value of US\$1.00 has been assigned to the SDR.

Table 6. Summary of Terms of Trade and World Prices, 1963-83 ^{1/}

(Percentage changes)

	Average	Change from Preceding Year										
	1963-72 ^{2/}	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^{3/}	1983 ^{3/}
<u>Terms of trade</u>												
Industrial countries	0.3	-1.6	-12.0	2.4	-1.0	-1.1	2.8	-2.4	-7.8	-1.1	1.5	0.5
Developing countries												
Oil exporting countries	0.5	11.8	140.0	-5.1	5.8	0.8	-10.4	29.1	41.5	10.8	-1.0	-2.0
Non-oil developing countries	0.3	5.2	-6.1	-8.5	5.9	5.9	-3.7	-0.3	-6.2	-3.9	-3.5	--
Net oil exporters	-0.2	15.4	15.7	-14.1	8.1	6.1	-3.0	16.8	6.6	-6.3	-8.0	-1.0
Net oil importers	0.5	3.8	-9.0	-7.6	5.6	5.8	-3.8	-3.0	-8.5	-3.4	-2.5	--
Major exporters of manufactures	0.7	2.2	-9.4	-6.0	5.3	3.2	-1.7	-3.6	-7.7	-2.7	-1.0	0.5
Low-income countries ^{4/}	-0.2	6.8	-6.4	-16.6	15.0	16.7	-8.7	-1.8	-13.0	-10.8	-3.5	--
Other net oil importers	0.3	6.5	-8.1	-7.6	4.5	5.8	-4.7	-2.0	-9.9	-4.7	-6.0	--
<u>World trade prices (in U.S. dollar terms) for major commodity groups ^{5/}</u>												
Manufactures	3.0	17.7	21.8	12.3	--	9.0	14.7	14.5	11.0	-5.0	-3.0	2.0
Oil	3.0	40.0	225.8	5.1	6.3	9.3	0.1	48.7	62.0	10.1	-4.5	-0.5
Non-oil primary commodities (market prices)	2.5	53.2	28.0	-18.2	13.3	20.7	-4.7	16.5	9.7	-14.8	-12.0	3.0

^{1/} Based on foreign trade unit values except where indicated. For classification of countries in groups shown here, see Tables 1 and 2. Excludes data for the People's Republic of China prior to 1978.

^{2/} Compound annual rates of change.

^{3/} Figures are rounded to the nearest 0.5 per cent.

^{4/} Excluding China and India.

^{5/} As represented, respectively, by (a) the United Nations' export unit value index for the manufactures of the developed countries; (b) the oil export unit values of the oil exporting countries; and (c) the International Financial Statistics index of market quotations for non-oil primary commodities.

Table 7. World Payments Balances on Current Account, 1973-83 ^{1/}

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Industrial countries ^{2/}	20	-11	20	--	-3	34	-6	-41	-1	-4	-10
Developing countries ^{3/}											
Oil exporting countries	7	68	35	40	30	2	69	114	65	1	3
Non-oil developing countries	-11	-37	-46	-31	-29	-41	-61	-89	-103	-90	-70
Subtotal	16	20	9	9	-2	-5	2	-16	-39	-93	-77
Other countries ^{4/}	--	-4	-13	-16	-8	-10	-6	-5	-6	--	--
Total	16	16	-4	-7	-10	-15	-4	-21	-45	-93	-77
Total asymmetry above, by selected categories:											
Trade balance asymmetry	16	21	9	9	11	6	23	25	25	-12	--
Of which:											
Timing asymmetry on trade ^{5/}	12	16	1	12	9	12	30	12	-4	-11	5
Residual asymmetry on trade	4	5	8	-3	2	-6	-7	13	29	-1	-5
Asymmetry on account of services and private transfers	--	-5	-13	-16	-21	-21	-27	-46	-70	-81	-77
Of which:											
Transportation and travel ^{6/}	-8	-12	-14	-16	-16	-22	-25	-31	-32	...	...
Investment income ^{6/}	3	4	--	--	-6	-3	--	-12	-26	...	...
Other services ^{6/7/}	5	2	--	-3	-4	-2	-10	-13	-22	...	...
Private transfers ^{6/}	--	1	1	3	5	6	8	10	10	...	...

^{1/} Goods, services, and private transfers.

^{2/} For country classification, see Table 1.

^{3/} For classification of countries in groups shown here, see Table 2.

^{4/} This group comprises a number of countries outside the Fund membership, the most important of which are the Union of Soviet Socialist Republics and other non-member countries of Eastern Europe. The figures are rough estimates based on incomplete information.

^{5/} Fund staff estimates of the difference between the beginning-of-year and end-of-year "float," that is, the value of those exports which have not yet been recorded as imports (usually because the goods are in transit or because of delays in the processing of the documentation). The estimates should be viewed only as orders of magnitude.

^{6/} Figures are based on information from the Balance of Payments Statistics yearbook.

^{7/} Includes an allowance for the difference in geographic coverage between the World Economic Outlook and Balance of Payments Statistics yearbook estimates.

Table 8. Summary of Payments Balances on Current Account, 1973-83 ^{1/}

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^{2/}	1983 ^{2/}
<u>Industrial countries</u>	20.3	-11.0	19.7	0.3	-2.6	33.7	-5.8	-40.6	-1.0	-4.0	-10.0
Canada	--	-1.6	-4.6	-4.0	-4.0	-4.0	-4.3	-1.2	-4.8	1.5	2.5
United States	9.1	7.6	21.2	7.5	-11.3	-11.6	3.1	6.2	9.0	0.5	-24.5
Japan	0.1	-4.5	-0.4	3.9	11.1	18.0	-8.0	-9.5	6.2	7.5	13.0
France	2.1	-2.8	3.8	-2.4	1.0	8.5	6.9	-2.4	-2.8	-10.0	-7.0
Germany, Fed. Rep. of	7.0	13.0	7.6	7.7	8.5	13.4	0.1	-8.8	-0.7	7.0	13.0
Italy	-2.2	-7.6	-0.2	-2.6	3.1	7.9	6.4	-9.5	-7.5	-6.0	-4.5
United Kingdom	-1.3	-6.9	-2.6	-0.1	1.9	5.2	2.5	10.9	15.6	9.5	4.0
Other industrial countries	5.5	-8.2	-5.2	-9.7	-12.8	-3.7	-12.6	-26.3	-16.1	-14.0	-7.0
<u>Developing countries</u>											
Oil exporting countries	6.7	68.3	35.4	40.3	30.2	2.2	68.6	114.3	65.0	1.0	3.0
Non-oil developing countries ^{3/}	-11.3	-37.1	-46.6	-32.4	-28.8	-41.1	-61.0	-88.9	-103.3	-90.0	-70.0
<u>By analytical group</u>											
Net oil exporters	-2.6	-5.1	-9.9	-7.7	-6.4	-7.9	-8.5	-12.4	-22.2	-19.5	-16.5
Net oil importers ^{3/}	-9.0	-32.0	-36.8	-24.6	-22.5	-33.3	-52.5	-76.5	-81.1	-70.5	-53.5
Major exporters of manu- factures	-3.7	-18.8	-19.1	-12.2	-7.9	-9.8	-21.7	-32.4	-36.0	-33.0	-19.5
Low-income countries ^{3/}	-4.0	-7.5	-7.6	-4.1	-2.6	-8.7	-11.9	-16.6	-13.1	-11.5	-12.0
Other net oil importers	-1.3	-5.7	-10.0	-8.3	-12.0	-14.7	-19.0	-27.5	-32.0	-26.0	-22.0
<u>By area</u>											
Africa ^{4/}	-2.1	-3.2	-6.6	-6.1	-6.6	-9.4	-9.9	-12.8	-13.8	-13.5	-12.5
Asia ^{3/}	-2.4	-10.0	-9.1	-2.5	-0.7	-7.0	-14.7	-24.5	-21.1	-17.0	-17.5
Europe	0.3	-4.4	-4.9	-4.7	-8.4	-6.6	-9.9	-12.5	-10.1	-6.5	-4.0
Middle East	-2.6	-4.5	-6.9	-5.4	-5.1	-6.2	-8.5	-9.4	-10.9	-13.0	-13.5
Western Hemisphere	-4.7	-13.5	-16.4	-11.8	-8.5	-13.3	-21.4	-33.2	-43.3	-37.0	-22.5
Total ^{5/}	15.7	20.2	8.5	8.2	-1.2	-5.2	1.8	-15.2	-39.3	-93.0	-77.0

^{1/} On goods, services, and private transfers. For classification of countries in groups shown here, see Tables 1 and 2.

^{2/} Figures are rounded to the nearest \$0.5 billion.

^{3/} Excludes data for the People's Republic of China prior to 1977.

^{4/} Excluding South Africa.

^{5/} Reflects errors, omissions, and asymmetries in reported balance of payments statistics on current account, plus balance of listed groups with other countries (mainly the U.S.S.R. and other nonmember countries of Eastern Europe and, for years prior to 1977, the People's Republic of China). For further details, see Table 7.

Table 9. Industrial Countries, Balances on Current Account,
Including Official Transfers, 1973-83 1/

(In billions of U.S. dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 <u>2/</u>	1983 <u>2/</u>
Canada	0.1	-1.5	-4.7	-3.9	-4.1	-4.3	-4.2	-0.9	-4.5	1.5	2.5
United States	7.1	2.1	18.3	4.4	-14.1	-14.8	-0.5	1.5	4.5	-4.0	-29.0
Japan	-0.1	-4.7	-0.7	3.7	10.9	17.6	-8.8	-10.7	4.8	6.0	11.5
France	1.5	-3.9	2.7	-3.4	-0.4	7.0	5.2	-4.2	-4.8	-11.5	-9.0
Germany, Fed. Rep. of	4.7	10.3	4.1	3.9	4.1	9.0	-6.0	-16.3	-7.4	0.5	6.0
Italy	-2.6	-8.2	-0.5	-2.8	2.5	6.4	5.5	-9.7	-8.2	-6.0	-5.0
United Kingdom	-2.2	-7.7	-3.4	-1.6	--	2.0	-1.9	6.7	12.2	6.0	1.0
Other industrial countries	4.8	-9.4	-7.1	-11.0	-14.4	-5.6	-14.8	-29.5	-19.4	-17.5	-9.5
All industrial countries	13.3	-23.0	8.7	-10.7	-15.5	17.3	-25.4	-63.1	-22.7	-25.0	-31.0
Of which:											
Seven larger countries above	8.5	-13.6	15.8	0.3	-1.1	22.9	-10.6	-33.7	-3.3	-7.5	-21.5

1/ The balances shown in this table cover goods, services, and all (private and official) current transfers. For country classification, see Table 1.

2/ Figures are rounded to the nearest \$0.5 billion.

Table 10. Non-Oil Developing Countries: Current Account Balances as Percentage of Exports of Goods and Services, 1967-83 ^{1/}

	Average 1967-72	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Non-oil developing countries												
Weighted average ^{2/}	-17.8	-10.6	-24.1	-29.9	-17.8	-12.8	-15.5	-17.9	-20.6	-22.3	-19.8	-14.2
Median	-19.7	-19.2	-22.7	-31.8	-23.1	-21.3	-30.4	-30.6	-38.2	-41.2	-41.5	-33.9
By analytical group												
Weighted averages ^{2/}												
Net oil exporters	-19.6	-17.3	-21.8	-42.1	-27.7	-19.2	-20.2	-15.4	-16.5	-27.7	-25.2	-20.0
Net oil importers	-17.6	-9.6	-23.4	-26.0	-14.1	-11.7	-14.7	-18.4	-21.5	-21.1	-18.7	-13.0
Major exporters of manufactures	-13.1	-7.0	-27.4	-27.4	-14.6	-7.7	-8.0	-13.8	-16.3	-16.5	-15.7	-8.6
Low-income countries	-34.8	-35.7	-35.4	-31.9	-9.1	-8.8	-26.0	-27.9	-31.9	-23.5	-20.0	-19.1
Other net oil importers	-15.5	-4.3	-12.1	-21.1	-15.7	-19.7	-21.2	-22.0	-25.9	-29.0	-23.7	-18.1
Medians												
Net oil exporters	-19.1	-12.9	--	-21.2	-21.3	-20.4	-19.8	-14.1	-13.8	-18.2	-21.6	-22.2
Net oil importers	-19.5	-19.8	-25.0	-33.2	-23.1	-21.3	-30.6	-33.0	-43.1	-42.1	-43.8	-36.8
Major exporters of manufactures	-12.2	-0.8	-17.0	-24.2	-5.7	-1.6	-5.5	-5.4	-18.1	-16.6	-11.6	-5.0
Low-income countries	-26.8	-27.7	-57.8	-75.4	-42.6	-38.9	-68.7	-69.9	-77.8	-79.0	-83.7	-72.5
Other net oil importers	-16.2	-13.6	-14.8	-25.7	-14.1	-18.5	-21.3	-25.9	-27.8	-36.0	-40.0	-27.6
By area												
Weighted averages ^{2/}												
Africa	-16.9	-10.6	-17.1	-33.5	-27.4	-17.6	-20.1	-12.9	-14.5	-31.7	-31.8	-22.6
Asia	-12.1	-6.6	-18.1	-15.2	-0.9	-0.8	-6.7	-10.9	-14.5	-11.2	-8.9	-8.3
Europe	-6.9	1.9	-17.3	-18.4	-15.7	-25.5	-17.3	-21.0	-22.0	-15.5	-9.4	-5.4
Middle East	-27.0	-40.0	-41.7	-62.5	-42.3	-32.7	-32.8	-35.7	-28.9	-30.8	-38.4	-35.9
Western Hemisphere	-20.3	-16.1	-32.7	-40.4	-25.2	-15.0	-20.8	-25.5	-30.5	-36.6	-33.6	-18.9
Medians												
Africa	-21.0	-23.8	-31.8	-44.0	-29.4	-22.9	-49.0	-48.2	-62.1	-64.8	-63.4	-51.8
Asia	-16.7	-10.0	-15.0	-33.3	-13.4	-16.6	-28.1	-25.8	-35.8	-34.7	-36.8	-29.5
Europe	-5.7	5.5	-16.9	-12.2	-11.2	-17.8	-16.2	-16.2	-19.5	-8.0	-5.5	-2.7
Middle East	-14.6	-28.1	-55.5	-42.7	-39.9	-25.4	-36.0	-38.5	-28.9	-41.5	-38.7	-34.2
Western Hemisphere	-20.1	-16.5	-18.8	-27.1	-14.3	-20.2	-13.5	-24.5	-25.6	-33.9	-34.2	-26.8

^{1/} For classification of countries in groups shown here, see Table 2. Excludes data for the People's Republic of China prior to 1977.

^{2/} Ratios of current account balances to exports of goods and services for individual countries, averaged on the basis of current exports of goods and services weights. Such estimates correspond exactly to those obtained through calculation for any particular grouping of countries of the ratio of the sum of the current account balances to the corresponding sum of exports of goods and services values.

Table 11. Non-Oil Developing Countries: Current Account Financing, 1974-83 1/

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Current account deficit	37.1	46.6	32.4	28.8	41.1	61.0	88.9	103.3	90.0	70.0
Use of reserves	-2.7	1.7	-13.2	-12.8	-16.9	-13.2	-3.6	-1.7	11.0	-5.7
Nondebt-creating flows, net	16.6	11.9	12.4	14.9	17.9	23.1	22.6	26.3	23.6	26.0
Official transfers	10.7 <u>2/</u>	7.1	7.4	8.3	8.2	11.5	12.4	13.5	12.9	14.1
SDR allocations, valuation adjustments, and gold monetization	0.6	-0.6	-0.1	1.2	2.7	3.4	1.3	0.4	0.2	--
Direct investment flows, net	5.3	5.3	5.0	5.4	7.0	8.2	8.9	12.4	10.5	11.8
Net external borrowing <u>3/</u>	23.3	33.1	33.2	26.7	40.1	51.1	69.9	78.7	55.4	49.7
Long-term borrowing, net <u>4/</u>	16.1	27.1	28.1	24.2	37.8	37.6	48.9	64.1	50.4	52.3
From official sources	5.8 <u>2/</u>	11.9	11.1	13.2	14.4	15.3	20.6	25.6	22.3	24.0
From private sources	10.3	15.2	16.9	11.1	23.4	22.3	28.3	38.5	28.1	28.3
Financial institutions *	9.4	13.9	14.8	9.3	20.4	21.1	24.4	35.2	22.9	26.8
Other lenders	0.9	1.2	2.1	1.8	3.0	1.2	3.8	3.3	5.2	1.5
Use of reserve-related credit facilities <u>5/</u>	1.6	2.4	4.5	0.4	0.4	0.3	2.3	6.5	10.2	9.5
Use of Fund credit	1.5	2.1	3.2	--	-0.1	0.3	1.2	5.9	6.2	12.4
Other short-term borrowing, net *	5.1	6.5	4.5	2.4	2.9	8.2	15.2	18.3	-5.2	-12.1
Residual errors and omissions <u>6/</u>	0.4	-2.9	-3.9	-0.3	-1.0	5.0	3.6	-10.3		

1/ Excludes data for the People's Republic of China prior to 1977.

2/ Excludes the effect of a revision of the terms of the disposition of economic assistance loans made by the United States to India and repayable in rupees and of rupees already acquired by the U.S. Government in repayment of such loans. The revision has the effect of increasing government transfers by about \$2 billion, with an offset in net official loans.

3/ Includes any net use of nonreserve claims on nonresidents, errors and omissions in reported balance of payments statements for individual countries, and minor deficiencies in coverage.

4/ On a balance of payments basis. Disaggregation by type of creditor is based on debt statistics (Table 14).

5/ Comprises use of Fund credit and short-term borrowing by monetary authorities from other monetary authorities.

6/ Errors and omissions in reported balance of payments statements for individual countries, and minor omissions in coverage.

Note: The sum of the two items with asterisks represents a rough estimate, broadly consistent with national balance of payments statistics, of total net borrowing (short-term and long-term) from private banks. For 1982 and 1983, the estimates are \$25 billion and \$20-25 billion, respectively, compared with \$53.5 billion in 1981.

Table 12. Non-Oil Developing Countries: Current Account Financing, by Region, 1974-83 ^{1/}

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
<u>Africa</u>										
Current account deficit	4.8	9.3	8.0	6.1	8.0	6.5	9.3	18.0	16.8	13.0
Use of reserves	-0.4	0.2	-0.1	-0.7	-0.3	-0.4	0.1	1.6	1.2	0.5
Nondebt-creating flows, net	2.8	2.4	2.5	3.0	3.0	3.8	4.5	4.7	4.1	4.7
Net external borrowing	2.4	6.7	5.6	3.9	5.3	3.1	4.7	11.8	11.4	7.8
Long-term borrowing, ^{2/}	2.9	5.0	4.1	4.0	5.1	4.6	6.0	6.1	6.2	4.9
From official sources	1.5	2.1	2.3	3.1	3.1	4.2	4.5	5.1	4.1	6.1
From private sources	1.3	2.9	1.7	1.0	1.9	0.4	1.5	1.0	2.1	-1.1
Reserve-related liabilities ^{3/}	0.2	0.3	0.8	0.3	0.4	0.1	0.7	2.0	2.1	1.7
Other short-term borrowing ^{4/}	-0.7	1.4	0.7	-0.4	-0.2	-1.6	-2.0	3.7	3.1	1.1
<u>Asia</u>										
Current account deficit	10.0	9.1	2.5	0.7	7.0	14.7	24.5	21.1	17.1	17.3
Use of reserves	-2.9	-1.3	-6.0	-5.6	-4.5	-4.6	-2.2	-6.2	-2.4	-4.7
Nondebt-creating flows, net	5.8	2.7	3.2	3.7	5.3	5.0	5.8	7.9	6.3	6.9
Net external borrowing	7.0	7.6	5.2	2.6	6.3	14.3	20.9	19.4	13.2	15.2
Long-term borrowing, ^{2/}	2.1	4.6	4.9	2.9	5.1	8.0	9.7	10.5	13.3	12.9
From official sources	2.9	4.0	3.6	3.1	3.4	4.8	5.7	8.7	7.9	7.5
From private sources	-0.7	0.6	1.3	-0.2	1.7	3.2	4.0	1.8	5.4	5.4
Reserve-related liabilities ^{3/}	1.0	0.6	0.4	-0.2	-0.1	--	1.3	2.9	2.0	2.1
Other short-term borrowing ^{4/}	3.9	2.4	-0.1	-0.1	1.3	6.3	9.9	6.0	-2.1	0.1
<u>Europe</u>										
Current account deficit	4.4	4.9	4.7	8.4	6.6	9.9	12.5	10.1	6.3	3.8
Use of reserves	0.7	1.7	-1.4	0.6	-1.5	0.6	-1.0	1.3	1.6	-0.7
Nondebt-creating flows, net	0.6	0.1	0.5	0.8	1.1	1.8	1.0	1.2	1.3	1.5
Net external borrowing	3.1	3.1	5.5	6.9	7.1	7.5	12.4	7.5	3.5	3.1
Long-term borrowing, ^{2/}	2.5	3.4	3.9	2.9	4.4	4.3	7.6	5.3	4.7	1.8
From official sources	0.6	0.8	1.2	1.2	2.0	0.7	3.4	4.1	2.1	2.1
From private sources	1.9	2.6	2.8	1.7	2.4	3.7	4.2	1.2	2.6	-0.3
Reserve-related liabilities ^{3/}	0.2	0.8	1.6	0.5	0.5	--	0.1	1.0	1.0	1.3
Other short-term borrowing ^{4/}	0.4	-1.2	-0.1	3.5	2.2	3.1	4.7	1.2	-2.2	--
<u>Middle East</u>										
Current account deficit	4.5	6.9	5.4	5.1	6.2	8.5	9.4	10.9	13.0	13.5
Use of reserves	-0.3	-0.6	-0.5	-1.7	-1.8	-0.9	-1.3	-0.1	--	1.1
Nondebt-creating flows, net	3.1	3.3	3.6	4.1	4.0	5.6	5.6	5.8	6.3	7.3
Net external borrowing	1.7	4.1	2.3	2.7	4.0	3.7	5.0	5.1	6.7	5.1
Long-term borrowing, ^{2/}	0.5	3.3	2.4	1.9	2.1	2.3	3.0	2.9	4.1	4.4
From official sources	0.8	2.8	2.2	3.3	3.2	3.1	3.9	2.7	3.7	3.7
From private sources	-0.3	0.5	0.2	-1.5	-1.1	-0.8	-0.9	0.2	0.4	0.7
Reserve-related liabilities ^{3/}	0.1	0.2	0.2	0.1	0.1	-0.1	-0.3	-0.3	0.3	0.4
Other short-term borrowing ^{4/}	1.1	0.6	-0.3	0.7	1.8	1.6	2.3	2.5	2.3	0.2

Table 12 (concluded). Non-Oil Developing Countries: Current Account Financing, by Region, 1974-83 ^{1/}

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Western Hemisphere										
Current account deficit	13.5	16.4	11.8	8.5	13.3	21.4	33.2	43.3	36.8	22.7
Use of reserves	0.2	1.6	-5.4	-5.3	-8.8	-7.9	0.7	1.7	10.6	-1.8
Nondebt-creating flows, net	2.2	3.3	2.5	3.2	4.6	6.8	5.6	6.8	5.6	5.9
Net external borrowing	11.1	11.6	14.7	10.6	17.5	22.5	26.9	34.8	20.6	18.6
Long-term borrowing, ^{2/}	10.2	10.7	12.8	12.6	21.1	18.4	22.7	39.3	22.1	28.2
From official sources	2.0	2.2	1.9	2.5	2.7	2.5	3.1	5.0	4.5	4.6
From private sources	8.1	8.6	10.9	10.1	18.5	15.9	19.6	34.3	17.6	23.7
Reserve-related liabilities ^{3/}	0.1	0.5	1.5	-0.3	-0.5	0.3	0.4	0.8	4.6	3.9
Other short-term borrowing ^{4/}	0.8	0.4	0.4	-1.7	-3.2	3.9	3.8	-5.3	-6.1	-13.6

^{1/} For country classification, see Table 2.

^{2/} See Table 11, footnote 4

^{3/} See Table 11, footnote 5.

^{4/} Including errors and omissions.

Table 13. Non-Oil Developing Countries: Current Account Financing, by Analytical Subgroup, 1974-83 ^{1/}

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Net oil exporters										
Current account deficit	5.1	9.9	7.7	6.4	7.9	8.5	12.4	22.2	19.3	16.7
Use of reserves	-1.5	-0.3	-0.7	-1.9	-1.2	-4.2	-3.4	-0.7	3.6	--
Non-debt-creating flows, net	3.3	3.7	2.7	3.3	3.6	4.8	4.3	5.9	5.2	6.3
Net external borrowing	3.3	6.5	5.7	4.9	5.5	7.9	11.5	17.0	10.4	10.3
Long-term borrowing, ^{2/}	3.2	7.6	7.5	7.5	8.7	7.8	9.7	16.0	11.4	21.3
From official sources	1.2	3.4	2.2	4.2	3.4	2.4	3.1	4.4	4.4	3.6
From private sources	2.0	4.2	5.3	3.3	5.3	5.4	6.6	11.6	7.0	17.7
Reserve-related liabilities ^{3/}	--	--	1.2	-0.1	--	--	-0.4	0.1	2.7	0.3
Other short-term borrowing ^{4/}	0.1	-1.1	-2.9	-2.5	-3.2	0.1	2.1	0.9	-4.6	-11.2
Major exporters of manufactures										
Current account deficit	18.8	19.1	12.2	7.9	9.8	21.7	32.4	36.0	33.2	19.7
Use of reserves	2.0	2.0	-7.4	-4.5	-10.0	-3.4	2.3	-2.1	4.8	-3.7
Non-debt-creating flows, net	4.4	2.9	4.5	4.7	6.4	7.5	7.4	8.1	7.5	8.2
Net external borrowing	12.4	14.1	15.1	7.7	13.4	17.6	22.8	30.0	20.9	15.2
Long-term borrowing ^{2/}	8.6	9.8	9.9	7.8	15.7	11.6	13.2	23.3	15.7	11.3
From official sources	2.1	2.5	2.7	2.5	3.6	4.0	3.3	3.4	3.4	3.6
From private sources	6.5	7.3	7.2	5.3	12.1	7.6	9.9	19.9	12.3	7.6
Reserve-related liabilities ^{3/}	0.2	1.1	1.9	0.3	-0.5	-0.6	0.5	1.2	3.1	4.0
Other short-term borrowing ^{4/}	3.5	3.2	3.3	-0.5	-1.8	6.6	9.1	5.5	2.1	--
Low-income countries, excluding China and India										
Current account deficit	6.6	7.3	5.3	5.3	8.3	9.7	11.7	11.8	11.9	11.5
Use of reserves	-0.3	0.4	-0.7	-1.0	0.1	-0.3	0.1	0.1	0.4	0.2
Non-debt-creating flows, net	3.2	2.5	2.2	2.7	3.0	4.1	4.2	4.3	4.0	3.9
Net external borrowing	3.7	4.4	3.7	3.6	5.2	5.8	7.4	7.3	7.5	7.4
Long-term borrowing ^{2/}	3.0	3.1	2.8	2.8	3.8	5.0	5.8	5.2	5.5	5.5
From official sources	2.1	2.8	3.0	2.6	3.2	4.5	4.2	5.3	4.1	6.3
From private sources	0.9	0.2	-0.2	0.2	0.6	0.5	1.6	-0.1	1.4	-0.8
Reserve-related liabilities ^{3/}	0.5	0.4	0.4	0.1	0.2	0.2	1.0	1.3	1.2	1.1
Other short-term borrowing ^{4/}	0.3	1.0	0.5	0.7	1.2	0.6	0.7	0.8	0.9	0.8
Other non-oil developing countries										
Current account deficit	5.7	10.0	8.3	12.0	14.7	19.0	27.5	32.0	26.1	21.9
Use of reserves	-2.4	--	-2.6	-2.6	-4.9	-3.7	-2.7	1.1	6.0	1.3
Non-debt-creating flows, net	1.7	2.7	2.6	3.6	4.2	6.1	6.0	7.3	6.1	7.1
Net external borrowing	6.4	7.4	8.4	11.0	15.4	16.6	24.2	23.5	13.9	13.5
Long-term borrowing ^{2/}	4.2	5.7	6.9	6.3	10.0	11.8	16.9	18.1	15.8	11.2
From official sources	1.4	2.0	2.3	3.1	3.6	3.8	8.3	9.8	7.3	8.6
From private sources	2.8	3.7	4.7	3.2	6.4	8.0	8.5	8.3	8.5	2.7
Reserve-related liabilities ^{3/}	0.3	0.8	1.4	0.3	0.8	0.7	0.9	3.1	1.8	2.9
Other short-term borrowing ^{4/}	1.9	0.9	0.1	4.4	4.6	4.0	6.4	2.4	-3.6	-0.7

^{1/} For country classification, see Table 2.

^{2/} See Table 11, footnote 4.

^{3/} See Table 11, footnote 5.

^{4/} Including errors and omissions.

Table 14. Non-Oil Developing Countries: External Debt, 1974-83 ^{1/}

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Total outstanding debt of non-oil developing countries	160.6	190.6	227.8	282.6	340.5	396.4	464.8	547.1	599.0	647.9
Short-term debt	22.6	27.2	33.0	42.3	49.5	58.4	77.7	94.5	92.7	84.0
Long-term debt	138.0	163.5	194.8	240.2	291.0	337.9	387.1	452.6	506.4	563.9
By type of creditor										
Official creditors	60.1	70.3	82.4	98.7	117.3	132.3	152.5	172.6	194.9	218.9
Governments	43.4	50.0	57.6	67.5	79.1	86.8	98.3	108.7	121.8	135.9
International institutions	16.6	20.3	24.8	31.1	38.2	45.5	54.2	63.9	73.0	83.1
Private creditors	77.9	93.2	112.4	139.6	173.6	205.6	234.6	280.0	311.5	345.1
Unguaranteed debt	36.0	40.8	45.9	52.8	57.4	67.3	75.0	94.7	101.3	105.6
Guaranteed debt	41.9	52.4	66.5	88.8	116.2	138.3	159.6	185.3	210.2	239.5
Financial institutions	25.6	35.2	47.2	63.8	85.9	106.8	124.0	147.8	166.8	194.3
Other private creditors	16.3	17.2	19.3	25.0	30.3	31.5	35.6	37.5	43.4	45.2
By analytical group										
Net oil exporters	26.0	34.1	42.4	53.9	61.4	70.6	80.1	97.1	108.8	128.8
Net oil importers	112.1	129.4	152.4	186.3	229.6	267.3	307.0	355.4	397.6	435.1
Major exporters of manufactures	51.7	60.9	73.1	88.2	111.5	127.7	143.7	171.1	191.1	207.3
Low-income countries	29.7	33.2	38.2	47.0	53.9	59.4	66.5	71.7	78.5	87.6
Other net oil importers	30.6	35.3	41.1	51.1	64.2	80.2	96.9	112.7	127.9	140.2
By area										
Africa	17.8	21.9	26.9	35.6	43.0	49.9	54.7	59.1	66.7	74.7
Asia	34.6	39.8	46.4	57.6	67.1	75.9	88.5	100.7	113.9	128.1
Europe	17.2	19.9	23.3	28.8	38.2	49.0	56.6	64.6	70.5	74.4
Middle East	10.3	13.3	16.1	20.3	24.7	28.4	32.9	35.7	40.4	45.0
Western Hemisphere	58.2	68.6	82.0	97.9	118.0	134.7	154.4	192.5	214.8	241.6

Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.

^{1/} For classification of countries in groups shown here, see Table 2. Excludes China for the years prior to 1977.

Table 15. Non-Oil Developing Countries: Long- and Short-Term External Debt
Relative to Exports and to GDP, 1974-83 ^{1/}

(In per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Ratio of external debt to exports of goods and services ^{2/}										
All non-oil developing countries	104.5	122.3	125.3	128.2	131.5	119.5	111.2	123.0	138.4	137.5
By analytical group:										
Net oil exporters	124.7	162.2	169.2	180.6	176.8	144.1	127.1	154.5	177.8	178.4
Net oil importers	100.8	115.2	117.3	118.7	123.3	114.5	107.6	115.9	129.8	128.6
Major exporters of manufactures	88.5	102.8	103.1	102.5	104.3	97.7	90.8	97.7	110.0	108.2
Low-income countries	215.2	227.8	225.8	219.4	226.0	209.5	204.1	227.7	250.9	256.0
Other net oil importers	84.4	98.0	103.8	111.8	123.2	115.1	110.7	121.2	134.9	132.5
By region:										
Africa	65.4	80.9	94.3	104.8	111.4	101.6	87.6	106.4	129.4	133.6
Asia	81.1	91.8	84.5	82.5	76.6	69.8	67.5	71.8	79.2	80.7
Europe	96.5	107.4	114.3	127.6	138.7	129.4	123.1	118.9	121.5	120.4
Middle East	105.1	131.2	137.3	140.5	142.5	133.8	113.1	113.2	133.3	133.3
Western Hemisphere	163.1	195.4	203.4	200.8	217.2	192.1	177.7	206.7	243.8	236.0
Ratio of external debt to GDP ^{2/}										
All non-oil developing countries	21.8	23.8	25.7	27.8	28.9	27.5	27.1	30.5	33.9	33.9
By analytical group:										
Net oil exporters	25.5	27.7	32.3	38.8	39.3	37.4	33.8	35.9	43.6	42.3
Net oil importers	21.1	22.9	24.4	25.8	27.0	25.7	25.7	29.2	31.8	32.0
Major exporters of manufactures	19.6	22.1	22.7	24.6	25.8	24.5	24.1	28.6	32.1	32.5
Low-income countries	20.1	21.0	24.5	25.1	24.3	24.4	23.4	24.2	25.7	25.6
Other net oil importers	25.1	26.2	27.6	28.7	31.5	28.8	30.6	34.0	35.7	35.7
By region:										
Africa	19.6	21.7	25.8	28.9	30.0	29.1	25.8	27.2	31.8	32.1
Asia	18.9	20.5	22.5	23.2	22.1	22.1	22.9	24.9	26.0	26.0
Europe	23.0	22.7	24.5	25.8	28.7	25.1	28.7	33.7	35.0	34.7
Middle East	34.0	39.0	42.3	45.4	48.4	56.0	52.6	51.7	50.1	47.7
Western Hemisphere	22.8	25.4	26.4	29.4	31.1	28.7	27.0	31.8	37.8	38.2
Memorandum items:										
Ratios including People's Republic of China ^{2/}										
To exports:										
All non-oil developing countries	...	...	...	125.3	128.3	116.4	107.7	117.9	131.7	130.6
Low-income countries	...	...	...	170.4	170.5	151.7	138.4	137.6	144.1	144.7
To GDP:										
All non-oil developing countries	...	...	...	24.3	24.9	23.8	23.6	26.9	29.8	29.7
Low-income countries	...	...	...	14.5	13.7	13.4	13.0	14.0	14.7	14.7

Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.

^{1/} Excludes data for the People's Republic of China, except where noted. For classification of countries in groups shown here, see Table 2.

^{2/} Ratio of year-end debt to exports or GDP for year indicated.

Table 16. Non-Oil Developing Countries: Debt Service Payments on Short- and Long-Term External Debt, 1974-83 ^{1/}
(Values in billions of U.S. dollars; ratios in per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
All non-oil developing countries										
Value of debt service payments	22.0	24.9	27.6	34.6	50.6	65.9	76.9	94.2	108.4	110.5
Interest payments	9.2	10.3	10.8	13.5	19.5	28.5	40.6	54.5	58.3	54.8
Amortization ^{2/}	12.8	14.6	16.8	21.1	31.1	37.4	36.3	39.6	50.1	55.8
Debt service ratio ^{3/}	14.3	16.0	15.2	15.3	19.1	19.4	17.8	20.3	23.8	22.3
Interest payments ratio	6.0	6.6	5.9	6.0	7.4	8.4	9.4	11.8	12.8	11.0
Amortization ratio ^{2/}	8.3	9.4	9.3	9.3	11.7	11.0	8.4	8.5	11.0	11.2
By analytical group:										
Net oil exporters										
Debt service ratio ^{3/}	21.0	24.1	24.3	27.0	34.1	32.4	24.4	30.0	37.7	35.7
Interest payments ratio	7.7	9.2	9.1	9.8	11.3	11.2	12.3	17.8	21.1	18.6
Amortization ratio ^{2/}	13.3	14.9	15.3	17.2	22.7	21.3	12.1	12.1	16.7	17.1
Major exporters of manufactures										
Debt service ratio ^{3/}	14.6	16.3	14.2	14.6	17.3	18.4	17.9	19.6	23.4	21.9
Interest payments ratio	6.0	6.8	5.4	5.4	6.7	8.1	9.4	11.4	12.6	10.9
Amortization ratio ^{2/}	8.5	9.5	8.7	9.2	10.6	10.2	8.6	8.2	10.8	11.0
Low-income countries										
Debt service ratio ^{3/}	13.8	14.6	12.8	10.2	10.2	9.6	9.9	10.2	11.5	10.7
Interest payments ratio	5.4	5.4	4.9	4.0	4.7	4.6	4.9	4.8	4.3	3.7
Amortization ratio	8.3	9.2	7.8	6.1	5.5	5.0	5.0	5.3	7.2	7.0
Other net oil importers										
Debt service ratio ^{3/}	10.5	11.7	12.7	12.6	17.9	17.3	16.6	19.4	21.4	19.9
Interest payments ratio	5.1	5.2	5.3	5.7	7.5	8.6	9.3	11.3	11.8	10.1
Amortization ratio ^{2/}	5.5	6.5	7.4	6.9	10.4	8.7	7.2	8.1	9.6	9.8
By region:										
Africa										
Debt service ratio ^{3/}	6.7	8.0	8.5	9.8	11.7	11.7	11.1	13.0	17.2	16.6
Interest payments ratio	2.5	2.8	2.9	3.4	4.5	4.7	4.7	5.7	6.6	6.1
Amortization ratio ^{2/}	4.3	5.2	5.6	6.4	7.2	7.0	6.4	7.3	10.6	10.5
Asia										
Debt service ratio ^{3/}	7.7	8.4	7.7	7.5	9.5	8.7	8.2	9.0	9.4	8.9
Interest payments ratio	3.4	3.5	3.3	3.2	3.6	3.9	4.4	5.3	5.3	4.6
Amortization ratio ^{2/}	4.4	4.9	4.4	4.3	5.9	4.7	3.7	3.8	4.1	4.2
Europe										
Debt service ratio ^{3/}	13.2	14.0	13.5	14.4	16.4	19.2	19.6	20.0	21.2	20.2
Interest payments ratio	6.3	6.0	5.7	6.3	8.1	9.3	10.2	11.7	11.4	9.7
Amortization ratio ^{2/}	6.9	8.0	7.8	8.2	8.2	10.0	9.4	8.2	9.9	10.5
Middle East										
Debt service ratio ^{3/}	14.4	16.0	13.0	14.4	13.8	15.7	13.1	17.3	17.0	15.0
Interest payments ratio	4.1	4.5	3.8	5.1	5.6	5.6	5.3	6.6	7.0	6.4
Amortization ratio ^{2/}	10.2	11.4	9.2	9.4	8.2	10.1	7.8	10.7	10.0	8.6
Western Hemisphere										
Debt service ratio ^{3/}	27.8	32.0	31.2	31.2	42.4	42.2	37.3	42.9	56.3	52.4
Interest payments ratio	11.7	14.0	12.2	11.9	15.3	17.9	20.7	26.7	31.9	27.3
Amortization ratio ^{2/}	16.1	18.0	19.0	19.4	27.1	24.3	16.6	16.3	24.4	25.1

Sources: World Bank Debtor Reporting system; and Fund staff estimates and projections.

^{1/} Excludes data for the People's Republic of China prior to 1977. For classification of countries in groups shown here, see Table 2.

^{2/} On long-term debt only. Estimates for the period up to 1981 reflect actual amortization payments whereas estimates for 1982 and 1983 reflect scheduled payments.

^{3/} Payments (interest, amortization, or both) as percentages of exports of goods and services.

Table 17. Non-Oil Developing Countries: Reserves and Ratios of Reserves to Imports of Goods and Services, 1974-83 ^{1/}

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
(In billions of U.S. dollars)										
<u>Official reserve holdings</u>										
All non-oil developing countries	43.0	40.4	53.0	67.5	83.5	93.9	95.2	96.1	85.1	90.8
By analytical group										
Net oil exporters	6.4	6.6	7.3	9.3	10.4	13.4	16.8	17.3	13.7	13.7
Net oil importers	36.6	33.9	45.7	5.4	71.0	77.8	75.3	73.2	62.1	64.5
Major exporters of manufactures	19.0	16.6	23.4	27.8	37.5	39.7	35.5	37.9	33.1	36.8
Low-income countries	4.2	3.7	6.1	9.0	10.4	12.0	11.1	8.7	8.3	8.3
Other net oil importers	13.4	13.6	16.3	18.6	23.1	26.1	28.7	26.7	20.7	19.4
(In per cent)										
<u>Ratios of reserves to imports of goods and services ^{2/}</u>										
All non-oil developing countries	21.6	19.1	23.6	26.2	25.9	22.3	17.5	16.3	15.0	15.4
By analytical group										
Net oil exporters	22.4	19.6	20.6	23.5	22.1	21.0	19.3	16.8	14.3	13.6
Net oil importers	21.5	19.0	24.2	25.2	27.0	22.9	17.5	15.8	13.9	14.0
Major exporters of manufactures	20.7	17.8	23.1	23.9	26.5	21.1	14.8	14.3	13.0	14.3
Low-income countries	18.7	15.7	26.5	34.0	30.4	28.8	21.6	17.0	16.3	15.4
Other net oil importers	23.8	22.2	25.1	24.0	26.3	23.7	20.6	18.0	14.3	12.9
By area										
Africa	13.4	11.4	11.3	11.7	10.8	10.0	7.7	6.5	5.2	4.4
Asia	22.5	23.1	28.7	30.0	25.7	21.6	17.7	18.7	19.8	20.2
Europe	25.5	20.1	21.7	17.9	19.7	14.7	12.8	11.0	9.4	10.1
Middle East	26.5	25.2	26.8	29.8	33.0	28.2	23.6	21.1	20.8	17.1
Western Hemisphere	21.7	17.5	25.7	30.7	37.2	32.8	23.2	19.0	13.9	15.5
Memorandum items										
Low-income countries (excluding People's Republic of China and India)	16.8	13.6	17.8	19.5	14.7	14.4	10.9	10.7	9.5	8.4
Africa (excluding South Africa)	15.3	12.4	13.0	13.6	12.6	12.0	9.1	8.2	6.7	5.3

^{1/} For this table, official holdings of gold are valued at SDR 35 an ounce. This convention results in a significant underestimate of the reserves of those groups of countries that have substantial holdings of gold. The People's Republic of China, which is both a net oil exporter and a low-income country, is included in the total (from 1977 onward) but not in the subgroups. For classification of countries in groups shown here, see Table 2.

^{2/} Ratio of year-end reserves to imports of goods and services during the year indicated.

Table 18. Medium-Term Projections of Payments Balances on Current Account 1/ 2/
(Scenario A)

	1972	1977	1981	1982	1983	1984	1985	1986
(In billions of U.S. dollars)								
Industrial countries	16.2	-2.6	-1.0	-4.0	-10.0	...	...	...
Developing countries								
Oil exporting countries	2.9	30.2	65.0	1.0	3.0	...	...	...
Non-oil developing countries	-10.6	-28.8	-103.3	-90.0	-70.0	-87.5	-98.4	-107.7
Net oil exporters	-2.3	-6.4	-22.2	-19.5	-16.5	-19.1	-20.4	-21.7
Net oil importers	-8.3	-22.5	-81.1	-70.7	-53.6	-68.4	-78.0	-86.0
Major exporters of manufactures	-2.4	-7.9	-36.0	-33.0	-19.5	-26.9	-31.9	-35.0
Low-income countries <u>2/</u>	-2.8	-5.3	-11.8	-11.9	-11.5	-13.3	-14.1	-14.8
Other net oil importers	-2.4	-12.0	-32.0	-26.0	-22.0	-26.6	-29.0	-31.6
Total <u>3/</u>	8.5	-1.2	-39.3	-93.0	-77.0	...	...	...
(In per cent of exports of goods and services)								
Industrial countries	4.1	-0.3	0	-0.2	-0.9	...	...	...
Developing countries								
Oil exporting countries	11.5	18.3	20.4	0.4	1.1	...	...	...
Non-oil developing countries	-12.1	-12.8	-22.3	-19.8	-14.2	-15.8	-16.0	-15.9
Net oil exporters	-21.3	-19.2	-27.7	-25.2	-20.0	-20.7	-20.1	-19.5
Net oil importers	-10.8	-11.7	-21.1	-18.7	-13.0	-14.8	-15.2	-15.1
Major exporters of manufactures	-6.8	-7.7	-16.5	-15.7	-8.6	-10.5	-11.2	-11.1
Low-income countries <u>2/</u>	-45.2	-41.5	-64.4	-66.0	-57.9	-60.7	-59.2	-57.4
Other net oil importers	-11.1	-19.7	-29.0	-23.7	-18.1	-19.8	-19.7	-19.5
Total <u>3/</u>	1.7	-0.2	-1.6	-3.9	-3.0	...	...	...

1/ Excluding official transfers.

2/ The People's Republic of China and India are not included in the subgroup of low-income countries but are included in the other totals. However, the People's Republic of China is excluded from the data for 1972.

3/ Reflects errors, omissions, and asymmetries in reported balance of payments statistics, plus balances of listed groups with other countries (mainly, the Union of Soviet Socialist Republics, other nonmember countries of Eastern Europe, India, and the People's Republic of China).

Table 19. Non-Oil Developing Countries: Medium-Term Projections of Debt Burden (Total Long-Term Debt) 1/

(Scenario A)

(In per cent)

	1977	1981	1982	1983	1984	1985	1986
<u>Net oil exporters</u>							
Debt ratio <u>2/</u>	162.5	121.3	142.3	154.4	147.3	146.7	147.1
Debt service ratio <u>3/</u>	26.1	25.6	33.2	32.9	27.9	26.7	26.1
Interest payments ratio	8.9	13.5	16.5	15.8	13.2	11.3	9.8
Amortization ratio <u>4/</u>	17.2	12.1	16.7	17.1	14.7	15.4	16.3
<u>Net oil importers</u>							
Debt ratio <u>2/</u>	96.9	92.6	105.1	105.4	101.0	100.0	99.1
Debt service ratio <u>3/</u>	12.3	15.5	18.8	18.1	16.2	15.4	14.6
Interest payments ratio	4.3	7.7	8.9	8.0	6.8	5.9	5.2
Amortization ratio <u>4/</u>	8.0	7.8	9.9	10.1	9.4	9.5	9.4
<u>Major exporters of manufactures</u>							
Debt ratio <u>2/</u>	86.7	78.4	90.4	90.7	86.1	83.7	82.0
Debt service ratio <u>3/</u>	13.8	16.6	20.8	20.1	18.3	16.6	15.4
Interest payments ratio	4.6	8.4	10.0	9.1	7.5	6.1	5.1
Amortization ratio <u>4/</u>	9.2	8.2	10.8	11.0	10.8	10.5	10.3
<u>Low-income countries</u>							
Debt ratio <u>2/</u>	227.8	262.1	288.6	294.8	294.5	301.3	308.9
Debt service ratio <u>3/</u>	13.0	16.3	22.8	22.8	21.4	22.2	22.9
Interest payments ratio	5.0	6.3	6.9	6.5	6.8	7.1	7.4
Amortization ratio <u>4/</u>	8.0	10.0	15.9	16.3	14.6	15.1	15.5
<u>Other net oil importers</u>							
Debt ratio <u>2/</u>	83.7	102.2	116.5	115.6	111.5	112.8	114.3
Debt service ratio <u>3/</u>	11.0	16.3	19.0	18.2	16.8	16.5	16.0
Interest payments ratio	4.1	8.2	9.4	8.4	7.5	7.1	6.5
Amortization ratio <u>4/</u>	6.9	8.1	9.6	9.8	9.3	9.4	9.5

1/ The People's Republic of China and India are included only in the totals for net oil importers.

2/ Ratio of year-end long-term debt, with and without public guarantee, to exports of goods and services.

3/ Payments (interest, amortization, or both) as percentage of exports of goods and services.

4/ Amortization estimates for the period up to 1981 reflect actual amortization payments whereas estimates for 1982 and beyond reflect scheduled payments.

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ID/83/2

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January 19, 1983

To: Members of the Executive Board

From: The Secretary

Subject: World Economic Outlook - Trends and Prospects in
International Capital Markets and Survey of External
Debt Situation

The attached paper which discusses trends and prospects in international capital markets and provides a survey of external debt developments contains background material for the general survey on the World Economic Outlook (ID/83/1, 1/17/83). These papers are scheduled for Executive Board discussion on Monday, January 31, 1983.

As with previous papers on the world economic outlook, this document is being given limited distribution.

Att: (1)

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INTERNATIONAL MONETARY FUND

Trends and Prospects in International Capital
Markets and Survey of External Debt Situation

January 18, 1983

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Trends and Prospects in International Capital
Markets and Survey of External Debt Situation 1/

Introduction

This paper discusses trends and prospects in international capital markets and provides a more comprehensive survey of external debt developments than one undertaken in previous World Economic Outlook papers. The survey is for the most part factual and descriptive. It will be followed by a paper "External Debt Servicing Problems" which Executive Directors are expected to consider on March 30, 1983. That paper will review such matters as a strengthened approach for external debt surveillance, the guidelines on external debt in use of Fund resources programs, and the experience related to official and commercial bank debt reschedulings.

Statistical materials supporting the description in this paper are provided in the Appendix.

I. Summary

External debt of non-oil developing countries rose by 10 per cent in 1982, 2/ a rate much lower than that experienced at any time since 1974, and about half of the rate of increase in 1981. This markedly slower growth reflects mainly unprecedented declines in gross (long-term) loan disbursements, combined with a reduction in short-term debt. The decline in gross flows of lending was broadly based, extending across all types of debt and all classes of creditors. The declining trend was particularly pronounced for net oil exporting countries, and in the case of major exporters of manufactures, the large reductions in new short-term borrowing actually began in 1981. External debt of the 20 largest borrowers among developing countries (which include three oil exporting countries) rose in line with that for all non-oil developing countries. It is noteworthy, however, that the largest borrowers rely more heavily on short-term debt than the others, and short-term debt of these countries declined by \$6 billion in 1982 after increasing sharply in the previous year. In marked contrast to developing countries, no slowdown was observed in the growth of external debt for the group of selected industrial countries. Indeed, a few of these countries stepped up sharply their external borrowing in 1982.

1/ Prepared by the Exchange and Trade Relations Department in collaboration with the Research and Area Departments.

2/ In U.S. dollar terms at exchange rates prevailing at end-1981. Given the strength of the dollar during 1982, the rate of increase adjusted for exchange rate changes would be somewhat lower, probably by 2 percentage points. The impact of exchange rate changes on individual countries varies depending on the currency composition of debt.

Commercial banks in the BIS reporting area 1/ account for a large part of external debt of non-oil developing countries. Net bank financing flows were equivalent to almost 50 per cent of the combined current account deficit of all non-oil developing countries in 1981, 90 per cent for the net oil exporters and 67 per cent for the major exporters of manufacturers. Net international lending by these banks to non-oil developing countries fell from \$19 billion in the first half of 1981 to \$17 billion in the same period of 1982. In connection with the debt servicing difficulties of Eastern European countries, banks lowered their exposure significantly and their claims on these countries fell markedly during the first half of 1982. A large part of net lending in the first half of 1982 reflects the drawdown of medium-term loan commitments arranged during the last quarter of 1981 and the first half of 1982, and there was a marked reduction in new commitments during July-October 1982. It became almost impossible to arrange new syndicated credit commitments for Latin American countries by September 1982, resulting in a shift toward borrowing through small "clubs" of banks and increased reliance on short-term borrowing. Reflecting a less favorable climate for borrowers, lending spreads on new commitments for developing countries increased significantly after the first half of 1982.

In spite of the slower growth of outstanding debt, the debt servicing burden intensified in 1982 for nearly all developing countries, accompanied by a record number of actual or anticipated debt reschedulings and a record rise in external payments arrears. The main reason for the deterioration is a decline in export earnings for this group of countries, coupled with continued high interest rates over the first half of the year and a bunching of principal repayments. For all non-oil developing countries, the debt-to-export ratio rose from 118 per cent in 1981 to 132 per cent in 1982, while the debt service ratio increased from 20 per cent to 24 per cent. 2/ The deterioration was particularly marked for net oil exporters whose debt-to-export and debt service ratio jumped to 178 per cent and 38 per cent, respectively. Among the largest borrowers, the debt-to-export ratio was the highest for Poland (over 400 per cent) and the lowest for Yugoslavia and Venezuela (below 100 per cent); the debt service ratio was the highest for Argentina (98 per cent) and the lowest for Venezuela (estimated at under 20 per cent).

Looking ahead, debt servicing will remain difficult for the developing world in general. The debt-to-export ratio is projected to

1/ The BIS reporting area comprises the Group of Ten countries as well as Austria, Denmark, Ireland, and Switzerland, and the offshore branches of U.S. banks in the Bahamas, the Cayman Islands, Hong Kong, Panama, and Singapore.

2/ The debt to export ratio for the group is calculated as the ratio of the group's debt to the group's exports of goods and services. Similar procedure is employed for the calculation of all other group ratios unless stated otherwise.

remain in 1983 at the high levels of 1982, while the debt service ratio could improve slightly. The debt to export ratio would fall marginally for the middle-income countries and the exporters of manufactures, but would rise for the low-income countries. For debt service, the improvement is expected for all country groups. The extent of debt servicing difficulties depends, in considerable part, on the level of international interest rates and the degree of the recovery in export earnings. At present, total interest payments of non-oil developing countries are projected to fall from 13 per cent of exports of goods and services in 1982 to 11 per cent in 1983, and a further decline of one percentage point in interest rates (from the 10 per cent LIBOR rate assumed for U.S. dollar-denominated debt) would lead to a 7 per cent reduction in interest payments.

Outstanding debt of non-oil developing countries is likely to continue to grow at a slow pace. Reflecting the perception of increased risk, international banks will be much more cautious in lending to developing countries, at least to those where their exposure is already high. Banks have become more reluctant to extend large scale, general purpose lending, and, particularly, short-term loans. Short-term debt to the 20 largest borrowers is projected to drop further by about 15 per cent or \$14 billion by the end of 1983. However, even assuming that the growth of bank lending to non-oil developing countries declined from the 20 per cent increase in the year to June 1982 to the 7-8 per cent projected for 1983 in ID/83/1, net bank financing in 1983 would still amount to some \$20-\$25 billion.

II. Trends and Prospects in International Capital Markets

The international banking markets are the largest source of foreign capital to a large number of developing countries and a major source of external finance for a range of developed countries. Therefore, the concerns which are currently being expressed about the international banking system have broad implications. But of more immediate concern is the willingness of the international banks to lend to deficit countries--in particular, but not exclusively, to the non-oil developing countries--on a scale compatible with orderly adjustment efforts. This section briefly addresses that question and provides some tentative and qualitative conclusions on market borrowing prospects of deficit countries.

1. An overview of international bank financing and debt

After growing on average by more than 20 per cent a year during the past decade, the gross stock of external claims of banks in the BIS reporting area reached \$1,571 billion by the end of June 1982. Net of interbank redepositing among them (\$606 billion), the total was \$965 billion, representing about 17 per cent of the banks' total net assets

(Table 1). Almost one half of these external net claims were on borrowers within the reporting area. Some 36 per cent represented claims on developing countries (including the oil exporting countries), the bulk of which (30 per cent) were outstanding credits to the non-oil developing countries. For this latter group of countries, total bank claims were \$292 billion, and net financing flows ^{1/} (i.e., the increase in net claims) had risen from \$15 billion in 1977 to \$25 billion in 1978 and \$40 billion in 1979, reaching about \$50 billion in both 1980 and 1981.

These bank data may be analyzed from the point of view of the borrowers by examining their importance in the financing and debt position of the developing countries; or from the point of view of the lenders by examining their relative scale in the operations of the banks involved. To the borrowers, net bank financing flows in 1981 were equivalent to almost 50 per cent of the combined current account deficit of the non-oil developing countries in 1981. This percentage varied markedly among the analytical subgroups of non-oil developing countries, ranging from 90 per cent in the case of the net oil exporters, and 67 per cent for the major exporters of manufactures to 7 per cent for the low-income countries. For all other net oil importing countries, taken together, the ratio was over 20 per cent. Thus, several non-oil developing countries depend almost exclusively on the private financial markets for external finance, and there is a wide range of countries for which market access to medium-term finance is of more than marginal importance. Of course, all developing countries depend on trade facilities operating through the international banking network.

From the perspective of the banks, a relatively small number of borrowers account for the bulk of their "exposure" (i.e., outstanding claims) on the group of non-oil developing countries. At the end of 1981 the two largest borrowers (Brazil and Mexico) accounted for 38 per cent of bank exposure to all non-oil developing countries and the largest ten borrowers for over 70 per cent; about 90 per cent was owed by the top 20 borrowers. Thus, in the context of bank portfolio management, there is a concentration in their claims within the broad group of non-oil developing countries, and the banks' exposure to these major borrowing countries is large in relation to their capital. In some cases, the exposure of some major international banks to individual countries exceeds 50 per cent of their capital.

^{1/} Flow data are presented on an exchange rate adjusted basis. These data are derived using stock data calculated at current (unadjusted) exchange rates and recalculating the end-of-period stock data using the same exchange rates as at the beginning of the period. Stock data presented here are on a current U.S. dollar basis (unadjusted).

2. Recent developments

Quantitative analysis of recent trends in international bank lending is hampered by lack of timely and comprehensive data. The BIS data are available only for the first half of 1982 and these point to a slowdown in lending. Net lending by banks in the BIS reporting area to all borrowers was \$50 billion in the first half of 1982 compared with \$65 billion in the same period in 1981 (Table 2). But within this total figure, the slowdown in net lending to the group of non-oil developing countries was more modest (\$17 billion in the first half of 1982 compared with \$19 billion during the same period of 1981). Some 34 per cent of these aggregate net flows went to the non-oil developing countries during the first half of 1982 compared with 29 per cent in the first half of 1981 (31 per cent share in annual terms in both 1980 and 1981) and it is possible that data for the third quarter will show a sizable increment in net banking flows to these developing countries in the aggregate. This would reflect the drawdown of substantial new medium-term loan commitments arranged during the last quarter of 1981 and first half of 1982 and significant short-term borrowing by Mexico, inter alia, which continued through August 1982.

New medium-term (publicized) bank credit commitments for the non-oil developing countries totaled \$30.6 billion during the first ten months of 1982, compared with \$36.1 billion during the same period in 1981--and \$45.1 billion for all of 1981--(Table 3). There was a marked reduction in new commitments during the third quarter of 1982 and that trend continued in October. The effects of this slowdown in commitments will only be apparent in the last quarter of 1982 and early months of 1983. However, the slowdown was uneven in its effect among regions; it became almost impossible to arrange new syndicated credit commitments for Latin American countries by September 1982, and as a result there was a shift toward arranging medium-term borrowings through small "clubs" of banks and through increasing reliance on short-term borrowing. Although the magnitudes involved cannot be verified, they seem to have been sizable. Also as noted in Table 4, there was a significant increase in lending spreads on new commitments to developing countries after the first quarter of 1982.

Despite the slowdown in publicized commitments, the scale of net bank flows for 1982 as a whole to the non-oil developing countries may have approached the level recorded for 1979, although falling far short of the \$50 billion level attained during 1981. Moreover, those numbers will undoubtedly reflect a continued drawdown from the existing stock of undisbursed commitments. In short, when the BIS data for all of 1982 become available, the increase in bank claims on (i.e., net flows to) the non-oil developing countries may be misleading as an indicator of the likely scale of financing flows for 1983.

3. Near-term prospects

The degree of exposure of international banks in the major market borrowing developing countries, the debt servicing difficulties encountered almost simultaneously by Mexico and Argentina (the largest and fourth largest borrowers from banks in 1981), and the evident strains facing Brazil (the second largest borrower) have sharpened bankers' perceptions of risk in lending to the non-oil developing countries. This increasing perception of risk, against the background of a general world recession, is reflected in interbank relationships--i.e., the differential pricing of interbank deposit placements and the scaling down of credit limits on a case-by-case basis. Thus, for the first time in several years a number of banks are concerned not only with adequately assessing lending risk but also with their ability to fund international credits on a profitable basis. All of this suggests that, at least for the near term, international banks will be much more cautious in decisions regarding lending to the non-oil developing countries, at least to countries among them where they feel relatively heavily exposed. To the extent that the banks involved are now seriously rethinking their previous lending strategies, some smaller industrial countries as well as categories of developing countries could be affected.

Aside from the direction of lending, a reassessment of the quality of various types of lending seems to be in motion. In particular, banks have become more reluctant to participate in large-scale, general purpose lending to deficit countries, and a slowdown in this activity seems likely. There may be more emphasis on project and trade-related lending and an increasingly cautious attitude regarding shorter maturity lending, due to a re-evaluation of the risks of providing short-term facilities in response to a rapid build-up of short-term debt of certain major borrowers experiencing serious debt difficulties. This re-evaluation includes interbank placements to agencies of financial institutions which are headquartered in countries facing payments strains. Over time, this general reassessment should serve to strengthen the system. But the important question arises as to whether in the near term changing attitudes will lead to a retrenchment in bank lending to deficit countries so severe as to preclude orderly adjustment.

Despite the current difficulties and uncertainties, it seems more likely that such a pessimistic scenario will not be borne out. First, most major banks seem aware that major retrenchment would seriously threaten the quality of their developing country assets in general. Second, adjustment efforts supported by the Fund are underway in a number of major developing country borrowers. In particular, Argentina, Brazil, and Mexico are adopting adjustment programs which should significantly reduce their demands on the markets for net financing. These three countries together accounted for one half of the increase in exposure of the BIS reporting banks to the non-oil developing countries in 1981. Third, even assuming a significant reduction in the rate of increase of bank exposure to the non-oil developing countries, large-scale financing flows would still be feasible. BIS reporting banks

increased their exposure (outstanding claims) by some 25 per cent per year during the period 1973-1981 and the increase was about 20 per cent during the 12-month period ending June 1982. ^{1/} For example, a rate of increase more in line with the growth of banks' domestic assets and capital in 1983 would still imply significant net flows to the non-oil developing countries. The projection in ID/83/1 of a 7-8 per cent increase in 1983, would imply net bank financing flows of some \$20-25 billion.

Thus, while the financing prospects of individual countries are far from assured--and banks likely will react more quickly than in the past when the external situation of a specific borrower is seen to be deteriorating--in an aggregate sense there should continue to be a significant scale of net market flows to developing countries in the year ahead. But the risks inherent in the current context cannot be ignored and there are important caveats. In particular, the broadly positive assessment presented above assumes that: (1) global economic developments in 1983, including industrial country economic activity and international interest rates, conform broadly to the projections presented in the general survey paper (ID/83/1); (2) adjustment programs being undertaken by major developing country borrowers, with closer cooperation between official and private lenders, are perceived as being implemented successfully; (3) bank supervisory authorities avoid measures which would force banks to severely retrench in their international lending; and (4) that the process of international financial intermediation is not disrupted by a major contraction in the interbank market.

III. External Debt Survey

1. Introduction and summary

This survey focuses on recent developments with regard to the external debt of non-oil developing countries, including for the first time an analysis of the short-term debt situation. Special emphasis is placed on the current position and prospects for the 20 major borrowers. The survey also covers, although less comprehensively, selected oil-exporting countries, industrial countries, and nonmember East European countries for which there is adequate information. The analysis is primarily based on debt statistics compiled from the World Bank's Debtor Reporting System (DRS) combined with information directly provided to the staff by the national authorities, and staff estimates and projections; this main statistical base is supplemented by banking data published by the Bank for International Settlements and a number of less widely used data sources.

^{1/} For details concerning individual countries, see Tables 5 and 6.

The following are the main points that emerge from the survey. Since available debt statistics remain insufficient and deficient for the purpose of monitoring debt developments for many countries, and even more so for cross country comparison, great care must be taken when analyzing the debt data presented in this report. With this caveat in mind, the survey describes the difficult debt situation in 1982. While the growth in overall debt outstanding shows an appreciable decline in 1982, debt service payments continued to increase rapidly, partly because of the continued high level of international interest rates, but mainly because of a bunching in principal repayments. Moreover, owing to a broad decline in export earnings and falling debt servicing capacity, scheduled debt service payments reached unmanageable levels for an unprecedented number of countries, including, for the first time in recent history, a number of the major borrowers in the international banking system, net oil exporters, as well as exporters of manufactures. These difficulties were compounded this year by a decline, for the first time since 1974, in the flows of new lending. For a number of countries, the debt servicing problem was also exacerbated by a decline in the average maturity of external debt. This was in striking contrast to the period 1980-81, when sharp increases in international interest rates were the single most important contributing factor to the increase in debt service.

For a number of countries, prospects for 1983 remain difficult since debt service payments are projected to increase despite the recent easing in international interest rates. Moreover, substantial and speedy improvements are not now expected for either export earnings or in the flows of new lending. For the selected industrial countries, the trend has also been for an appreciable increase in their debt servicing burden, but available data are too limited for a more conclusive general assessment. The rise in the debt burden has been more evident for the East European countries, with two countries having rescheduled their debts in 1981-82.

The survey consists of four main sections: a brief description of the statistical aspects concerning the quality of debt data (a more detailed account is provided in the Appendix); an overview of the debt developments for non-oil developing countries, focusing on recent developments and on prospects for 1983; a more extensive account of the 20 major borrowers including selected oil exporting countries; and a brief description of the external debt situation of selected industrial countries and of nonmember East European countries. For this survey, more detailed debt statistics were collected for 39 countries. Of these, individual country data for 19 major borrowers and 7 selected industrial countries are provided in the Appendix.

2. Statistical aspects of debt data ^{1/}

The description and analysis in the following sections draw heavily on the IBRD's Debtor Reporting System (DRS) as a primary source of historical data. They also extend beyond this traditional source to include individual country data and projections provided to the Fund staff by the national authorities. A special effort was made, for the first time, to collect available statistics relating to short-term debt on a country by country basis. Furthermore, comprehensive debt statistics and estimates were collected, also for the first time, for 39 individual countries covering the period 1980-83. Of these, data for 27 countries are analyzed, and details of data availability are catalogued in Table 8. It should be noted that for some countries, especially among the industrial countries, more comprehensive data appear to be available in national statistics; however, these data are not at present readily available to the staff. In interpreting these data, several caveats seem in order. First, owing to the time constraint, it was not possible to insure that data from all countries have consistent and uniform coverage over time as well as across countries, e.g., in terms of type of debt excluded. Second, in many cases, there are substantial data gaps--the most notable being the estimates for short-term debt and private nonguaranteed debt. Considerable difficulties, not unexpectedly, were encountered in these two areas and the data should therefore be interpreted with care.

As noted, estimates of short-term debt (with original maturity of under one year) based on individual country statistics available to the staff are presented in this report; in total, short-term debt data are reported for 42 non-oil developing countries, including 17 major borrowers (Table 9). Generally, the estimation of short-term debt outstanding is very difficult. In principle, such debt should include, for both private and public sector borrowers, credit lines for commercial trade transactions (lines of credit, overdrafts, bankers' acceptances, etc.), interbank term deposits, intergovernmental credits, suppliers' credits, export prepayments, etc. The quality of the data available to the staff varies widely. In a few cases, detailed breakdowns between trade and financial credits are available; in others, only global aggregates are available. For this reason, and because of the limited number of countries for which short-term data are available, the short-term debt statistics presented in this report should be interpreted with exceptional care. Although aggregate short-term debt outstanding for the major borrowers, reported on an individual country basis, accounts for a very substantial share of global estimates of short-term debt outstanding made by other agencies, it is clear from the data summarized in Table 9 that the country coverage is far from complete. Nevertheless, the fact that a considerable amount of short-term debt information, especially for the major borrowers, is available to the

^{1/} For a comparison of data from alternative sources see Table 7 in the Appendix.

staff is encouraging. The staff intends, in future contacts with members, to intensify its efforts to gather more detailed and comparable short-term debt statistics.

3. Developments in the main debt aggregates of non-oil developing countries

For the non-oil developing countries as a group, two main features marked the external debt developments in 1982. First, their disbursed external debt has increased at a much slower pace than that experienced at anytime since 1974. Second, their debt servicing burden has continued to increase at such a rate that a record number of countries have encountered serious debt servicing difficulties.

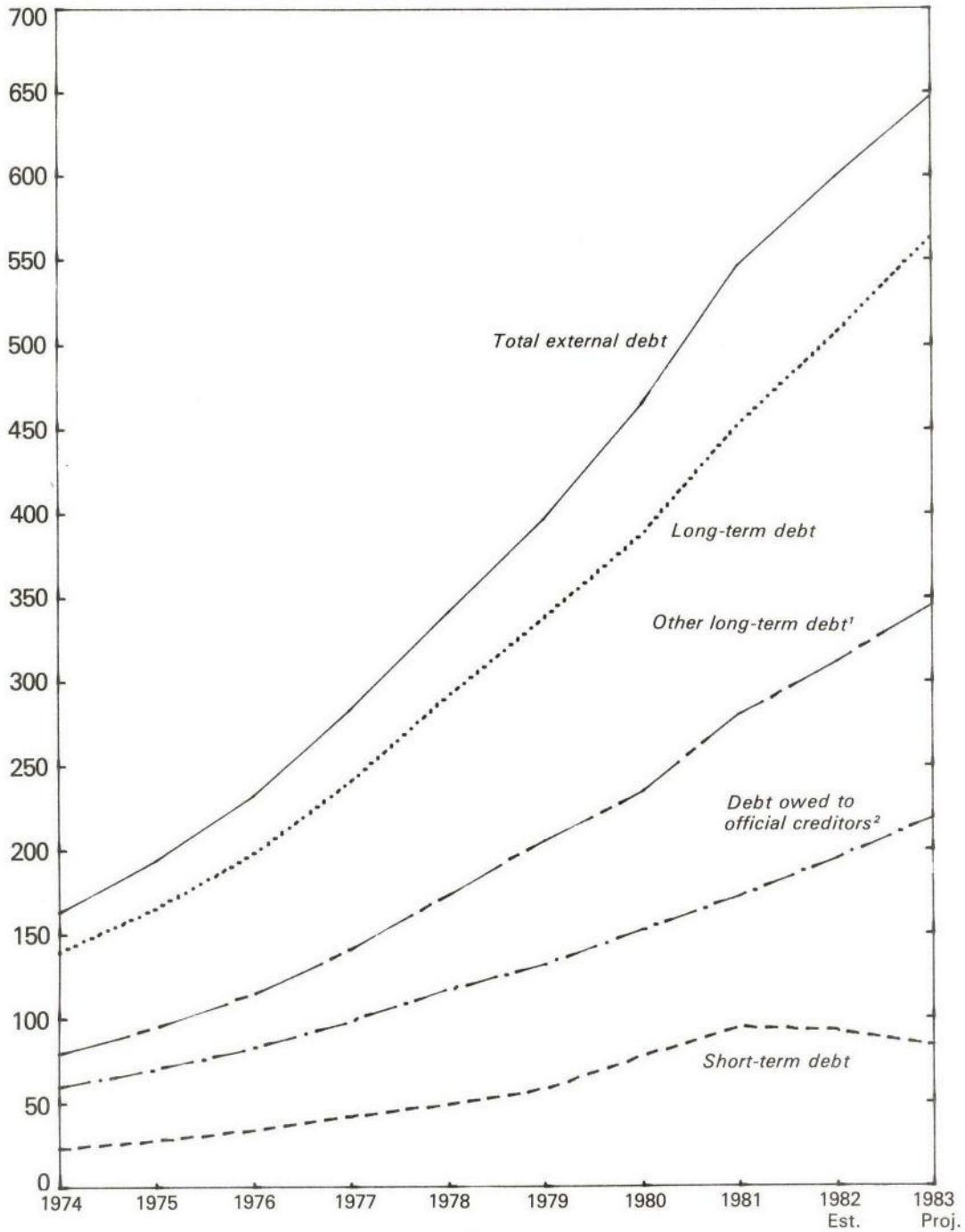
In 1982, total disbursed external debt (including short-term liabilities) rose by 10 per cent to almost \$600 billion, about half the rate of increase in 1981, as well as half the average annual growth rate of 19 per cent recorded since 1974 (Chart 1 and Table 10). This markedly slowing trend is partly a reflection of the large increases in principal repayments on the existing debt, but more importantly, it reflects a decline in gross loan disbursements for long-term debt and a reduction in short-term debt. The decline in the gross flows of long-term debt was broadly based, extending across all types of debt, all classes of creditors, and affected most main groups of countries. For the first time since 1974, gross (long-term) loan disbursements fell from \$115 billion in 1981 to an estimated \$104 billion in 1982. In the case of short-term debt, the amount outstanding fell, also for the first time since 1974, by about \$2 billion, in striking contrast to large increases in 1980 and 1981. The exceptional increases in short-term debt during 1980-81 reflect in large part a major change in the pattern of financing for some countries within the non-oil developing world-- toward a greater reliance on short-term debt for general balance of payments financing as well as for trade financing. Despite the decline of such debt in 1982, relative to the value of trade, short-term debt outstanding at end-1982 remained high by previous standards.

When debt is classified by type of creditors, it is also noteworthy that the declining trend in bank debt (of all maturities) has been more pronounced and more firmly established than other types of debt. According to available data, the increase in debt owed to banks in the BIS reporting area slowed from 38 per cent in 1978 to 20 per cent in 1981 (Table 11). In net terms, adjusting for external assets of non-oil developing countries held with these banks, net debt has followed a similar trend, with the rate of increase falling from 45 per cent to 26 per cent between 1978 and 1981.

Staff projections indicate a further deceleration in the growth in outstanding external debt of the non-oil developing countries to around 8 per cent during 1983. This deceleration should accompany a smaller

CHART 1
NON-OIL DEVELOPING COUNTRIES:
EXTERNAL DEBT, BY TYPE OF DEBT, 1974-83

(Total disbursed; in billions of U.S. dollars; at end year)



Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.

¹Owed mainly to private creditors.

²Public and publicly guaranteed debt.

current account deficit that is now expected. There would, however, be a significant shift in the maturity mix of debt further away from short-term debt. Gross disbursements on long-term debt would rebound, while short-term debt outstanding would actually decline further by \$9 billion as a number of countries attempt to further redress the maturity structure of debt. It should be noted that there is a great deal of uncertainty surrounding the projected aggregate external debt picture for 1983. In particular, it is difficult to project with any degree of confidence the magnitude of the flows of new lending from private sources, given that the market has been in a state of flux and that market confidence in a few major borrowers has been eroded.

This overall debt picture becomes somewhat altered when the nominal values are deflated by price or scaled by other relevant economic variables. Total debt outstanding measured in real terms, using as a deflator the export unit value index of the non-oil developing countries, rose by 17 per cent in 1982, moderately lower than the increase of 19 per cent in 1981, but still at a rate twice the annual average increase of 8 per cent during the 1970s (Table 12). However, the declines in gross disbursements during 1982 in real terms remain evident. Most importantly, the debt situation has generally worsened largely because of the recent decline in exports of goods and services. Relative to these earnings, external debt, both short- and long-term, continued to increase quite sharply in 1982, reaching an unprecedented level of 132 per cent (Chart 2 and Table 13).

For the non-oil developing countries as a group, the recent leveling-off in external borrowing (in terms of U.S. dollars) is partly attributable to smaller current account deficits and therefore, reduced financing requirements. However, this apparent slowing trend understates the magnitude of the underlying financing needs of this group of countries in a number of ways. First, a greater proportion of the BOP financing has been met through a drawdown on reserves and through increased use of Fund resources. In 1982, net outstanding Fund credit rose by over \$6 billion to a record level of \$21 billion (Table 14). This increment of Fund credit is noteworthy in that it meets 12 per cent of the total borrowing need for the year, whereas the Fund's share, as a creditor, accounts for only 3.5 per cent of all debt outstanding. Second, in addition to the disproportionate increase in use of Fund credit, the underlying financing needs have also been manifested (for 34 countries) in the form of a further accumulation of external payments arrears, 1/ by an estimated \$13 billion in 1982 to reach \$20 billion at end-year. Third, serious financing difficulties were partially addressed by 20 countries through multilateral debt reschedulings (Tables 15 and 15a). Finally, a number of countries, especially in the Western Hemisphere region and in Eastern Europe,

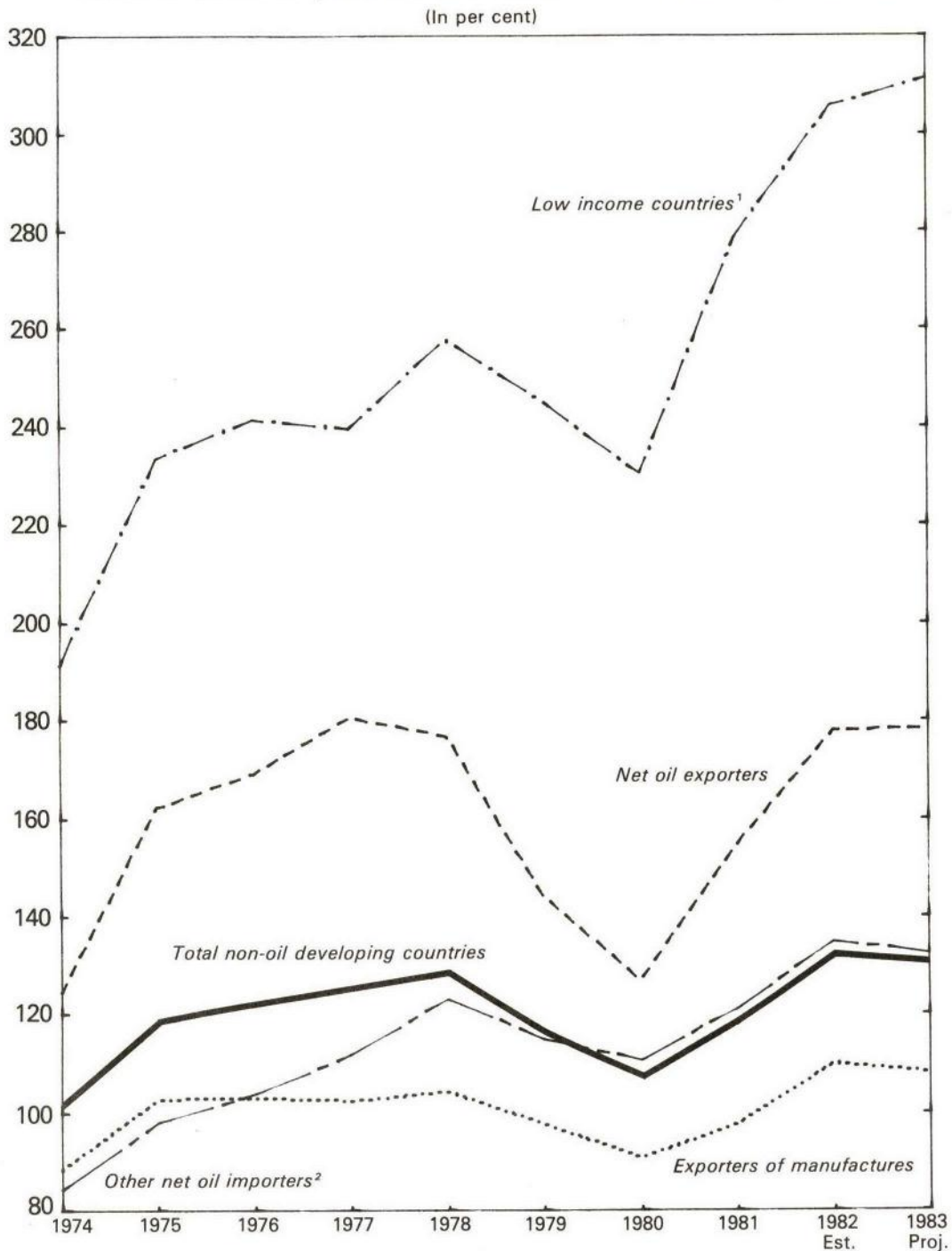
1/ For a more extensive treatment, including individual country statistics, see "External Payments Arrears of Fund Members, 1981-82," (EBS/83/12, 1/12/83).

have had reduced access to commercial sources of credits--both in the form of cessation of syndicated loans and nonrenewals of short-term credits.

Underlying these broad overall trends have been some divergent movements among the individual countries. However, when countries are grouped according to their main economic characteristics, the group aggregates have broadly followed the global trends discussed above (Table 16). The decline in new borrowing was exceptionally pronounced for the net oil exporting countries. Net disbursements for this group fell dramatically from \$31 billion (33 per cent of debt outstanding) in 1981 to \$12 billion (10 per cent) in 1982, with the reduction evenly divided between short- and long-term debt. The declining trend was also pronounced for the major exporters of manufactures, long accounting for a much larger share of the total debt than any other analytic group. For this group, net disbursements fell from \$35 billion (19 per cent of debt outstanding) to \$19 billion (9 per cent) over this period. The reduction in new short-term borrowing actually began in 1981 and continued into 1982, along with the beginning of a substantial drop in new long-term borrowing. For both the net oil exporters and exporters of manufactures, swings in short-term debt, partly related to interest rate factors, have been particularly pronounced: such debt doubled from \$34 billion in 1979 to \$67 billion in 1981 before leveling off at \$68 billion in 1982. The declining trend was somewhat less pronounced, but nevertheless significant for the group of middle-income developing countries exporting primary products. For this group, net disbursements dropped to \$15 billion in 1982 (11 per cent of debt outstanding) from \$20 billion (18 per cent) in 1981, mainly a result of lower gross loan disbursements.

Although the disbursed debt of all main groups of countries has been increasing at a much slower pace, their debt in relation to export earnings has increased without exception because of a broad decline in the latter. This is in marked contrast to the late 1970s when all country groups experienced some reduction in their external debt relative to export earnings. For the low-income countries (excluding India and the People's Republic of China)--traditionally maintaining the highest level of debt relative to export earnings--this debt-to-export ratio rose to 306 per cent in 1982 and is expected to rise further in 1983 (Table 17). It should be noted, however, that this group of countries also has the highest mix of concessional borrowing and hence the lowest average cost of borrowing. Exporters of manufactures saw their debt exceeding export earnings in 1982, although some relative improvement is likely in 1983. The situation for the net oil exporters mirrors the swings in oil export earnings. During the second oil price increase and the export boom in 1979-80, their debt relative to exports fell dramatically, from the peak of 181 per cent in 1977 to 127 per cent in 1980. With the current weakness in oil prices and demand, their debt in relative terms has once again risen sharply, reaching 178 per cent in 1982.

CHART 2
NON-OIL DEVELOPING COUNTRIES:
EXTERNAL DEBT RELATIVE TO EXPORTS OF GOODS
AND SERVICES, BY MAIN COUNTRY GROUP, 1974-83¹



Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.

¹Excluding India and the People's Republic of China.

²Middle-income countries exporting mainly primary products.

The debt service payments of the non-oil developing countries rose by 15 per cent to \$108 billion in 1982 (Chart 3 and Table 18). This rate of increase was considerably below the 22 per cent rise recorded for 1981 and also substantially below the average increase of 23 per cent during the second half of 1970s. However, when measured in terms of export earnings and debt servicing capacity, this group of countries suffered in this year an even heavier debt servicing burden, and debt service payments as a ratio of exports of goods and services ^{1/} rose from 20 per cent in 1981 to an estimated 24 per cent in 1982 (Chart 4 and Table 17). ^{2/} This deterioration occurred in spite of a leveling off in interest rates, and could be attributed in large part to the decline (estimated at 2.5 per cent) in export earnings in 1982. Nevertheless, it should be noted that even if export growth had been more satisfactory in 1982, there still would have been an increase in the debt servicing burden owing to a bunching of principal repayments. ^{3/}

The deterioration in the debt service ratio is evident across all main country groups. For the group of net oil exporters, which has traditionally maintained a debt service ratio that is significantly above the global average, this worsening situation has been especially marked. In 1982, its debt service payments absorbed 38 per cent of export earnings, up from 30 per cent in 1981. Although this reflects in part the weakness in oil earnings, the situation is discouraging, especially as significant improvements are not in prospect for 1983. As for other country groups, in 1982, debt service payments accounted for 23 per cent of exports of goods and services for exporters of manufactures, 25 per cent for low-income countries, and 21 per cent for other middle-income countries; the corresponding ratios in 1981 were 20 per cent for exporters of manufactures, and 19 per cent for the other two groups. The exceptional deterioration in the situation facing the low-income countries could be traced almost entirely to a bunching of

^{1/} The ratios of debt--and debt service--to exports have been commonly used as indicators to evaluate external debt developments, and by commercial lenders to assess country risk. The use of these indicators--in a cross-country analysis as well as in a specific country study--suffers from a number of conceptual and practical drawbacks, and assessments based on these indicators need to be tempered with judgments gained from a comprehensive analysis of the economy. For a more detailed discussion of the debt ratios for the analysis of debt situations, see IMF, Occasional Paper Number 3, External Indebtedness of Developing Countries, May 1981.

^{2/} As is apparent from the analysis of the major borrowers (see below), the average debt service ratios for a large number of small borrowers remain well below 24 per cent, although they have also increased in 1982.

^{3/} If exports had increased in 1982 by 7 per cent, i.e., the same percentage increase as in 1981, the debt service ratio might have risen to 22 per cent (instead of 24 per cent), and the principal payments ratio from 8.5 per cent to 10 per cent (instead of 11 per cent).

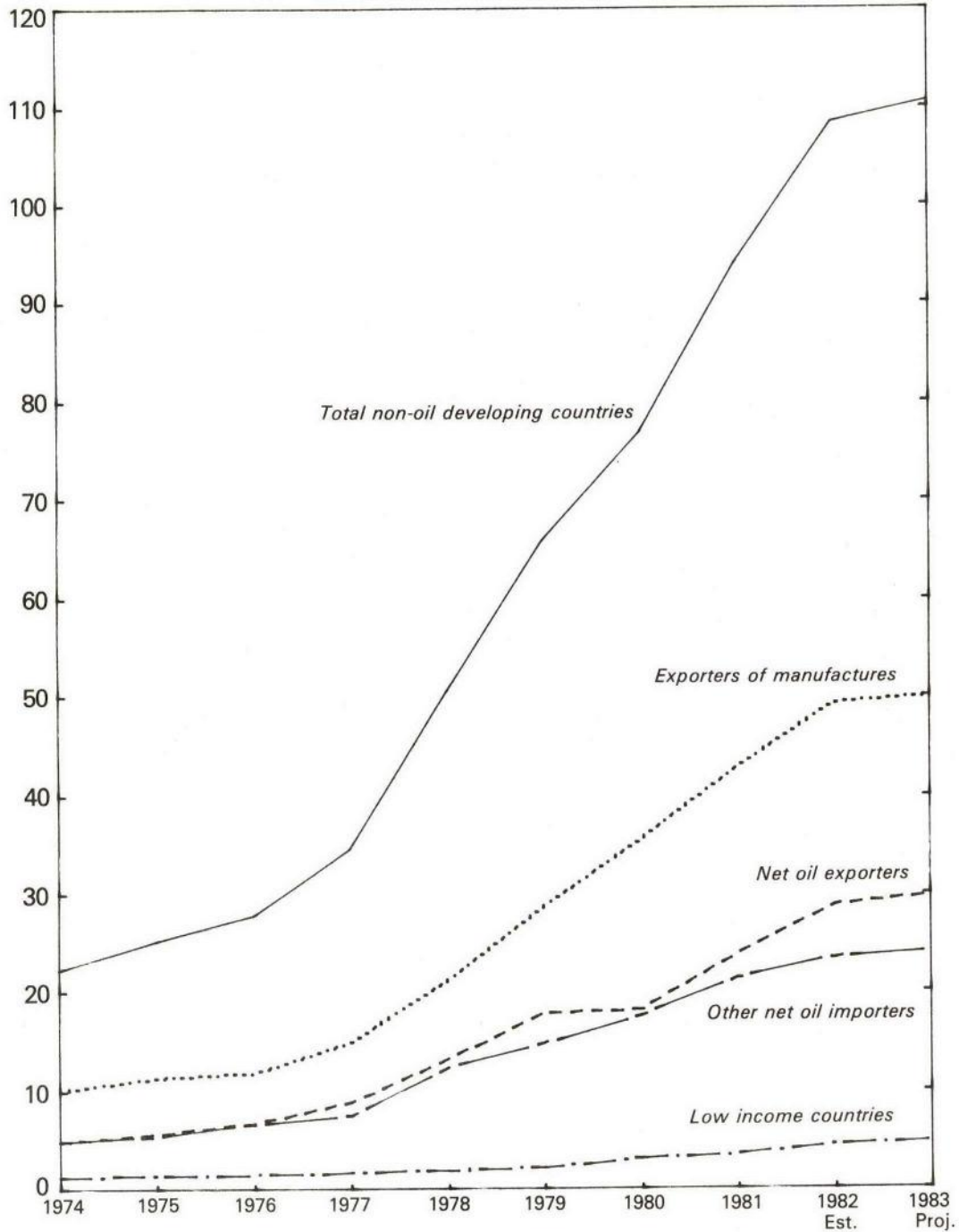
principal repayments. For 1983, a marginal improvement is projected for all country groups--mainly reflecting a decline in interest rates and some recovery in export earnings.

A combination of factors both domestic and external have influenced the trend in debt service. From the mid-1970s until recently, the rapid increase in debt service payments resulted from a progressive shift in the average term structure of debt, as well as from a rapidly increasing stock of debt. There were both large increases in the average interest cost for debt (of all maturities) and a shortening of the average maturity for long-term debt. From 1974 to 1981, the average interest cost of all debt rose from 6.4 per cent to 10.8 per cent; similarly, the average maturity of long-term debt shrank from 9.8 years in 1974 to a low of 8.4 years in 1979 (Table 19). These developments reflect an increase in the mix of debt contracted on commercial terms and at variable rates of interest. For the public sector alone, the share of debt owed to private creditors rose from 42 per cent in 1974 to 52 per cent in 1981 (Table 20). If allowances are also made for private nonguaranteed debt and short-term debt, the share of private creditors may well have reached 68 per cent in 1982--compared with only about 60 per cent in the mid-1970s. This progressive shift led to a shortening in the average maturity of all debt, but more importantly, along with the sharply higher international interest rates especially during 1979 through the first half of 1982, it allowed the average interest cost of debt servicing to move upward. Reflecting these factors, interest payments on all debt as a ratio of exports of goods and services doubled from 5.8 per cent in 1974 to an estimated 11.8 per cent in 1981. With a rising stock of debt and shorter average maturities, principal payments also grew from 8.5 per cent of export earnings in 1974 to a peak of 12 per cent in 1978.

For 1982, with the recent easing in the international interest rates, the average interest cost fell slightly to 10.2 per cent. However, debt service payments continued to rise reflecting primarily a reduction in the average maturity (from 10.6 years in 1981 to 9.6 years in 1982) and large increases in principal repayments. For 1983, given the assumptions concerning global developments as contained in ID/83/1, total interest payments of non-oil developing countries relative to exports of goods and services are projected to fall to 11.1 per cent, from 12.8 per cent in 1982, and the principal payments ratio to remain unchanged. In particular, the expected decline in international interest rates since the third quarter of 1982.

On a geographical basis, recent trends have somewhat altered the regional relative position. Although in 1982 all regions suffered a higher debt servicing burden, countries in the Western Hemisphere region experienced a greater than average deterioration in their debt situation. In 1982, their debt service ratio rose steeply to 56 per cent from 43 per cent in 1981. In comparison, in 1982, such ratios only rose marginally for Asia and Europe to 9 per cent and 21 per cent, respectively; for

CHART 3
NON-OIL DEVELOPING COUNTRIES:
DEBT SERVICE¹, BY MAIN COUNTRY GROUP, 1974-83
(In billions of U.S. dollars)

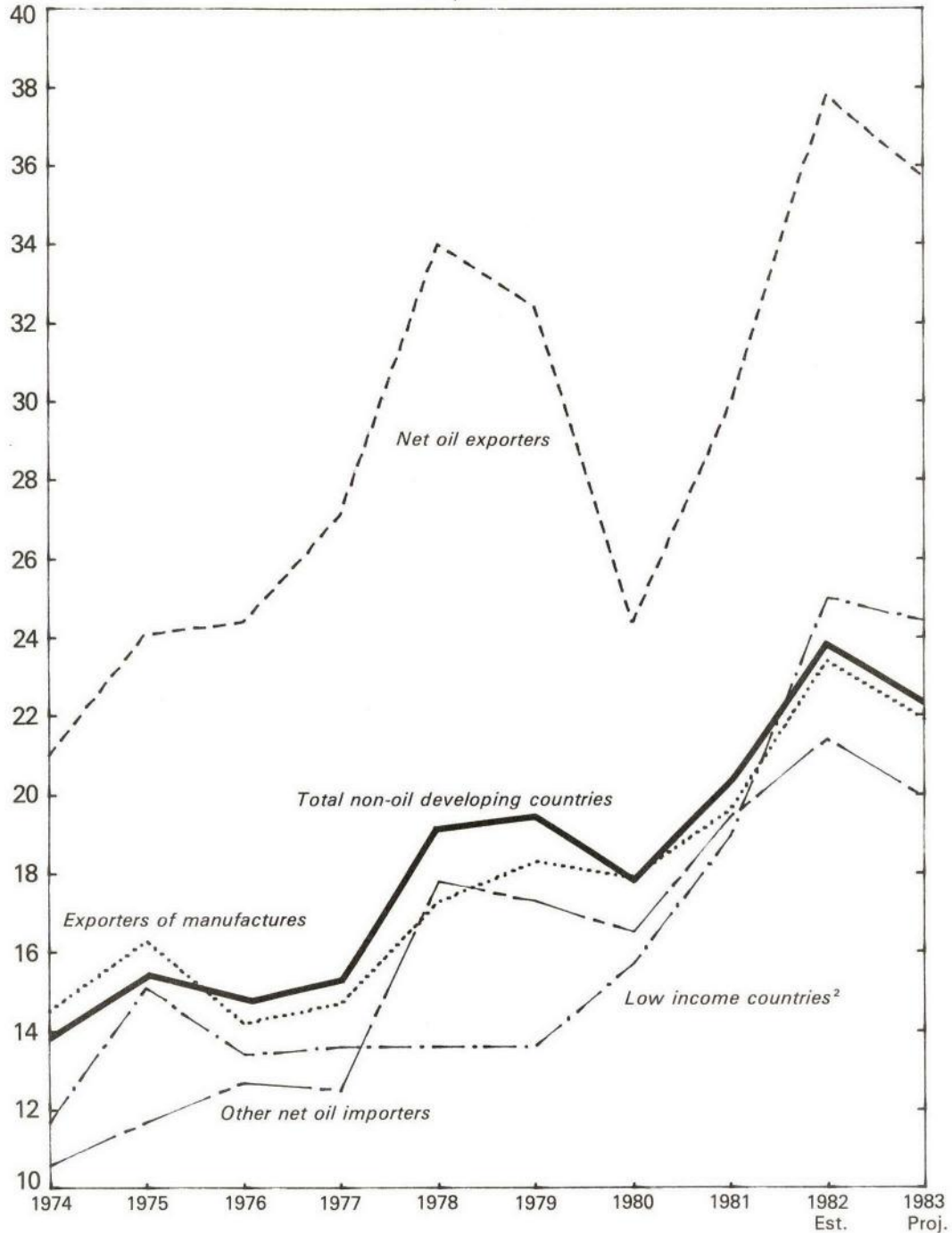


Sources: World Bank Debtor Reporting System; and Funf staff estimates and projections.

¹Interest payments on short-and long-term debt, and amortization payments on long-term debt.

CHART 4
NON-OIL DEVELOPING COUNTRIES:
DEBT SERVICE RELATIVE TO EXPORTS OF GOODS
AND SERVICES, BY MAIN COUNTRY GROUP, 1974-83¹

(In per cent)



Sources: World Bank Debtor Reporting System; and Fund staff estimates and projections.
¹Total interest payments (on short- and long-term debt) and amortization payments on long-term debt.
²Excluding India and the People's Republic of China.

Africa, the ratio rose from 13 per cent to 17 per cent, while for the Middle East, it fell marginally to 17 per cent (Table 21). By 1982, the Western Hemisphere region accounted for 57 per cent of all debt service payments, although its share in total debt was only 45 per cent. The worse than average term structure of debt for this region can be traced to the region's traditionally heavy reliance on private credits.

4. Major borrowers

The broad developments described above inevitably mask some significant divergent trends among individual countries. More importantly, the group averages could reflect a situation that is confined to a few dominant countries within the group and therefore not representative of the underlying trends for most other countries. To shed further light on the current position and debt prospects in general, a separate and more comprehensive debt profile of selected major borrowing countries has been assembled. The pertinent debt characteristics of 20 developing countries with the largest estimated debt service payments in 1982 are summarized in Tables 22-25. 1/

It should be emphasized that the data in these tables must be interpreted with care. As noted earlier, debt data in general remain deficient for a number of countries, and the reliability and quality of data varies among countries. For the major borrowers, a special effort has been made to achieve a reasonable degree of comparability and consistency over time as well as across countries. Nevertheless, for some countries, data gaps remain, and because of economic and institutional differences among countries, certain debt characteristics and debt indicators may not be strictly comparable across countries; where feasible, these data gaps and definitional differences have been indicated in the tables. Aside from these general caveats, it should also be noted that staff projections for 1983 have been provided only for countries which have entered into, or are about to conclude shortly, an adjustment program supported by use of Fund resources. These projections are broadly consistent with the macroeconomic targets set within the context of the adjustment programs. For other countries within the group, the staff has made its own projections, but--given the larger than usual margin of uncertainties--these projections have been reflected only in the group aggregates.

1/ The list is based on available data, including some elements of staff estimates where reported data do not exist. The ranking should be regarded as indicative because of imperfection in data, and uncertainties in estimated elements, and because rapid changes in relative debt positions are not unlikely.

The group comprises 3 oil exporting countries ^{1/} (Algeria, Indonesia, and Venezuela), 4 net oil exporters (Ecuador, Egypt, Mexico, and Peru), 6 exporters of manufactures (Argentina, Brazil, Israel, Korea, Portugal, and Yugoslavia), 6 other middle-income developing countries exporting primary products (Chile, Hungary, Philippines, Romania, Thailand, and Turkey), and one nonmember of the Fund, Poland. Data for Hungary, Poland, Romania, and Yugoslavia are related to convertible currencies only.

In 1981, total debt service for these major borrowers amounted to \$82 billion or about 75 per cent of total debt service obligations of the developing countries; at the end of 1981, their total external debt amounted to \$440 billion (Table 26). These figures underscore the concentration of debt of developing countries in a few countries and the potential impact on the rest of the world of developments within this group of countries.

The major borrowers as a group are different from other developing countries in several key aspects. In the first place, they are heavily and disproportionately reliant on bank borrowing. For the countries in this group, the staff estimates that bank borrowing accounts for at least 65 per cent of their total debt, in contrast to the average 40 per cent bank dependence of other developing countries. Furthermore, on the basis of BIS data, in 1981 the major borrowers absorbed 80 per cent of total commercial bank lending to developing countries; in 1977, their market share was about 70 per cent (Table 27). Moreover, the top ten countries accounted for over 60 per cent of total bank lending to developing countries in 1981. Thus, this group accounts for a very large and increasing share of the bank market. The reliance on commercial borrowing leads to comparatively higher average debt servicing cost for these countries. More importantly, the market concentration implies that significant changes in either the international banking perception of these countries' creditworthiness, or in these countries' financing patterns and needs, could have considerable implications for the magnitude and trends of the world debt aggregates.

The second aspect that should be noted for the group is the diversity among countries. Although the trend for the group follows that for all non-oil developing countries, within the group, there are several divergent debt trends and characteristics. For instance, while the total debt for the group rose by 8 per cent in 1982 (following an increase of about 18 per cent in 1981), the experiences of individual countries vary widely (Table 22). Their rates of change in total debt ranged from declines of 14 per cent (Hungary), 9 per cent (Romania) and 5 per cent (Yugoslavia), to increases of 18 per cent (Indonesia), 22 per cent (Egypt), and 29 per cent (Portugal). In relation to export

^{1/} Iran has not been considered for inclusion in the list because recent debt data have not been made available to the staff by the authorities. It would have been included if the list had been for the year 1980, the last year for which data are available to the staff.

earnings, total debt for the group rose from 176 per cent in 1981 to 200 per cent in 1982. However, at the extremes of this average are Poland at the top of the list with a debt to export ratio in excess of 400 per cent, and Yugoslavia and Venezuela at the lowest end with a ratio estimated at under 100 per cent.

Similar observations can be made with regard to the trends in debt service payments. In many instances, official estimates of interest payments on short-term debt are not available and a comparison of total debt service payments across all countries can be completed only with staff estimates in terms of broad order of magnitude. On the basis of these estimates, debt service payments for the group rose by at least 10 per cent or about \$9 billion in 1982 (Table 22a). However, of this increase, over \$6 billion was attributed to Mexico alone, and about \$4 billion to Argentina. At the same time, debt service payments for Poland are estimated to have fallen sharply by \$3 billion as a result of debt restructuring and its liquidity constraint. Finally, although all countries in the group have annual debt service of at least \$2 billion, in relative terms, the burden varies widely among countries. The average debt service burden (for debt of all maturities) for the group is estimated at about 38 per cent for 1982, with Argentina at the top (98 per cent) and Venezuela at the bottom (under 20 per cent).

The third notable aspect of this group of borrowers is their dependence on short-term debt and in recent years the volatility of such debt. Although, as noted earlier, reliable estimates of short-term debt are difficult to obtain, the staff's rough estimates indicate that for this group of countries, short-term debt as a ratio of total debt was as high as 20 per cent in 1982, in marked contrast to a range of 6-8 per cent estimated for other developing countries (Table 23). For at least four of the countries in this group (Korea, Mexico, the Philippines, and Portugal), the short-term to total debt ratio was above 25 per cent, and this debt was more than twice the level of international reserves.

A heavy reliance on short-term debt per se does not necessarily indicate that there is a weakness in the debt structure for a specific country. For some countries, such reliance may merely mirror the relative openness of the economies and reflect the prevalent use of trade-related short-term credits. However, for the major borrowers as a group, in recent years short-term debt has shown exceptional fluctuations in comparison with the trend in trade. According to the staff estimates, short-term debt as a ratio of imports rose from about 40 per cent in 1980 to almost 60 per cent in 1982; this ratio has been tentatively projected to decline to about 50 per cent in 1983 (Table 25). Since, under normal circumstances, short-term debt is generally trade-related and could be expected to be stable relative to the scale of foreign trade, these recent fluctuations reflect a particularly unsettling aspect of the overall debt situation for some of the countries in the group.

A more detailed look at the short-term debt situation reveals that the largest part of recent developments can be attributed to the debt situation of even fewer countries, especially Mexico, Brazil, Korea, and Venezuela. In 1981, Mexico doubled its use of short-term debt to \$23 billion, thus raising the short-term debt as a ratio of total debt to 30 per cent, from 23 per cent a year earlier. Scaled by the level of its imports, Mexico's reliance on short-term debt rose from 63 per cent in 1980 to almost 100 per cent in 1981. Similarly, although to a lesser extent, in 1981 Korea's short-term debt grew by more than \$3 billion, and with 40 per cent of its total debt in short-term, Korea had in all likelihood one of the highest short-term debt ratios in the developing world. For Brazil, short-term debt rose sharply in 1982, although its reliance on short-term debt (15 per cent of total) can still be considered moderate.

The exceptional fluctuations in short-term debt in recent years can be traced to a set of factors that affect countries in a non-uniform way. For some countries (such as Korea), the substantial increase in short-term debt in 1981 was regarded primarily as a response to interest rate developments--when short-term debt was considered more cost effective and more attractive than medium-term financing. However, for others, sharp increases in short-term debt were associated with their inability to obtain medium-term financing. In these latter circumstances, short-term debt was a form of temporary financing, possibly masking a primarily medium-term debt servicing problem. In this connection, it is noteworthy that in 1982 all East European countries in the group experienced sharp declines in short-term debt, primarily as a result of the lenders' loss of confidence. Thus, undue dependence on short-term financing increases the country's vulnerability to external factors and complicates the task of debt management. This was perhaps best exemplified in 1982, when a turnaround in the flows of short-term debt contributed to serious debt servicing difficulties for countries such as Argentina, Mexico, Poland, and Romania.

Recent developments concerning the major borrowers have generally not been reassuring which explains, to a great extent, the present uncertainties surrounding the world debt situation. Sharp declines in export earnings combined with mounting debt service burdens have caused serious problems for a number of countries in this group. Indeed, since 1981 at least six of the major countries (Argentina, Ecuador, Mexico, Poland, Romania, and Turkey) have already arranged, or are in the process of negotiating, debt restructuring with private and/or official creditors. Total known debt service payments, having risen sharply to \$82 billion in 1981, amounted to about \$90 billion in 1982 and would have considerably exceeded this amount, but for the postponement of scheduled payments following the record number of debt

renegotiations during this year. 1/ Rough staff estimates point to a slight decline in debt service payments in 1983, as a result of further debt restructurings now expected to take place during 1983.

For most countries facing debt servicing difficulties, their circumstances usually reflect a mixture of two factors. These are first, an intrinsic debt servicing problem stemming from excessive past borrowings and/or cyclical declines in debt servicing capacity, and second, a liquidity problem caused by lenders' loss of confidence and a sudden cutback in credits. In practice, these two factors are often interrelated, and assessing their relative contribution to the debt difficulties should be made only on a case-by-case basis. While it is difficult to generalize, it may be noted that the countries in difficulty share certain debt characteristics. Except for Turkey (whose problem has predated the present context) and Romania, these countries experienced very large and rapidly rising (scheduled) debt service which by 1982, all have far exceeded the level of 50 per cent of exports of goods and services. Three countries (Mexico, Argentina, and Romania) also encountered substantially higher average interest costs, partly a reflection of the deterioration in their credit standings as perceived by lenders. Exceptionally large increases in the average interest rate occurred for Mexico and Argentina, and interest payments (on debt of all maturities) were, for each, absorbing some 50 per cent of current foreign exchange earnings (Table 24).

For most countries with debt servicing problems, their troubles were also exacerbated in 1982 by a bunching of principal repayments, and a drastic and abrupt shortening of the effective (average) maturity. For Argentina in particular, the average maturity of long-term debt was almost halved from 11 years to 6 years in 1982, and its principal repayments alone absorbed one-half of its current earnings (up from 12 per cent only two years earlier). 2/ Similarly, but to a lesser extent, Ecuador used up 43 per cent of its current receipts to repay debt, compared with 20 per cent two years earlier; the average maturity of its long-term debt fell from 7 years to 5 years. Finally, most countries suffered declines in export earnings, ranging from 5 per cent for Mexico to 14 per cent for Brazil.

For 1983, tentative staff projections point to continuing debt difficulties for some of these major borrowers. Barring substantial improvements in export earnings, which are not presently expected, the situation would remain tight for a number of countries, e.g., those

1/ It should be noted that actual debt service payments in 1982 were also lower than otherwise, since a substantial accumulation in arrears was also incurred.

2/ This outcome reflects in large part policy measures taken during 1981 which induced a shift from short-term borrowing to borrowing on 540-day terms by the private sector.

whose scheduled debt service payments already exceed one-half of projected export earnings, and whose reserves already are at the minimum working levels. However, debt restructuring along with the continuing tendencies of falling international interest rates should provide a respite, and lead to some leveling-off in debt service obligations. Depending on the outcome of ongoing debt restructuring, and the average interest cost, debt service payments for the major borrowers as a group would decline moderately. Naturally, a further reduction in interest rates (below the 10 per cent presently assumed for the 1983 LIBOR rate on U.S. dollar-denominated assets) would, after the customary lag, further reduce debt service by roughly \$3 billion per each percentage point reduction.

5. Selected industrial countries

The industrial countries have not, in general, experienced external debt difficulties on the same scale as that encountered by the non-oil developing economies. Nonetheless, in recent years, a number of industrial countries have accumulated foreign debt at a rate well in excess of their export growth.

Nine countries (Australia, Belgium, Denmark, Finland, Ireland, New Zealand, Norway, Spain, and Sweden) which traditionally recorded surpluses on the capital accounts of their balance of payments have been selected. Their net external indebtedness is comparatively large and increasing. Considerable caution should, however, be exercised in interpreting the debt statistics presented here, since they refer to gross rather than net foreign positions; a number of the industrial countries surveyed are believed to have substantial claims on the rest of the world. It should also be stressed that the data coverage remains far from complete.

With the exception of Norway, all the industrial countries reviewed have registered increases in external public and private debt in recent years (Table 28). Moreover, apart from Australia, this debt has grown relative to both GDP and export earnings. In two instances, Denmark and Ireland, where the intensification of balance of payments pressures has been particularly evident, the ratio of debt to exports at the end of 1982 (139 per cent and 151 per cent, respectively) exceeded the average for the non-oil developing countries (132 per cent).

A relatively high proportion of the debt contracted by the countries under review lies at the short end of the maturity spectrum. The most recent data available reveals that, in three instances (Finland, Ireland, and Sweden), short-term debt comprised over one-third of total liabilities. The maturity profile of the debt of these countries differs sharply from the average for non-oil developing countries with a ratio of short-term to total debt of around 16 per cent. Apart from the fact that a significant share of developing country debt consists of project-related borrowing, which typically

carries a longer term maturity, these differences reflect the relative openness of the industrialized economies and also their more liberal exchange control regulations and ease of access to commercial credits.

The share of bank debt to total debt varies considerably across the countries surveyed. In the case of Spain, bank debt accounted for 81 per cent of total liabilities at end-1981, compared with less than one-third in Norway, and a little over 30 per cent for the group as a whole. On average, around 40 per cent of the bank debt carries a maturity of one year or less. It is also worthwhile noting that relative to export earnings, the stock of bank debt contracted by nonbank residents in the selected countries has, in general, been considerably greater than for other industrial economies (Table 29).

Not surprisingly, the growth in the external debt of the countries under review has been accompanied by an increase in debt service payments relative to export growth. The average debt service ratio for the four countries for which reliable data are available and comparable (Denmark, Norway, Spain, and Sweden), is estimated at almost 20 per cent in 1982, compared with 15.4 per cent in 1980. However, only in the case of Denmark, where amortization and interest payments absorbed some 26 per cent of export earnings in 1982, is the debt service ratio higher than the mean of 21 per cent (excluding interest on short-term debt) for the non-oil developing countries.

6. Nonmember East European countries

The convertible currency debts of nonmember East European countries ^{1/} have risen sharply in recent years (Table 30). At end-1981, gross liabilities to the rest of the world amounted to US\$74 billion, compared with US\$17 billion at the end of 1974; this represents an average annual growth rate of 23 per cent, slightly higher than that recorded by the non-oil developing economies during the same period. Over two-thirds of the convertible currency debt represents liabilities to banks in the BIS reporting area (Table 31). After falling sharply in 1975, the proportion of total liabilities backed by bank deposits has remained broadly constant at around 16 per cent.

Most of the increase in the external debt of nonmember East European countries took place between 1974 and 1976, when total liabilities in convertible currencies rose by 136 per cent. While this growth is partly attributable to an expansion in commercial credits associated with the surge in trade with Europe and North America, it also reflects the financing requirements of large and, on occasion, overambitious industrial development projects. Since this period, a number of the East European countries have experienced difficulties in fulfilling their convertible currency obligations. Partially, this reflects the

^{1/} Bulgaria, Czechoslovakia, German Democratic Republic, Poland, and U.S.S.R.

fact that foreign exchange earnings generated from projects that were foreign financed have proven generally inadequate to finance rapidly rising amortization payments. In addition, however, because virtually all the debt contracted by these countries has been on commercial terms, the upturn in Eurodollar interest rates since 1978 greatly inflated borrowing costs. As a result, the debt service ratio of the nonmember East European economies rose from 18 per cent in 1974 to 41 per cent in 1979, the most recent year for which data is available. The debt difficulties of these countries have been accentuated by the fact that over one-half of the bank debt carries a maturity of less than two years. Since the foreign currency earnings generated from foreign borrowing has typically been spread over a number of years, this bunching of shorter term commitments has served to further tighten liquidity.

Throughout the latter part of the 1970s, Poland, in particular, faced increasingly severe cash flow which seriously undermined its ability to fulfill its external obligations. By 1979 it had accumulated external debt equivalent to well over three years of convertible currency export earnings, while its debt service ratio had risen to above 90 per cent. As a result of these pressures, in 1981, Poland was obliged to seek a rescheduling of maturities falling due to both private and official creditors. A further rescheduling of private debt was undertaken in 1982.

Primarily in response to the efforts of the international banking community to limit loan exposure to the governments of the East European countries, the growth of bank lending to these countries slowed noticeably in 1981. In particular, for three countries (Bulgaria, Czechoslovakia, and Poland), the size of their convertible currency debts owed to banks declined in absolute terms. Preliminary data for the first half of 1982 indicate a continuation of this trend; during the first six months of the year, the banks in the BIS reporting area reported a decline in both gross and net aggregate claims on nonmember East European countries. These recent declines could be explained in part by the fact that a large part of their obligations is denominated in currencies that have depreciated against the U.S. dollar.

I. Quality and Reliability of Debt Statistics

For most developing countries, there are three main primary sources of published external debt statistics. ^{1/} These are the IBRD's Debtor Reporting System (DRS), the OECD's Creditor Reporting System, and the BIS quarterly and semi-annual publications on international banking developments and on the maturity distribution of international bank lending. These sources provide overlapping and complementary statistics that are sometimes derived from the same original national sources.

The IBRD compiles information from debtor sources, and publishes annually in its World Debt Tables, data on medium- and long-term public (and publicly guaranteed) debt for 101 developing countries; additional information on private nonguaranteed debt is also published for a smaller group of 17 countries where such data is reported. The OECD and BIS publish data that is primarily based on creditor sources and covers a broader group of countries. The main addition for the OECD is the oil-exporting countries, whereas the BIS extends the country coverage further to include selected industrial countries as well. In its annual external debt survey, the OECD attempts to provide the broadest debt coverage, including all private nonguaranteed debt on an individual country basis, and short-term debt and external payments arrears on an aggregative basis. The BIS, on the other hand, provides the narrowest debt coverage in the form of bank debt only, but it is the only published source of bank debt of all maturities, including separate data on short-term debt on an individual country basis; its debt statistics are also published more frequently.

Although significant advances have been made in recent years to upgrade the quality and coverage of published external debt data, they remain deficient for a large number of countries and caution must be exercised in their use. In almost all cases, a full assessment of the debt situation still entails a time consuming process of reconciling and integrating data from various sources; often, key information can only be derived or estimated from other sources, such as balance of payments statistics. To illustrate the order of magnitude of the potential error margins, Table 7 compares debt statistics from the two main sources with the staff estimates (normally data provided by the national authorities) for the twenty major borrowers, both in aggregate terms and individually. For 1980, after adjusting for coverage total external debt obtained from different sources differed by 5 per cent or \$15 billion, and debt service by 9 per cent or \$5.5 billion. More importantly, it is apparent that the reliability of data varies widely amongst countries, ranging from a margin of 2 per cent for Morocco, and the Philippines, to as high as 137 per cent for Nigeria. These differences could be attributable to differences in the scope and types of

^{1/} For a more comprehensive discussion of these alternative data sources and the possibility of their integration, see the forthcoming paper being issued by the Bureau of Statistics entitled "Data on the International Banking Activity and External Indebtedness of Countries."

debt covered 1/ and to the fact that each source contains subjective elements of estimates.

To monitor debt developments for a specific country and on a cross-country basis, the following shortcomings of the available debt data should be noted. First, timeliness and frequencies of data publication--the DRS and OECD data are published annually with delays of at least one year for the DRS and two years for the OECD. The BIS publishes some aggregate data on a quarterly basis with delays of about four months, but for short-term bank debt, data are published semi-annually with delays of about seven months. Second, data from these various sources could be integrated to provide a more comprehensive debt picture on a country by country basis, but the reliability of such data varies widely amongst countries. Third, taking all existing data sources together, several important data gaps remain. These include, among others: for all countries external debt with an original maturity of under one year; for most countries, reliable data on private nonguaranteed debt and the corresponding debt service; for industrial countries, centralized and uniform presentation of external debt statistics--currently, the only data available relate to bank debt and mainly for a select group of countries outside the BIS reporting area; and for East European countries the same data gaps as those of the industrial countries apply.

1/ The DRS omits the following from its individual country debt statistics: arrears on debt service, outstanding use of Fund credit, debt repayable in local currencies, short-term debt with original maturity one-year and under, and direct investment. The OECD omits the first four types of data listed above, and in addition, it excludes foreign exchange deposits with domestic banks of the debtor, and military debt financed by official credits.

Table 1. Total and External Claims of Banks in the BIS Reporting Area, 1975-June 1982 1/

	1975	1979	1980	1981	June 1982
(In billions of U.S. dollars)					
Estimated total claims	<u>2,679</u>	<u>5,092</u>	<u>5,633</u>	<u>5,819</u>	<u>5,584</u>
External claims <u>2/</u>	<u>260</u>	<u>665</u>	<u>810</u>	<u>945</u>	<u>965</u>
Reporting area <u>3/</u>	<u>115</u>	<u>300</u>	<u>381</u>	<u>453</u>	<u>463</u>
Other industrial countries	29	46	53	59	62
Non-oil developing countries	75	188	234	278	292
Centrally planned economies <u>4/</u>	22	54	57	58	51
Oil exporting countries	14	60	65	67	70
Other <u>5/</u>	5	17	20	30	27
(In per cent of total claims)					
External claims <u>2/</u>	<u>9.7</u>	<u>13.1</u>	<u>14.4</u>	<u>16.2</u>	<u>17.3</u>
Reporting area <u>3/</u>	<u>4.3</u>	<u>5.9</u>	<u>6.8</u>	<u>7.8</u>	<u>8.3</u>
Other industrial countries	1.1	0.9	0.9	1.0	1.1
Non-oil developing countries	2.8	3.7	4.2	4.8	5.2
Eastern Europe <u>4/</u>	0.8	1.1	1.0	1.0	0.9
Oil exporting countries	0.5	1.2	1.2	1.1	1.3
Other <u>5/</u>	0.2	0.3	0.3	0.5	0.5
(In per cent of external claims)					
Memorandum item:					
Non-oil developing countries	28.8	28.3	28.9	29.4	30.3

Sources: Bank for International Settlements, International Banking Developments; and IMF, International Financial Statistics.

1/ Amount outstanding at the end of the period. Coverage of reporting banks differs from that of Tables 11 and 27.

2/ Net of interbank deposits.

3/ Includes reporting countries and offshore centers.

4/ Excludes members of the Fund, except Hungary.

5/ Includes international organizations and unallocated.

Table 2. External Lending of Banks in the BIS Reporting Area, 1979-82 ^{1/}
(In billions of U.S. dollars)

	1979	1980	Year	First Half 1981	Second Half	First Half 1982
Destination of lending	125	160	165	65	100	50
Industrial countries	70	96	99	40	59	25
Oil exporting developing countries	7	6	3	-2	5	4
Non-oil developing countries	40	49	51	19	32	17
Centrally planned economies	6	5	6	3	3	-4
International organization and unallocated	3	4	7	5	1	8

Sources: Bank for International Settlements (BIS); and Fund staff estimates.

^{1/} Adjusted for exchange rate changes.

Table 3. New International Medium- and Long-Term Bank Credits
by Region of Borrower and Borrowing Institutions, 1979-October 1982 ^{1/}

	1979	1980	Year 1981	January- October 1981	January- October 1982 ^{2/}
(In millions of U.S. dollars)					
Industrial countries	24,145	39,266	94,675	78,512 ^{3/}	45,563
European countries	19,496	26,169	30,661	24,127	26,256
Of which: France	(2,787)	(1,922)	(3,847)	(3,147)	(2,350)
Italy	(3,362)	(6,483)	(6,984)	(5,486)	(4,462)
Spain	(3,730)	(4,524)	(4,708)	(4,160)	(1,705)
Sweden	(1,471)	(1,324)	(2,470)	(2,314)	(1,720)
United Kingdom	(1,990)	(1,871)	(3,019)	(2,080)	(1,822)
Canada	926	6,439	5,792	5,069	4,156
Japan	--	271	30	30	30
United States	3,723	6,387	58,192	49,286 ^{3/}	9,334
Developing countries	50,856	38,288	50,461	39,883	36,428
Oil exporting	7,678	5,393	5,366	3,814	5,873
Of which: Algeria	(1,800)	(343)	--	--	(75)
Indonesia	(695)	(967)	(1,101)	(535)	(514)
Kuwait	(16)	(140)	(232)	(212)	(...)
Nigeria	(1,212)	(668)	(1,858)	(1,431)	(513)
Saudi Arabia	(279)	(225)	(425)	(357)	(1,183)
United Arab Emirates	(488)	(113)	(72)	(72)	(278)
Venezuela	(3,053)	(2,937)	(1,333)	(1,114)	(2,700)
Non-oil developing	43,178	32,895	45,095	36,069	30,555
Of which: Argentina	(2,107)	(2,390)	(2,864)	(2,479)	(1,478)
Brazil	(6,498)	(5,279)	(7,268)	(4,979)	(5,174)
Chile	(683)	(919)	(2,305)	(1,925)	(835)
China	(3,070)	(374)	(453)	(122)	--
Colombia	(888)	(662)	(1,023)	(726)	(491)
Ecuador	(886)	(714)	(326)	(326)	(60)
Egypt	(13)	(186)	(46)	(46)	(208)
Greece	(945)	(1,191)	(941)	(880)	(911)
Hungary	(950)	(550)	(550)	(550)	(463)
Korea	(2,694)	(2,037)	(3,174)	(2,302)	(2,220)
Malaysia	(197)	(1,083)	(1,475)	(725)	(1,815)
Mexico	(10,438)	(5,980)	(10,571)	(9,263)	(7,053)
Morocco	(590)	(450)	(543)	(368)	(132)
Peru	(550)	(344)	(909)	(611)	(1,066)
Philippines	(1,774)	(1,277)	(1,141)	(1,134)	(1,012)
Portugal	(811)	(706)	(1,756)	(1,476)	(1,052)
Romania	(280)	(458)	(337)	(337)	--
South Africa	(52)	(385)	(172)	(172)	(1,039)
Thailand	(297)	(875)	(718)	(386)	(281)
Turkey	(3,171)	--	--	--	(212)
Yugoslavia	(1,651)	(1,832)	(564)	(527)	(351)
Centrally planned economies ^{4/}	2,615	1,658	681	581	215
International organizations	1,335	606	95	95	388
Other	131	101	--	--	124
Total	79,082	79,919	145,912	119,071 ^{3/}	82,718

(In per cent)

Memorandum items:

Developing countries					
Share in total	64	48	53 ^{5/}	58 ^{6/}	44
Share of 5 largest borrowers	33	23	27 ^{5/}	31 ^{6/}	23
Share of 10 largest borrowers	45	31	35 ^{5/}	39 ^{6/}	30
Share of 15 largest borrowers	52	36	40 ^{5/}	44 ^{6/}	35
Share of 20 largest borrowers	56	39	43 ^{5/}	47 ^{6/}	37

Source: Organization for Economic Cooperation and Development (OECD), *Financial Statistics Monthly*, January and November 1982.

^{1/} The country classifications are those used by the Fund.

^{2/} Preliminary figures for September and October 1982.

^{3/} Including US\$50 billion on account of multi-billion dollar credit commitments to U.S. corporations during July-October 1981, largely in connection with corporate takeover activity.

^{4/} Excluding Fund member countries.

^{5/} Excluding the multi-billion dollar financing by U.S. corporations; otherwise the shares would have been 35 per cent, 18 per cent, 23 per cent, 26 per cent, and 28 per cent, respectively.

^{6/} Excluding the multi-billion dollar financing by U.S. corporations, otherwise the shares would have been 33 per cent, 18 per cent, 23 per cent, 25 per cent, and 27 per cent, respectively.

Table 4. Selected Characteristics on New Medium-Term Eurocredits, 1979-82

	1979		1980		1981		1982			
	First Half	Second Half	First Half	Second Half	First Half	Second Half	First Quarter	Second Quarter	Third Quarter	October
(In per cent; per annum)										
Average spreads <u>1/</u>										
General	.81 <u>2/</u>	.69 <u>2/</u>	.68 <u>2/</u>	.71 <u>2/</u>	.74	.69	.81	.68	.81	...
OECD countries <u>3/</u>	.64	.58	.57	.55	.49	.46	.56	.54	.57	...
Developing countries <u>4/</u>	.91	.75	.81	.92	.97	.92	.85	1.10	1.19	...
Lowest spread	...	...	...	...	1/4-3/8	1/4-3/8	1/4-3/8	1/4	.3	...
(In years/months)										
Average maturity <u>5/</u>										
General	9/0	8/4	8/4	7/8	7/11	7/5	7/10	6/10	7/11	9/2
OECD countries	9/7	8/8	8/1	8/2	...	...	...	...	...	...
Developing countries <u>6/</u>	9/4	8/9	8/8	7/5	...	...	...	...	...	...

Source: Organization for Economic Cooperation and Development, Financial Market Trends, March and November, 1982.

1/ Weighted average of spreads applied to credits of US\$50 million and over, with maturities of over three years completed or signed during the period (excluding tax-sparing loans, bankers' acceptance, and note issuance facilities).

2/ Excluding borrowing by CMEA countries.

3/ Excluding Turkey.

4/ Including oil exporting countries but excluding the People's Republic of China.

5/ Credits of US\$50 million and over.

6/ Including oil exporting countries.

Table 5. Countries' External Debt Owed to Banks
in BIS Reporting Area, June 1982

(In millions of U.S. dollars)

	External Liabilities to Banks		External Liabilities to Banks
Industrial countries		Asia	
United States	163,606	Afghanistan	3
Canada	39,704	Bangladesh	79
Australia	10,221	Bhutan	--
Japan	73,968	Burma	139
New Zealand	2,110	China	1,303
Austria	16,168	Fiji	34
Belgium/Luxembourg	29,406	India	1,346
Denmark	13,909	Kampuchea	3
Finland	7,066	Korea	16,627
France	75,978	Lao	--
Germany	67,982	Malaysia	3,803
Iceland	734	Maldives	7
Ireland	6,635	Nepal	1
Italy	45,056	Pakistan	774
Netherlands	26,356	Papua New Guinea	133
Norway	10,319	Philippines	8,041
Spain	22,426	Singapore	35,359 2/
Sweden	16,543	Solomon Islands	...
Switzerland	32,152	Sri Lanka	236
United Kingdom	151,769	Thailand	2,826
		Vanuatu	246 2/
		Viet Nam	276
		Western Samoa	...
Developing countries		Europe	
Oil exporting countries		Cyprus	444
Algeria	6,465	Greece	88
Indonesia	4,947	Hungary	6,496
Bahrain, Iran, Iraq, Liberia, Oman	14,769 1/	Malta	30
Kuwait, Qatar, Saudi Arabia, United Arab Emirates	9,731 1/	Portugal	8,482
Nigeria	5,241	Romania	4,154
Venezuela	22,483	Turkey	2,907
		Yugoslavia	9,244
Non-oil developing countries		Middle East	
Africa		Egypt	4,726
Benin	122	Israel	5,825
Botswana/Lesotho	61	Jordan	460
Burundi	8	Lebanon	1,333 2/
Cameroon	901	Syrian Arab Republic	596
Cape Verde		Yemen Arab Republic	138
Central African Republic	11	Yemen P.D. Republic	15
Chad	14		
Comoros	6	Western hemisphere	
Congo	35	Antigua and Barbuda	...
Djibouti	5	Argentina	22,904
Equatorial Guinea	3	Bahamas	78,603 2/
Ethiopia	25	Barbados	353 2/
Gabon	551	Belize	29
Gambia, The	9	Bolivia	648
Ghana	223	Brazil	52,240
Guinea	101	Chile	10,584
Guinea-Bissau	9	Colombia	4,925
Ivory Coast	2,625	Costa Rica	711
Kenya	700	Dominica	6
Liberia	7,014 2/	Dominican Republic	340
Madagascar	308	Ecuador	4,266
Malawi	153	El Salvador	188
Mali	11	Grenada	...
Mauritania	54	Guatemala	339
Mauritius	115	Guyana	118
Morocco	3,293	Haiti	44
Niger	404	Honduras	265
Rwanda	7	Jamaica	435
Sao Tome and Principe	3	Mexico	61,814
Senegal	314	Nicaragua	523
Seychelles	14	Panama	25,109 2/
Sierra Leone	93	Paraguay	238
Somalia	50	Peru	5,070
South Africa	12,424	St. Lucia	...
Sudan	917	St. Vincent	...
Swaziland	19	Suriname	24
Tanzania	247	Trinidad and Tobago	702
Togo	188	Uruguay	1,003
Tunisia	923		
Uganda	45		
Upper Volta	29		
Zaire	984		
Zambia	461		
Zimbabwe	511		

Source: Bank for International Settlements, International Banking
Developments-Second Quarter, 1982.1/ Only available in aggregates, Bahrain is also an offshore banking
center.

2/ Offshore banking center.

Table 6. Short-Term Claims of Banks in the BIS Reporting Area on Selected Developing Countries, end-1981 1/

(In millions of U.S. dollars)

	Short-Term Claims	Short-Term Claims as a Percentage of:		
		Total Bank Claims	Exports of Goods and Services <u>2/</u>	Reserves Plus Unused Bank Commitments <u>3/</u>
Algeria	1,528	18.3	10.5 <u>4/</u>	27.1
Argentina	11,561	46.5	98.2	160.4
Brazil	18,330	34.8	68.1	144.2
Chile	4,158	39.5	68.1	82.8
China	1,112	48.6	5.2 <u>5/</u>	11.1
Colombia	2,651	48.7	54.9	41.5
Ecuador	2,292	51.0	76.4	109.6
Egypt	2,961	66.7	42.7	136.1
Greece	3,616	37.0	39.4	101.1
Hungary	3,113	40.4	30.1	171.1
Indonesia	2,964	40.9	12.5	38.8
Iran	1,513	55.2	--	--
Israel	4,277	71.4	39.5	105.4
Korea	11,534	57.9	42.0	104.7
Kuwait	4,741	93.1	18.2	102.1
Malaysia	1,371	30.8	10.7	25.6
Mexico	27,656	48.6	91.8	242.6
Morocco	1,186	32.0	38.5	218.4
Nigeria	2,036	33.7	10.9	27.2
Peru	2,667	60.4	63.3	102.9
Philippines	5,764	56.5	69.7	115.0
Portugal	2,840	37.6	44.5	145.3
Romania	1,791	35.3	13.2	203.1
Saudi Arabia	4,577	81.4	3.6	13.3
South Africa	6,006	53.7	25.2	147.6
Thailand	3,068	59.8	34.9	100.2
Turkey	1,044	24.7	16.8	58.2
United Arab Emirates	3,311	76.7	16.4 <u>5/</u>	79.6
Venezuela	16,103	61.4	65.8	141.4
Yugoslavia	3,035	28.4	22.2	105.7

Sources: BIS, Maturity Distribution of International Lending-Second Half 1981 Developments; and IMF, International Financial Statistics, November 1982.

1/ Claims of banks in the BIS reporting area with a residual maturity of less than one year.

2/ Merchandise exports plus other goods, service and income credits in 1981.

3/ Total reserves less gold plus undrawn credit commitments at end-1981.

4/ 1980 data used.

5/ 1981 exports only.

Table 7. External Debt--Comparison of Data Sources, 1980

(In millions of U.S. dollars)

	Total medium- and long-term debt 1/							
	Debt outstanding and disbursed				Debt service			
	DRS	OECD	Staff estimates	Per cent differences 2/	DRS	OECD	Staff estimates	Per cent differences 2/
For 158 countries and territories covered by OECD	...	464,517	...	...	...	86,922	...	...
For 101 countries covered by DRS	404,784	429,394	...	6.1	70,430	75,556	...	7.3
For non-oil developing countries 3/	351,591	359,343	367,800	4.6	58,517	60,781	64,000	9.4
Eighteen countries with largest debt service in 1980 according to OECD source								
1. Brazil	55,759	56,980	53,850	5.8	13,126	13,740	12,969	5.9
2. Mexico	33,587 4/	43,475	39,622	29.4	7,868 4/	9,258	7,723 5/	19.9
3. Venezuela	10,873 4/	14,726	9,672 4/	52.3	2,964 4/	4,730	2,127 5/	122.4
4. Spain	22,855	20,685	23,695	14.6	4,792	3,664	5,295	44.5
5. Algeria	15,078 4/	17,197	15,078 4/	14.1	3,710 4/	3,881	3,710 5/	4.6
6. Yugoslavia	15,445	15,113	14,798	4.4	3,456	3,341	2,899	19.2
7. Korea, Rep. of	16,705	17,579	17,418	5.2	2,856	3,317	3,051	16.1
8. Argentina	6,780	15,643	16,877	7.9	1,987 4/	2,811	2,776	41.5
9. Chile	9,413	8,972	9,413	4.9	2,381	2,218	2,362	7.3
10. Indonesia	14,882 4/	16,635	14,866 4/	11.9	1,772 4/	2,041	1,779 5/	15.2
11. Egypt	12,795 4/	13,835	12,028	15.0	1,438 4/	1,831	1,416	29.3
12. Peru	6,168 4/	7,078	7,415	20.2	1,504 4/	1,634	1,519	8.6
13. Greece	9,966	6,853	5,377	85.3	912 4/	1,293	897	44.1
14. Morocco	7,098 4/	7,347	7,223	3.5	1,191 4/	1,334	1,191 4/	12.0
15. Nigeria	4,001 4/	5,509	4,001 4/	37.7	500 4/	1,185	500 5/	137.0
16. India	17,471	18,018	17,350	3.9	1,030	1,370	1,099	33.0
17. Turkey	14,012	14,534	13,722	5.9	1,050	1,136	1,297	23.5
18. Philippines	8,415	8,523	8,553	1.6	1,013	1,073	1,065	5.9

Sources: OECD, 1982 Survey of External Debt; World Bank, Debtor Reporting System; and Fund staff estimates based on national sources.

1/ Excluding outstanding use of Fund credit. OECD data are derived from creditor sources and therefore contain private nonguaranteed debt, whereas for DRS and staff estimates such data are available and reliable for only a limited number of countries; this factor accounts for much of the very large differences that are apparent for some countries where such debt is substantial.

2/ Differences in per cent between the lowest and the highest values.

3/ Coverage of staff estimates is adjusted to allow for Fund members not covered by either the DRS or OECD, e.g., The People's Republic of China, Hungary, and Romania (of which debt in 1982 totaled \$19.3 billion on the basis of staff estimates).

4/ Excludes private nonguaranteed debt and debt service of such debt.

5/ Partial estimates, excluding amortization and/or interest payments on private nonguaranteed debt.

Table 8. Selected Countries: External Debt Data Available to Fund Staff, 1980-83

	Denmark	Finland	Ireland	New Zealand	Norway	Spain	Sweden	Algeria	Argentina	Brazil	Chile	Ecuador	Egypt	Hungary	Indonesia	Israel	Korea	Mexico	Peru	Philippines	Poland	Portugal	Romania	Thailand	Turkey	Venezuela	Yugoslavia
I. Medium- and long-term debt - total	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1. Total public and publicly guaranteed ^{1/}	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1.a By lender																											
International institutions			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Governments			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Financial institutions			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Suppliers			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Bonds			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1.b By borrower																											
Public sector ^{2/}	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Private sector with public guarantee	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2. Private sector without public guarantee ^{1/}	X					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2.a By lender																											
Banks			X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Other						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3. Debt service payments	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3.a Amortization	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Public and publicly guaranteed	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Private sector without public guarantee	X					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3.b Interest payments	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Public and publicly guaranteed			X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Private sector without public guarantee						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
II. Short-term debt	X	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1. Outstanding debt - total ^{3/}	X	X	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1.a By lender																											
Foreign banks			X					X	X					X								X	X	X	X		
Nonbanks			X					X	X					X								X	X	X	X		
1.b By borrower																											
Domestic banking system	X							X	X					X			X				X	X	X	X	X		
Others	X	X						X	X					X			X				X	X	X	X	X		
2. Interest payments	X							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
III. Memorandum item:																											
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			X					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Sources: Data provided by National authorities; and Fund staff estimates. 'X' denotes that data or estimates are available for at least 3 years.

- ^{1/} Debt with original maturity of one year and over, disbursed, end of period.
- ^{2/} Includes Central Bank.
- ^{3/} Debt with original maturity of under one year, disbursed, end-period.

Table 9. Non-Oil Developing Countries, Short-Term Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	1982	1983
Total reported short-term debt				
Non-oil developing countries	77,700	94,500	92,700	84,000
Of which:				
17 out of 20 major borrowers <u>1/</u>	64,352 <u>2/</u>	84,371	81,036 <u>3/</u>	69,649 <u>3/</u>
25 out of 100 remaining non-oil developing countries <u>4/</u>	13,348	10,129	11,664	14,351
Reference items:				
Short-term debt for non-OPEC <u>5/</u> developing countries as estimated by OECD	89,000	110,000	134,000	...

Sources: Fund staff estimates based partly on data provided by national authorities.

1/ Excluding the three oil-exporting countries.

2/ Excluding Chile for which data are not available.

3/ Excluding Egypt for which estimates are not available.

4/ Including (indirect) estimates for Chile and Egypt for years where estimates are not available.

5/ Credits with an original maturity under one year; for 1982, data assume some consolidation of short-term debt into medium-term debt. Source: OECD, 1982 External Debt Survey.

Table 10. Non-Oil Developing Countries: External Debt and Debt Service, 1974-83

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	Est. 1982	Proj. 1983
Total debt including short-term										
Debt outstanding	163.3	193.8	231.7	282.6	340.5	396.4	464.8	547.1	599.0	647.9
Interest payments	9.4	10.5	11.0	13.5	19.5	28.5	40.6	54.5	58.3	54.8
Net disbursements	28.6	33.2	38.2	45.5	48.7	56.4	70.7	92.2	51.9	48.9
Gross disbursements of long-term debt and net disbursement of short-term debt	41.5	47.9	55.1	66.6	79.8	93.7	107.1	131.8	102.0	104.6
Short-term debt 1/										
Debt outstanding	23.4	28.2	34.2	42.3	49.5	58.4	77.7	94.5	92.7	84.0
Interest payments	2.3	1.8	1.7	2.3	4.0	6.5	9.8	14.2	12.2	8.8
Net disbursements	4.5	4.7	6.0	8.1	7.2	8.9	19.3	16.8	-1.8	-8.7
Long-term debt										
Debt outstanding	139.8	165.6	197.5	240.2	291.0	337.9	387.1	452.6	506.3	563.9
Interest payments	7.1	8.7	9.2	11.2	15.5	22.1	30.8	40.3	46.1	45.9
Amortizations	12.9	14.7	17.0	21.1	31.1	37.4	36.3	39.6	50.1	55.8
Gross disbursements	37.0	43.2	49.1	58.5	72.6	84.8	87.8	115.0	103.8	113.3
Net disbursements	24.2	28.5	32.1	37.4	41.5	47.4	51.5	75.4	53.7	57.6
Without public guarantee										
Debt outstanding	36.0	40.8	45.9	52.8	57.4	67.3	75.0	94.7	101.3	105.6
Interest payments	2.8	3.2	2.7	3.2	4.2	5.9	7.5	11.1	12.7	11.5
Amortizations	5.6	6.3	7.4	7.7	10.0	10.9	12.0	12.5	16.4	18.2
Gross disbursements	12.3	11.6	12.7	14.5	13.6	19.8	20.4	31.4	23.0	22.5
Net disbursements	6.7	5.3	5.3	6.8	3.6	9.0	8.4	18.9	6.6	4.3
With public guarantee										
Debt outstanding	103.8	124.9	151.6	187.4	233.6	270.6	312.1	357.9	405.0	458.3
Interest payments	4.3	5.6	6.5	8.1	11.3	16.2	23.3	29.3	33.4	34.5
Amortizations	7.3	8.4	9.6	13.4	21.1	26.5	24.3	27.1	33.7	37.6
Gross disbursements	24.7	31.6	36.4	44.0	59.1	65.0	67.4	83.6	80.8	90.9
Net disbursements	17.4	23.2	26.8	30.6	38.0	38.4	43.1	56.5	47.1	53.3
Official creditors										
Debt outstanding	60.3	70.5	82.7	98.7	117.3	132.3	152.5	172.6	194.8	218.8
Interest payments	1.8	2.2	2.7	3.4	4.3	4.8	5.7	6.4	7.2	8.2
Amortizations	2.5	2.9	3.1	3.6	4.3	5.7	6.5	7.6	10.1	11.5
Gross disbursements	10.4	14.8	14.3	16.8	18.7	21.0	27.1	33.2	32.4	35.5
Net disbursements	7.9	11.9	11.2	13.2	14.4	15.3	20.6	25.6	22.3	24.0
Private creditors										
Debt outstanding	43.6	54.3	68.9	88.8	116.2	138.3	159.6	185.3	210.2	239.5
Interest payments	2.5	3.3	3.9	4.7	7.1	11.4	17.6	22.9	26.1	26.3
Amortizations	4.8	5.5	6.6	9.7	16.8	20.8	17.8	19.5	23.6	26.0
Gross disbursements	14.3	16.8	22.1	27.2	40.4	43.9	40.3	50.4	48.4	55.3
Net disbursements	9.6	11.3	15.6	17.5	23.6	23.1	22.5	30.9	24.8	29.3
Memorandum items:										
External payments arrears	...	1.0	2.0	6.3	6.5	7.3	6.8	7.1	19.9	...
Outstanding use of Fund credit	2.8	4.8	8.0	8.0	8.0	8.3	9.5	14.9	21.2	...
Obligations to the IMF-- charges and repurchases	0.6	0.7	1.4	2.0	3.0	2.7	3.0	2.6	3.3	...

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

1/ Staff estimates based on disaggregated country data. For details see Table 9.

Table 11. Debt Owed to Banks in the BIS Reporting Area, 1977-81

(Amounts outstanding at end period; in millions of U.S. dollars)

	1977		1978		1979		1980		1981	
	Total debt 1/	Debt, net of assets 2/	Total debt	Debt, net of assets	Total debt	Debt, net of assets	Total debt	Debt, net of assets	Total debt	Debt, net of assets
Industrial countries	...	...	...	...	...	...	...	...	...	...
Australia	4,784	3,788	5,462	4,433	6,628	5,199	7,259	6,063	9,877	8,624
Finland	4,786	3,513	5,526	3,864	6,004	3,775	7,006	4,263	7,279	4,832
Norway	6,775	4,154	9,113	5,782	9,714	5,312	10,823	5,413	10,662	4,121
Spain	11,485	2,837	13,195	-672	16,850	-1,636	19,696	1,293	23,201	4,881
Other	...	...	...	...	...	...	...	...	...	...
Developing countries	152,652	33,778	212,141	67,129	266,932	76,624	321,817	91,717	375,572	130,332
Oil exporting countries	32,974	-16,856	50,987	-6,178	60,405	-25,443	64,623	-57,522	67,891	-58,171
Algeria	4,415	2,844	7,641	5,350	9,044	5,995	9,033	4,820	8,354	4,587
Indonesia	4,973	2,512	5,819	2,800	5,806	644	6,274	-1,679	7,244	-313
Nigeria	810	169	2,281	1,569	3,461	1,494	4,510	-387	6,040	4,366
Venezuela	9,097	486	14,048	4,180	20,804	6,608	24,321	6,940	26,218	6,556
Other	13,679	-22,867	21,198	-20,077	21,290	-40,184	20,485	-67,216	20,035	-73,367
Non-oil developing countries	119,678	50,634	161,154	73,307	206,527	102,067	257,194	149,239	307,681	188,503
Net oil exporters	30,299	15,793	37,030	20,426	46,865	25,163	61,026	35,664	79,402	51,735
Ecuador	1,639	928	2,613	1,807	3,111	2,226	3,861	2,655	4,493	3,649
Egypt	1,361	-1,350	1,811	-1,777	2,217	-1,949	3,303	-1,996	4,441	-1,134
Gabon	574	409	1,046	896	1,090	930	993	792	765	636
Mexico	20,280	14,350	23,271	16,783	30,914	22,901	42,525	33,325	56,937	44,583
Peru	3,417	2,849	3,575	2,622	3,751	1,971	4,053	1,621	4,412	2,643
Other	3,028	-1,393	4,714	95	5,782	-916	6,291	-733	8,354	1,358
Major exporters of manufactures 3/	55,785	29,099	74,314	38,186	84,414	55,515	118,779	82,050	142,644	105,189
Argentina	4,863	412	7,015	2,005	13,427	5,319	19,940	13,403	24,844	18,117
Brazil	25,048	18,399	32,941	21,797	38,617	30,151	45,656	40,501	52,717	47,526
Greece	4,117	291	5,481	478	6,172	855	8,442	2,343	9,764	3,904
Israel	2,549	-1,454	3,925	-2,304	4,586	-2,645	4,848	-3,162	5,987	-3,549
Korea	5,247	2,288	7,543	5,156	11,968	8,729	16,678	13,219	19,907	16,264
Portugal	1,705	536	3,162	1,215	4,085	1,399	5,601	3,029	7,538	5,656
South Africa	8,577	7,549	8,099	6,809	7,312	5,614	7,211	5,082	11,187	9,333
Yugoslavia	3,679	1,078	6,148	3,030	8,247	6,113	10,403	7,635	10,700	7,938
Other	--	--	--	--	--	--	--	--	--	--
Low income countries	4,629	-4,351	7,438	-3,176	10,384	-2,610	11,787	-397	12,289	-3,740
India	519	-1,393	717	-2,296	908	-2,965	1,023	-2,321	1,355	-1,525
Pakistan	259	-411	574	-208	900	153	1,294	142	1,435	-169
Sudan	725	569	925	673	960	455	1,015	509	1,124	355
Zaire	934	502	1,286	686	1,259	354	1,163	341	1,117	204
Other	2,192	-3,618	3,936	-2,031	6,357	-607	7,292	932	7,258	-2,605
Other net oil importers 3/	28,965	10,093	42,372	17,871	54,864	23,999	65,602	31,922	73,346	35,319
Chile	1,581	697	2,920	1,394	4,864	2,456	7,339	3,698	10,527	6,445
Colombia	1,763	382	2,200	-160	3,560	-337	4,632	1,004	5,439	1,103
Costa Rica	571	397	708	487	1,055	829	1,370	1,116	1,287	975
Hungary	5,005	3,920	6,880	5,951	7,938	6,709	8,002	6,610	7,697	6,819
Ivory Coast	794	258	1,728	1,065	2,429	1,678	3,032	2,383	3,218	2,547
Morocco	1,193	192	2,604	1,612	3,381	2,320	3,468	2,730	3,705	3,035
Philippines	3,396	1,476	5,016	2,724	7,381	4,395	9,348	5,406	10,204	6,581
Romania	1,387	1,182	2,897	2,650	4,414	4,105	5,776	5,484	5,069	4,731
Thailand	1,831	555	2,817	1,787	3,696	2,054	4,036	2,904	5,134	3,384
Turkey	3,173	2,478	3,777	2,777	3,928	2,729	4,368	2,673	4,235	1,994
Other	8,271	-1,444	10,825	-2,416	12,218	-2,939	14,231	-2,086	16,831	-2,295
Memorandum items:										
Nonmember East European countries	30,071	23,452	37,801	28,312	43,788	30,107	45,960	32,561	48,028	34,758
Bulgaria	2,674	2,268	3,457	2,867	3,371	2,656	2,876	2,097	2,387	1,558
Czechoslovakia	1,546	1,071	2,054	1,395	3,004	1,975	3,545	2,289	3,321	2,459
Germany, Democratic Republic	5,275	4,380	6,793	5,473	8,553	6,591	9,928	7,782	10,733	8,578
Poland	8,840	8,425	12,441	11,599	15,846	14,677	16,173	15,527	15,283	14,519
Soviet Union	11,736	7,308	13,056	6,978	13,014	4,208	13,438	4,866	16,304	7,644

Sources: BIS, Maturity Distribution of International Lending, various issues.

1/ Total external claims of banks in the BIS reporting area.

2/ External claims net of liabilities of banks in the BIS reporting area. Minus signs indicate that countries maintain a net creditor position vis-a-vis banks in the BIS reporting area.

3/ Excludes countries that are off-shore banking centers, namely Bahamas, Bahrain, Hong Kong, Lebanon, Liberia, Panama, and Singapore.

Table 12. Non-oil Developing Countries: Real External Debt, 1974-83
 (Deflated by export unit values; real values in billions of 1975 U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Total debt, including short-term										
Debt outstanding	162.8	193.8	216.9	232.2	265.0	262.2	265.1	315.1	368.2	388.7
Net disbursements	28.5	33.2	35.8	37.4	37.9	37.3	40.3	53.1	31.9	29.3
Gross disbursements of long-term and net disbursements of short-term debt	41.4	47.9	51.6	54.7	62.1	62.0	61.1	75.9	62.7	62.7
Short-term debt										
Debt outstanding	23.3	28.2	32.0	34.8	38.5	38.6	44.3	54.4	57.0	50.4
Net disbursements	4.5	4.7	5.6	6.7	5.6	5.9	11.0	9.7	-1.1	-5.2
Long-term debt										
Debt outstanding	139.4	165.6	184.9	197.4	226.5	223.5	220.8	260.7	311.2	338.3
Gross disbursements	36.9	43.2	46.0	48.1	56.5	56.1	50.1	66.2	63.8	68.0
Net disbursements	24.1	28.5	30.1	30.7	32.3	31.3	29.4	43.4	33.0	34.6
Without public guarantee										
Debt outstanding	35.9	40.8	43.0	43.4	44.7	44.5	42.8	54.6	62.3	63.3
Gross disbursements	12.3	11.6	11.9	11.9	10.6	13.1	11.6	18.1	14.1	13.5
Net disbursements	6.7	5.3	5.0	5.6	2.8	6.0	4.8	10.9	4.1	2.6
With public guarantee										
Debt outstanding	103.5	124.9	141.9	154.0	181.8	179.0	178.0	206.2	248.9	274.9
Gross disbursements	24.6	31.6	34.1	36.2	46.0	43.0	38.4	48.2	49.7	54.5
Net disbursements	17.3	23.2	25.1	25.1	29.6	25.4	24.6	32.5	28.9	32.0
Official creditors										
Debt outstanding	60.1	70.5	77.4	81.1	91.3	87.5	87.0	99.4	119.7	131.3
Gross disbursements	10.4	14.8	13.4	13.8	14.6	13.9	15.5	19.1	19.9	21.3
Net disbursements	7.9	11.9	10.5	10.8	11.2	10.1	11.8	14.7	13.7	14.4
Private creditors										
Debt outstanding	43.5	54.3	64.5	73.0	90.4	91.5	91.0	106.7	129.2	143.7
Gross disbursements	14.3	16.8	20.7	22.4	31.4	29.0	23.0	29.0	29.7	33.2
Net disbursements	9.6	11.3	14.6	14.4	18.4	15.3	12.8	17.8	15.2	17.6

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

Table 13. Non-Oil Developing Countries: External Debt and Debt Service
Relative to Exports of Goods and Services, by Type of Debt, 1974-83

(In per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	Est. 1982	Proj. 1983
Total debt outstanding including short-term	101.4	118.4	122.1	125.3	128.3	116.4	107.7	117.9	131.7	130.6
Total debt service, including short-term	13.8	15.4	14.8	15.3	19.1	19.4	17.8	20.3	23.8	22.3
Short-term debt										
Debt outstanding	14.6	17.2	18.0	18.8	18.6	17.2	18.0	20.4	20.4	16.9
Interest payments	1.4	1.1	0.9	1.0	1.5	1.9	2.3	3.1	2.7	1.8
Long-term debt										
Debt outstanding	86.8	101.2	104.1	106.6	109.6	99.2	89.7	97.5	111.3	113.6
Interest payments	4.4	5.3	4.9	5.0	5.9	6.5	7.1	8.7	10.1	9.3
Amortizations	8.0	9.0	9.0	9.3	11.7	11.0	8.4	8.5	11.0	11.2
Debt service	12.4	14.3	13.9	14.3	17.6	17.5	15.5	17.2	21.1	20.5
Without public guarantee										
Debt outstanding	22.4	24.9	24.2	23.4	21.6	19.8	17.4	20.4	22.3	21.3
Interest payments	1.7	1.9	1.4	1.4	1.6	1.7	1.7	2.4	2.8	2.3
Amortizations	3.5	3.9	3.9	3.4	3.8	3.2	2.8	2.7	3.6	3.7
Debt service	5.2	5.8	5.3	4.8	5.4	4.9	4.5	6.1	6.4	6.0
With public guarantee										
Debt outstanding	64.4	76.3	79.9	83.1	88.0	79.5	72.3	77.1	89.0	92.4
Interest payments	2.7	3.4	3.4	3.6	4.3	4.8	5.4	6.3	7.3	6.9
Amortizations	4.5	5.1	5.1	5.9	8.0	7.8	5.6	5.8	7.4	7.6
Debt service	7.2	8.5	8.5	9.5	12.3	12.6	11.0	12.1	14.7	14.5
Official creditors										
Debt outstanding	37.4	43.1	43.6	43.8	44.2	38.8	35.3	37.2	42.8	44.1
Interest payments	1.1	1.4	1.4	1.5	1.6	1.4	1.3	1.4	1.6	1.6
Amortizations	1.6	1.8	1.6	1.6	1.6	1.7	1.5	1.6	2.2	2.3
Debt service	2.7	3.2	3.0	3.1	3.2	3.1	2.8	3.0	3.8	3.9
Private creditors										
Debt outstanding	27.0	33.2	36.3	39.4	43.8	40.6	37.0	39.9	46.2	48.3
Interest payments	1.5	2.0	2.0	2.1	2.7	3.3	4.1	4.9	5.7	5.3
Amortizations	3.0	3.4	3.5	4.3	6.3	6.1	4.1	4.2	5.2	5.2
Debt service	4.5	5.4	5.5	6.4	9.0	9.4	8.1	9.1	10.9	10.5

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

Table 14. Use of Fund Credit, Repurchases, and Charges, 1974-82

(In millions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total outstanding Use-of-Fund credit at end period	4,579	8,704	14,648	15,886	13,389	10,507	10,823	15,559	21,301
Industrial countries	1,810	3,861	6,616	7,842	5,351	2,186	1,332	635	142
Oil exporting countries	—	—	—	—	—	—	—	—	—
Non-oil developing countries	2,769	4,843	8,032	8,043	8,038	8,321	9,491	14,924	21,159
By analytical group									
Net oil exporters	138	96	870	1,063	1,094	1,041	752	792	1,299
Net oil importers	2,631	4,747	7,162	6,980	6,944	7,279	8,738	14,129	19,861
Major exporters of manufactures	1,076	2,012	2,909	2,504	1,769	1,410	2,201	3,330	6,761
Low-income countries	922	1,331	1,723	1,847	1,938	2,148	2,313	4,031	4,936
Other net oil importers	633	1,403	2,530	2,629	3,237	3,721	4,223	6,768	8,164
By area									
Africa	357	648	1,450	1,653	1,917	2,027	2,284	3,879	5,743
Asia	1,473	2,128	2,454	2,226	2,225	2,234	3,116	6,022	8,025
Europe	280	759	1,577	1,560	1,741	1,884	2,401	3,260	4,333
Middle East	172	351	581	701	781	645	389	205	105
Western Hemisphere	487	957	1,969	1,903	1,374	1,532	1,301	1,558	2,953
Repurchases during year	755	603	1,473	3,427	6,109	5,432	4,353	2,500	1,939
Industrial countries	133	—	469	1,840	3,536	3,225	1,714	588	522
Oil exporting countries	46	57	—	76	—	—	—	—	—
Non-oil developing countries	539	509	1,005	1,511	2,500	2,207	2,482	1,912	1,417
By analytical group									
Net oil exporters	56	65	48	137	292	311	436	220	138
Net oil importers	483	443	956	1,374	2,208	1,897	2,046	1,691	1,279
Major exporters of manufactures	194	137	545	787	1,243	801	610	364	264
Low-income countries	84	130	210	269	330	459	575	572	410
Other net oil importers	205	176	201	318	635	637	861	755	605
Charges during year	47	311	693	913	938	739	645	799	1,357
Industrial countries	8	140	340	456	460	274	134	78	30
Oil exporting countries	—	—	—	—	—	—	—	—	—
Non-oil developing countries	39	171	353	457	478	465	511	721	1,326
By analytical group									
Net oil exporters	4	4	12	43	51	54	61	59	76
Net oil importers	35	167	340	414	427	412	450	662	1,250
Major exporters of manufactures	8	67	14	166	144	107	95	156	326
Low-income countries	15	54	86	102	111	114	121	173	333
Other net oil importers	12	46	111	146	171	191	234	333	591

Sources: IMF, Treasurer's Department.

Table 15. Official Multilateral Debt Rescheduling, 1975-82

	Date of Agreement	Amount reschedule (In millions of U.S. dollars)
1975		
Chile	May 6, 1975	230
India	June 27, 1975	228
1976		
India	May 28, 1976 ^{1/}	200
Zaire	June 16, 1976	270
1977		
India	July 5, 1977 ^{1/}	110
Zaire	July 7, 1977	170
Sierra Leone	September 15, 1977	39
Zaire	December 1, 1977	40
1978		
Turkey	May 20, 1978	1,300
Gabon	June 20, 1978	631
Peru	November 3, 1978	420
1979		
Togo	June 15, 1979	169
Turkey	July 25, 1979	1,200
Sudan	November 13, 1979	495
Zaire	December 11, 1979	1,040
1980		
Sierra Leone	February 8, 1980	39
Turkey	July 23, 1980	3,000
Liberia	December 19, 1980	30
1981		
Pakistan	January 15, 1981 ^{1/}	250
Togo	February 20, 1981	92
Poland	April 27, 1982	2,200
Madagascar	April 30, 1981	140
Central African Republic	June 12, 1981	72
Zaire	July 9, 1981	500
Senegal	October 12, 1981	75
Uganda	November 18, 1981	30
Liberia	December 16, 1981	25
1982		
Sudan	March 18, 1982	80
Madagascar	July 13, 1982	107
Romania	July 28, 1982	234
Malawi	September 22, 1982	25
Senegal	November 29, 1982	74
Uganda	December 1, 1982	10

Source: OECD, 1982 Survey of External Debt of Developing Countries; and Fund staff estimates.

^{1/} Debt relief arranged within the framework of aid consortium.

Table 15a. Commercial Bank Multilateral Debt Rescheduling, 1978-82

	Date of Agreement	Amount rescheduled (in millions of U.S. dollars)
1978		
Peru	June 1978	186
Jamaica	September 1978	63
Peru	December 1978	821
1979		
Jamaica	April 1979	126
Turkey	August 1979	2,700
1980		
Peru	January 1980	365
Zaire	April 1980	402
Nicaragua	December 1980	582
Togo	December 1980	69
1981		
Jamaica	March 1981	103
Bolivia	April 1981	411
Nicaragua	September 1981	182
Sudan	December 1981	555
1982		
Turkey	February 1982	3,100
Nicaragua	March 1982	55
Sudan	March 1982	95
Poland	May 1982	2,400
Senegal	June 1982	77
Poland	November 1982	2,950
Liberia	November 1982	29
Romania	December 1982	1,544
Argentina	under negotiation	
Costa Rica	under negotiation	
Cuba	under negotiation	
Dominican Republic	under negotiation	
Ecuador	under negotiation	
Guyana	under negotiation	
Honduras	under negotiation	
Malawi	under negotiation	
Madagascar	under negotiation	
Mexico	under negotiation	
Togo	under negotiation	

Table 16. Non-Oil Developing Countries: External Debt by Analytic Group and Area, 1974-83

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	Est. 1982	Proj. 1983
Total debt, including short-term	163.3	193.8	231.7	282.6	340.5	396.4	464.8	547.1	599.0	647.9
Short-term debt ^{1/}	23.4	28.2	34.2	42.3	49.5	58.4	77.7	94.5	92.7	84.0
Long-term debt	139.8	165.6	197.5	240.2	291.0	337.9	387.1	452.6	506.3	563.9
Without public guarantee	36.0	40.8	45.9	52.8	57.4	67.3	75.0	94.7	101.3	105.6
With public guarantee	103.8	124.9	151.6	187.4	233.6	270.6	312.1	357.9	405.1	458.3
Official creditors	60.3	70.5	82.7	98.7	117.3	132.3	152.5	172.6	194.9	218.9
Governments	43.6	50.3	57.9	67.5	79.1	86.8	98.3	108.7	121.8	135.9
International institutions	16.6	20.3	24.8	31.1	38.2	45.5	54.2	63.9	73.0	83.1
Private creditors	43.6	54.3	68.9	88.8	116.2	138.3	159.6	185.3	210.2	239.5
Financial institutions	26.8	36.7	49.0	63.8	85.9	106.8	124.0	147.8	166.8	194.3
Bonds	4.6	4.8	6.0	8.8	11.7	12.0	13.0	14.0	15.8	17.9
Suppliers' credit	9.3	10.2	11.1	13.3	16.1	16.0	16.7	15.2	17.2	19.5
Other private	2.8	2.6	2.7	2.9	2.6	3.5	5.9	8.4	10.3	7.7
By analytical group										
Net oil exporters	29.3	38.1	47.2	59.9	69.2	79.6	95.2	123.8	135.9	148.8
Net oil importers	134.0	155.7	184.5	222.6	271.3	316.8	369.6	423.3	463.1	499.0
Exporters of manufactures	60.6	71.6	86.1	104.3	128.6	152.9	180.2	213.3	232.5	247.1
Other net oil importers	40.1	46.7	54.9	68.2	85.6	99.4	117.3	133.6	148.1	160.6
Low-income countries	33.2	37.4	43.4	50.1	57.1	64.5	72.2	76.4	82.4	91.2
By area										
Africa	18.3	22.5	27.7	36.5	44.1	51.2	56.3	60.6	68.3	76.5
Asia	42.0	48.8	57.3	67.9	77.3	91.5	108.3	124.6	137.5	152.4
Europe	24.5	28.7	34.0	42.0	53.4	61.0	70.1	77.4	81.5	85.8
Middle East	11.2	14.4	17.5	22.1	26.9	31.7	36.7	39.9	45.1	50.1
Western Hemisphere	67.2	79.4	95.1	114.1	138.7	160.9	193.4	244.5	266.6	283.1

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.^{1/} Staff estimates based on disaggregated country data, for details see Table 9.

Table 17. Non-Oil Developing Countries: External Debt and Debt Service Relative to Exports of Goods and Services, by Main Country Group, 1974-83

(In per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	Proj.	
									1982	1983
Non-oil developing countries										
Total debt outstanding	101.4	118.4	122.1	125.3	128.3	116.4	107.7	117.9	131.7	130.6
Short-term	14.6	17.2	18.0	18.8	18.6	17.2	18.0	20.4	20.4	16.9
Long-term	86.8	101.2	104.1	106.6	109.6	99.2	89.7	97.5	111.3	113.6
Debt service	13.8	15.4	14.8	15.3	19.1	19.4	17.8	20.3	23.8	22.3
Interest on short-term debt	(1.4)	(1.1)	(0.9)	(1.0)	(1.5)	(1.9)	(2.3)	(3.1)	(2.7)	(1.8)
Debt service on long-term debt										
Interest payments	(4.4)	(5.3)	(4.9)	(5.0)	(5.9)	(6.5)	(7.1)	(8.7)	(10.1)	(9.3)
Amortization	(8.0)	(9.0)	(9.0)	(9.3)	(11.7)	(11.0)	(8.4)	(8.5)	(11.0)	(11.2)
By analytical group										
Net oil exporters										
Total debt outstanding	124.7	162.2	169.2	180.6	176.8	144.1	127.1	154.5	177.8	178.4
Short-term	14.2	17.0	17.4	18.1	19.8	16.2	20.2	33.3	35.5	24.0
Long-term	110.5	145.1	151.8	162.5	157.1	127.9	107.0	121.3	142.3	154.4
Debt service	21.0	24.1	24.4	27.1	34.0	32.4	24.4	29.9	37.8	35.7
Interest on short-term debt	(1.4)	(1.1)	(0.9)	(1.0)	(1.5)	(1.8)	(2.3)	(4.3)	(4.6)	(2.8)
Debt service on long-term debt										
Interest payments	(6.3)	(8.1)	(8.2)	(8.9)	(9.8)	(9.3)	(10.0)	(13.5)	(16.5)	(15.8)
Amortization	(13.3)	(14.9)	(15.3)	(17.2)	(22.7)	(21.3)	(12.1)	(12.1)	(16.7)	(17.1)
Net oil importers										
Exporters of manufactures										
Total debt outstanding	88.5	102.8	103.1	102.5	104.3	97.7	90.8	97.7	110.0	108.2
Short-term	13.0	15.4	15.6	15.8	13.9	16.1	18.4	19.3	19.6	17.4
Long-term	75.5	87.4	87.5	86.7	90.4	81.6	72.4	78.4	90.4	90.7
Debt service	14.5	16.3	14.2	14.7	17.3	18.3	17.9	19.6	23.4	21.9
Interest on short-term debt	(1.3)	(1.0)	(0.8)	(0.9)	(1.2)	(1.6)	(2.2)	(3.0)	(2.6)	(1.8)
Debt service on long-term debt										
Interest payments	(4.7)	(5.8)	(4.7)	(4.6)	(5.5)	(6.5)	(7.1)	(8.4)	(10.0)	(9.1)
Amortization	(8.5)	(9.5)	(8.7)	(9.2)	(10.6)	(10.2)	(8.6)	(8.2)	(10.8)	(11.0)
Low-income countries ^{1/}										
Total debt outstanding	191.4	233.7	241.5	239.7	257.8	245.2	230.4	278.6	305.6	311.1
Short-term	8.5	10.8	11.4	11.9	13.4	13.2	14.2	16.5	17.5	17.0
Long-term	182.9	222.9	230.1	227.8	244.4	232.1	226.2	262.1	288.1	294.1
Debt service	11.7	15.1	13.4	13.6	13.6	13.6	15.7	18.9	25.0	24.4
Interest on short-term debt	(0.8)	(0.7)	(0.6)	(0.6)	(1.1)	(1.5)	(1.8)	(2.6)	(2.2)	(1.6)
Debt service on long-term debt										
Interest payments	(4.2)	(5.2)	(4.9)	(5.0)	(5.7)	(5.5)	(6.1)	(6.3)	(6.9)	(6.5)
Amortization	(6.7)	(9.2)	(7.9)	(8.0)	(6.8)	(6.6)	(7.8)	(10.0)	(15.9)	(16.3)
Other net oil importers										
Total debt outstanding	84.4	98.0	103.8	111.8	123.2	115.1	110.7	121.2	134.9	132.5
Short-term	20.0	24.0	26.2	28.1	30.9	22.2	19.3	18.9	18.4	16.9
Long-term	64.4	74.0	77.6	83.7	92.3	92.9	91.4	102.2	116.5	115.6
Debt service	10.6	11.7	12.7	12.5	17.8	17.3	16.5	19.4	21.4	19.9
Interest on short-term debt	(2.0)	(1.5)	(1.3)	(1.5)	(2.4)	(2.8)	(2.7)	(3.1)	(2.4)	(1.7)
Debt service on long-term debt										
Interest payments	(3.1)	(3.7)	(4.0)	(4.1)	(5.0)	(5.8)	(6.6)	(8.2)	(9.4)	(8.4)
Amortization	(5.5)	(6.5)	(7.4)	(6.9)	(10.4)	(8.7)	(7.2)	(8.1)	(9.6)	(9.8)

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

^{1/} Excluding India and the People's Republic of China.

Table 18. Non-Oil Developing Countries: Debt Service By Main Country Group, 1974-83

(In billions of U.S. dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	Est. 1982	Proj. 1983
Total debt service	22.3	25.2	27.9	34.6	50.6	66.0	76.9	94.1	108.4	110.5
Interest payments on short-term debt	2.3	1.8	1.7	2.3	4.0	6.5	9.8	14.2	12.2	8.8
Debt service on long-term debt	20.0	23.4	26.2	32.3	46.6	59.5	67.1	79.9	96.2	101.7
Interest payments	7.1	8.7	9.2	11.2	15.5	22.1	30.8	40.3	46.1	45.9
Amortizations	12.9	14.7	17.0	21.1	31.1	37.4	36.3	39.6	50.1	55.8
By analytic group										
Net oil exporters--total debt service	4.9	5.7	6.8	8.9	13.3	17.9	18.2	23.9	28.8	29.8
Interest payments on short-term debt	0.3	0.3	0.2	0.3	0.6	1.0	1.7	3.4	3.5	2.4
Debt service on long-term debt										
Interest payments	1.5	1.9	2.3	2.9	3.8	5.2	7.5	10.8	12.6	13.1
Amortizations	3.1	3.5	4.3	5.7	8.9	11.7	9.0	9.7	12.7	14.3
Net oil importers										
Exporters of manufactures--total debt service	10.1	11.4	11.9	15.0	21.3	28.7	35.5	42.8	49.3	50.0
Interest payments on short-term debt	0.9	0.7	0.7	0.9	1.4	2.5	4.4	6.5	5.4	4.1
Debt service on long-term debt										
Interest payments	3.3	4.1	3.9	4.7	6.8	10.2	14.1	18.4	21.2	20.8
Amortizations	5.9	6.6	7.3	9.4	13.1	16.0	17.0	17.9	22.7	25.1
Low income countries ^{1/} --total debt service	1.2	1.5	1.5	1.7	1.9	2.2	3.1	3.5	4.5	4.8
Interest payments on short-term debt	0.1	0.1	0.1	0.1	0.1	0.2	0.4	0.5	0.4	0.3
Debt service on long-term debt										
Interest payments	0.4	0.5	0.5	0.6	0.8	0.9	1.2	1.2	1.2	1.3
Amortization	0.7	0.9	0.9	1.0	1.0	1.1	1.5	1.8	2.9	3.2
Other net oil importers--total debt service	5.0	5.5	6.7	7.6	12.4	14.9	17.6	21.4	23.5	24.1
Interest payments on short-term debt	0.9	0.7	0.7	0.9	1.7	2.4	2.9	3.4	2.7	2.0
Debt service on long-term debt										
Interest payments	1.5	1.7	2.1	2.5	3.5	5.0	7.0	9.0	10.3	10.2
Amortization	2.6	3.1	3.9	4.2	7.2	7.5	7.7	9.0	10.5	11.9
By area										
Africa--total debt service	1.9	...	...	...	4.7	5.8	7.1	7.4	9.1	9.5
Interest payments on short-term debt	0.1	...	...	...	0.1	0.1	0.2	0.3	0.2	0.2
Debt service on long-term debt										
Interest payments	1.8	2.2	2.4	3.3	4.6	5.7	6.9	7.1	8.9	9.3
Amortizations	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Asia--total debt service	4.1	4.5	5.3	6.5	10.0	11.7	13.7	17.0	18.2	18.7
Interest payments on short-term debt	0.6	0.4	0.4	0.6	0.9	1.5	2.5	3.6	3.1	2.4
Debt service on long-term debt										
Interest payments	3.5	4.1	4.9	5.9	9.1	10.2	11.2	13.4	15.1	16.3
Amortizations	0.6	0.4	0.4	0.6	0.9	1.5	2.5	3.6	3.1	2.4
Europe--total debt service	3.3	3.7	3.9	4.8	6.3	9.0	11.2	13.1	14.2	14.4
Interest payments on short-term debt	0.7	0.6	0.5	0.7	1.2	1.6	1.8	2.2	1.5	1.1
Debt service on long-term debt										
Interest payments	2.6	3.1	3.4	4.1	5.1	7.4	9.4	10.9	12.7	13.3
Amortizations	0.7	0.6	0.5	0.7	1.2	1.6	1.8	2.2	1.5	1.1
Middle Eastern--total debt service	1.5	1.8	1.7	2.3	2.6	3.7	4.2	6.2	5.8	5.6
Interest payments on short-term debt	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.7	0.6	0.5
Debt service on long-term debt										
Interest payments	1.4	1.7	1.6	2.2	2.4	3.4	3.7	5.5	5.2	5.1
Amortizations	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.7	0.6	0.5
Western Hemisphere--total debt service	11.4	13.0	14.6	17.8	27.0	35.3	40.6	50.8	61.6	62.8
Interest payments on short-term debt	0.9	0.7	0.7	0.9	1.6	2.8	4.7	7.5	6.8	4.7
Debt service on long-term debt										
Interest payments	10.5	12.3	13.9	16.9	25.4	32.5	35.9	43.3	54.8	58.1
Amortizations	0.9	0.7	0.7	0.9	1.6	2.8	4.7	7.5	6.8	4.7

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

^{1/} Excluding data for India and the People's Republic of China.

Table 19. Non-Oil Developing Countries: Average Terms Structure of External Debt, 1974-83

	1974	1975	1976	1977	1978	1979	1980	1981	Proj.	
									1982	1983
<u>(Average interest rates)</u>										
<u>(In per cent per annum)</u>										
Non-oil developing countries	6.4	5.9	5.2	5.3	6.3	7.7	9.4	10.8	10.2	8.8
By analytic group										
Net oil exporters	6.9	6.4	5.9	6.1	6.9	8.3	10.5	13.0	12.4	10.9
Net oil importers	6.2	5.7	4.9	5.0	6.1	7.6	9.1	10.2	9.5	8.2
Exporters of manufactures	7.6	7.2	5.8	5.8	7.1	9.0	11.2	12.6	12.0	10.4
Other net oil importers	6.6	5.7	5.5	5.6	6.7	8.0	9.1	9.9	9.2	7.9
Low income countries	3.1	2.8	2.5	2.5	2.9	3.2	3.7	3.6	3.1	2.7
By area										
Africa	4.2	3.8	3.4	3.7	4.4	5.0	5.7	5.6	5.4	4.8
Asia	4.7	4.2	4.4	4.4	5.2	6.3	7.5	8.5	7.8	6.7
Europe	7.2	6.0	5.4	5.4	6.6	7.6	8.8	10.4	9.6	8.3
Middle East	4.3	3.9	3.0	4.0	4.3	4.5	5.1	6.0	5.6	5.1
Western Hemisphere	8.1	7.8	6.5	6.4	7.7	10.0	12.7	14.4	13.7	11.9
By type of debt										
Short-term	11.0	7.0	5.6	6.0	8.7	12.0	14.4	16.5	13.0	10.0
Long-term debt	5.6	5.7	5.1	5.1	5.9	7.0	8.5	9.6	9.6	8.6
Without public guarantee	8.6	8.2	6.2	6.4	7.7	9.4	10.5	13.1	13.0	11.1
With public guarantee	4.5	4.9	4.7	4.8	5.4	6.4	8.0	8.7	8.7	8.0
Official creditors	3.2	3.4	3.5	3.7	3.9	3.9	4.0	3.9	3.9	3.9
Private creditors	6.5	6.8	6.3	5.9	6.9	8.9	11.8	13.3	13.2	11.7
Financial institutions	7.6	7.7	6.8	6.3	7.3	9.7	13.3	15.0	15.0	13.1
<u>(Average maturity) 1/</u>										
<u>(In years)</u>										
Non-oil developing countries	9.8	10.4	10.7	10.4	8.5	8.4	10.0	10.6	9.6	9.6
By analytic group										
Net oil exporters	7.4	8.6	9.0	8.5	6.5	5.6	8.3	9.1	8.1	8.3
Net oil importers	10.6	10.9	11.2	11.1	9.4	9.7	10.5	11.1	10.1	10.0
Exporters of manufactures	7.9	8.5	9.2	8.6	7.6	7.5	8.0	8.8	8.0	7.9
Other net oil importers	10.7	10.7	9.7	10.9	7.9	9.6	11.5	11.7	11.5	11.3
Low income countries	22.9	22.1	24.7	24.5	27.3	26.6	24.2	23.3	18.3	18.7
By area										
Africa	13.4	13.6	14.8	14.1	13.7	13.2	12.8	13.8	11.2	11.7
Asia	15.3	15.2	15.4	14.5	10.1	11.1	13.1	13.4	13.6	13.6
Europe	9.1	8.6	9.3	9.7	10.6	9.3	9.8	11.3	10.2	9.7
Middle East	8.6	9.4	12.5	12.4	14.5	11.1	12.1	9.1	11.3	13.2
Western Hemisphere	7.8	8.7	8.5	8.2	6.2	6.2	8.0	9.0	7.6	7.6
By type of debt										
Long-term debt	9.8	10.4	10.7	10.4	8.5	8.4	10.0	10.6	9.6	9.6
Without public guarantee	5.9	6.1	5.9	6.4	5.5	5.7	5.9	6.8	6.0	5.7
With public guarantee	12.9	13.6	14.4	12.7	10.0	9.5	12.0	12.4	11.3	11.5
Official creditors	22.1	22.7	24.9	24.9	25.3	22.0	22.0	21.4	18.1	17.9
Private creditors	8.0	8.9	9.4	8.1	6.1	6.1	8.4	8.9	8.4	8.6
Financial institutions	9.5	11.1	11.6	9.0	6.0	6.1	8.7	9.4	8.9	8.8

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

1/ Calculated as the ratio of the average stock of outstanding debt during year and principal payments during year.

Table 20. Non-oil Developing Countries: Distribution of Debt by Type of Creditor, 1974-83

(In per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Long term debt with public guarantee										
All non-oil developing countries	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official creditors	58.1	56.4	54.6	52.7	50.2	48.9	48.9	48.2	48.1	47.7
Private creditors	42.0	43.5	45.4	47.4	49.7	51.1	51.1	51.8	51.9	52.3
Financial institutions	(25.8)	(29.4)	(32.3)	(34.0)	(36.8)	(39.5)	(39.7)	(41.3)	(41.2)	(42.4)
Net oil exporters	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official creditors	44.0	44.1	40.9	40.9	40.6	39.7	39.8	37.5	36.9	33.8
Private creditors	56.0	55.9	59.1	58.9	59.4	60.5	60.2	62.5	63.1	66.1
Financial institutions	(38.9)	(42.1)	(47.2)	(46.7)	(47.3)	(48.5)	(49.3)	(52.1)	(52.2)	(57.1)
Exporters of manufactures	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official creditors	40.3	39.0	38.3	36.8	34.1	33.9	32.7	30.3	29.4	29.2
Private creditors	60.0	61.0	61.5	63.4	65.9	65.8	67.3	69.6	70.6	70.8
Financial institutions	(37.2)	(41.6)	(44.0)	(45.1)	(48.3)	(50.4)	(50.1)	(53.8)	(54.4)	(55.8)
Low-income countries	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official creditors	83.1	83.8	83.8	82.7	81.7	82.3	82.6	83.7	85.5	86.8
Private creditors	16.9	16.2	16.2	17.3	18.3	18.0	17.4	16.3	14.5	13.2
Financial institutions	(8.1)	(8.1)	(8.5)	(9.0)	(10.1)	(10.7)	(11.5)	(12.2)	(11.1)	(10.2)
Other net oil importers	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official creditors	59.2	58.0	56.5	54.6	52.8	49.1	50.7	53.9	54.5	56.4
Private creditors	40.8	41.6	43.5	45.4	47.0	51.1	49.3	46.3	45.5	43.6
Financial institutions	(23.1)	(25.5)	(27.6)	(31.1)	(34.2)	(40.5)	(40.2)	(38.1)	(37.8)	(35.9)
Reference items:										
Ratio of non-official creditors to all debt, including short-term										
All non-oil developing countries	63.1	63.6	64.3	65.1	65.6	66.6	67.2	68.5	67.5	66.2
Net oil exporters	73.7	71.4	72.2	70.5	68.5	69.6	71.4	75.1	74.2	74.0
Exporters of manufactures	78.7	78.9	78.6	79.3	79.9	80.8	82.0	83.5	83.4	82.9
Low-income	24.7	24.7	24.5	25.4	26.4	25.5	24.0	23.3	21.6	20.0
Other net oil importers	64.8	66.0	66.8	68.0	67.9	67.6	65.8	63.9	62.6	60.1

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

Table 21. Non-Oil Developing Countries: External Debt and Debt Service Relative to Exports of Goods and Services, by Geographic Area, 1974-83

(In per cent)

	1974	1975	1976	1977	1978	1979	1980	1981	Proj.	
									1982	1983
Africa										
Total debt outstanding	65.4	80.9	94.3	104.8	111.4	101.6	87.6	106.4	129.4	133.6
Short-term	1.8	2.2	2.5	2.6	2.9	2.6	2.4	2.7	3.0	3.1
Long-term	63.6	78.7	91.8	102.2	108.5	99.0	85.2	103.7	126.5	130.5
Debt service	6.8	7.9	8.4	9.8	11.7	11.7	11.1	13.0	17.2	16.6
Interest on short-term debt	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)	(0.3)
Debt service on long-term debt										
Interest payments	(2.3)	(2.6)	(2.7)	(3.3)	(4.3)	(4.4)	(4.4)	(5.3)	(6.2)	(5.8)
Amortization	(4.3)	(5.2)	(5.6)	(6.4)	(7.2)	(7.0)	(6.4)	(7.3)	(10.6)	(10.5)
Asia										
Total debt outstanding	75.2	84.9	80.6	79.7	74.0	67.5	64.1	66.1	71.7	72.5
Short-term	10.1	11.8	11.6	12.0	9.8	11.5	11.7	12.7	12.3	11.6
Long-term	65.1	73.1	69.0	67.7	64.2	56.1	52.4	53.4	59.4	61.0
Debt service	7.3	7.9	7.5	7.6	9.6	8.6	8.1	9.1	9.4	8.8
Interest on short-term debt	(1.0)	(0.8)	(0.6)	(0.7)	(0.9)	(1.1)	(1.5)	(1.9)	(1.6)	(1.1)
Debt service on long-term debt										
Interest payments	(2.3)	(2.6)	(2.7)	(2.6)	(2.8)	(2.8)	(2.9)	(3.4)	(3.7)	(3.5)
Amortization	(4.0)	(4.5)	(4.2)	(4.3)	(5.9)	(4.7)	(3.7)	(3.8)	(4.1)	(4.2)
Europe										
Total debt outstanding	96.5	107.4	114.3	127.6	138.7	129.4	123.1	118.9	121.5	120.4
Short-term	28.8	32.9	35.9	40.1	39.4	25.6	23.7	19.6	15.4	16.0
Long-term	67.7	74.5	78.4	87.5	99.3	103.8	99.4	99.2	105.2	104.4
Debt service	13.3	14.0	13.5	14.5	16.3	19.3	19.5	19.9	21.3	20.2
Interest on short-term debt	(2.9)	(2.1)	(1.8)	(2.2)	(3.2)	(3.5)	(3.2)	(3.3)	(2.3)	(1.6)
Debt service on long-term debt										
Interest payments	(3.5)	(3.9)	(3.9)	(4.1)	(4.9)	(5.8)	(6.9)	(8.4)	(9.1)	(8.1)
Amortization	(6.9)	(8.0)	(7.8)	(8.2)	(8.2)	(10.0)	(9.4)	(8.2)	(9.9)	(10.5)
Middle East										
Total debt outstanding	105.1	131.2	137.3	140.5	142.5	133.8	113.1	113.2	133.3	133.3
Short-term	9.0	10.6	11.0	11.1	12.1	14.0	11.8	11.9	13.8	13.4
Long-term	96.1	120.6	126.3	129.4	130.4	119.8	101.2	101.4	119.5	119.9
Debt service	14.3	16.0	13.0	14.5	13.7	15.6	13.2	17.3	17.0	15.0
Interest on short-term debt	(0.9)	(0.7)	(0.6)	(0.6)	(0.9)	(1.4)	(1.6)	(1.9)	(1.7)	(1.3)
Debt service on long-term debt										
Interest payments	(3.2)	(3.9)	(3.2)	(4.5)	(4.6)	(4.1)	(3.8)	(4.7)	(5.3)	(5.1)
Amortization	(10.2)	(11.4)	(9.2)	(9.4)	(8.2)	(10.1)	(7.8)	(10.7)	(10.0)	(8.6)
Western Hemisphere										
Total debt outstanding	163.1	195.4	203.4	200.8	217.2	192.1	177.7	206.7	243.8	236.0
Short-term	21.8	26.6	28.1	28.6	32.4	31.2	35.8	44.0	47.4	34.6
Long-term	141.3	168.8	175.4	172.2	184.8	160.8	141.9	162.7	196.4	201.4
Debt service	27.9	32.0	31.1	31.2	42.3	42.3	37.3	42.9	56.3	52.4
Interest on short-term debt	(2.2)	(1.7)	(1.4)	(1.5)	(2.5)	(3.4)	(4.3)	(6.3)	(6.2)	(3.9)
Debt service on long-term debt										
Interest payments	(9.6)	(12.3)	(10.7)	(10.3)	(12.7)	(14.6)	(16.4)	(20.3)	(25.7)	(23.4)
Amortization	(16.1)	(18.0)	(19.0)	(19.4)	(27.1)	(24.3)	(16.6)	(16.3)	(24.4)	(25.1)

Sources: IBRD, Debtor Reporting System; and Fund staff estimates and projections.

Table 22. Major Borrowers 1/: Principal Debt Indicators, 1980-83

(Amounts in millions of U.S. dollars)

	1980	1981	Est. 1982	Proj. 1983	1980	1981	Est. 1982	Proj. 1983
	Total external debt, including short-term debt							
	Amount outstanding at end-period				In per cent of GNP			
Mexico	51,388	75,061	82,450	87,500	30.6	34.9	51.0	51.3
Brazil	62,750	72,010	81,310	85,710	24.9	26.4	28.1	29.4
Argentina	27,162	35,671	36,680	37,560	19.0	31.0	53.3	53.4
Yugoslavia 2/	16,848	16,794	15,900	15,600	22.6	23.2	23.9	...
Algeria 3/4/	15,078	14,392	14,400	...	37.4	34.3	32.4	...
Korea	27,362	33,099	35,800	...	48.4	52.0	54.1	...
Indonesia 3/4/	14,866	15,709	18,509	...	20.5	18.5	20.1	...
Venezuela 4/	9,672 3/	18,891	18,000	...	16.2 3/	27.9	26.7	...
Chile	9,413 3/	16,732	17,972	18,642	35.0 3/	52.0	76.4	85.4
Poland 2/	24,900	25,453	24,452	...	...	...	...	...
Israel	17,063	18,300	20,400	...	84.2	85.6	89.9	...
Turkey	16,202	17,544	18,960	19,500	27.8	29.7	34.1	36.2
Philippines 5/	11,101	13,595	15,969	17,369	31.3	35.0	40.3	42.7
Egypt 3/	13,059	14,729	18,000 3/	...	63.4	67.1	66.1 3/	...
Peru	8,714	9,081	10,356	...	50.7	45.1	50.4	...
Ecuador	4,601	5,765	6,305	...	41.4	43.9	48.6	...
Portugal	7,680	10,003	12,900	...	31.8	42.3	55.3	...
Hungary 2/	9,090	8,699	7,497	7,515	41.2	38.6	33.3	33.4
Romania 2/	9,557	9,017	8,225	7,153	16.8	19.4	15.2	13.7
Thailand	7,564	9,600	10,519	11,983	22.3	25.7	27.0	27.3
Total	364,070	440,145	474,604	479,000	29.0	33.2	38.2	39.0
	(In per cent of exports of goods and services)				(In per cent of reserves) 6/			
Mexico	206.4	246.1	272.1	257.4	1,306.6	1,486.2	4,749.4	
Brazil	269.6	267.5	350.8	329.7	1,072.1	1,075.9	1,601.9	
Argentina	237.5	298.6	355.3	317.2	392.8	1,035.0	1,167.2	
Yugoslavia 2/	123.4	101.5	93.9	90.8	1,148.6	1,004.0	864.2	
Algeria 3/4/	100.5	92.9	101.4	...	374.9	366.9	531.2	
Korea	121.2	120.5	121.1	...	931.3	1,228.6	1,274.7	
Indonesia 3/4/	89.4	107.9	160.1	...	270.4	305.6	539.9	
Venezuela 4/	43.6 3/	77.1	92.3	...	135.9 3/	218.9	248.1	
Chile	157.7 3/	298.6	331.6	312.5	294.2 3/	509.7	1,040.0	
Poland 2/	275.0	404.3	452.8	...	...	...	...
Israel	168.6	168.8	200.0	...	501.2	516.2	551.6	
Turkey	416.3	281.6	237.6	206.7	1,123.4	1,219.4	1,743.4	
Philippines 5/	141.1	144.3	200.4	192.7	376.6	599.8	925.7	
Egypt 4/	138.6	153.3	197.5 3/	...	1,131.1	1,806.6	2,229.2 3/	
Peru	179.6	215.4	246.7	...	426.9	717.5	904.1	
Ecuador	154.7	192.2	229.4	...	440.1	887.9	2,008.9	
Portugal	119.6	109.5	221.6	...	430.3	692.9	973.7	
Hungary 2/	163.4	154.5	132.8	124.1	416.5	505.6	955.0	
Romania 2/	129.9	111.5	106.3	86.9	1,955.6	1,640.1	1,495.5	
Thailand	109.5	126.6	133.8	133.8	537.3	606.2	834.6	
Total	157.4	175.8	200.5	186.0	565.4	726.9	1,116.0	
	Bank borrowing 7/				Bank borrowing in per cent of total debt 8/			
Mexico	42,525	56,937	...	...	82.8	75.9	...	...
Brazil	45,656	52,717	...	...	72.8	73.2	...	...
Argentina	19,940	24,844	...	...	73.4	69.6	...	...
Yugoslavia 2/	10,403	10,700	...	...	59.5	58.8	...	...
Algeria	9,033	8,354	...	...	59.9 3/4/	58.0 3/4/	...	...
Korea	16,678	19,907	...	...	61.0	60.1	...	...
Indonesia	6,274	7,244	...	...	42.2 3/4/	46.1 3/4/	...	...
Venezuela	24,321	26,218	...	...	251.5 3/4/	138.8 4/	...	...
Chile	7,339	10,527	...	...	78.0 3/	62.9	...	...
Poland 2/	16,173	15,283	...	...	65.0	60.0	...	...
Israel	4,848	5,987	...	...	28.4	32.7	...	...
Turkey	4,368	4,235	...	...	27.0	24.1	...	...
Philippines	9,348	10,204	...	...	84.2	75.1	...	...
Egypt	3,303	2,024	...	...	25.3 4/	30.2 4/	...	...
Peru	4,053	4,412	...	...	46.5	48.6	...	...
Ecuador	3,861	4,493	...	...	83.9	77.9	...	...
Portugal	5,601	7,538	...	...	72.9	75.4	...	...
Hungary 2/	8,002	7,697	...	...	88.0	88.5	...	...
Romania 2/	5,776	5,069	...	...	60.4	56.2	...	...
Thailand	4,036	5,134	...	...	44.9	46.2	...	...
Total	251,538	291,941	...	...	68.7	66.3	...	...

Sources: IBRD, Debtor Reporting System; data provided by national authorities; and Fund staff estimates and projections.

1/ Twenty developing countries with largest debt service payments in 1982, ranked in descending order according to staff estimates of 1982 debt service payments on both public and private nonguaranteed debt. For Algeria, Egypt, Indonesia, and Venezuela, where there are no reliable estimates for debt service on nonguaranteed private debt, their ranking has been made on the basis of staff estimates of the order of magnitude of such service.

2/ Convertible currencies only.

3/ Excludes short-term debt.

4/ For public and publicly guaranteed debt only.

5/ Excludes debt of the banking system (classified as reserve-liabilities) which amounted to \$6.4 billion at end-September 1982.

6/ For 1982, reserves data are those latest available: Argentina, Brazil, and Ecuador, end-September; Hungary, Indonesia, Israel, Mexico, and Portugal, end-October; Algeria, Chile, Greece, Korea, Peru, Philippines, Thailand, Turkey, Venezuela, and Yugoslavia, end-November; and Romania, end-December.

7/ Data from BIS, Maturity Distribution of International Bank Lending, July 1982.

8/ For Algeria, Indonesia, Venezuela, and Egypt, the ratios are for bank borrowing in per cent of public and publicly guaranteed debt only; for Algeria, Indonesia, and Venezuela (in 1980), short-term debt is also not included in the estimates for total debt. Owing to this incomplete coverage of total debt, the ratios for these countries are larger than otherwise.

Table 22a. Major Borrowers 1/: Principal Debt Indicators, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est. 1982	Proj. 1983	1980	1981	Est. 1982	Proj. 1983
Total debt service, including interest on short-term debt								
	Payments during period				In per cent of exports of goods and services			
Mexico 2/	9,079	13,006	19,051	19,012	36.6	42.6	62.8	56.5
Brazil 3/	12,969	15,351	15,441	14,712	55.7	57.0	66.6	56.6
Argentina	3,525	6,307	10,158	10,998	30.8	52.8	98.4	92.9
Yugoslavia	3,295	4,070	4,195	4,423	24.1	24.6	24.8	25.7
Algeria 3/4/	3,710	3,880	4,225	...	24.7	25.0	29.8	...
Korea	4,132	5,462	5,990	...	18.3	19.9	20.3	...
Indonesia 3/4/	1,779	2,039	2,475	...	10.7	14.0	21.4	...
Venezuela 4/	2,127	2/ 3,828	3,408	...	9.6	15.6	17.5	...
Chile	2,601	3,704	3,515	3,380	43.6	66.1	64.9	56.7
Poland 3/	8,076	5,450	2,400	...	89.2	86.6	44.4	...
Israel 4/	1,516	2,455	2,154	...	15.0	22.6	21.1	...
Turkey	1,399	1,885	2,191	2,429	35.9	30.3	27.5	25.7
Philippines 5/	1,170	1,761	2,400	2,476	14.9	21.3	30.1	27.5
Egypt 4/	1,501	2,006	...	...	15.9	20.9	...	...
Peru	1,659	2,221	2,015	...	34.2	52.7	48.0	...
Ecuador	1,103	1,393	1,946	...	37.1	46.4	70.8	...
Portugal	1,446	2,103	2,240	...	22.5	35.6	38.5	...
Hungary	2,176	1,840	1,883	1,667	39.1	37.7	33.4	27.5
Romania	1,348	2/ 1,778	2/ 2,079	2,572	18.3	22.0	26.9	31.2
Thailand	1,427	1,607	1,856	2,062	17.4	18.3	20.2	19.9
Total 6/	66,038	82,146	89,622	88,800	28.6	32.8	37.9	34.5
Debt service on medium- and long-term debt								
	Debt service during period				Debt service in % of exports of goods and services			
Mexico 2/	7,920	10,500	15,840	17,010	31.7	34.5	52.1	50.4
Brazil	12,969	15,351	15,441	14,712	55.7	57.0	66.6	56.6
Argentina	2,776	5,050	8,885	10,039	24.3	42.3	86.1	84.8
Yugoslavia	3,000	3,697	4,000	4,293	22.0	22.3	23.6	25.0
Algeria 4/	3,710	3,880	4,225	...	24.7	25.0	29.8	...
Korea	3,051	3,751	4,140	...	13.5	13.7	14.0	...
Indonesia 4/	1,779	2,039	2,475	...	10.7	14.0	21.4	...
Venezuela 4/	2,127	2,284	2,628	...	9.6	9.3	13.5	...
Chile	2,362	3,215	3,011	2,990	39.6	57.4	55.6	50.1
Poland	8,076	5,450	2,400	...	89.2	86.6	44.4	...
Israel 4/	1,175	2,075	1,842	...	11.6	19.1	18.1	...
Turkey	1,297	1,741	2,020	2,273	33.3	27.9	25.3	24.1
Philippines	1,065	1,541	1,977	2,194	13.5	18.6	24.8	24.3
Egypt 4/	1,416	1,855	...	...	15.0	19.3	...	...
Peru	1,519	2,067	1,876	...	31.3	49.0	44.7	...
Ecuador	1,000	1,283	1,839	...	33.6	42.8	56.9	...
Portugal	1,267	1,825	1,820	...	19.7	30.9	31.3	...
Hungary	1,673	1,508	1,706	1,538	30.1	26.8	30.2	25.4
Romania	1,348	1,778	1,803	2,522	18.3	22.0	23.3	30.6
Thailand	1,224	1,324	1,676	1,862	14.9	15.1	18.2	18.0
Total 6/	60,754	72,214	79,604	82,000	26.3	28.8	33.6	32.0
Interest payments ratio								
	(Interest payments in per cent of exports of goods and services)				Principal payments ratio (Principal payments in per cent of exports of goods and services)			
Mexico 2/	16.9	18.7	28.7	29.4	15.0	15.8	23.6	20.6
Brazil	27.2	28.6	35.5	30.0	28.5	28.5	31.1	26.6
Argentina	12.5	21.7	37.2	29.4	11.8	20.6	48.9	55.4
Yugoslavia	8.0	11.8	11.8	10.8	14.0	10.6	11.8	14.2
Algeria 3/	8.7	9.6	10.9	...	16.0	15.5	18.8	...
Korea	6.7	6.9	6.9	...	6.8	6.8	7.1	...
Indonesia 3/	5.1	6.4	9.5	...	5.6	7.6	11.9	...
Venezuela 3/	4.3	5.5	7.5	...	5.3	3.8	5.9	...
Chile	15.3	25.4	33.1	21.6	24.3	32.0	22.5	28.6
Poland	27.3	36.1	...	...	61.9	50.5	...	...
Israel 3/	5.4	6.5	8.1	...	6.2	12.6	9.9	...
Turkey	14.5	16.8	14.1	12.1	18.8	11.1	11.2	12.0
Philippines	7.7	8.7	13.9	13.3	5.8	10.0	10.9	11.1
Egypt	3.2	4.2	...	...	11.8	15.1	...	...
Peru	11.8	16.0	17.5	...	19.6	33.0	27.2	...
Ecuador	13.7	18.7	24.1	...	19.9	24.1	42.8	...
Portugal	8.6	13.9	15.8	...	11.1	17.0	15.5	...
Hungary	15.5	12.1	14.7	9.9	14.6	14.7	15.6	15.5
Romania	5.6	6.5	10.7	11.5	12.7	15.4	12.7	19.1
Thailand	6.3	8.0	9.3	9.3	8.6	7.1	8.9	8.7
Total 6/	11.4	13.6	17.4	16.0	14.9	15.2	17.4	17.0

Sources: IBRD, Debtor Reporting System; data provided by national authorities; and Fund staff estimates and projections.

1/ Twenty developing countries with largest debt service payments in 1982, ranked in descending order according to staff estimates of 1982 debt service payments on both public and private nonguaranteed debt. For Algeria, Egypt, Indonesia, and Venezuela, where there are no reliable estimates of private nonguaranteed debt, their ranking has been made on the basis of rough staff estimates of the order of magnitude of such debt.

2/ Partial estimates, excluding amortization payments of private nonguaranteed debt.

3/ Partial estimates, excluding interest payments on short-term debt.

4/ For public- and publicly-guaranteed debt only.

5/ Partial estimates, excluding interest payments on debt of the banking system that is classified as reserve liabilities; such payments are estimated to be in the order of \$300 million in 1982.

6/ Partial estimates, owing to several omissions as denoted by footnotes 2 through 5.

Table 23. Major Borrowers: Outstanding External Debt, 1980-83

(Amount disbursed at end of period; in millions of U.S. dollars)

	1980	1981	Est. 1982	Proj. 1983	1980	1981	Est. 1982	Proj. 1983
Medium- and long-term debt								
Public and publicly guaranteed								
Mexico	32,322	42,207	51,925	65,100	7,300	10,200	8,100	8,100
Brazil	37,270	41,788	45,013	51,046	16,580	19,622	23,797	25,564
Argentina	10,284	13,901	16,587	17,375	6,593	12,166	12,311	12,325
Yugoslavia 1/	4,551	5,206	5,100	5,150	10,247	9,509	9,250	9,350
Algeria	15,078	14,392	14,400	...	...	...	...	...
Korea	16,987	19,373	22,430	...	431	510	570	...
Indonesia	14,866	15,709	18,509	...	...	...	...	...
Venezuela	9,672	9,531	12,000	...	...	...	...	...
Chile	4,720	4,415	5,171	6,113	4,693	8,138	8,873	8,891
Poland 1/	23,000	24,306	23,454 2/	...	...	...	...	...
Israel	12,633	13,868	16,000	...	2,059	2,132	2,000	...
Turkey	12,849	14,853	15,660	16,460	873	580	800	700
Philippines	6,583	7,767	9,106	10,259	1,970	2,261	2,700	3,065
Egypt	12,028	13,560	18,000	...	...	...	...	...
Peru	6,043	6,211	7,125	...	1,372	1,507	1,651	...
Ecuador	3,411	4,306	4,589	...	634	731	936	...
Portugal	5,611	6,525	8,503	...	141	274	300	...
Hungary 1/	5,743	5,850	6,177	6,186	...	...	...	...
Romania 1/	7,433	7,928	7,875	6,803	...	...	...	...
Thailand	4,128	5,169	6,363	7,332	1,703	2,099	2,296	2,601
Total	245,212	276,865	313,987	330,600	54,596	69,729	73,584	76,400
Short-term debt								
Amount outstanding at end period								
Mexico	11,766	22,654	22,425	14,300	22.9	30.2	27.2	16.3
Brazil	8,900	10,600	12,500	9,100	14.2	14.7	15.0	10.6
Argentina	10,285	9,604	7,782	7,860	37.9	26.9	21.2	20.9
Yugoslavia 1/	2,050	2,259	1,550	1,100	12.2	13.5	9.7	7.1
Algeria	...	...	...	...	...	...	...	...
Korea	9,944	13,216	12,800	...	16.3	39.9	35.8	...
Indonesia	...	...	...	...	...	...	...	...
Venezuela	...	9,360	6,000	...	...	49.5	33.3	...
Chile	...	4,179	3,928	3,638	...	25.0	21.9	19.5
Poland 1/	1,900	1,147	998 2/	...	7.6	4.5	4.1	...
Israel	2,371	2,300	2,400	...	13.9	12.6	11.8	...
Turkey	2,480	2,111	2,500	2,340	15.3	12.0	13.2	12.0
Philippines	2,548	3,567	4,163	4,315	23.0	26.2	26.1	24.8
Egypt	1,031	1,169	...	...	7.9	7.9	...	...
Peru	1,299	1,363	1,580	...	14.9	15.0	15.3	...
Ecuador	556	728	780	...	12.1	12.6	12.4	...
Portugal	1,928	3,204	4,100	...	25.1	32.0	31.8	...
Hungary 1/	3,347	2,849	1,320	1,329	36.8	32.8	17.6	17.7
Romania 1/	2,124	1,089	350	350	22.2	12.1	4.3	4.9
Thailand	1,823	2,332	1,860	2,050	24.1	24.3	17.7	17.1
Total	64,352	93,731	87,036	72,000	21.4	22.9	20.5	17.0
In per cent of international reserves 3/								
Mexico	299.1	448.6	1,291.8	...	...	...	221.3	...
Brazil	152.1	158.4	239.6	...	...	...	550.2	...
Argentina	148.7	278.7	247.6	...	...	...	...	...
Yugoslavia 1/	139.8	135.0	83.1	...	760.3	1,251.8	1,754.3	...
Algeria	...	...	...	...	...	...	...	...
Korea	338.4	490.6	455.7	...	682.9	1,246.2	1,259.4	...
Indonesia	...	...	...	...	...	...	...	...
Venezuela	...	108.4	82.7	...	...	...	...	...
Chile	...	127.3	227.3	...	122.8	48.7	6.3	...
Poland 1/	...	...	...	...	...	...	...	...
Israel	69.6	64.9	64.9	...	199.5	101.9	30.0	...
Turkey	172.0	146.7	229.9	...	1,054.2	1,321.8	1,455.2	...
Philippines	86.9	157.4	241.3	...	852.9	958.0	833.2	...
Egypt	89.3	143.4	...	...	177.3	99.1	57.4	...
Peru	63.6	107.7	137.9	...	473.9	387.4	649.5	...
Ecuador	53.9	112.1	248.5	...	...	...	...	...
Portugal	108.0	221.6	294.5	...	119.5	55.3	10.8	...
Hungary 1/	199.2	165.6	168.2	...	...	...	236.6	...
Romania 1/	434.6	198.1	63.6	...	328.3	589.7	862.2	...
Thailand	188.4	209.8	247.9	...	181.9	705.6	701.8	...
Total	155.5	192.9	247.8	...	4,953.6	6,765.4	8,628.1	...
Outstanding Use of Fund Credit								
Mexico	...	...	...	...	...	...	221.3	...
Brazil	...	...	...	...	...	...	550.2	...
Argentina	...	...	...	...	...	...	...	...
Yugoslavia 1/	...	...	...	...	760.3	1,251.8	1,754.3	...
Algeria	...	...	...	...	...	...	...	...
Korea	...	...	...	...	682.9	1,246.2	1,259.4	...
Indonesia	...	...	...	...	...	...	...	...
Venezuela	...	...	...	...	...	...	...	...
Chile	...	...	...	...	122.8	48.7	6.3	...
Poland 1/	...	...	...	...	...	...	...	...
Israel	...	...	...	...	199.5	101.9	30.0	...
Turkey	...	...	...	...	1,054.2	1,321.8	1,455.2	...
Philippines	...	...	...	...	852.9	958.0	833.2	...
Egypt	...	...	...	...	177.3	99.1	57.4	...
Peru	...	...	...	...	473.9	387.4	649.5	...
Ecuador	...	...	...	...	...	...	...	...
Portugal	...	...	...	...	119.5	55.3	10.8	...
Hungary 1/	...	...	...	...	...	...	236.6	...
Romania 1/	...	...	...	...	328.3	589.7	862.2	...
Thailand	...	...	...	...	181.9	705.6	701.8	...
Total	...	...	...	...	4,953.6	6,765.4	8,628.1	...

Sources: IBRD, Debtor Reporting System; data provided by national authorities; and Fund staff estimates and projections.

1/ Convertible currencies only.

2/ Data for end-June 1982.

3/ See footnote 6, Table 22.

Table 24. Major Borrowers: Debt Service Payments, 1980-83

	1980	1981	Est. 1982	Proj. 1983	1980	1981	Est. 1982	Proj. 1983
Debt service on medium- and long-term debt (during period)								
	Principal payments				Interest payments			
(In millions of U.S. dollars)								
Mexico	3,723	4,806	7,137	7,002	4,200	5,700	8,700	10,010
Brazil	6,644	7,662	7,205	6,912	6,325	7,689	8,236	7,800
Argentina	1,350	2,457	5,045	6,558	1,426	2,593	3,840	3,481
Yugoslavia 1/	1,914	1,750	2,000	2,443	1,086	1,947	2,000	1,850
Algeria 2/	2,405	2,399	2,675	...	1,305	1,481	1,550	...
Korea	1,541	1,861	2,100	...	1,510	1,890	2,040	...
Indonesia 2/	924	1,101	1,375	...	855	938	1,100	...
Venezuela 2/	1,172	942	1,158	...	955	1,342	1,470	...
Chile	1,449	1,792	1,218	1,704	913	1,423	1,793	1,286
Poland 1/	5,605	3,178	...	...	2,471	2,272	...	...
Israel 2/	627	1,368	1,014	...	548	707	...	...
Turkey	731	592	891	1,129	566	1,049	1,129	1,144
Philippines	456	825	866	999	609	716	1,111	1,195
Egypt	1,116	1,450	...	...	300	405	...	...
Peru	949	1,391	1,143	...	570	676	733	...
Ecuador	593	723	1,177	...	407	560	662	...
Portugal	713	1,004	900	...	554	821	920	...
Hungary 1/	811	826	879	936	862	682	827	602
Romania 1/	933	1,249	979	1,572	415	529	824	950
Thailand	706	619	818	903	518	705	858	959
Total	34,362	38,095	38,580	42,500	26,395	34,125	38,621	39,400
Average maturity 3/								
	(In years)				Average interest rate 4/			
	(In per cent per annum)				(In per cent per annum)			
Mexico	10.6	10.9	8.4	10.5	10.6	10.9	14.5	13.7
Brazil	8.1	8.0	9.6	11.1	11.7	12.5	12.0	10.2
Argentina	12.5	10.6	5.7	4.5	8.4	9.9	13.3	11.7
Yugoslavia	7.7	8.4	7.2	5.9	7.3	13.2	13.9	12.8
Algeria 2/	6.3	6.0	5.4	...	8.7	10.3	10.8	...
Korea	11.3	10.7	11.0	...	8.7	9.5	8.9	...
Indonesia 2/	16.1	14.3	13.5	...	5.8	6.0	5.9	...
Venezuela 2/	8.3	10.1	10.4	...	9.9	14.1	12.3	...
Chile	6.5	7.0	11.5	8.8	9.7	11.3	12.8	8.6
Poland	24.4	13.1	...	...	10.7	9.3	...	...
Israel 2/	20.1	10.1	15.8	...	4.3	5.1	5.2	...
Turkey	18.8	22.3	18.5	15.2	4.1	6.8	6.9	6.7
Philippines	18.8	12.2	13.6	13.3	7.1	7.1	9.4	9.0
Egypt 2/	10.8	9.4	...	...	2.5	3.0	...	...
Peru	7.8	5.5	7.7	...	7.7	8.8	8.4	...
Ecuador	6.8	7.0	4.7	...	10.1	11.1	12.0	...
Portugal	8.1	4.8	9.8	...	9.6	12.1	10.5	...
Hungary	7.1	7.1	7.0	6.6	15.0	11.7	13.4	9.7
Romania	8.0	6.3	8.0	4.3	5.6	6.7	10.5	14.0
Thailand	8.3	11.7	10.6	11.0	8.9	9.7	9.9	9.7
Total	8.7	9.0	8.9	9.0	8.9	9.9	11.2	10.2
Debt service on short-term debt								
	Interest payments				Average interest rate			
	(In millions of U.S. dollars)				(In per cent per annum)			
Mexico	1,200	2,400	3,200	2,000	10.2	10.6	14.3	14.0
Brazil	...	...	...	...	...	...	...	...
Argentina	749	1,257	1,273	959	7.3	13.1	16.4	12.2
Yugoslavia	295	373	195	130	14.4	16.5	12.6	11.8
Algeria	...	...	...	...	...	...	...	...
Korea	1,081	1,711	1,850	...	10.9	12.9	14.5	...
Indonesia	...	...	...	...	...	...	...	...
Venezuela	...	1,544	780	...	...	16.5	13.0	...
Chile	239	489	504	390	...	11.7	12.3	10.7
Poland	...	...	...	...	...	...	...	...
Israel	341	380	312	...	14.4	16.5	13.0	...
Turkey	102	144	171	156	4.1	6.8	6.8	6.7
Philippines 5/	105	220	423	282	4.1	6.2	10.2	6.3
Egypt	85	151	...	...	8.2	12.9	...	...
Peru	140	154	139	...	10.8	11.3	8.8	...
Ecuador	103	110	107	...	18.5	15.1	13.7	...
Portugal	179	278	420	...	9.3	8.7	10.2	...
Hungary 1/	503	332	177	129	15.0	11.7	13.4	9.7
Romania 1/	...	...	276	50	...	...	78.9 6/	14.3
Thailand	203	283	180	200	11.1	12.1	9.7	9.8
Total	5,325	9,826	10,007	6,900	9.9	12.1	13.6	10.9

Sources: IBRD, Debtor Reporting System; data provided by national authorities; and Fund staff estimates and projections.

1/ Convertible currencies only.

2/ For public and publicly guaranteed debt only.

3/ Indicative only, calculated as the ratio of debt outstanding at year-end to principal payments during year.

4/ Indicative only, calculated as interest payments in per cent of debt outstanding at year-end.

5/ Excluding interest payments on debt of the banking system (that is classified as reserve-liabilities) which amounted to about \$300 million in 1982.

6/ Including interest payments on arrears.

Table 25. Major Borrowers: Other Short-Term Debt Indicators, 1980-83

(Ratios, in per cent)

	1980	1981	Est. 1982	Proj. 1983	1981	Est. 1982	Proj. 1983
	<u>Short-term debt relative to imports</u>				<u>Short-term debt and amortization payments ^{1/} as a ratio of exports of goods and services</u>		
Mexico	63.4	97.9	151.4	95.6	54.3	98.3	86.5
Brazil	38.8	48.2	63.1	57.8	61.5	76.8	74.7
Argentina	108.3	114.2	158.2	136.5	106.7	141.9	121.1
Yugoslavia	18.1	21.3	16.2	11.4	23.0	25.1	23.2
Algeria	...	...	...	...	...	...	...
Korea	46.0	54.6	54.1	...	43.0	51.8	...
Indonesia	...	...	...	...	...	...	...
Venezuela	...	75.5	45.5	...	...	53.9	...
Chile	...	64.0	108.3	105.8	...	99.6	94.4
Poland	...	...	...	...	80.7	...	...
Israel	25.9	23.9	24.9	...	34.5	32.5	...
Turkey	35.6	27.0	31.7	27.0	50.9	37.6	38.5
Philippines ^{2/}	33.0	45.0	52.6	54.3	40.8	55.6	57.3
Egypt	11.5	12.8	...	...	25.8	...	...
Peru	42.4	36.0	43.9	...	63.8	59.7	...
Ecuador	24.8	30.9	35.8	...	42.6	69.3	...
Portugal	22.0	34.8	45.6	...	49.7	70.5	...
Hungary	73.0	64.3	32.1	32.3	74.1	66.1	37.2
Romania	26.4	15.5	16.6	5.9	41.7	26.7	23.3
Thailand	21.8	26.2	22.3	21.6	27.8	34.2	26.7
Total	41.1	52.1	58.1	48.3	...	...	...

Sources: Fund staff estimates and projections.

^{1/} Short-term debt outstanding at beginning of year and amortization payments during year on long-term debt; the ratio of these values to exports of goods and services has commonly been used to indicate the country's vulnerability and dependence on new borrowings.

^{2/} Excludes short-term debt of the banking system (which is classified as reserve liabilities).

Table 26. Comparative Debt Characteristics: Major Borrowers and Other Developing Countries, 1981

(Amounts in millions of U.S. dollars; ratio in per cent)

	Major borrowers <u>1/</u>	All others <u>2/</u>	Per cent share of major borrowers
Total debt	440	175	71.5
Bank borrowing <u>3/</u>	292	73	80.0
Short-term debt <u>4/</u>	(95)	(10)	90.5
Official creditors	90	95	48.6
In per cent of total debt <u>5/</u>			
Bank borrowing	65.9	41.7	...
Short-term debt	(21.4)	(5.7)	...
Official creditors	20.3	54.3	...
Debt service payments	82	27	75.2
Debt indicators			
Total debt relative to GNP	33.2	13.4	
Total debt relative to exports of goods and services	171.6	65.3	
Debt service ratio	32.8	11.9	

Sources: Fund staff estimates.

1/ These are Algeria, Argentina, Brazil, Chile, Ecuador, Egypt, Hungary, Indonesia, Israel, Korea, Mexico, Peru, the Philippines, Poland, Portugal, Romania, Thailand, Turkey, Venezuela, and Yugoslavia.

2/ All other non-oil developing countries.

3/ Data are from BIS, Maturity Distribution of International Bank Lending.

4/ Credits with an original maturity under one year. For all other non-oil developing countries, figures shown are those reported (by 21 countries) and staff estimates for the remaining countries.

5/ Per cent shares do not add up to 100.0 because of overlapping and incomplete coverage for the two main categories.

Table 27. International Bank Lending, 1977-81

(Amounts outstanding at end period; in millions of U.S. dollars)

	1977		1978		1979		1980		1981	
	Total	Up to and including one year ^{1/}	Total	One year ^{1/}	Total	One year ^{1/}	Total	One year ^{1/}	Total	One year ^{1/}
Industrial countries	...	...	...	...	...	...	...	...	...	...
Australia	4,784	2,807	5,462	2,364	6,628	2,492	7,259	2,555	9,877	4,002
Finland	4,786	2,329	5,526	2,580	6,004	2,630	7,006	3,885	7,279	4,103
Norway	6,775	2,112	9,113	2,462	9,714	2,756	10,823	3,667	10,662	3,936
Spain	11,485	4,690	13,195	5,147	16,850	7,069	19,696	8,039	23,201	9,281
Other	...	...	...	...	...	...	...	...	...	...
Developing countries	152,652	74,210	212,141	92,109	266,932	115,539	321,817	148,461	375,572	177,628
Oil exporting countries	32,974	17,858	50,987	24,378	60,405	30,545	64,623	34,333	67,891	38,569
Algeria	4,415	1,001	7,641	1,330	9,044	1,310	9,033	1,470	8,354	1,528
Indonesia	4,973	2,222	5,819	1,980	5,806	2,273	6,274	2,572	7,244	2,964
Nigeria	810	674	2,281	818	3,461	1,017	4,510	1,431	6,040	2,036
Venezuela	9,097	5,515	14,048	7,640	20,804	12,660	24,321	14,311	26,218	16,103
Other	13,679	8,446	21,198	12,610	21,290	13,285	20,485	14,549	20,035	15,938
Non-oil developing countries	119,678	56,352	161,154	67,731	206,527	84,994	257,194	114,128	307,681	139,059
Net oil exporters	30,299	13,498	37,030	13,581	46,865	17,502	61,026	27,716	79,402	38,620
Ecuador	1,639	908	2,613	1,294	3,111	1,350	3,861	1,849	4,493	2,292
Egypt	1,361	922	1,811	1,140	2,217	1,274	3,303	2,024	4,441	2,961
Gabon	574	220	1,046	230	1,090	266	993	220	765	128
Mexico	20,280	8,311	23,271	7,365	30,914	10,679	42,525	18,838	56,937	27,656
Peru	3,417	1,631	3,575	1,696	3,751	1,894	4,053	2,362	4,412	2,667
Other	3,028	1,506	4,714	1,856	5,782	2,039	6,291	2,423	8,354	2,916
Major exporters of manufactures ^{2/}	55,785	23,228	74,314	28,495	94,414	36,424	118,779	51,096	142,644	61,199
Argentina	4,863	2,792	7,015	3,574	13,427	6,946	19,940	10,409	24,844	11,561
Brazil	25,048	7,891	32,941	9,277	38,617	11,279	45,656	16,200	52,717	18,330
Greece	4,117	1,351	5,481	2,312	6,172	2,461	8,442	3,183	9,764	3,616
Israel	2,549	1,713	3,925	2,819	4,586	3,081	4,848	3,414	5,987	4,277
Korea	5,247	2,885	7,543	4,321	11,968	6,712	16,678	10,390	19,907	11,534
Portugal	1,705	1,192	3,162	1,315	4,085	1,325	5,601	2,124	7,538	2,840
South Africa	8,577	4,534	8,099	3,652	7,312	2,754	7,211	2,457	11,187	6,006
Yugoslavia	3,679	870	6,148	1,225	8,247	1,866	10,403	2,919	10,700	3,035
Other	--	--	--	--	--	--	--	--	--	--
Low income countries	4,629	2,652	7,438	3,235	10,384	4,332	11,787	4,831	12,289	5,744
India	519	196	717	320	908	336	1,023	482	1,355	685
Pakistan	259	157	574	184	900	435	1,294	702	1,435	905
Sudan	725	420	925	491	960	493	1,015	562	1,124	765
Zaire	934	328	1,286	412	1,259	398	1,163	330	1,117	330
Other	2,192	1,551	3,936	1,828	6,357	2,670	7,292	2,755	7,258	3,059
Other net oil importers ^{1/}	28,965	16,974	42,372	22,420	54,864	26,736	65,602	30,485	73,346	33,496
Chile	1,581	959	2,920	1,217	4,864	1,980	7,339	2,874	10,527	4,158
Colombia	1,763	1,038	2,200	1,320	3,560	2,163	4,632	2,499	5,439	2,651
Costa Rica	571	288	708	368	1,055	451	1,370	699	1,287	627
Hungary	5,005	3,022	6,880	3,728	7,938	3,762	8,002	3,429	7,697	3,113
Ivory Coast	794	192	1,728	435	2,429	748	3,032	956	3,218	872
Morocco	1,193	291	2,604	461	3,381	645	3,468	747	3,705	1,186
Philippines	3,396	1,832	5,016	2,505	7,381	3,925	9,348	5,405	10,204	5,764
Romania	1,387	926	2,897	1,272	4,414	2,227	5,776	2,467	5,069	1,791
Thailand	1,831	1,487	2,817	2,113	3,696	2,368	4,036	2,377	5,134	3,068
Turkey	3,173	2,508	3,777	2,655	3,928	1,388	4,368	1,257	4,235	1,044
Other	8,271	4,431	10,825	6,346	12,218	7,079	14,231	7,775	16,831	9,222
Memorandum items:										
Nonmember East European countries	30,071	15,214	37,801	15,638	43,788	17,643	45,960	17,375	48,028	20,654
Bulgaria	2,674	1,640	3,457	1,719	3,371	1,384	2,876	1,043	2,387	1,147
Czechoslovakia	1,546	894	2,054	1,198	3,004	1,415	3,545	1,528	3,321	1,249
Germany, Democratic Republic	5,275	2,858	6,793	3,123	8,553	3,656	9,928	3,829	10,733	4,573
Poland	8,840	3,347	12,441	4,215	15,846	6,186	16,173	5,350	15,283	5,522
Soviet Union	11,736	6,475	13,056	5,383	13,014	5,002	13,438	5,625	16,304	8,163

Sources: BIS, Maturity Distribution of International Lending, various issues.

^{1/} Debts with a remaining maturity of one year or less as at end of period; data differs from those contained in Tables 22-24 which relate to short-term debt defined in terms of debt with an original maturity of under one year.^{2/} Excludes countries that are off-shore banking centers, namely Bahamas, Bahrain, Hong Kong, Lebanon, Liberia, Panama, and Singapore.

Table 28. Selected Industrial Countries 1/: Principal Debt Indicators, 1980-82

(Amounts in millions of U.S. dollars; and ratios in per cent)

	1980	1981	Est. 1982	1980	1981	Est. 1982
Total external debt, including short-term debt						
	<u>Amount outstanding at end period</u>			<u>Bank borrowings 2/</u>		
Australia	13,305 ^{3/}	15,217 ^{3/}	...	7,259	9,877	...
Belgium	8,498 ^{4/}	15,382 ^{4/}	20,500 ^{4/}	...	...	...
Denmark	25,300	24,600	28,500	14,850	14,499	13,909 ^{5/}
Finland	17,630	18,065	19,000	6,725	7,121	7,066 ^{5/}
Ireland	10,928	11,200	14,118	5,387	6,082	6,835 ^{5/}
New Zealand	4,424 ^{6/}	5,718 ^{7/}	...	...	...	...
Norway	33,859	32,056	27,000 ^{8/}	10,494	10,370	10,319 ^{5/}
Spain	23,695 ^{8/}	27,025 ^{8/}	28,340 ^{8/}	18,165	21,837	22,426 ^{5/}
Sweden	34,200	36,700	38,800	15,294	16,471	16,543 ^{5/}
	<u>In per cent of exports of goods and services</u>			<u>In per cent of GDP</u>		
Australia	54.1	58.4	...	6.2	6.2	...
Belgium	9.2	16.9	...	7.1	15.9	...
Denmark	105.2	106.4	132.4	38.3	42.4	50.9
Finland	101.3	102.7	115.2	35.3	36.9	39.6
Ireland	99.6	112.9	146.5	60.7	66.7	80.5
New Zealand	65.9	79.9	...	19.2	23.8	...
Norway	119.3	111.1	100.6	59.4	56.2	48.2
Spain	69.9	79.7	82.2	11.3	14.6	15.8
Sweden	86.3	97.8	106.7	27.6	32.5	39.2
	Short-term debt					
	<u>In per cent of total debt</u>			<u>In per cent of reserves</u>		
Australia	...	...	...	...	...	...
Belgium	28.4	38.2	...	30.9	118.7	...
Denmark	20.9	17.5	17.2	153.2	164.5	294.5 ^{9/}
Finland	46.1	46.0	43.7	424.2	541.0	710.6 ^{9/}
Ireland	18.0	27.5	33.8	68.3	115.7	182.7 ^{9/}
New Zealand	...	...	...	...	...	...
Norway	11.6	13.5	...	64.5	68.6	...
Spain	...	...	...	...	...	...
Sweden	39.2	35.4	33.5	363.1	337.8	309.5 ^{9/}
	Debt service, excluding interest on short-term debt					
	<u>Payments during period</u>			<u>In per cent of exports of goods and services</u>		
Australia	...	...	...	...	...	...
Belgium	...	...	...	...	...	...
Denmark	4,000	4,700	5,600	16.5	20.3	26.0
Finland ^{10/}	1,801	1,828	1,800	10.3	10.4	10.9
Ireland ^{11/}	800	970	1,538	8.3	10.8	16.3
New Zealand ^{12/}	701	723	1,261	10.4	10.1	18.3
Norway	4,536	4,669	5,130	16.0	16.2	19.1
Spain	5,295	6,670	6,600	15.6	19.7	19.1
Sweden	5,300	7,100	5,400	13.4	19.1	14.9

Sources: Bank for International Settlements, International Banking Developments; national sources; and Fund staff estimates and projections.

1/ Data not comparable across countries due to differences in coverage.

2/ Data not directly comparable to Table 26 due to differences in coverage.

3/ Excludes non-guaranteed private and short-term debt.

4/ Public and publicly-guaranteed debt only.

5/ End-June 1982.

6/ Official, short- and long-term debt, excluding private debt.

7/ Official, short- and long-term debt, and publicly-guaranteed private debt.

8/ Excludes short-term debt.

9/ Ratio to reserves at end-October, 1982.

10/ Not strictly comparable--data are recorded on a net basis, e.g., interest payments are net of interest earned on external assets.

11/ Public and publicly-guaranteed debt only.

12/ Public debt only.

Table 29. Industrial Countries in the BIS Reporting Area: 1/ Debt of Nonbank Residents to the International Banking Sector, 1979-June 1982

(In billions of U.S. dollars)

	Outstanding amounts 2/				In per cent of exports of goods and services			
	1979	1980	1981	1982 June	1979	1980	1981	1982 June
Austria	3.1	3.4	3.5	3.4	11.3	10.2	11.3	11.2
Belgium-Luxembourg	5.4	9.5	12.2	13.5	7.1	10.3	13.5	15.2
Canada	4.3	8.6	23.0	25.8	6.5	11.1	27.7	31.0
Denmark	9.8	10.0	9.7	9.3	47.9	41.6	42.0	43.2
France	8.3	13.6	15.8	15.9	5.9	8.2	9.6	10.2
Germany	22.3	30.5	37.6	37.1	10.6	12.8	17.0	16.8
Ireland	2.8	4.1	5.0	5.3	29.3	37.4	50.4	52.5
Italy	14.4	25.7	30.8	29.9	15.1	24.4	30.4	29.4
Japan 3/	1.7	10.6	9.1	8.5	1.3	6.7	4.8	4.6
Netherlands	3.5	4.7	4.2	4.6	4.3	4.9	4.6	5.0
Sweden	8.0	12.2	14.1	13.8	22.9	30.8	37.6	38.0
Switzerland	5.3	6.6	5.4	5.4	13.2	15.0	12.7	13.5
United Kingdom	17.7	17.0	12.1	13.4	13.2	10.2	7.7	8.9
United States	13.5	15.8	20.3	18.4	4.7	4.6	5.4	5.1

Sources: Bank for International Settlements; and IMF staff estimates.

1/ Debt to banks abroad plus foreign currency debt to domestic banks funded abroad.

2/ As of the end of period; excludes bonds.

3/ Data on domestic operations in foreign currency, which are known to be sizeable, are not available.

Table 30. Eastern Europe (Nonmember Countries): Selected Debt Indicators, 1974, 1976, 1978, 1980, and 1981

	1974	1976	1978	1980	1981
Total, Eastern Europe					
Debt in convertible currencies (US\$ billions)	17.4	41.1	55.4	67.6	73.7
Proportion owed to BIS reporting banks (in per cent)	...	63.5	69.7	69.7	65.8
Bank deposits as proportion of total debt (in per cent)	27.7	15.8	17.1	20.6	18.5
Proportion of bank debt falling due within two years (in per cent)	...	...	53.4	53.8	53.3
Bulgaria					
Debt in convertible currencies (US\$ billions)	1.7	3.2	4.3	3.5	3.0
Bank deposits as proportion of debt (in per cent)	20.2	12.5	11.6	22.1	26.9
Proportion of debt owed to BIS reporting banks (in per cent)	...	62.5	72.1	74.7	70.8
Proportion of bank debt falling due within two years (in per cent)	...	...	60.9	53.7	62.5
Debt as a proportion of exports in convertible currencies (in per cent)	185	302	271	200	...
Debt less deposits (i.e., net debt) as per cent of GNP	9.4	12.8	11.6	8.3	6.5
Debt service ratio in convertible currencies (in per cent)	33	39	46	38 ^{1/}	...
Czechoslovakia					
Debt in convertible currencies (US\$ billions)	1.0	1.9	3.2	4.9	4.6
Bank deposits as proportion of debt (in per cent)	40.8	21.1	18.8	25.7	23.2
Proportion of debt owed to BIS reporting banks (in per cent)	...	47.4	62.5	70.6	69.0
Proportion of bank debt falling due within two years (in per cent)	...	...	60.7	47.8	45.5
Debt as a proportion of exports in convertible currencies (in per cent)	46	80	104	112	...
Debt less deposits (i.e., net debt) as per cent of GNP	1.4	2.5	1.9	2.7	2.6
Debt service ratio in convertible currencies (in per cent)	13	15	20	22 ^{1/}	...
German Democratic Republic					
Debt in convertible currencies (US\$ billions)	3.1	5.9	8.9	14.4	15.3
Bank deposits as proportion of debt (in per cent)	17.5	10.2	13.5	14.1	14.1
Proportion of debt owed to BIS reporting banks (in per cent)	...	61.0	69.7	65.7	66.0
Proportion of bank debt falling due within two years (in per cent)	...	...	63.9	58.0	57.9
Debt as a proportion of exports in convertible currencies (in per cent)	104	161	237	216	...
Debt less deposits (i.e., net debt) as per cent of GNP	4.6	6.7	5.1	7.8	8.1
Debt service ratio in convertible currencies (in per cent)	21	29	49	54 ^{1/}	...
Poland					
Debt in convertible currencies (US\$ billions)	4.6	11.5	17.8	25.1	25.0
Bank deposits as proportion of debt (in per cent)	11.4	5.1	4.5	2.5	3.0
Proportion of debt owed to BIS reporting banks (in per cent)	...	45.8	65.7	60.3	58.7
Proportion of bank debt falling due within two years (in per cent)	...	...	50.9	49.7	48.6
Debt as a proportion of exports in convertible currencies (in per cent)	120	259	324	326	...
Debt less deposits (i.e., net debt) as per cent of GNP	5.5	10.8	8.4	12.8	13.6
Debt service ratio in convertible currencies (in per cent)	23	42	79	92 ^{1/}	...
U.S.S.R. (including CMEA banks) ^{2/}					
Debt in convertible currencies (US\$ billions)	7.0	18.3	21.2	23.3	25.8
Bank deposits as proportion of debt (in per cent)	50.3	20.2	27.8	36.8	32.6
Proportion of debt owed to BIS reporting banks (in per cent)	...	71.6	73.1	57.5	61.6
Proportion of bank debt falling due within two years (in per cent)	...	...	48.5	48.3	55.4
Debt as a proportion of exports (goods and services) in convertible currencies (in per cent)	55	108	88	47	...
Debt less deposits (i.e., net debt) as per cent of GNP	0.3	1.4	1.2	0.7	...
Debt service ratio in convertible currencies (in per cent)	15	25	31	24 ^{1/}	...

Sources: Bank for International Settlements, Organization for Economic Cooperation and Development, Financial Market Trends; Fink, G., "An Assessment of European CMEA Countries' Hard Currency Debt," Wiener Institut fuer Internationale Wirtschaftsvergleiche (Vienna, September 1981, mimeographed document); U.S. Central Intelligence Agency, National Foreign Assessments, Handbook of Economic Statistics, 1982; and Fund staff estimates.

^{1/} Figures for 1979.

^{2/} Includes convertible currency debt of banks of members of the Council for Mutual Economic Assistance (CMEA).

Table 31. Eastern Europe: Claims of and Liabilities to Banks in BIS Reporting Area, 1975-82

(End of period, in billions of U.S. dollars)

	1975	1976	1977 <u>1/</u>	1977 <u>2/</u>	1978	1979	1980	1981	June 1982
Net claims, all countries	15.3	21.1	25.1	29.9	36.8	40.5	44.2	46.0	42.3
Claims	(21.6)	(28.7)	(32.9)	(38.3)	(47.5)	(55.9)	(59.8)	(60.8)	(54.1)
Liabilities	(-6.3)	(-7.6)	(-7.8)	(-8.4)	(-10.7)	(-15.4)	(-15.6)	(-14.8)	(-11.8)
Albania	--	--	-0.1	-0.1	--	--	-0.1	-0.1	-0.1
Claims	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Liabilities	(--)	(--)	(-0.1)	(-0.1)	(--)	(--)	(-0.1)	(-0.1)	(-0.1)
Bulgaria	1.3	1.6	1.9	2.1	2.6	2.4	1.8	1.3	1.2
Claims	(1.6)	(2.0)	(2.3)	(2.6)	(3.1)	(3.1)	(2.6)	(2.1)	(2.0)
Liabilities	(-0.3)	(-0.4)	(-0.4)	(-0.5)	(-0.5)	(-0.7)	(-0.8)	(-0.8)	(-0.8)
Czechoslovakia	--	0.5	0.9	1.0	1.4	1.8	2.2	2.4	2.1
Claims	(0.3)	(0.9)	(1.3)	(1.5)	(2.0)	(2.8)	(3.5)	(3.2)	(2.7)
Liabilities	(-0.3)	(-0.4)	(-0.4)	(-0.5)	(-0.6)	(-1.0)	(-1.3)	(-0.8)	(-0.6)
German Dem. Rep.	2.0	3.0	3.4	4.0	5.0	5.8	7.5	8.3	7.3
Claims	(2.6)	(3.6)	(4.1)	(4.9)	(6.2)	(7.7)	(9.5)	(10.4)	(8.8)
Liabilities	(-0.6)	(-0.6)	(-0.7)	(-0.9)	(-1.2)	(-1.9)	(-2.0)	(-2.1)	(-1.5)
Hungary	1.5	2.2	3.3	3.7	5.5	6.2	6.0	6.6	6.1
Claims	(2.2)	(3.1)	(4.2)	(4.8)	(6.4)	(7.4)	(7.4)	(7.5)	(6.5)
Liabilities	(-0.7)	(-0.9)	(-0.9)	(-1.1)	(-0.9)	(-1.2)	(-1.4)	(-0.9)	(-0.4)
Poland	3.4	4.8	6.4	8.7	10.9	13.9	14.5	14.0	12.5
Claims	(3.9)	(5.4)	(6.8)	(9.1)	(11.7)	(15.0)	(15.1)	(14.7)	(13.2)
Liabilities	(-0.5)	(-0.6)	(-0.4)	(-0.4)	(-0.8)	(-1.1)	(-0.6)	(-0.7)	(-0.7)
Romania	0.5	0.4	1.0	1.2	2.3	3.7	5.0	4.5	3.8
Claims	(0.9)	(0.7)	(1.2)	(1.4)	(2.5)	(4.0)	(5.3)	(4.8)	(4.2)
Liabilities	(-0.4)	(-0.3)	(-0.2)	(-0.2)	(-0.2)	(-0.3)	(-0.3)	(-0.3)	(-0.4)
U.S.S.R.	4.7	6.6	6.4	7.2	6.9	4.3	4.8	7.5	7.9
Claims	(7.6)	(10.3)	(10.6)	(11.6)	(12.8)	(12.9)	(13.4)	(15.9)	(14.6)
Liabilities	(-2.9)	(-3.7)	(-4.2)	(-4.4)	(-5.9)	(-8.6)	(-8.6)	(-8.4)	(-6.7)
Residual	1.8	2.2	1.9	1.9	2.2	2.3	2.3	1.9	1.5
Claims	(2.5)	(2.8)	(2.4)	(2.4)	(2.7)	(2.9)	(3.0)	(2.5)	(2.1)
Liabilities	(-0.7)	(-0.6)	(-0.5)	(-0.5)	(-0.5)	(-0.6)	(-0.7)	(-0.6)	(-0.6)

Source: Bank for International Settlements, International Banking Developments (quarterly).1/ Old series.2/ Revised series.

Table 1. Denmark: External Debt, 1980-82

(In billions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	20.0	20.3	23.6
1. Total public and publicly guaranteed <u>1/</u>	10.8	11.3	14.3
1.a By lender			
International institutions			
Governments			
Financial institutions			
Suppliers			
Bonds			
1.b By borrower			
Public sector <u>2/</u>	10.8	11.3	14.3
Private sector with public guarantee	—	—	—
2. Private sector without public guarantee <u>1/</u>	9.2	9.0	9.2
2.a By lender			
Banks			
Other			
3. Debt service payments	4.0	4.7	5.6
3.a Amortization	1.2	1.4	2.3
Public and publicly guaranteed	(0.4)	(0.6)	(1.2)
Private sector without public guarantee	(0.8)	(0.9)	(1.1)
3.b Interest payments <u>3/</u>	2.8	3.3	3.3
Public and publicly guaranteed	(...)	(1.1)	(1.3)
Private sector without public guarantee	(...)	(2.2)	(2.0)
II. Short-term debt			
1. Outstanding debt - total <u>4/</u>	5.3	4.3	4.9
1.a By lender			
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system			
Others			
2. Interest payments			
III. External payments arrears	—	—	—
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)		(Substantial)	

Sources: Nationalbank and Danemark Statistik; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Including interest on short-term debts.4/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 2. Finland: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total, gross	9,511	9,760	10,700
" " " " net	7,498	7,600	8,400
1. Total public and publicly guaranteed <u>1/</u>			
1.a By lender			
International institutions			
Governments			
Financial institutions			
Suppliers			
Bonds			
1.b By borrower			
Public sector <u>2/</u> , gross	2,683	3,056	3,600
Private sector with public guarantee			
2. Private sector without public guarantee <u>1/</u>			
2.a By lender			
Banks			
Other			
3. Debt service payments			
3.a Amortization, net (excl. short-term)	878	809	900
Public and publicly guaranteed			
Private sector without public guarantee			
3.b Interest payments, net, all maturities	923	1,019	900
Public and publicly guaranteed			
Private sector without public guarantee			
II. Short-term debt			
1. Outstanding debt - total <u>3/</u> , gross	8,119	9,305	8,300
" " " " net	-211	-702	-1,100
1.a By lender			
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system, gross <u>4/</u>	5,034	5,194	5,200
Others, gross	3,085	3,111	3,100
2. Interest payments		See line 3.b, above	
III. External payments arrears	--	--	--
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			Large--Perhaps 2/3 or 3/4 of the total.

Sources: Bank of Finland Monthly Bulletin; and Fund staff estimates.1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.4/ Includes the Central Bank; also includes all foreign exchange holders.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 3. Ireland: External Debt, 1980-82
(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total			
1. Total public and publicly guaranteed <u>1/</u>	3,864.4	3,117.5	4,050.3
1.a By lender			
International institutions	459.4	459.3	358.3
Governments	27.5	18.5	16.1
Financial institutions	3,030.9	2,127.0	2,903.5
Suppliers	—	—	—
Bonds	346.7	512.7	772.4
1.b By borrower			
Public sector <u>2/</u>	3,864.4	3,117.5	4,050.3
Private sector with public guarantee	—	—	—
2. Private sector without public guarantee <u>1/</u>			
2.a By lender			
Banks (gross liabilities)	5,100.0	5,000.0	5,300.0
Other	...	...	...
3. Debt service payments			
3.a Amortization			
Public and publicly guaranteed	336.4	462.9	767.8
Private sector without public guarantee	...	...	...
3.b Interest payments			
Public and publicly guaranteed	463.5	507.2	770.5
Private sector without public guarantee	...	...	...
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>			
1.a By lender			
Foreign banks	1,963.9	3,082.5	4,767.5
Nonbanks	—	—	—
1.b By borrower			
Domestic banking system	...	...	...
Others (government) <u>4/</u>	1,963.9	3,082.5	4,767.5
2. Interest payments			
III. External payments arrears			
Outstanding			
Debt service arrears	—	—	—
Other arrears	—	—	—
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%) (public and publicly guaranteed debt)	7.8	11.2	13.0

Sources: Central Bank of Ireland; Economic and Social Research Institute.

1/ Debt with original maturity of one year and over, disbursed, end of period.

2/ Includes Central Bank.

3/ Debt with original maturity of under one year, disbursed, end-period.

4/ The short-term government debt consists of revolving credit facilities with financial institutions which are legally short-term, but de facto medium-term.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 4. New Zealand: External Debt, 1980/81-1982/83
(Fiscal years ending in March; in millions of U.S. dollars)

	1980/81	1981/82	Est.* 1982/83
I. Medium- and long-term debt - total	...	...	...
1. Total public and publicly guaranteed <u>1/</u>	...	5,718.0	...
1.a By lender			
International institutions	...	...	...
Governments	...	...	...
Financial institutions	...	...	...
Suppliers	...	...	...
Bonds	...	...	...
1.b By borrower			
Public sector <u>2/</u>	4,424.3	5,196.6	...
Private sector with public guarantee	...	521.4	...
2. Private sector without public guarantee	...	...	...
2.a By lender			
Banks			
Other			
3. Debt service payments <u>3/</u>	...	825.6	...
3.a Amortization	...	459.4	...
Public	359.9	377.7	743.8
Private sector with public guarantee	...	81.7	...
3.b Interest payments	...	366.2	...
Public	304.9	344.8	517.6
Private sector with public guarantee	...	21.4	...
II. Short-term debt	...	...	...
1. Outstanding debt - total <u>4/</u>			
1.a By lender			
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system			
Others			
2. Interest payments			
III. External payments arrears	--	--	--
Outstanding	--	--	--
Debt service arrears	--	--	--
Other arrears	--	--	--
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	...	...	...

Sources: Data provided by the New Zealand authorities.

1/ Including short-term.

2/ Includes Central Bank.

3/ Excluding debt service payments on short-term debt.

4/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 5. Norway: External Debt, 1980-82 ^{1/}

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	29,922	27,735	27,000
1. Total public ^{2/}	(22,420)	(20,716)	(19,850)
1.a By lender	6,134	4,819	
International institutions	(4,821)	(3,749)	
Governments			
Financial institutions			
Suppliers			
Bonds			
1.b By borrower			
Public sector ^{3/}			
Private sector with public guarantee			
2. Private sector ^{2/}	23,788	22,916	
2.a By lender	(17,599)	(16,976)	
Banks			
Other			
3. Debt service payments			
3.a Amortization	2,511	2,613	2,700
Public	749	784	1,200
Private sector	1,762	1,829	1,500
3.b Interest payments	2,025	2,056	2,430
Public and publicly guaranteed			
Private sector without public guarantee			
II. Short-term debt			
1. Outstanding debt - total ^{4/}	3,937	4,321	
1.a By lender	(-4,414)	(-5,592)	(-5,200)
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system ^{5/}	2,584	3,077	
Others	(-3,758)	(-4,564)	
Others	1,353	1,244	
Others	(-656)	(-1,028)	
2. Interest payments			
III. External payments arrears			
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			

Sources: Norwegian Central Bureau of Statistics; Norges Bank; Norwegian authorities; IMF, Recent Economic Developments.

- ^{1/} In brackets--net debt.
^{2/} Debt with original maturity of one year and over, disbursed, end of period.
^{3/} Includes Central Bank.
^{4/} Debt with original maturity of under one year, disbursed, end-period.
^{5/} Central Bank and commercial and savings banks.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 6. Spain: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	23,695.0	27,025.0	28,340.0
1. Total public and publicly guaranteed <u>1/</u>	11,828.0	13,232.0	14,325.0
1.a By lender			
International institutions	443.5	496.1	386.8
Governments	1,710.2	1,913.2	2,148.8
Financial institutions	7,507.9	8,399.0	9,168.0
Suppliers	51.0	57.1	57.3
Bonds	2,115.4	2,366.5	2,562.0
1.b By borrower			
Public sector <u>2/</u>	9,958.0	11,410.0	12,606.0
Private sector with public guarantee	1,870.0	1,822.0	1,719.0
2. Private sector without public guarantee <u>1/</u>	11,867.0	13,793.0	14,015.0
2.a By lender			
Banks	--	--	--
Other	--	--	--
3. Debt service payments			
3.a Amortization (total)	2,543.0	2,820.0	3,100.0
Public and publicly guaranteed	--	--	--
Private sector without public guarantee	--	--	--
3.b Interest payments (total)	2,752.0	3,850.0	3,500.0
Public and publicly guaranteed	--	--	--
Private sector without public guarantee	--	--	--
II. Short-term debt			
1. Outstanding debt -- total <u>3/</u>			
1.a By lender			
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system			
Others			
2. Interest payments			
III. External payments arrears			
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			

Sources: IBRD; national sources.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 7. Sweden: External Debt, 1980-82

(In billions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	20.8	23.7	25.8
1. Total public <u>1/</u>	10.8	12.1	13.4
1.a By lender			
International institutions			
Governments			
Financial institutions			
Suppliers			
Bonds			
1.b By borrower			
Public sector <u>2/</u>			
Private sector with public guarantee <u>3/</u>			
2. Private sector including public guarantee <u>1/</u>	10.0	11.6	12.4
2.a By lender			
Banks			
Other			
3. Debt service payments			
3.a Amortization	3.2	4.1	2.2
Public	0.6	2.1	0.6
Private sector including public guarantee	2.6	2.0	1.6
3.b Interest payments	2.1	3.0	3.2
Public	0.9	1.5	1.6
Private sector including public guarantee	1.2	1.5	1.6
II. Short-term debt			
1. Outstanding debt - total <u>4/</u>	13.4	13.0	13.0
1.a By lender			
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system			
Others			
2. Interest payments			
III. External payments arrears	--	--	--
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			46 <u>5/</u>

Sources: Svenges Riksbank, Quarterly Review.1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Private sector debt with public guarantee amounted to \$2.5 billion in 1981.4/ Debt with original maturity of under one year, disbursed, end-period.5/ Central government only.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 8. Algeria: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	15,078	14,392	14,400
1. Total public and publicly guaranteed <u>1/</u>	15,078	14,392	14,400
1.a By lender	15,078	14,392	14,400
International institutions	254	287	290
Governments	2,225	2,259	2,260
Financial institutions	8,750	8,591	8,590
Suppliers	3,538	2,955	2,960
Bonds	311	300	300
1.b By borrower			
Public sector <u>2/</u>	15,078	14,392	14,400
Private sector with public guarantee	—	—	—
2. Private sector without public guarantee <u>1/</u>	—	—	—
2.a By lender			
Banks			
Other			
3. Debt service payments	3,710	3,880	4,175
3.a Amortization	2,405	2,399	2,625
Public and publicly guaranteed	2,405	2,399	2,625
Private sector without public guarantee	—	—	—
3.b Interest payments	1,305	1,481	1,550
Public and publicly guaranteed	1,305	1,481	1,550
Private sector without public guarantee	—	—	—
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>			
1.a By lender	...	...	...
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system			
Others	...	...	...
2. Interest payments	...	...	...
III. External payments arrears			
Outstanding	—	—	—
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	27.1	27.5	27.5

Source: IBRD.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 9. Argentina: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	16,877	26,067	28,898	29,700
1. Total public and publicly guaranteed <u>1/</u>	10,284	13,901	16,587	17,375
1.a By lender				
International institutions	1,133	1,210	1,198	...
Governments	371	384	353	...
Financial institutions	6,526	8,609	9,675	...
Suppliers	1,207	1,093	1,165	...
Bonds	1,047	2,605	4,196	...
1.b By borrower				
Public sector <u>2/</u>	...	...	...	...
Private sector with public guarantee	...	...	...	...
2. Private sector without public guarantee <u>1/</u>	6,593	12,166	12,311	12,325
2.a By lender				
Banks	...	...	...	...
Other	...	...	...	...
3. Debt service payments				
3.a Amortization	1,350	2,457	5,045	6,558
Public and publicly guaranteed	329	1,223	1,185	...
Private sector without public guarantee	1,021	1,234	3,860	...
3.b Interest payments	1,426	2,593	3,840	3,481
Public and publicly guaranteed	849	1,407	2,047	...
Private sector without public guarantee	577	1,186	1,793	...
II. Short-term debt				
1. Outstanding debt - total <u>3/</u>	10,285	9,604	7,782	7,860
1.a By lender				
Foreign banks	...	...	...	...
Nonbanks	...	...	...	...
1.b By borrower				
Domestic banking system	...	...	...	...
Others	...	...	...	...
2. Interest payments	749	1,257	1,273	959
III. External payments arrears				
Outstanding	--	--	1,700	--
Debt service arrears	--	--	732	--
Other arrears	--	--	968	--
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	85	90	90	90

Sources: BCRA; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 10. Brazil: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	53,850	61,410	68,810	76,610
1. Total public and publicly guaranteed <u>1/</u>	37,270	41,788	45,013	51,046
1.a By lender	37,270	41,788	45,013	51,046
International institutions	3,293	3,336	3,882	...
Governments	3,383	3,799	3,764	...
Financial institutions	22,809	27,101	29,798	...
Suppliers	4,549	4,656	4,666	...
Bonds	3,236	2,896	2,903	...
1.b By borrower	37,270	41,788	45,013	51,046
Public sector <u>2/</u>	35,630	40,575	43,513	...
Private sector with public guarantee	1,640	1,213	1,500	...
2. Private sector without public guarantee <u>1/</u>	16,580	19,622	23,797	25,564
2.a By lender	16,580	19,622	23,797	25,564
Banks	15,010	17,843	21,896	...
Other	1,570	1,779	1,901	...
3. Debt service payments				
3.a Amortization	6,644	7,662	7,205	6,912
Public and publicly guaranteed	3,960	4,295	3,866	...
Private sector without public guarantee	2,684	3,367	3,339	...
3.b Interest payments	6,325	7,689	8,236	7,800
Public and publicly guaranteed	4,227	5,173	5,376	...
Private sector without public guarantee.	2,098	2,516	2,860	...
II. Short-term debt	8,900	10,600	12,100	9,100
1. Outstanding debt - total <u>3/</u>				
1.a By lender				
Foreign banks	8,900	10,600	11,100	...
Nonbanks	--	--	1,000	...
1.b By borrower				
Domestic banking system	3,700	5,100	7,600	...
Others	5,200	5,500	4,500	...
2. Interest payments				
III. External payments arrears	--	--	--	--
Outstanding				
Debt service arrears				
Other arrears				
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	70	73	75	76

Sources: Data provided by the Brazilian authorities; and staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 11. Chile: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	9,413	12,553	14,044	15,004
1. Total public and publicly guaranteed <u>1/</u>	4,720	4,415	5,171	6,113
1.a By lender				
International institutions	351	409	533	...
Governments	955	857	774	...
Financial institutions	2,512	2,499	3,308	...
Suppliers	442	328	328	...
Bonds	107	92	92	...
Renegotiation and nationalization	353	230	136	...
1.b By borrower				
Public sector <u>2/</u>	4,648	4,346	5,113	6,066
Private sector with public guarantee	72	69	58	47
2. Private sector without public guarantee <u>1/</u>				
2.a By lender	4,693	8,138	8,873	8,891
Banks	4,390	7,675	8,380	...
Other	303	463	493	...
3. Debt service payments	2,362	3,215	3,011	2,990
3.a Amortization <u>3/</u>	1,449	1,792	1,218	1,704 <u>6/</u>
Public and publicly guaranteed	879 <u>4/</u>	1,120 <u>5/</u>	491 <u>6/</u>	...
Private sector without public guarantee	570	672	727	...
3.b Interest payments	913	1,423	1,793	1,286 <u>6/</u>
Public and publicly guaranteed	477 <u>4/</u>	490 <u>5/</u>	507 <u>6/</u>	...
Private sector without public guarantee	436	933	1,286	...
II. Short-term debt				
1. Outstanding debt - total <u>7/</u>				
1.a By lender				
Foreign banks				
Nonbanks				
1.b By borrower	...	4,179	3,928	3,638
Domestic banking system	...	1,949	1,656	...
Others	...	2,230	2,272	...
2. Interest payments <u>8/</u>	239	489	504	390
III. External payments arrears				
Outstanding	--	--	--	--
Debt service arrears	--	--	--	--
Other arrears	--	--	--	--
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	...	...	...	...

Sources: Central Bank; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Amortization includes prepayments in 1980 and 1981.4/ On debt outstanding December 1979.5/ On debt outstanding December 1980.6/ On debt outstanding as of December 31, 1981.7/ Debt with original maturity of under one year, disbursed, end-period.8/ Includes interest on IMF credit.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 12. Ecuador: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	4,045	5,037	5,525
1. Total public and publicly guaranteed <u>1/</u>	3,411	4,306	4,589
1.a By lender			
International institutions	477	580	603
Governments	209	366	366
Financial institutions	2,237	2,741	3,037
Suppliers	434	577	548
Bonds	56	42	35
1.b By borrower			
Public sector <u>2/</u>	3,411	4,306	4,589
Private sector with public guarantee	--	--	--
2. Private sector without public guarantee <u>1/</u>	634	731	936
2.a By lender			
Banks	634	731	936
Other	--	--	--
3. Debt service payments	1,000	1,283	1,839
3.a Amortization	593	723	1,177
Public and publicly guaranteed	267	479	584 <u>3/</u>
Private sector without public guarantee	326	244	593 <u>4/</u>
3.b Interest payments	407	560	662
Public and publicly guaranteed	287	442	554
Private sector without public guarantee	120	118	108
II. Short-term debt			
1. Outstanding debt - total <u>5/</u>	556	728	780
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	...	...	...
Others	...	...	...
2. Interest payments	103	110	107
III. External payments arrears	--	--	--
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	71.0	68.9	71.9

Sources: Central Bank of Ecuador; and Fund staff estimates.

- 1/ Debt with original maturity of one year and over, disbursed, end of period.
2/ Includes Central Bank.
3/ Scheduled amortization payments; actual payments amounted to US\$425 million.
4/ Of which US\$318 million subject to renegotiation.
5/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 13. Egypt: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total			18,000
1. Total public and publicly guaranteed <u>1/</u>	12,028	13,560	18,000
1.a By lender			
International institutions	2,872	3,048	3,500
Governments	7,098	7,722	9,000
Financial institutions	569	500	5,500
Suppliers	1,357	2,137	
Bonds	132	153	
1.b By borrower			
Public sector <u>2/</u>			
Private sector with public guarantee			
2. Private sector without public guarantee <u>1/</u>			
2.a By lender			
Banks			
Other			
3. Debt service payments			
3.a Amortization	1,116	1,450	
Public and publicly guaranteed			
Private sector without public guarantee			
3.b Interest payments			
Public and publicly guaranteed	300	405	
Private sector without public guarantee			
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>			
1.a By lender	1,031	1,169	
Foreign banks			
Nonbanks			
1.b By borrower			
Domestic banking system			
Others			
2. Interest payments	85	151	
III. External payments arrears			
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)			

Sources: Data provided by the Egyptian authorities; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 14. Hungary: External Debt, 1/ 1980-83
(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	5,743	5,850	6,177	6,186
1. Total public and publicly guaranteed 2/	5,743	5,850	6,177	6,186
1.a By lender				
International institutions	--	--	230	...
Governments	6	6	5	...
Financial institutions	5,444	5,442	5,342	...
Suppliers	293	402	600	...
Bonds	--	--	--	...
1.b By borrower				
Public sector 3/	5,743	5,850	6,177	6,186
Private sector with public guarantee	--	--	--	--
2. Private sector without public guarantee 2/	--	--	--	--
2.a By lender				
Banks	--	--	--	--
Other	--	--	--	--
3. Debt service payments	1,673	1,508	1,706	1,538
3.a Amortization	811	826	879	936
Public and publicly guaranteed	811	826	879	...
Private sector without public guarantee	--	--	--	...
3.b Interest payments	862	682	827	602
Public and publicly guaranteed	862	682	827	...
Private sector without public guarantee	--	--	--	...
II. Short-term debt				
1. Outstanding debt - total 4/	3,347	2,849	1,320	1,329
1.a By lender				
Foreign banks	3,172	2,608	888	...
Nonbanks	175	241	432	...
1.b By borrower				
Domestic banking system	3,172	2,608	888	879
Others	175	241	432	450
2. Interest payments	503	332	177	129
III. External payments arrears	--	--	--	--
Outstanding	--	--	--	--
Debt service arrears	--	--	--	--
Other arrears	--	--	--	--
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%) 5/	85	84	78	72

Sources: National Bank of Hungary; and Fund staff estimates.

1/ Convertible currency debt only.

2/ Debt with original maturity of one year and over, disbursed, end of period.

3/ Includes Central Bank.

4/ Debt with original maturity of under one year, disbursed, end-period.

5/ Rough staff estimates.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 15. Indonesia: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total			
1. Total public and publicly guaranteed <u>1/</u>	14,866	15,709	18,509
1.a By lender			
International institutions	1,690	2,115	2,680
Governments	7,152	7,247	8,237
Financial institutions	3,864	4,349	(7,440)
Suppliers	1,812	1,617	(
Bonds	155	222	(
Nationalized debt	193	159	152
1.b By borrower			
Public sector <u>2/</u>	—	—	—
Private sector with public guarantee	—	—	—
2. Private sector without public guarantee <u>1/</u>	...	...	...
2.a By lender			
Banks	...	...	...
Other	...	...	...
3. Debt service payments			
3.a Amortization			
Public and publicly guaranteed	924	1,101	1,375
Private sector without public guarantee	—	—	—
3.b Interest payments			
Public and publicly guaranteed	855	938	1,100
Private sector without public guarantee	—	—	—
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	...	...	...
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	...	...	...
Others	...	...	...
2. Interest payments	...	...	...
III. External payments arrears			
Outstanding	—	—	—
Debt service arrears	—	—	—
Other arrears	—	—	—
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	17.1	18.9	

Sources: Bank of Indonesia; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 16. Israel: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	14,692	16,000	18,000
1. Total public and publicly guaranteed <u>1/</u>	12,633	13,868	16,000
1.a By lender			
International institutions	111	128	...
Governments	8,803	9,342	...
Financial institutions	...	...	...
Suppliers	...	...	...
Bonds	...	...	...
1.b By borrower			
Public sector <u>2/</u>	...	...	...
Private sector with public guarantee	...	...	...
2. Private sector without public guarantee <u>1/</u>	2,059	2,132	2,000
2.a By lender			
Banks	...	...	...
Other	...	...	...
3. Debt service payments			
3.a Amortization			
Public and publicly guaranteed	627	1,368	1,014
Private sector without public guarantee	...	...	...
3.b Interest payments			
Public and publicly guaranteed	548	767	828
Private sector without public guarantee	...	...	...
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	2,371	2,300	2,400
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	...	...	...
Others	...	...	...
2. Interest payments	...	...	...
III. External payments arrears			
Outstanding	...	...	...
Debt service arrears	...	...	...
Other arrears	...	...	...
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	...	...	...

Sources: Bank of Israel; IBRD; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 17. Korea: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	17,418	19,884	23,000
1. Total public and publicly guaranteed <u>1/</u>	16,987	19,373	22,430
1.a By lender			
International institutions	3,060	3,836	4,300
Governments	4,151	4,809	5,400
Financial institutions	6,572	7,939	(12,730)
Suppliers	3,204	2,729	(
Bonds	—	—	—
1.b By borrower	16,987	19,373	22,430
Public sector <u>2/</u>	10,072	12,238	15,630
Private sector with public guarantee	6,915	7,135	6,800
2. Private sector without public guarantee <u>1/</u>	431	510	570
2.a By lender			
Banks	232	...	...
Other	199	...	...
3. Debt service payments	3,051	3,751	4,140
3.a Amortization	1,541	1,861	2,100
Public and publicly guaranteed	...	...	...
Private sector without public guarantee	...	...	...
3.b Interest payments	1,510	1,890	2,040
Public and publicly guaranteed	...	...	...
Private sector without public guarantee	...	...	...
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	9,944	13,216	12,800
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	6,453	7,627	7,800
Others	3,491	5,589	5,000
2. Interest payments	1,081	1,711	1,850
III. External payments arrears			
Outstanding	—	—	—
Debt service arrears	—	—	—
Other arrears	—	—	—
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	62.3	65.0	64.0

Sources: Korean authorities; IBRD; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 18. Mexico: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	39,622	52,407	60,025	73,200
1. Total public and publicly guaranteed <u>1/</u>	32,322	42,207	51,925	65,100
1.a By lender				
International institutions	3,286	4,016	4,000	...
Governments	1,189	2,270	6,250	...
Financial institutions	24,744	31,798	36,243	...
Suppliers	296	289	1,383	...
Bonds	2,807	3,834	4,049	...
1.b By borrower				
Public sector <u>2/</u>	19,530	25,753	32,314	...
Private sector with public guarantee	12,792	16,454	19,611	...
2. Private sector without public guarantee <u>1/</u>	7,300	10,200	8,100	8,100
2.a By lender				
Banks	...	...	...	...
Other	...	...	...	...
3. Debt service payments				
3.a Amortization				
Public and publicly guaranteed	3,723	4,806	7,137	7,002
Private sector without public guarantee	...	...	...	...
3.b Interest payments				12,010
Public and publicly guaranteed <u>3/</u>	3,956	5,488	8,614	...
Private sector without public guarantee <u>3/</u>	1,400	2,700	3,300	...
II. Short-term debt				
1. Outstanding debt - total <u>4/</u>	11,766	22,654	22,425	14,300
1.a By lender				
Foreign banks	...	...	...	...
Nonbanks	...	...	...	...
1.b By borrower				
Domestic banking system	1,009	6,517	...	...
Others	10,757	16,137	...	...
2. Interest payments				
III. External payments arrears	--	--	...	...
Outstanding				
Debt service arrears	--	--	...	...
Other arrears	--	--	...	...
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	75.0	75.0	77.0	81.0

Sources: Mexican authorities; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Includes interest payments on short-term debt.4/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 19. Peru: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	7,415	7,718	8,776
1. Total public and publicly guaranteed <u>1/</u>	6,043	6,211	7,125
1.a By lender			
International institutions	610	783	1,026
Governments	2,832	2,551	2,602
Financial institutions	1,536	1,767	2,294
Suppliers	1,063	1,108	1,201
Bonds	2	2	2
1.b By borrower			
Public sector <u>2/</u>	...	...	...
Private sector with public guarantee	...	...	...
2. Private sector without public guarantee <u>1/</u>	1,372	1,507	1,651
2.a By lender			
Banks	...	...	...
Other	...	...	...
3. Debt service payments			
3.a Amortization	949	1,391	1,143
Public and publicly guaranteed	833	1,231	895
Private sector without public guarantee	116	160	248
3.b Interest payments	570	676	733
Public and publicly guaranteed	492	520	571
Private sector without public guarantee	78	156	162
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	1,299	1,363	1,580
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	...	...	...
Others	...	...	...
2. Interest payments	...	...	...
III. External payments arrears	--	--	--
Outstanding	--	--	--
Debt service arrears	--	--	--
Other arrears	--	--	--
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	39	42	45

Sources: Data provided by the Peruvian authorities; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 20. Philippines: External Debt, 1980-83 ^{1/}
(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total				
1. Total public and publicly guaranteed ^{2/}	6,583	7,767	9,106	10,259
1.a By lender				
International institutions	1,179	1,715	2,148	...
Governments	817	1,044	1,156	...
Financial institutions	3,322	3,680	4,460	...
Suppliers	299	314	355	...
Bonds	966	1,014	987	...
1.b By borrower				
Public sector ^{3/}	...	...	...	...
Private sector with public guarantee	...	...	...	...
2. Private sector without public guarantee ^{2/}	1,970	2,261	2,700	3,065
2.a By lender				
Banks	1,135	1,458	1,792	...
Other	835	803	908	...
3. Debt service payments ^{4/}				
3.a Amortization	456	825	866	999
Public and publicly guaranteed	...	...	...	...
Private sector without public guarantee	...	...	...	...
3.b Interest payments	609	716	1,111	1,195
Public and publicly guaranteed	...	...	...	...
Private sector without public guarantee	...	...	...	...
II. Short-term debt				
1. Outstanding debt - total ^{5/}	2,548	3,567	4,163	4,315
1.a By lender				
Foreign banks	...	...	...	...
Nonbanks	...	...	...	...
1.b By borrower				
Domestic banking system ^{1/}	(2,548)	(3,567)	(4,163)	(4,315)
Others	105	220	423	282
2. Interest payments	105	220	423	282
III. External payments arrears	--	--	--	--
Outstanding				
Debt service arrears				
Other arrears				
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	37	40.4	40.4	40.4

Source: Data provided by the Philippine authorities.

^{1/} Official external debt statistics presented here do not include any debt classified as an international reserve liability of the banking system. As of end-September 1982, reserve liabilities (excluding liabilities to the IMF) totaled \$6.4 billion. Interest payments on reserve liabilities are estimated to have totaled \$305 million during 1982.

^{2/} Debt with original maturity of one year and over, disbursed, end of period.

^{3/} Includes Central Bank.

^{4/} Excluding payments to Fund and prepayments.

^{5/} Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 21. Portugal: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total	5,752	6,799	8,803
1. Total public and publicly guaranteed <u>1/</u>	5,611	6,525	8,503
1.a By lender			
International institutions	468	470	475
Governments	1,505	1,481	1,480
Financial institutions	3,143	4,108	6,028
Suppliers/Bonds	495	466	520
1.b By borrower			
Public sector <u>2/</u>	4,925	5,543	7,303
Private sector with public guarantee	686	982	1,200
2. Private sector without public guarantee <u>1/</u>	141	274	300
2.a By lender			
Banks	141	274	300
Other	--	--	--
3. Debt service payments			
3.a Amortization	713	1,004	900
Public and publicly guaranteed	693	969	870
Private sector without public guarantee	20	35	30
3.b Interest payments	534	821	920
Public and publicly guaranteed	540	788	889
Private sector without public guarantee	14	33	31
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	1,928	3,204	4,100
1.a By lender			
Foreign banks	1,928	3,204	4,100
Nonbanks	--	--	--
1.b By borrower			
Domestic banking system	221	270	320
Others	1,707	2,934	3,580
2. Interest payments	179	278	420
III. External payments arrears	--	--	--
Outstanding	--	--	--
Debt service arrears	--	--	--
Other arrears	--	--	--
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	...	...	...

Sources: Bank of Portugal; World Bank; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 22. Romania: External Debt, 1980-83 ^{1/}

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total				
1. Total public and publicly guaranteed ^{2/}	7,433	7,928	7,875	6,803
1.a By lender				
International institutions	...	(2,258)	(2,775)	...
Governments	...	(1,342)	(996)	...
Financial institutions	...	(3,962)	(3,780)	...
Suppliers	...	(366)	(324)	...
Bonds	...	(--)	(--)	...
1.b By borrower				
Public sector ^{3/}				
Private sector with public guarantee				
2. Private sector without public guarantee ^{2/}				
2.a By lender				
Banks				
Other				
3. Debt service payments	1,345	1,778	1,803	2,522
3.a Amortization	933	1,249	979	1,572
Public and publicly guaranteed	(933)	(1,249)	(979)	(...)
Private sector without public guarantee	(--)	(--)	(--)	(...)
3.b Interest payments	415	529	824	950
Public and publicly guaranteed	(415)	(529)	(824)	(...)
Private sector without public guarantee	(--)	(--)	(--)	(--)
II. Short-term debt				
1. Outstanding debt - total ^{4/}	2,124	1,089	350	350
1.a By lender				
Foreign banks	...	(836)	(--)	(--)
Nonbanks	...	(253)	(350)	(350)
1.b By borrower				
Domestic banking system				
Others				
2. Interest payments	...	...	276 ^{5/}	50
III. External payments arrears				
Outstanding	--	1,143	--	--
Debt service arrears	--	(434)	--	--
Other arrears	--	(709)	--	--
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)				

Sources: Data supplied by the Romanian authorities; and Fund staff estimates.

^{1/} Convertible currency debt only.^{2/} Debt with original maturity of one year and over, disbursed, end of period.^{3/} Includes Central Bank.^{4/} Debt with original maturity of under one year, disbursed, end-period.^{5/} Includes interest on arrears.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 23. Thailand: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total				
1. Total public and publicly guaranteed <u>1/</u>	4,128	5,169	6,363	7,332
1.a By lender				
International institutions	1,164	1,495	2,147	...
Governments	1,151	1,349	1,415	...
Financial institutions	1,707	2,109	2,650	...
Suppliers	31	80	150	...
Bonds and other	75	136	1	...
1.b By borrower				
Public sector <u>2/</u>	...	...	...	...
Private sector with public guarantee	...	...	...	...
2. Private sector without public guarantee <u>1/</u>	1,703	2,099	2,296	2,601
2.a By lender				
Financial institutions	1,228	1,529	1,744	...
Other	475	570	552	...
3. Debt service payments				
3.a Amortization				903
Public and publicly guaranteed	166	226	337	...
Private sector without public guarantee	540	393	481	...
3.b Interest payments				959
Public and publicly guaranteed	268	395	530	...
Private sector without public guarantee	250	310	328	...
II. Short-term debt				
1. Outstanding debt - total <u>3/</u>	1,823	2,332	1,860	2,050
1.a By lender				
Foreign banks <u>4/</u>	1,342	1,285	1,200	...
Nonbanks	...	...	...	...
1.b By borrower				
Domestic banking system	1,655	1,630	1,250	...
Others	168	702	610	...
2. Interest payments	203	283	180	200
III. External payments arrears	--	--	--	--
Outstanding	--	--	--	--
Debt service arrears	--	--	--	--
Other arrears	--	--	--	--
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	30	33	35	37

Sources: Bank of Thailand; IBRD; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.4/ Lending to domestic banks only.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 24. Turkey: External Debt, 1980-83

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	13,722	15,433	16,460	17,160
1. Total public and publicly guaranteed <u>1/</u>	12,849	14,853	15,660	16,460
1.a By lender				
International institutions	3,205	4,079	4,500	...
Governments	5,983	7,233	7,500	...
Financial institutions	2,900	2,728	2,760	...
Suppliers	681	813	900	...
Bonds	—	—	—	...
1.b By borrower				
Public sector <u>2/</u>	10,651	12,422	13,560	...
Private sector with public guarantee	2,198	2,431	2,100	...
2. Private sector without public guarantee <u>1/</u>	3,581	3,541	3,660	3,760
2.a By lender				
Banks	2,900	2,728	2,760	...
Other	681	813	900	...
ents				
Private sector without public guarantee	36	39	55	...
Private sector without public guarantee		10	1,074	...
II. Short-term debt				
1. Outstanding debt - total <u>3/</u>	2,480	2,111	2,500	2,340
1.a By lender				
Foreign banks	1,539	1,245	1,200	...
Nonbanks	941	866	1,300	...
1.b By borrower				
Domestic banking system	2,480	2,111	2,500	2,340
Others	—	—	—	—
2. Interest payments	102	144	171	156
III. External payments arrears				
Outstanding	1,615	320	—	—
Debt service arrears	45	—	—	—
Other arrears	1,570	320	—	—
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	25.6	24.9	25.0	25.0

Sources: Turkish Government; and Fund staff estimates.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 25. Venezuela: External Debt, 1980-82

(In millions of U.S. dollars)

	1980	1981	Est.* 1982
I. Medium- and long-term debt - total			
1. Total public and publicly guaranteed <u>1/</u>	9,671.7	9,531.1	12,000.0
1.a By lender			
International institutions	292.6	230.3	180.0
Governments	21.2	74.5	70.0
Financial institutions	5,220.1	5,000.2	7,410.0
Suppliers	203.1	213.2	240.0
Bonds	3,076.5	3,318.7	3,400.0
Unclassified	820.1	694.2	700.0
1.b By borrower			
Public sector <u>2/</u>	9,671.7	9,531.1	12,000.0
Private sector with public guarantee	--	--	--
2. Private sector without public guarantee <u>1/</u>			
2.a By lender			
Banks			
Other			
3. Debt service payments			
3.a Amortization			
Public and publicly guaranteed	1,172.2	942.3	1,158.0
Private sector without public guarantee	...	...	...
3.b Interest payments			
Public and publicly guaranteed	955.0	1,342.0	1,470.0
Private sector without public guarantee	...	...	...
II. Short-term debt			
1. Outstanding debt - total <u>3/</u>	...	9,360.0	6,000.0
1.a By lender			
Foreign banks	...	...	...
Nonbanks	...	...	...
1.b By borrower			
Domestic banking system	...	...	...
Others	...	...	...
2. Interest payments	...	...	...
III. External payments arrears	--	--	--
Outstanding			
Debt service arrears			
Other arrears			
IV. Memorandum item:			
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)	77.9	81.3	80.0

Source: Data provided by the Venezuelan authorities.

1/ Debt with original maturity of one year and over, disbursed, end of period.2/ Includes Central Bank.3/ Debt with original maturity of under one year, disbursed, end-period.

* At exchange rates for major currencies prevailing on average during October 1982.

Table 26. Yugoslavia: External Debt, 1980-83 ^{1/}

(In millions of U.S. dollars)

	1980	1981	Est.* 1982	Proj.* 1983
I. Medium- and long-term debt - total	14,790	14,745	14,350	14,500
1. Total public and publicly guaranteed ^{2/}	4,551	5,206	5,100	5,150
1.a By lender				
International institutions	1,408	1,523	1,800	...
Governments	2,227	2,374	2,300	...
Financial institutions	899	1,359	990	...
Suppliers	18	10	10	...
Bonds	--	--	--	...
1.b By borrower				
Public sector ^{3/}				
Private sector with public guarantee				
2. Private sector without public guarantee ^{2/}	10,247	9,509	9,250	9,350
2.a By lender				
Banks				
Other				
3. Debt service payments	2,899	3,582	4,239	4,200
3.a Amortization	1,914	1,750	2,000	2,443
Public and publicly guaranteed	437	428	500	...
Private sector without public guarantee	1,477	1,322	1,500	...
3.b Interest payments	1,086	1,947	2,000	1,850
Public and publicly guaranteed	248	435	475	...
Private sector without public guarantee	807	1,452	1,525	...
II. Short-term debt				
1. Outstanding debt - total ^{4/}	2,050 ^{5/}	2,259 ^{5/}	1,550 ^{5/}	1,100 ^{5/}
1.a By lender				
Foreign banks				
Nonbanks				
1.b By borrower				
Domestic banking system				
Others				
2. Interest payments				
III. External payments arrears				
Outstanding				
Debt service arrears				
Other arrears				
IV. Memorandum item:				
Proportion of total medium- and long-term debt outstanding at variable interest rates (%)				

Sources: Yugoslav authorities; and Fund staff estimates.

^{1/} Convertible currency debt, excluding the IMF.^{2/} Debt with original maturity of one year and over, disbursed, end of period.^{3/} Includes Central Bank.^{4/} Debt with original maturity of under one year, disbursed, end-period.^{5/} The bulk of recorded short-term debt comprises credits to Yugoslav banks by foreign banks.

* At exchange rates for major currencies prevailing on average during October 1982.

Mr. Clausen-

Mr. Thahane called to give following message for you:

" Re: Annotated Agenda.

Agreement reached with Mr. Mayorga.

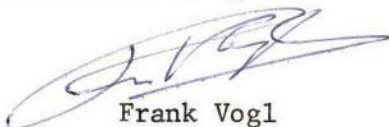
There will be no Committee of the Whole
meeting tomorrow"

bi - March 30/83

March 30, 1983

Mr. Clausen:

The G-9 of the Board met, reviewed new Development Committee agenda, all is clear and hence no need for further Board meetings on this subject. Mr. Kastoft is now about to issue the revised annotated agenda.

A handwritten signature in dark ink, appearing to read 'F. Vogl', with a large, sweeping flourish extending to the right.

Frank Vogl

RECEIVED.

1983 MAR 30 PM 12: 55

OFFICE OF THE PRESIDENT

OFFICE MEMORANDUM

TO: Mr. Roy Southworth, EXC

DATE: March 30, 1983

FROM: D. R. Clarke, IRD *DR16*

SUBJECT: Arrangements for Development Committee Meeting

1. Could you please arrange for Mr. Clausen to see this note before his meeting with Mr. Kastoft of the Development Committee at 5:30 this afternoon about arrangements for dealing with the communique at the next Development Committee meeting.
2. Messrs. Benjenk and Burki had an opportunity this morning for a discussion in Paris with the Managing Director, Mr. de Larosiere of the Fund, on this matter, bearing in mind the feeling which came out of the last troika meeting of the Development Committee and Mr. Clausen's own conviction that the informal dinner of the Ministers on the evening of April 28 should not focus on the communique but rather be broad-ranging on substantive issues.
3. Mr. de Larosiere took a strong view that the communique should not be left to Deputies or Senior Officials, since this would put the matter out of control, as was the experience at the OECD. It was therefore agreed with Mr. Benjenk that the draft communique would be presented to the Ministers, say, two hours before the commencement of the dinner, which would allow time for consultations with their Senior Officials. The dinner would be structured in two parts. The first part would focus discussion on the work program of the Development Committee in the ensuing months, until the next meeting in September 1983, and consider items for the agenda for the September meeting. The second part of the dinner discussion would be devoted to approving the communique.
4. There will also be a luncheon for Ministers on April 28. It is hoped then to structure discussion on some of the substantive issues being raised in the Committee but to allow Ministers to have a free and informal exchange.
for the meeting this afternoon.
5. I will be available if needed/ Mr. Vogl requested me to pass on this note.

cc: Messrs. Benjenk
Burki
Shakow
DRClarke:df

OFFICE MEMORANDUM

DATE: March 25, 1983

TO: Mr. A. W. Clausen
 THROUGH: Frank Vogl, Acting Vice President
 FROM: Shahid Javed Burki *507*

EXTENSION: 72466

SUBJECT: Development Committee Agenda

1. While my colleagues Jack Clarke and Alex Shakow will brief you today on the Committee of the Whole's discussion of the Development Committee agenda yesterday and the day before, I thought I might summarize for you the main points made in this marathon session. We have also requested Hugh Scott to make a presentation on this subject to the Managing Committee.
2. As Mr. Munzberg and Mr. Phaichitr said in a couple of interventions, the reason why the EDs had taken so long to deliberate these issues was that the Development Committee for once was being given a substantive agenda to deal with. They said the time spent by the EDs -- some ten hours -- had not been wasted. We agree with this assessment.
3. The following are some of the main points raised in the discussion.
 - (i) The Agenda: Some EDs would have liked some items on the agenda to be dropped. Miller did not think the Development Committee could help much with IDA; Ray and Hudry felt uneasy about trade. However, Munir Benjenk told the Board members that once the Development Committee Troika, (the Chairman of the Committee and the Heads of the Bank and the Fund), and the members of the Committee, on a "no objection" basis, had agreed upon an agenda, the EDs' task was limited to a discussion of the annotations. This procedure is clearly spelled out in the so-called Ten Commandments of 1979 which set up the Troika.
 - (ii) Procedures: Procedures for consulting the EDs while the agenda and the annotations were being prepared were also discussed. The developing countries' EDs felt they had not been sufficiently consulted. Munir Benjenk told the EDs that we had responded to all the EDs who sought clarifications after the annotations were received by them. I might add, however, that the basic design of the agenda follows closely the suggestions made by El-Naggar to Munir Benjenk and myself.
 - (iii) Selective Capital Increase: This item drew the most comment. Three positions were taken: (a) developing countries want immediate action on a large selective capital increase; (b) the U.S. and U.K., while accepting that discussions should begin on selective capital increase, felt that its size and timing were open questions; they also wished to avoid raising undue

expectations; and (c) the Japanese, interested in their share, want "established" policy and practice to be pursued by the Bank. The final annotations reflect all these positions.

- (iv) IDA: Three different positions were taken about the size of IDA VII Replenishment. (a) the Indians and Chinese wanted a specific amount mentioned that would mean a Replenishment that would be larger in real terms than IDA VI or (b) recognition that IDA VII will at least be commensurate with the expanding needs of poor countries while (c) the U.S. pleaded for realism which means per se an IDA of modest size. In the end, we settled for language that recognized the expanded needs of the poor countries but did not directly link the size of the IDA Replenishment to these expanding requirements.
- (v) Trade: After having agreed that trade was an important issue for the Bank to be concerned with -- we said that the loss of \$69 billion in 1982 alone in export earnings by the developing countries was nearly three times the net ODA flows to them from OECD countries -- the EDs got into a long debate whether the Bank/Fund should work for an "open" or an "expanding" world trading system. The U.S. opted for "open"; the Algerians, Latin Americans, and East Asians pleaded for an "expanding" system. This matter was left to the Fund to resolve. Some developing countries' EDs are fearful that the Bank's entry into this area would result in further pressures on them to open up their economies.
- (vi) Debt: This was recognized as an IMF matter. Comments by Bank EDs on the IMF paper would be passed to the Fund without any amendment of the annotations. El-Naggar wanted the Bank and the Fund to find long-term solutions to the debt situation of developing countries.

There is a possibility that the Fund EDs, meeting as a Committee of the Whole, will introduce some further changes that our EDs may want to discuss. In that case, the Board will need to meet again as a Committee of the Whole early next week.

cc: Messrs. Benjenk, Scott, Clarke, and Shakow

SJBurki/DRClarke:js

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Awe
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TEN POINTS

1. The Development Committee would be continued as a Joint Bank/Fund Committee with its present broad mandate to consider all matters relating to the transfer of real resources.
2. The Development Committee's main function would be that of a discussion forum, including its use as a "Reserve Forum" for the discussions of issues relating to the operations of the institutions when circumstances warrant it.
3. The Chairman of the Development Committee, the Managing Director of the Fund, and the President of the Bank would be jointly responsible for organizing the work of the Development Committee with a view to more effective performance.

4. The independence of the Development Committee would be reflected in the ability to present ideas freely to Members of the Committee--the work of the Committee would not be bound by a narrow definition of the responsibilities of the Bank and the Fund.
5. The Boards of the Bank and the Fund would be used as preparatory bodies for the work of the Development Committee including its agenda and work program, as well as reviewing and sharpening issues in papers prepared for Committee consideration.
6. To assure that proposals and views expressed by the Executive Directors are fully reflected in the papers, agenda and work program, when they meet on Development Committee matters, they will do so as Committees of the whole of the Executive Boards.
7. Senior Officials would not be part of the institutional framework. However, Ministerial Deputies could meet on an ad hoc basis, when appropriate, to consider special issues. Since they would be Deputies to Ministers, the decision to convene them would be one for the Ministers.
8. The Secretariat would be reduced to a Senior Official who would serve as Executive Secretary. He would assist the Chairman, Managing Director and President in ensuring the effectiveness of the Development Committee's work. The Secretariat service required by the Development Committee would be provided by Bank/Fund staff.
9. The Working Groups would be abolished. Task Forces--with a specific limited task and duration--might be used for certain issues with approval of the Development Committee.
10. Studies and papers for the Committee would normally be prepared by regular Fund/Bank staff, but consultants or other agencies may be asked by the Committee to contribute work under certain circumstances.

The changes we propose do not require an amendment of the Resolution establishing the Committee. I would not wish to suggest a special meeting of the Committee to consider the proposals which are essentially administrative in character. At the present time there are not enough agenda items to warrant calling a meeting of the Development Committee at the time of the March meeting of the Interim Committee. Unless the Committee feels otherwise, therefore, I would propose to implement the changes on April 1, 1979.

ROUTING SLIP

DATE:
March 29, 1983

FROM THE VICE PRESIDENT
EXTERNAL RELATIONS

NAME

ROOM NO.

Mr. Clausen

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

COMMENT

PER OUR CONVERSATION

FOR ACTION

PER YOUR REQUEST

INFORMATION

PREPARE REPLY

INITIAL

RECOMMENDATION


NOTE AND FILE

SIGNATURE

REMARKS:

Alex Shakow and Jack Clarke visited with Mr. El-Naggar this afternoon, and he has decided not to press a change in the trade text he had in mind. We are not yet sure if other issues will be raised, but we will let you know if any serious problems arise.

FROM:

Frank Vogl,  Acting Vice President

OFFICE MEMORANDUM

DATE: March 29, 1983

TO: Mr. A.W. Clausen
Through: Frank Vogl, ^W Acting Vice President
FROM: Alexander Shakow *Alex Shakow*

EXTENSION: 60133

SUBJECT: Development Committee Agenda - IMF Actions

- 765
1. At about 9:00 p.m. on Monday, March 28, the IMF Executive Directors, meeting as a Committee of the Whole, approved the Development Committee Annotated Agenda. Only modest changes were made in the version approved last week by the Bank's EDs. The Secretary's office has circulated the revised text for approval by the EDs on a no objection basis, thereby hopefully eliminating the need for additional meetings.
 2. The Fund discussion, chaired by the Managing Director, lasted about two and one half hours and focused only on the debt and trade sections of the agenda; other items were left as decided by the Bank Board. Many EDs suggested that changes on debt and trade be kept to a minimum as a delicate balance of views had been achieved after extensive discussion by the Bank's Directors. By and large this atmosphere prevailed, and the outcome represented a text that all EDs could accept even if not fully happy about each item.
 3. The debt discussion was marked by an eloquent statement by the Managing Director (responding to a suggestion from the Indian ED), in which he urged that no reference be made in the agenda to proposals for long-term restructuring of debt in a multilateral framework. While consideration of such matters in academic circles and elsewhere might be appropriate (as at the Non-Aligned Conference or UNCTAD) and EDs might like to study the subject quietly, to include the item in a meeting of Ministers held under the auspices of the Bretton Woods institutions would send disturbing signals to the private banks and capital markets. The Managing Director noted that the Fund's ability to raise \$15 billion recently from private banks for Mexico, Brazil, et al was essential to the welfare of these countries and could not have been raised by the IMF alone. The environment which permitted such flows to occur should not be disturbed. EDs could present their views when the Fund's debt paper is considered by the Board on April 6, and then report to their Ministers who could then say whatever they wished at the Development Committee. This approach, the Managing Director stressed, is quite different from the Bank and Fund placing the subject on the agenda. The EDs agreed, and further decided to retain the text of the annotated agenda exactly as presented; the U.S., Indian, German and other EDs withdrew their suggested modifications lest the whole subject be opened again.
 4. On the trade section, the Board was confronted with the two bracketed sections in the Bank text, and a desire by some directors not to leave the drafting entirely to the Bank given the Fund's special

responsibilities for the subject. As a result, the following changes were made:

(i) Indent two emphasizing the importance of "a coordinated approach to sustained economic recovery" was deleted. The Managing Director agreed that code words here raised many complicated issues, and in any case the Interim Committee had just met and concentrated on this subject. This was not, he believed, the Development Committee's area of competence. EDs concurred.

(ii) In indent four the Fund resolved the disagreement between Bank directors by merging the items bracketed in the Bank text. We now encourage "an expanding and open world trading system".

(iii) The U.S. ED suggested that the indent four text was unbalanced by its reference to "special needs of developing countries." The IMF, more than the Bank, he said, must be concerned with "uniformity" as a principle, and so proposed that a phrase in our original text be reinserted; with the Managing Director's support reference to monitoring "progress made, including inter alia dismantling trade barriers" was agreed to by the EDs.

Thus changes were kept to a minimum. Other proposals were withdrawn, particularly after the Indian ED (who carried the developing country arguments in this meeting) stressed the asymmetry issue (the IMF/IBRD pressure for reforms falls most heavily on the LDCs) which had been such an important feature of the Bank discussion.

5. The G-9 representative raised, in a low-key fashion, the manner in which consultations on the agenda had occurred. Mr. Kastoft said the procedure, while well-intentioned, has been "somewhat unorthodox" and would not be repeated. The Managing Director urged Mr. Kastoft to assure that future procedures will permit all EDs to present their views on the agenda in such a way as to assure smooth arrangements.

cc: Messrs. Benjenk (o/r)
Burki (o/r)
Scott
Clarke

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1983 MAR 29 PM 6:15

OFFICE OF THE PRESIDENT

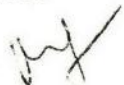
[Faint, illegible text, likely a memorandum or letter, possibly containing a signature and date.]

OFFICE MEMORANDUM

EXR/MC/83-8

TO: The Managing Committee

DATE: February 3, 1982

FROM: M. P. Benjenk, VPE SUBJECT: Agenda for the April Meeting of the Development Committee

The Bank and the Fund managements have agreed to the attached agenda. It will be finalized at a meeting of the "troika", i.e. Messrs. Clausen, de Larosiere and Ghulam Ishaq Khan, Chairman of the Development Committee. The troika meeting is scheduled for February 14.

The Fund's World Economic Outlook will be the main background documentation for the Development Committee meeting. In addition, short papers will be prepared by the Bank/Fund staff on the various items/sub-items on the agenda. The preparation of these papers will be overseen by an ad hoc Development Committee working group made up of Messrs. Burki, Michalopoulos, Mistry and Shakow.

Attachment

January 31, 1983

Outline of Agenda
for the Spring 1983 Meeting
of the Development Committee

	<u>Responsibility for Preparing Document</u>
1. Elements of Global Economic Recovery Effort	
(i) Financial flows from and level of lending by multilateral institutions and implications for their capital base.	Bank
(ii) Status and funding of IDA	IDA
(iii) External debt problems of developing countries	IMF
(iv) Trade issues in the promotion of development	IMF/Bank
2. Status/Progress Reports	
(i) Co-financing	Bank
(ii) Energy Lending	Bank
3. Future Program of Work of the Committee	Bank/IMF
4. Other Business	