

UNITED NATIONS

ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

E/CN.12/884/Add.1
29 March 1971

ENGLISH
ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Fourteenth session
Santiago, Chile, 27 April to 8 May 1971

TRENDS AND STRUCTURES OF THE LATIN AMERICAN ECONOMY

B. THE EXTERNAL SECTOR

Conference document

TABLE OF CONTENTS

	<u>Page</u>
B. THE EXTERNAL SECTOR	1
1. Expansion and stability	1
(a) Export trends	2
(b) Average fluctuations in exports	3
(c) Growth of the purchasing power of exports ...	7
(d) Trends in the terms of trade	8
(e) Growth of imports	9
2. Structural changes	22
(a) Exports	22
(b) Imports	23
(c) Destination of exports and origin of imports	25
(d) Evolution of the trade balance	26
3. External vulnerability and dependence	36
(a) The trend of the accumulated balance-of- payments deficit on current account	37
(b) External financing	38
(c) External indebtedness	40
(d) External financing	42
(e) External direct investment	43

B. THE EXTERNAL SECTOR

1. Dynamism and stability

External sector trends in Latin America were more favourable in the 1960s than in the previous decade.

Although some key factors, such as the terms of trade, were unfavourable in the first five years, the boom in world trade, particularly in the second half of the decade, enabled the Latin American external sector to recover.

However, it did not reach the exceptionally high growth rates of world trade in those periods. From 1960 to 1969 world exports grew by 8.8 per cent annually, compared with 5.5 per cent for Latin America's exports over the same period.

Moreover, Latin American development also showed sharp disparities between countries. With the organization of the Central American Common Market (CACM) at the beginning of the 1960s, the external sector position of the five member States was exceptionally good in the first half of the decade, but they were unable to maintain it in the second. In other countries, in contrast, foreign trade grew at a more rapid rate than the average for Latin America in the years 1965-1969. Brazil affords the most typical example of this trend.

On the other hand, Chile, Peru and Bolivia showed a much more dynamic growth throughout the decade than in the previous ten years. Mexico could also be included in this group, except that its growth was higher than the Latin American average in both decades.

In contrast with the general trend, Venezuela's external sector deteriorated in the 1960s, and Colombia has made slow progress over the past twenty years, recording lower growth rates than the regional average in all the variables concerned.

Haiti was the only country which recorded an absolute decline in its external sector position over the past decade, following upon very low growth rates in the previous ten years.

(a) Export trends

Latin America's exports, in terms of dollars at current prices, rose by 5.5 per cent annually in the 1960s (see table 1), and although this cannot be considered to be a very high rate, it is considerably higher than in the 1950s (3.7 per cent) and almost equal to that of the regional product (5.6 per cent). Exports did not grow evenly throughout the decade, since they grew faster in the second half with the rise in export prices (see table 2).

The various countries' position with respect to the Latin American average has changed somewhat between the two decades.

Peru, Chile and Mexico and most of the Central American and Caribbean countries maintained rates that were higher than the regional average, and the CACM countries recorded a significant increase in the second decade. Brazil, Paraguay and Bolivia joined this group in the 1960s, and the highest growth rate for the period was recorded in Bolivia.

On the other hand, the lowest growth rates (apart from Haiti's) were recorded in three countries which had enjoyed favourable conditions between 1950 and 1960 (Ecuador, Venezuela and the Dominican Republic). Haiti, Colombia, Argentina and Uruguay remained in the group registering a lower-than-average growth rate in both decades.

If the first half of the period 1960-1969 is compared with the second, it will be noted that some countries did not follow the general trend and recorded higher growth rates in the first five-year period. These include the members of the Central American Common Market (except Costa Rica), Argentina, and Uruguay.^{1/}

Other countries which constituted exceptions to the rule were Colombia, Venezuela and Haiti, which throughout the 1960s maintained a slow growth rate for exports in relation to the average for the region.

Lastly, if consideration is given to the trends in both decades and in both halves of the 1960s, it will be seen that only Costa Rica, Guatemala, Mexico, Peru and Chile kept the value of their exports above the Latin American average.

^{1/} Furthermore, Argentina and Uruguay, after being included in the group of countries with the most dynamic growth rates for exports in the first half of the decade, were among those recording the lowest rates in the late 1960s.

The rate of growth of the volume of exports did not increase so sharply as the value of exports in the two decades, which rose from 4.1 per cent between 1950 and 1960 to 4.8 per cent in the 1960s (see tables 1 and 3).

If these rates are compared with the rates of increase in the value of exported goods, it will be concluded that the prices obtained followed a totally different trend in the two decades. From 1950 to 1960 the larger increase in volume than in value shows that prices deteriorated over this period. The 1960s were characterized by a rise in export prices, particularly in the second half, so that the annual increase in the value of exports was greater than in the volume.

This may have been due to the changes which took place in the structure of exports, since many countries began to diversify their foreign trade (see section 2 below).

The position of the individual countries in relation to the regional average is not very different whether the rates of growth of the value or of the volume of exports are considered (see tables 2 and 3). Some countries, however, which in terms of the value of their products were among those attaining the fastest growth in the region, recorded rates lower than the average in terms of the volume of sales, which reflects a continuing rise in export prices. Chile and Mexico were in this position in the 1950s. Chile continued in the same position in the 1960s and was joined by Peru and Bolivia. Peru also managed to raise the volume of its exports above the regional average, but this increase was still far below the rise in the value of its exports (see table 3).

The sharp disparity between the increases in the value and in the volume of Chile's and Peru's exports was particularly marked in the latter years of the period.

(b) Average fluctuations in exports

The figures in table 1 show a trend towards greater stability in Latin America's exports, particularly in terms of current value. Fluctuations in volume ceased to be less marked than fluctuations in value (a feature

/of the

of the 1950s) and became slightly more marked in the 1960s. It may be concluded that, apart from the upswing in prices, international market prices fluctuated much less in the last decade.^{2/}

The average coefficient of fluctuations in the value of exports fell from 9.7 to 7.5 per cent, though this figure masks and therefore underestimates to a certain extent, the decline in the individual countries, since it takes no account of the scatter of prices in relation to the median in each case. Fluctuations kept much closer to the median line in the 1960s than in the 1950s, and at the same time the lowest prices were much lower (see table 4).

In the 1950s, particularly marked fluctuations were observed in Haiti (2.5 times above the average), and also in Bolivia, Uruguay and Chile. In the 1960s, however, the country with the greatest fluctuations in the value of its exports was the Dominican Republic, with a rate of 12.5 per cent, owing essentially to changes in the prices of its products, since the volume of exports fell by 8.5 per cent.

Although fluctuations in the value of exports were not so violent, there were more countries with export prices that fluctuated more than the average for Latin America in the last decade. However, there was no change among the countries as regards fluctuations in volume (see table 5).

It will be useful to analyse the growth rates of exports as a whole, measured in terms of value and of volume, together with the fluctuations that they showed in the 1960s. There are four different basic situations (see tables 4-A and 5-A). The first is that of countries that managed to expand their exports at a faster pace than the regional average, and at the same time, recorded fluctuations that were lower than the regional average. In terms of the value, not a single country achieved this position in the 1960s, while Bolivia and Mexico were the only two countries which were in this position as regards the volume of their exports.

^{2/} Chile, Peru and Bolivia were the countries which experienced greater fluctuations in the value of their exports than in the volume. This indicates that, besides a rise in their export prices, there were also violent price fluctuations over the period.

Table 4-A
LATIN AMERICA: GROWTH AND STABILITY OF THE
VALUE OF EXPORTS, BY COUNTRY, 1960-1969

	Countries with export growth above the average	Countries with average export growth	Countries with an export growth below the average
Countries with economic growth rates above the average for Latin America	Bolivia Panama Honduras Nicaragua Guatemala Chile Costa Rica Peru El Salvador Paraguay Brazil	Mexico	-
Countries with economic growth rates close to the average for Latin America	-	-	-
Countries with economic growth rates below the average for Latin America or whose exports declined	Uruguay Argentina Dominican Republic Haiti	-	Colombia Ecuador Venezuela

Table 5-A

LATIN AMERICA: GROWTH AND STABILITY OF THE
VOLUME OF EXPORTS, BY COUNTRY, 1960-1969

	Countries with export growth above the average	Countries with average export growth	Countries with an export growth below the average
Countries with showing economic growth rates a- bove the average for Latin America	Panama Guatemala Costa Rica Nicaragua Honduras Brazil Paraguay	El Salvador	Bolivia Mexico
Countries with economic growth rates close to the average for Latin America	-	-	Colombia Chile
Countries with economic growth rates below the average growth for Latin America or whose exports declined	Uruguay Ecuador Haiti Dominican Republic	Argentina	Peru Venezuela

/The second

The second situation is that of countries that showed a higher-than-average growth of exports, with above-average fluctuations. Most of the Latin American countries fall within this group as regards the value of their exports, while seven countries are in this position in respect of the volume of exports: four members of the Central American Common Market and Brazil, Panama and Paraguay.

The countries that recorded lower-than-average fluctuations with only small increases or even decreases in their exports were, in terms of value, Colombia, Ecuador and Venezuela, and in terms of volume, Venezuela again, and Peru.

The fourth group comprises countries whose exports grew but at the same time underwent sharp fluctuations in foreign sales. In terms of value of exports this was the case of Uruguay, Argentina, Haiti and the Dominican Republic; in terms of volume, the same countries, minus Argentina, with the addition of Ecuador.

(c) Growth of the purchasing power of exports

The purchasing power of exports followed a more dynamic growth trend in the 1960s than in the 1950s.

In fact, in the 1950s it was necessary for the volume of exports to expand at an annual rate of 4.1 per cent if their purchasing power was to increase by only 2 per cent, whereas in the last decade the volume rose by 4.8 per cent and purchasing power by 4.1 per cent per year.

From another angle, the improvement in the purchasing power of exports in recent years is shown by the number of countries with a higher growth rate for the purchasing power than for the volume of exports.

From 1950 to 1960, only two countries were in this position, Chile and Nicaragua, but this number increased to nine in the 1960s with the addition of a further seven countries - Bolivia, Peru, the Dominican Republic, Panama, Honduras, Argentina and Paraguay - (see table 6).

There were no changes in the number of countries which showed this general trend in the 1960s, from the first half to the second, but, as can be seen in table 7, there were changes in the countries composing each group. There were only four of the above-mentioned countries - Chile, Peru,

/the Dominican Republic.

the Dominican Republic and Panama - in the group of those which increased the purchasing power of their exports at a higher rate than the volume in both halves of the decade.

(d) Trends in the terms of trade

Previous ECLA studies ^{3/} have underlined the fact that the 1950s was characterized by a notable decline in the terms of trade of Latin America.

In this context, the decline registered in the last decade in comparison with the period from 1955 to 1959 (see tables 1 and 8), is seen to be serious, because it shows that the region's balance on its trade with the rest of the world has been consistently unfavourable throughout the last two decades.

However, in the last decade the trend was fairly stable as far as the averages in each half of the decade are concerned, within the general context of decline. It is well known that there was a slight drop from one half to the other, when the region's unfavourable balance increased somewhat, but this is of relatively little importance, considering the trends of export and import prices over the last five years. In fact, the growth rates of the value and the volume of trade show something like a recovery in the terms of trade from 1965 to 1969, although the average did not rise (see tables 2 and 3, 9 and 10).

In the same way, a country-by-country analysis of the index shows that the number of countries that improved their terms of trade compared with 1955-1959 rose from three to six, while the number that suffered a sharp decline in their foreign trade balance was the same in the second half of the decade as in the first.

A more detailed analysis of the figures of the terms of trade index for each country shows that the similarity of the over-all figure for the region in the two five-year periods masks two very different situations. In 1960-1965, there was a greater degree of similarity in the performance of the countries than in 1965-1969. There was no very marked rise in the

^{3/} See The Economic Development of Latin America in the Post-War Period (United Nations publication, Sales No: 64.II.G.6).

index for 1960-1965 compared with the figure for 1955-1959 in any country (the biggest rise was to 116), while in the second half three countries exceeded this figure and Bolivia's index was as high as 160.

Between 1960 and 1965 there were sixteen countries whose terms of trade index fell, and in seven the decline was moderate, whereas in the next five-year period, the same number of countries showed a sharp decline in their terms of trade index, but the difference in the index figures between countries were far greater (e.g., Venezuela had an index of 56).

Therefore, despite what the average index figure appears to indicate, the terms of trade of the countries of the region continued to follow a very uneven course during the decade, but the gains losses cancelled each other out.

(e) Growth of imports

Over the past twenty years Latin America's imports have grown steadily in terms of value (5.5 per cent per year, as shown in table 1).

Considering the variations in the growth of exports and the improvement in their purchasing power in the last decade, it is interesting to note that the region's imports did not expand at a faster pace in the 1960s. As mentioned below,^{4/} one of the reasons for this must have been the increase in foreign debt servicing and in remittances of profits and other payments abroad during the last decade.

In any event, this lack of growth was offset to some extent by much increased availability of imported goods, since prices rose less than in the previous decade. In fact, although export prices rose by an annual 5.5 per cent, those of imports rose at an annual rate of only 3.9 per cent in the 1950s and of 4.2 per cent in the 1960s.

As to the value of imports, there were no notable changes in the relative positions of the different countries from one decade to the next (see tables 9 and 10). The number of countries with a more-than-average increase in the value of their imports remained the same, and there were only two changes in position (Bolivia joined this group and Venezuela moved into the group with a less-than-average increase in their imports compared with the regional average).

^{4/} See section 3.

With regard to the volume of imports, the number of countries with a more-than-average growth rate was not very different from the number in the same position with regard to the value of imports. However, differences in import patterns from one country to another meant that the impact of price changes was different in each, so that the composition of the two groups changed. This may explain the fact that in the Dominican Republic's imports increased more rapidly in volume than they did in value during the 1960s, which is the reverse of the general trend.

The data for the two decades combined, however, does not give a true picture, in that it shows sustained growth, apparently with no sharp changes. In fact import trends were completely different in the two halves of the 1960s. During the first half there was a definite deceleration in the growth rates of both the volume and the value of the region's imports (1.4 and 2.9 per cent per year respectively). The second half showed a marked contrast with the first, and imports grew in volume by 7.6 per cent per year and in value by almost 9 per cent. Prices rose slightly less rapidly, as can be seen from a comparison between the growth rates for the volume and for the value of imports in the two periods.

The distribution of the countries according to their position in relation to the median line for the average growth of the value of the region's imports is another feature which distinguishes the two periods from each other. During the first five years, thirteen countries boosted the value of their imports at a higher rate than the regional average, compared with only seven in the second half of the decade. The countries were far closer to the regional average during the last five-year period also.

A qualitative analysis of the relative positions of the countries still further underlines the contradictions between the two halves of the decade. Only three countries maintained a steady growth rate for the value of their imports during both halves of the decade (the Dominican Republic, Honduras and Panama). The growth rate in the other ten countries that were in this position during the first half of the decade, was not even as high as the average rate of expansion of foreign purchases for the region; Peru, Nicaragua and El Salvador were particularly notable in this respect.

/Among the

Among the four countries which have moved into the group whose imports have been growing at a faster rate in the last few years, Brazil and Uruguay should be mentioned. Both countries' imports declined in the first half of the decade, by 6.5 per cent and 6.9 per cent a year respectively, and in the second half, Brazil's imports rose at an annual rate of 17.8 per cent and Uruguay's at 9.2 per cent.

The country-by-country comparison of the growth rates of the volume and of the value of imports shows that the volume of imports increased faster than their value in three countries (Nicaragua, the Dominican Republic and Argentina) during the first half of the decade; during the period from 1965 to 1969, there were no similar cases.

Table 1
LATIN AMERICA: GROWTH RATE OF EXTERNAL SECTOR, 1950-1960 TO 1960-1969

	Exports of goods and services			Average percentage variations in exports of goods and services			Purchasing power of exports		Variations in the terms of trade			Imports of goods and services		
	Current value			Current value			1950-1960		1955-59 = 100			Current value		
	1950-1960	1960-1969	Volume	1950-1960	1960-1969	Volume	1950-1960	1960-1969	1960-1964	1965-1969	1960-1969	1950-1960	1960-1969	Volume
Argentina	0.4	4.4	2.0	3.7	10.4	8.7	9.4	7.9	-1.5	4.2	116	2.5	3.4	1.4
Bolivia	-3.4	13.6	-3.5	6.7	18.1	11.7	10.9	6.5	-1.7	12.5	113	1.4	10.3	4.1
Brazil	0.8	6.4	2.6	6.4	8.4	10.1	8.9	10.3	-0.1	5.4	84	4.2	3.7	2.7
Colombia	3.1	4.2	4.5	4.7	9.0	7.0	8.9	5.3	1.6	3.3	83	4.6	4.5	3.0
Costa Rica	4.5	9.3	4.7	9.3	10.9	8.8	12.0	8.4	3.4	8.5	77	9.0	9.6	7.8
Chile	5.2	9.7	1.9	4.5	14.6	9.7	9.7	4.4	3.3	9.0	99	8.8	5.8	5.2
Ecuador	6.1	3.0	7.1	3.1	10.7	7.0	9.7	8.2	3.8	2.7	84	10.1	7.1	7.6
El Salvador	4.7	7.5	4.3	7.8	7.6	8.2	8.8	8.1	3.8	6.3	78	9.2	6.4	8.3
Guatemala	4.6	9.7	4.9	10.9	6.3	10.2	7.4	11.1	3.1	8.5	68	6.5	8.1	4.9
Haiti	2.6	-1.3	3.7	-1.6	23.5	8.4	18.9	10.8	1.2	-2.3	81	3.9	0.5	-0.5
Honduras	1.4	11.3	2.0	8.7	9.6	10.8	9.6	9.3	0.1	10.7	88	6.6	11.4	10.8
Mexico	5.3	8.0	4.1	5.6	6.8	7.4	7.2	5.3	3.1	4.6	92	7.9	7.5	5.6
Nicaragua	7.6	10.2	6.5	9.1	11.9	9.3	13.7	8.2	6.7	10.1	93	10.8	10.0	9.8
Panama	3.9	13.2	4.2	11.3	6.7	11.5	8.0	10.0	2.6	12.0	87	6.3	10.7	5.2
Paraguay	2.1	6.7	3.2	5.3	8.4	9.5	12.0	8.2	0.5	5.8	76	7.8	6.9	6.1
Peru	8.9	8.6	9.6	4.0	10.5	8.1	8.6	4.7	7.5	8.0	94	7.4	8.3	6.1
Dominican Republic	6.8	3.2	8.1	-0.3	10.9	12.5	10.9	8.5	3.0	4.4	98	7.4	10.7	3.6
Uruguay	4.9	4.8	-3.6	4.3	16.2	11.2	20.6	12.3	-4.7	4.2	114	0.2	0.0	0.4
Venezuela	7.7	0.5	7.1	2.8	9.8	2.3	7.6	3.1	4.3	-1.9	75	6.8	4.2	3.5
Latin America, excluding Cuba	3.7	5.5	4.1	4.8	9.7	7.5	9.0	7.9	2.0	4.1	86.6	5.5	5.5	3.9
														4.2

Table 2

LATIN AMERICA: GROWTH RATE OF THE VALUE OF EXPORTS OF GOODS AND SERVICES, BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

	Countries above the average for Latin America		Countries close to the average for Latin America		Countries below the average for Latin America		Countries whose exports declined	
	1950-60	1960-69	1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Cumulative annual growth rate of the total current value of Latin America's exports of goods and services								
1950-1960	Peru (6.9) Venezuela (7.7) Nicaragua (7.6) Dominic.Rep. (6.8) Ecuador (6.1) Mexico (5.3) Chile (5.2) El Salvador (4.7) Guatemala (4.6) Costa Rica (4.5)	Bolivia (13.6) Panama (13.2) Honduras (11.3) Nicaragua (10.2) Guatemala (9.7) Chile (9.7) Costa Rica (9.3) Peru (8.6) Mexico (8.0) El Salvador (7.5) Paraguay (6.7) Brazil (6.4)	Panama (3.9)	-	Colombia (3.1) Haiti (2.6) Paraguay (2.1) Honduras (1.4) Brazil (0.8) Argentina (0.4)	Uruguay (4.8) Argentina (4.4) Colombia (4.2) Dominic.Rep. (3.2) Ecuador (3.0) Venezuela (0.5)	Uruguay (-4.9) Bolivia (-3.4)	Haiti (-1.3) -
1960-1969								
1950-1960								
1960-1969								
Cumulative annual growth rate								
1960-1965	Bolivia (16.8) Nicaragua (16.7) Honduras (13.9) Panama (13.3) El Salvador (12.7) Guatemala (11.5) Peru (9.3) Paraguay (8.8) Uruguay (8.1) Mexico (7.8) Chile (7.5) Argentina (6.0) Costa Rica (5.5)	Costa Rica (14.0) Panama (13.0) Chile (12.5) Dominic.Rep. (12.3) Brazil (10.0) Bolivia (9.6) Mexico (8.4) Honduras (8.1) Peru (7.5) Guatemala (7.4)	Ecuador (4.9)	-	Colombia (3.8) Brazil (3.7) Venezuela (0.2)	Colombia (4.6) Paraguay (4.1) Argentina (2.6) Nicaragua (2.5) Haiti (1.9) El Salvador (1.3) Uruguay (0.9) Venezuela (0.9) Ecuador (0.8)	Haiti (-3.8) Dominic.Rep. (-3.6)	- -
1965-1969								
1960-1965								
1965-1969								

Table 3

LATIN AMERICA: GROWTH RATE OF THE VOLUME OF EXPORTS OF GOODS AND SERVICES, BY PERIOD AND GROUP OF COUNTRIES 1950-1960 TO 1960-1969

	Countries above the average for Latin America			Countries close to the average for Latin America		Countries below the average for Latin America		Countries whose exports declined	
	1950-60	1960-69		1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Cumulative annual growth rate of the total volume of Latin America's exports of goods and services									
1950-1960	Peru (9.6)	Panama (11.3)		Panama (4.2)	Colombia (4.7)	Haiti (3.7)	Uruguay (4.3)	Haiti (-1.6)	
1960-1969	Dominican Republic (8.1)	Guatemala (10.1)		Mexico (4.1)	Chile (4.5)	Paraguay (3.2)	Peru (4.0)	Dominican Republic (-0.3)	
	Ecuador (7.1)	Costa Rica (9.3)				Brazil (2.6)	Argentina (3.7)		
	Venezuela (7.1)	Nicaragua (9.1)				Argentina (2.0)	Ecuador (3.1)		
	Nicaragua (6.5)	Honduras (8.7)				Honduras (2.0)	Venezuela (2.8)		
	Guatemala (4.9)	El Salvador (7.8)				Chile (1.9)			
	Costa Rica (4.7)	Bolivia (6.7)							
	Colombia (4.5)	Brazil (6.4)							
	El Salvador (4.3)	Mexico (5.6)							
		Paraguay (5.3)							
Cumulative annual growth rate									
1960-1965	Nicaragua (14.9)	Costa Rica (15.3)		Costa Rica (4.7)		Bolivia (4.0)	Haiti (3.6)	Dominican Republic (-2.3)	
1965-1969	Guatemala (13.6)	Panama (11.8)				Venezuela (3.5)	Chile (3.4)	Uruguay (-1.7)	
	El Salvador (12.1)	Brazil (10.5)				Brazil (3.3)	Peru (2.8)		
	Panama (10.8)	Bolivia (10.1)				Colombia (2.9)	El Salvador (2.6)		
	Honduras (9.5)	Guatemala (7.7)					Nicaragua (2.4)		
	Uruguay (9.4)	Honduras (7.7)					Argentina (2.1)		
	Ecuador (7.7)	Dominican Republic (7.0)					Venezuela (2.0)		
	Mexico (5.5)	Colombia (6.9)							
	Chile (5.4)	Nicaragua (5.7)							
	Paraguay (5.3)	Peru (5.3)							
	Peru (5.1)								
	Argentina (5.0)								

Table 4

Table 4
LATIN AMERICA: AVERAGE VARIATION IN THE VALUE OF EXPORTS OF GOODS AND SERVICES,
BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

Countries above the average for Latin America		Countries close to the average for Latin America		Countries below the average for Latin America	
1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Haiti (23.5)	Dominican (12.5)	Venezuela (9.8)	Mexico (7.4)	Colombia (9.0)	Ecuador (7.0)
Bolivia (18.1)	Republic (11.7)	Honduras (9.6)		Brazil (8.4)	Colombia (7.0)
Uruguay (16.2)	Bolivia (11.5)			Paraguay (8.4)	Venezuela (2.3)
Chile (14.6)	Panama (11.2)			El Salvador (7.6)	
Nicaragua (11.9)	Uruguay (10.8)			Mexico (6.8)	
Costa Rica (10.9)	Honduras (10.2)			Panama (6.7)	
Dominican (10.9)	Guatemala (10.1)			Guatemala (6.3)	
Republic (10.7)	Brazil (9.7)				
Ecuador (10.5)	Chile (9.5)				
Peru (10.4)	Paraguay (9.3)				
Argentina	Nicaragua (8.8)				
	Costa Rica (8.7)				
	Argentina (8.4)				
	Haiti (8.2)				
	El Salvador (8.1)				
	Peru				
Average variations in exports from the various countries:		9.7 per cent		7.5 per cent	

Table 5

Table 5
LATIN AMERICA: AVERAGE VARIATIONS IN THE VOLUME OF EXPORTS OF GOODS AND SERVICES,
BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

Countries above the average		Countries close to the average		Countries below the average	
1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Uruguay (20.6)	Uruguay (12.3)	Brazil (8.9)	El Salvador (8.1)	Peru (8.6)	Bolivia (6.5)
Haiti (18.9)	Guatemala (11.1)	Colombia (8.9)	Argentina (7.9)	Panama (8.0)	Colombia (5.3)
Nicaragua (13.7)	Haiti (10.8)	El Salvador (8.8)		Venezuela (7.6)	Mexico (5.3)
Costa Rica (12.0)	Brazil (10.3)			Guatemala (7.4)	Peru (4.7)
Paraguay (12.0)	Panama (10.0)			Mexico (7.2)	Chile (4.4)
Bolivia (10.9)	Honduras (9.3)				Venezuela (3.1)
D. Republic (10.9)	Dominican Republic (8.5)				
Chile (9.7)	Costa Rica (8.4)				
Ecuador (9.7)	Ecuador (8.2)				
Honduras (9.6)	Nicaragua (8.2)				
Argentina (9.4)	Paraguay (8.2)				
Average variation in the volume of exports:		9.0%	7.9%		

Table 6

LATIN AMERICA: GROWTH OF PURCHASING POWER OF EXPORTS IN RELATION TO VOLUME OF EXPORTS, BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

Countries where the purchasing power of exports grew more rapidly than the volume of exports		Countries where the purchasing power of exports grew more slowly than the volume of exports		Countries where the purchasing power of exports is declining and the volume of exports is increasing		Countries where both the the purchasing power and the volume of exports is declining	
1950-60	1960-69	1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Chile	Bolivia	Dominican Rep.	Guatemala	Argentina	Venezuela	Bolivia	Haiti
Nicaragua	Dominican Rep.	Ecuador	El Salvador	Brazil		Uruguay	
	Chile	Colombia	Colombia				
	Peru	Venezuela	Brazil				
	Panama	Paraguay	Mexico				
	Honduras	Haiti	Costa Rica				
	Nicaragua	Peru	Ecuador				
	Argentina	Honduras	Uruguay				
	Paraguay	Guatemala					
		Panama					
		Costa Rica					
		Mexico					
		El Salvador					

Table 7

LATIN AMERICA: CLASSIFICATION BY PERIOD AND GROUP OF COUNTRIES GROWTH OF THE PURCHASING
POWER OF EXPORTS IN RELATION TO THE VOLUME OF EXPORTS, BY PERIOD AND
GROUP OF COUNTRIES, 1960-1965 TO 1965-1969

Countries where the purchasing power of exports grew more rapidly than the volume of exports		Countries where the purchasing power of exports grew more slowly than the volume of exports		Countries where the purchasing power of exports grew at the same pace as the volume of exports	
1960-65	1965-69	1960-65	1965-69	1960-65	1965-69
Bolivia	Chile	Venezuela	Colombia	Brazil	-
Dominican Rep.	Panama	Guatemala	Costa Rica		
Honduras	Dominican Rep.	Ecuador	Haiti		
Peru	Peru	Uruguay	El Salvador		
Nicaragua	Uruguay	Mexico	Brazil		
Paraguay	Ecuador	Haiti	Paraguay		
Argentina	Mexico	El Salvador	Venezuela		
Chile		Guatemala	Guatemala		
Panama			Nicaragua		
Costa Rica			Argentina		
			Bolivia		
			Honduras		

Table 8

LATIN AMERICA: TRENDS IN THE TERMS OF TRADE, BY PERIOD AND GROUP OF COUNTRY, 1960-1969 IN RELATION TO 1955-1959

Countries whose terms of trade improved between 1955 and 1959		Countries whose terms of trade deteriorated slightly between 1955 and 1959		Countries whose terms of trade showed a sharp decline between 1955 and 1969		
1960-64	1965-69	1960-64	1965-69	1960-64	1965-69	
Argentina	(116) Bolivia	(160) Chile	(99) Nicaragua	(97) Brazil	(84) Ecuador	(80)
Uruguay	(114) Chile	(136) Dominio.Rep.	(98) Honduras	(94) Ecuador	(84) Brazil	(79)
Bolivia	(113) Peru	(123) Peru	(94) Panama	(91) Colombia	(83) Colombia	(78)
	Argentina	(116) Nicaragua	(93) Mexico	(89) Haiti	(81) El Salvador	(78)
	Dominio.Rep.	(111) Mexico	(92)	El Salvador	(78) Haiti	(77)
	Uruguay	(108) Honduras	(88)	Costa Rica	(77) Paraguay	(77)
		Panama	(87)	Paraguay	(76) Costa Rica	(75)
				Venezuela	(75) Guatemala	(63)
				Guatemala	(68) Venezuela	(56)

/Table 9

Table 9

LATIN AMERICA: GROWTH RATE OF THE VALUE OF EXPORTS OF GOODS AND SERVICES, BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

	Countries above the average for Latin America	Countries close to the average for Latin America	Countries below the average for Latin America	Countries whose imports declined
Cumulative annual growth rate of the total current value of Latin America's imports of goods and services				
1950-60	Nicaragua (10.8) Ecuador (10.1) El Salvador (9.2) Costa Rica (9.0) Chile (8.8) Mexico (7.9) Paraguay (7.8) Peru (7.4) D. Republic (7.4) Venezuela (6.8) Honduras (6.6) Guatemala (6.5) Panama (6.3)	1960-69	1950-60	1960-69
1950-60	Honduras (11.4) Panama (10.7) D. Republic (10.7) Bolivia (10.3) Nicaragua (10.0) Costa Rica (9.6) Peru (8.3) Guatemala (8.1) Mexico (7.5) Ecuador (7.1) Paraguay (6.9) El Salvador (6.4) Chile (5.8)	1960-69	1950-60	1960-69
1960-69	Brazil (16.6) Peru (14.7) Bolivia (12.5) Honduras (11.6) Guatemala (11.0) Panama (10.9) Costa Rica (10.5) El Salvador (10.3) D. Republic (7.0) Mexico (6.4) Ecuador (5.7) Paraguay (5.5) Venezuela (3.2)	1965-69	1960-65	1965-69
1960-65	Nicaragua (16.6) Peru (14.7) Bolivia (12.5) Honduras (11.6) Guatemala (11.0) Panama (10.9) Costa Rica (10.5) El Salvador (10.3) D. Republic (7.0) Mexico (6.4) Ecuador (5.7) Paraguay (5.5) Venezuela (3.2)	1965-69	1960-65	1965-69
1965-69	Ecuador (9.0) Mexico (8.8) Paraguay (8.6)	1965-69	1960-65	1965-69
1965-69	Costa Rica (8.4) Argentina (7.7) Bolivia (7.6) Venezuela (5.4) Guatemala (4.4) Nicaragua (2.3) El Salvador (1.6) Peru (0.9)	1965-69	1960-65	1965-69
1965-69	Uruguay (-6.9) Brazil (-6.5)	1965-69	1960-65	1965-69
1965-69	Haiti (-0.6)	1965-69	1960-65	1965-69

Table 10

LATIN AMERICA: GROWTH RATE OF THE VOLUME OF IMPORTS OF GOODS AND SERVICES, BY PERIOD AND GROUP OF COUNTRIES, 1950-1960 TO 1960-1969

	Countries above the average for Latin America		Countries close to the average for Latin America		Countries below the average for Latin America		Countries whose imports declined	
	1950-60	1960-69	1950-60	1960-69	1950-60	1960-69	1950-60	1960-69
Cumulative annual growth rate of the total volume of Latin America's imports of goods and services 1950-60 3.9% 1960-69 4.2%	Nicaragua (9.8)	D. Republic (12.0)	Bolivia (4.1)	Mexico (4.0)	D. Republic (3.6)	Colombia (3.6)	Uruguay (-6.7)	
	El Salvador (8.3)	Honduras (10.8)	Brazil (3.7)		Venezuela (3.5)	Argentina (3.1)	Haiti (-0.5)	
	Costa Rica (7.8)	Nicaragua (9.9)			Colombia (3.0)	Brazil (2.7)		
	Ecuador (7.6)	Panama (9.5)			Haiti (2.5)	Venezuela (1.7)		
	Chile (6.8)	Bolivia (9.2)			Argentina (1.4)			
	Peru (6.1)	Costa Rica (8.9)			Uruguay (0.4)			
	Paraguay (6.0)	Peru (7.8)						
	Mexico (5.6)	Guatemala (6.9)						
	Panama (5.2)	Ecuador (6.8)						
	Honduras (5.1)	Paraguay (6.1)						
Guatemala (4.9)	Chile (5.2)							
		El Salvador (5.2)						
Cumulative annual growth rate 1960-65 1.4% 1965-69 7.6%	Nicaragua (17.5)	Brazil (15.9)			Chile (0.8)	Costa Rica (6.9)	Uruguay (-7.9)	
	Peru (14.2)	D. Republic (14.8)	Paraguay (7.6)		Argentina (0.6)	Argentina (6.4)	Brazil (-6.8)	
	Honduras (11.4)	Chile (11.0)	Bolivia (7.4)		Haiti (0.4)	Mexico (6.3)	Venezuela (-0.8)	
	Bolivia (10.8)	Honduras (10.2)				Venezuela (5.0)	Colombia (-0.4)	
	Costa Rica (10.5)	Panama (9.7)				Guatemala (3.4)		
	D. Republic (9.8)	Uruguay (9.2)				Nicaragua (1.1)		
	Guatemala (9.8)	Colombia (8.9)				Peru (0.3)		
	Panama (9.4)	Ecuador (8.2)				El Salvador (0.2)		
	El Salvador (9.4)							
	Ecuador (5.7)							
Paraguay (4.9)								
Mexico (2.3)								

2. Structural changes

(a) Exports

Two main trends are observable in the evolution of the structure of Latin America's exports. First, the three major export products have declined in importance. The changes that have occurred over little more than a decade thus point to a greater diversification of exports, largely as a result of one primary product taking the place of another.

In the second place, it should be mentioned that there was an increase in the relative share of manufactures in total exports, although this did not represent any fundamental change in the structure of exports.

(i) Exports of primary products. In Latin America as a whole, the relative share of the principal export product dropped from 62.1 per cent in 1955 to 50.5 per cent in 1968, and that of the three major exports fell from 79.9 to 65.2 per cent (see table 11).

In all the countries - except Peru, Chile and Uruguay - the share of the three major exports fell, to a marked extent in El Salvador, Costa Rica and Guatemala (see table 12).

In most cases the same trend was observable in respect of the principal export. Only in Peru, Uruguay and the Dominican Republic did the two trends not coincide. In the two former countries, the share of the major export fell, and that of the three major exports remained unchanged, while the reverse was the case in the Dominican Republic.

The intensity of these changes can be appreciated by establishing the proportion of the three major exports to total exports. In 1955, the three major exports accounted for more than 80 per cent of total exports in most of the countries, but in 1968, this was true of only five of the countries.

In only three countries was the share of the three principal exports less than 60 per cent in 1955 (Paraguay, Mexico and Peru) in 1968, however, six more countries came within this category: Costa Rica, Haiti, El Salvador, Brazil, Guatemala and Argentina. The same trend can be observed in the behaviour of the principal export product, which accounts for less than 60 per cent of total exports in most countries.

/Nevertheless, as

Nevertheless, as has already been pointed out, the diversification of exports has been achieved chiefly by replacing one primary product by another, so that primary products still account for a sizeable share of the region's exports.

(ii) Exports of manufactures. The relative increase in the share of exports of manufactures - from 2.5 to 7.5 per cent of total exports - does not fundamentally alter the structure of Latin America's exports, which is characterized by the predominance of primary products. Most countries managed to increase the proportion of their exports of manufactures; Chile, Panama, Ecuador, Paraguay and Peru were the only exceptions.

In 1955, manufactures accounted for no more than 5 per cent of total exports in sixteen of the countries considered. Only seven countries were still at this level in 1968, noteworthy progress having been made by Mexico (17.3 per cent), Costa Rica (19 per cent), Guatemala (20.5 per cent) and El Salvador (31.8 per cent) (see table 13).

More highly processed and sophisticated goods, such as machinery and transport equipment, accounted for only 17.8 per cent of total exports of manufactures. Miscellaneous articles of much less complex manufacture have made up the bulk of the exports of manufactures, for instance, food products, such as canned fruit and meat, which in 1968 accounted for 57.3 per cent of total exports of manufactures. Exports of products from the metal-transforming industry were of importance only in Brazil (31.7 per cent), Argentina (21.7 per cent) and Mexico (18.6 per cent), while their share is insignificant in the other countries. In contrast, except in Paraguay and the Dominican Republic (where exports of chemicals account for more than 90 per cent of the total), the proportion of miscellaneous manufactured articles was more than 50 per cent in every case.

(b) Imports

Generally speaking, the share of consumer goods in total imports has fallen, reflecting the continuation of a characteristic stage in the process of import substitution in the Latin American countries (see table 14). For the region as a whole, the proportion of consumer goods in total

imports dropped from 20.7 per cent in 1955 to 16.2 per cent in 1968; the only exceptions to this trend were Chile and the Dominican Republic.

In the countries with more diversified economies, such as Argentina, Brazil and Mexico, the reduction was slight, since the import substitution process had already gone beyond its preliminary stage at the beginning of the period under consideration. In the countries where the industrialization process is more recent, however, the replacement of imported consumer goods by locally produced goods that was going on throughout the period was reflected in much more significant changes. This was the case in El Salvador, Guatemala, Honduras, Panama and, to a lesser extent, Colombia and Venezuela.

There is an obvious correlation between the stage of development and the degree of dependence on imported consumer goods. Argentina, Brazil, Mexico and Colombia had the lowest import coefficients for consumer goods - less than 10 per cent except in Mexico (see table 15). This coefficient is highest in countries that are in the initial stage of industrialization (between 25.4 and 46.8 per cent) i.e., the Dominican Republic, Panama, Nicaragua, El Salvador, Costa Rica, Honduras, Guatemala, Bolivia and Haiti. At an intermediate stage, with coefficients of between 15 and 22.2 per cent, come Chile, Uruguay, Peru, Ecuador and Venezuela.

As regards imports of raw materials, no over-all trend is observable. The share of raw materials in total imports showed almost no variation in Latin America as a whole, increasing only by about 0.3 per cent. However, a distinction should be drawn between two groups of countries. In the more industrialized countries, such as Argentina, Mexico, Brazil, Chile and Peru, the share of imports of raw materials tended to decline or, in exceptional cases, remained constant. In the second group of countries, where the process of industrialization has not yet reached a very advanced stage (Costa Rica, Colombia, El Salvador, Guatemala, Honduras, Nicaragua and Panama), the proportion of such imports rose more or less sharply.

Imports of capital goods appear to be dictated more by the relative dynamism of the economies than by trends in import substitution. Generally speaking, therefore, the countries that recorded a sharp upturn in imports of capital goods are those - like Bolivia, Colombia, Guatemala, Honduras

/and Mexico

and Mexico - which showed relatively high growth rates in 1965-1969. In contrast, the proportion of such imports in the total fell in countries where growth had been below the Latin American average during the same five-year period, i.e., Chile, Ecuador, the Dominican Republic, Uruguay and Venezuela.

(c) Destination of exports and origin of imports

Generally speaking, trade with the United States declined, while trade with Europe, Japan and other countries of the region expanded. However, trade with the United States continues to be of outstanding importance, since that country accounts for 35.5 per cent of the region's exports and 38.5 per cent of its imports. On the other hand, trade with Japan and Eastern Europe, although it is growing more rapidly, accounts for only 11.4 per cent of exports and 12.8 per cent of imports (see table 16).

Of the ALALC countries, only Venezuela, Peru, Bolivia, Uruguay and Paraguay showed increases, albeit moderate, in their trade with the United States; there was a decline in all the other countries, more accentuated on the side of exports than of imports. In general, the ALALC countries' exports to the European Economic Community tended to increase, as did their trade with Japan, although the latter continues to represent only a small proportion of total trade. Intra-Area trade remained steady at around 10 per cent of the total. Argentina was the only country considerably to increase its exports to the Area.

Trade with the United States also fell off in the Central American Common Market countries, while intra-area exports showed a marked upswing. There was a slight contraction of trade with EEC and the European Free Trade Association, which was partly offset by the increase in trade with Japan.

No over-all trend is observable in the other countries. Mention should be made, however, of the change in the origin of imports to Panama, where trade with the United States was partly replaced by intra-regional trade; and the reorientation of Cuba's foreign trade to Eastern Europe, which accounted for 73.2 and 79.8 per cent of that country's exports and imports, respectively.

(d) Evolution of the trade balance

On the whole, Latin America's imports expanded more rapidly than its exports during the 1960s. As a result, the region's external trade deficit rose from 193 to 606 million dollars in the period 1958-1968 (see table 17).

Much of the deficit was in trade with the United States (484 million dollars in 1968), owing to the fact that Latin America's exports retained their rigid structure, while its imports from that country continued to grow.

As regards Europe, there was a surplus on trade with EEC, which to some extent made up for the deficit on trade with the United States. In contrast, trade with the European Free Trade Association fluctuated very little between small surpluses and deficits, largely through the influence of the Central American countries, since the ALALC countries maintained a surplus on their transactions. The most notable change was in the trade balance with Eastern Europe, which swung from a small surplus to a heavy deficit in 1968, largely owing to the reorientation of Cuban trade from the United States to Eastern Europe.

Though still of minor proportions, trade with Japan grew fairly rapidly during the period, providing a surplus of around 102 million dollars in 1968.

Lastly, as regards intra-regional trade, it should be mentioned that, in 1968, transactions between Latin American countries accounted for 11.6 per cent of the total value of exports and 12.4 per cent of imports (see table 17).

Table 11
LATIN AMERICA: STRUCTURE OF MERCHANDISE EXPORTS, 1955-1968 a/
(Percentages of the total)

Country	Major product			Three major products			Manufactured goods: SITC sections 5, 6 (except division 68) 7 and 8			Notes
	1955	1960	1968	1955	1960	1968	1955	1960	1968	
	26.5	20.3	24.5	62.0	47.0	44.7	3.5	2.8	12.0	
Argentina										1955 wheat, 1960 and 1968 meat; 1955 and 1960 meat, wheat and wool, 1968 meat, maize and wheat
Bolivia	57.4	64.8	52.6	79.4	78.9	73.5	0.2	0.3	1.9	1955, 1960 and 1968 tin, 1955 tin, tungsten and lead, 1960 tin, lead and silver, 1968 tin, petroleum and silver
Brazil	59.3	56.2	41.1	74.9	65.8	53.7	1.1	1.7	6.9	1955, 1960 and 1968 coffee; 1955 coffee, cotton and cocoa, 1960 coffee, cocoa and iron ore, 1968 coffee, cotton and iron ore
Colombia	82.9	71.8	62.9	95.8	92.0	74.0	1.3	1.5	8.3	1955, 1960 and 1968 coffee; 1955 and 1960 coffee, petroleum and bananas, 1960 coffee, petroleum and cotton
Costa Rica	46.5	55.4	32.6	95.0	87.4	59.6	0.4	0.1	19.1	1955, 1960 and 1968 coffee; 1955, 1960 and 1968 coffee, bananas and cocoa
Chile	70.4	70.4	76.1	83.5	82.7	85.6	3.1	5.4	3.1	1955, 1960 and 1968 copper; 1955, 1960 and 1968 copper, nitrate and iron ore
Ecuador	54.7	60.2	47.6	91.4	89.5	80.8	2.5	0.9	1.9	1955, 1960 and 1968 bananas; 1955, 1960 and 1968 bananas, coffee and cocoa
El Salvador	85.7	65.7	44.0	94.9	83.3	55.4	1.9	5.5	31.8	1955, 1960 and 1968 coffee; 1955 coffee, cotton and oilseeds, 1960 coffee, cotton and shrimps, 1968 coffee, cotton and sugar
Guatemala	71.0	67.4	30.4	91.2	89.5	48.6	2.3	3.0	20.5	1955, 1960 and 1968 coffee; 1955, 1960 and 1968 coffee, bananas and cotton
Haiti	66.7	52.3	37.6	87.5	75.0	59.0	...	...	...	1955, 1960 and 1968 coffee; 1955, 1960 coffee, sugar and sisal, 1968 coffee, bauxite and sugar
Honduras	52.6	46.4	47.7	88.1	78.7	67.6	2.4	2.1	8.2	1955, 1960 and 1968 bananas; 1955, 1960 and 1968 bananas, coffee and timber
Mexico	29.3	20.7	13.6	51.3	37.7	27.4	9.7	12.0	17.3	1955, 1960 and 1968 cotton; 1955 cotton, coffee and copper, 1960 and 1968 cotton, sugar and coffee
Nicaragua	43.2	34.3	38.0	86.7	66.6	62.5	0.3	3.9	9.3	1955 cotton, 1960 coffee, 1968 cotton; 1955 cotton, coffee and cotton-seed, 1960 coffee, cotton and sugar, 1968 cotton, coffee and meat
Panama	79.8	69.7	56.7	90.9	92.0	85.4	1.2	0.4	1.2	1955, 1960 and 1968 bananas; 1955 and 1960 bananas, shrimps and cocoa, 1968 bananas, refined petroleum and shrimps
Paraguay	37.0	26.3	28.4	59.3	52.9	55.3	19.7	15.6	8.4	1955 timber, 1960 and 1968 meat; 1955 timber, cotton and meat, 1960 meat, timber and leather, 1968 meat, timber and vegetable oil
Peru	25.2	21.7	24.1	49.7	49.4	52.2	0.9	1.3	0.7	1955 cotton, 1960 and 1968 copper; 1955 cotton, sugar and copper, 1960 copper, cotton and sugar, 1968 copper, fish-meal and silver
Dominican Republic	39.2	54.3	54.5	84.9	78.5	74.0	1.1	2.5	2.9	1955, 1960 and 1968 sugar; 1955, 1960 and 1968 sugar, coffee and cocoa
Uruguay	57.4	51.6	43.6	85.9	87.2	86.2	2.1	7.1	11.4	1955, 1960 and 1968 wool; 1955 wool, wheat and leather, 1960 and 1968 wool, meat and leather
Venezuela	94.1	91.2	92.7	98.6	98.7	97.2	0.7	1.0	1.3	1955, 1960 and 1968 petroleum; 1955, 1960 and 1968 petroleum, iron ore and coffee
Latin America a/	62.1	58.4	50.5	79.9	74.4	65.2	2.5	3.0	7.5	

a/ Excluding Guaya.

LATIN AMERICA: EVOLUTION OF THE STRUCTURE OF MERCHANDISE EXPORTS,
BY GROUPS OF COUNTRIES, 1955 - 1968/ Table 13

Table 13
LATIN AMERICA: EXPORTS OF MANUFACTURES, 1968
(Millions of dollars)

Country	SITC section		7	Total manufactures	Percentage	Total	Total 1968
	5	6 + 8 (excluding division 68)					
Argentina	49.9	79.0	35.8	164.7	12.0	1 367.8	1 367.8
Bolivia	-	2.8	-	2.8 a/	1.9	150.4 a/	175.7
Brazil	26.4	62.1	41.1	129.6	6.9	1 881.3	1 881.3
Colombia	6.6	31.9	3.6	42.1 a/	8.3	507.6 a/	558.3
Chile	5.7	17.0	6.2	28.9	3.1	940.8	940.8
Ecuador	1.6	1.4	-	3.0 b/	1.9	156.5 b/	220.1
Paraguay	3.7	0.3	-	4.0	8.4	47.6	47.6
Peru	1.8	3.3	0.9	6.0	0.7	864.8	864.8
Uruguay	1.3	18.4	0.7	20.4	11.4	179.1	179.1
Venezuela	0.8	26.1	6.5	33.4	1.3	2 475.0	2 475.0
Costa Rica	8.9	19.5	4.0	32.4	19.1	169.6	169.6
El Salvador	15.0	46.8	5.8	67.6	31.8	212.5	212.5
Guatemala	9.9	28.5	2.2	40.6 b/	20.5	197.9 b/	222.4
Honduras	6.1	8.5	...	14.6	8.2	179.0	179.0
Mexico	59.5	116.6	40.2	216.3	17.3	1 253.7	1 253.7
Nicaragua	4.4	9.9	0.3	14.6	9.3	157.3	157.3
Panama	0.1	0.8	0.1	1.0 b/	1.2	85.2 b/	98.0
Dominican Republic	4.3	0.4	-	4.7	2.9	162.8	162.8
Latin America	206.0	473.3	147.4	826.7	7.5	10 938.9	11 165.8

a/ 1966 data.

b/ 1967 data.

Note:

SITC section 5: chemicals.

SITC section 6: manufactured goods classified chiefly by material (excluding non-ferrous metals).

SITC section 7: machinery and transport equipment.

SITC section 8: miscellaneous manufactured articles.

Table 14
LATIN AMERICA: STRUCTURE OF MERCHANDISE IMPORTS, 1955-1968
(Percentages of the total)

Country	Consumer goods			Raw materials and intermediate products, including fuel			Capital goods, including construction materials		
	1955	1960	1968	1955	1960	1968	1955	1960	1968
Argentina	8.2	6.3	5.8	67.6	49.3	50.1	23.9	43.6	43.7
Bolivia	29.3	32.0	25.4	38.1	30.0	35.0	32.0	37.3	39.1
Brazil	9.2	5.6	8.5	58.8	53.4	58.8	31.8	40.8	32.1
Colombia	17.1	11.3	5.2	35.1	42.5	41.6	47.1	45.0	53.0
Costa Rica	34.6	27.8	30.6	32.6	42.4	45.0	32.4	29.6	24.2
Cuba	42.4	31.4	...	37.4	44.2	...	19.8	23.5	...
Chile	13.2	15.6	22.1	54.5	43.2	45.7	32.1	40.7	31.3
Ecuador	23.5	22.4	17.1	34.0	33.8	41.9	42.2	43.3	39.8
El Salvador	42.8	33.8	31.7	30.5	39.6	42.0	26.3	26.3	26.2
Guatemala	43.1	26.3	29.2	31.8	44.5	43.2	24.9	29.1	27.4
Haiti	54.5	54.6	...	32.6	32.7	...	10.4	7.5	...
Honduras	45.3	30.4	29.3	31.3	43.8	40.4	21.1	25.5	29.7
Mexico	15.4	13.3	11.3	45.1	43.9	42.4	39.3	42.1	46.2
Nicaragua	35.9	29.3	32.1	32.5	44.2	40.7	30.0	23.4	27.0
Panama	55.8	44.6	34.8	26.6	35.3	47.3	17.3	18.8	17.9
Paraguay	...	...	...	...	...	...	...	...	...
Peru	22.5	19.5	18.8	41.7	44.1	39.2	34.9	36.1	41.7
Dominican Republic	38.1	35.9	46.8	30.8	37.4	31.0	28.5	25.2	20.7
Uruguay	15.4	13.3	15.0	55.5	57.5	58.3	28.5	28.2	25.2
Venezuela	31.2	40.3	22.2	22.3	25.3	38.7	46.0	33.8	38.0
Latin America	20.7	18.7	16.2	45.5	43.4	45.8	33.4	37.3	37.5

Table 15
LATIN AMERICA: EVOLUTION OF THE STRUCTURE OF MERCHANDISE IMPORTS, BY GROUPS OF COUNTRIES, 1955-1968

Country	(Percentages of the total)							
	Consumer goods				Raw materials and intermediate products, including fuel			
	1955	1960	1968	1955	1960	1968	1955	1960
Countries with a low import coefficient for consumer goods								
Argentina	8.2	6.3	5.8	67.6	49.3	50.1	23.9	43.6
Brazil	9.2	5.6	8.5	58.8	53.4	58.8	31.8	40.8
Colombia	17.1	11.3	5.2	35.1	42.5	41.6	47.1	45.0
Mexico	15.4	13.3	11.3	45.1	43.9	42.4	39.3	42.1
Countries with a intermediate import coefficient for consumer goods								
Chile	13.2	15.6	22.1	54.5	43.2	45.7	32.1	40.7
Uruguay	15.4	13.3	15.0	55.5	57.5	58.3	28.5	28.2
Peru	22.5	19.5	18.8	41.7	44.1	39.2	34.9	36.1
Ecuador	23.5	22.4	17.1	34.0	33.8	41.9	42.2	43.3
Venezuela	31.2	40.3	22.2	22.3	25.3	38.7	46.0	33.8
Countries with a high import coefficient for consumer goods								
Dominican Republic	38.1	35.9	46.8	30.8	37.4	31.0	28.5	25.2
Panama	55.8	44.6	34.8	26.6	35.3	47.3	17.3	18.8
Nicaragua	35.9	29.3	32.1	32.5	44.2	40.7	30.0	23.4
El Salvador	42.8	33.8	31.7	30.5	39.6	42.0	26.3	26.2
Costa Rica	34.6	27.8	30.6	32.6	42.4	45.0	32.4	29.6
Honduras	45.3	30.4	29.3	31.3	43.8	40.4	21.1	25.5
Guatemala	43.1	26.3	29.2	31.8	44.5	43.2	24.9	29.1
Bolivia	29.3	32.0	25.4	38.1	30.0	35.0	32.0	37.3
Haiti	54.5	54.6	...	32.6	32.7	...	10.4	7.5
Latin America	20.7	18.7	16.2	45.5	43.4	45.8	33.4	37.3

Table 16

LATIN AMERICA: DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS, BY PRINCIPAL REGIONS AND COUNTRIES
(Percentages of the total)

Countries that trade more with:			United States						EEC						OECD						Latin America								
			1958			1968			1958			1968			1958			1968			1958			1968			1958			1968
The United States and EFTA countries	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	
Total Latin America	45.6	50.2	35.5	38.5	15.4	17.7	19.3	18.0	9.7	9.3	9.3	1.2	6.2	8.6	2.0	1.6	5.2	4.2	9.1	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	
ALALC countries	42.6	49.6	36.6	42.5	15.9	19.3	20.6	19.6	10.8	10.7	10.7	1.5	2.5	1.6	1.3	1.6	5.0	4.2	10.3	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	
Mexico	76.2	77.0	65.6	63.1	7.9	11.0	7.4	16.4	5.9	8.6	8.6	0.2	0.2	0.3	3.7	0.7	5.7	3.9	4.5	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	
Colombia	69.2	59.5	41.9	50.4	14.3	19.5	24.7	14.6	5.0	9.5	9.0	0.5	3.8	2.6	0.2	1.0	1.6	3.4	1.5	4.5	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	
Ecuador	58.5	51.0	40.8	38.1	25.2	22.1	22.7	23.4	4.4	14.4	11.5	-	11.8	1.2	0.7	1.0	11.4	6.6	9.6	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	
Brazil	43.0	35.7	33.3	32.1	17.5	17.3	25.5	20.9	12.3	10.6	11.3	2.1	6.5	4.4	2.0	2.4	3.1	3.4	11.7	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	
Venezuela	42.1	57.3	42.9	50.5	7.0	22.1	7.3	20.9	7.5	11.0	12.1	0.1	-	0.5	-	1.7	1.9	6.0	10.8	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7		
Peru	38.1	47.3	39.5	33.8	24.4	21.1	26.8	21.4	11.6	14.4	9.7	0.3	2.4	1.0	2.7	1.8	14.8	6.3	14.8	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0		
Argentina	12.4	16.5	11.8	23.1	33.2	25.5	36.9	23.6	27.2	14.9	13.1	4.5	3.7	1.2	2.5	1.5	2.1	3.6	13.3	23.1	24.9	24.9	24.9	24.9	24.9	24.9	24.9		
Bolivia	32.0	52.5	35.3	42.1	4.0	11.3	6.4	20.4	11.3	44.9	7.2	-	1.3	-	-	2.5	3.2	11.2	12.0	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3		
Uruguay	7.9	10.5	12.3	22.4	18.4	18.4	26.8	17.6	20.9	25.1	11.5	5.3	3.9	1.2	-	-	1.1	0.6	10.1	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2		
Chile	40.4	51.6	22.4	38.4	28.3	18.2	31.9	18.4	16.7	19.5	9.7	0.5	0.1	0.4	0.5	2.9	13.3	1.7	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		
Paraguay	23.5	28.2	25.0	24.7	14.7	15.4	18.7	21.9	5.1	10.4	8.2	-	-	-	-	-	-	-	41.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2		
CACM countries	50.8	55.8	32.8	38.3	28.4	16.5	19.4	13.6	6.5	2.5	5.8	-	1.8	0.1	5.6	3.5	9.4	7.4	7.2	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6		
Guatemala	64.5	59.7	27.9	41.1	22.4	16.8	15.8	16.9	8.1	4.1	7.7	-	1.4	-	2.8	0.7	10.8	8.9	4.7	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9		
Honduras	62.3	64.0	43.9	45.4	8.7	4.0	27.8	8.1	2.7	0.6	4.3	-	-	0.5	-	5.3	3.9	5.4	14.5	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3		
Costa Rica	50.0	51.5	47.1	38.2	33.7	20.2	14.0	13.2	2.2	2.3	6.6	-	1.2	-	-	5.1	1.2	7.1	6.5	6.1	24.4	24.4	24.4	24.4	24.4	24.4	24.4		
El Salvador	39.7	49.1	19.4	29.2	37.9	22.2	22.3	16.0	1.7	0.9	4.7	-	5.7	-	11.2	4.6	7.1	7.5	6.9	40.8	40.8	40.8	40.8	40.8	40.8	40.8	40.8		
Nicaragua	36.5	55.1	29.3	37.8	34.9	15.4	17.2	12.4	6.3	5.1	4.9	-	-	-	11.1	3.8	26.1	7.6	4.8	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6		
Other countries																													
Paraguay	90.6	54.4	79.8	39.0	-	9.7	7.4	8.6	4.9	1.1	4.5	-	-	-	-	2.9	-	4.5	3.1	3.2	25.5	25.5	25.5	25.5	25.5	25.5	25.5		
Cuba	66.8	69.8	-	-	4.7	7.9	4.6	10.8	7.2	3.8	3.5	0.2	73.2	79.8	6.4	-	3.8	0.3	1.3	-	-	0.2	-	-	-	-	-		
Dominican Republic	52.9	61.4	89.0	55.3	8.8	12.9	3.7	15.1	25.7	1.2	5.5	0.7	-	-	4.4	2.9	0.6	5.9	0.7	2.9	-	-	-	-	-	-	-		
Haiti	48.7	62.8	61.1	61.4	38.5	14.0	25.0	18.2	7.3	2.3	2.3	-	-	-	-	-	5.6	6.8	-	-	-	-	-	-	-	-	-		

Table 17

Table 17

LATIN AMERICA: EXPORTS AND IMPORTS AND TRADE BALANCES, BY PRINCIPAL REGIONS AND COUNTRIES, 1958-1968

(Millions of dollars)

	Total		United States		EEC		EEA		Eastern Europe		Japan		Latin America	
	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968
Total Latin America	8 396	11 799	3 831	4 186	1 297	2 277	926	1 094	161	729	169	617	762	1 368
Exports f.o.b.	8 589	12 405	4 312	4 770	1 518	2 229	833	1 157	105	1 072	138	515	898	1 535
Imports c.i.f.	-193	-606	-481	-584	-221	-448	+93	-63	+56	-343	+31	+102	-196	-167
Balance	6 979	9 936	2 974	3 635	1 107	2 043	818	1 042	142	252	89	501	718	1 096
Total ALALC	6 906	9 685	3 239	4 119	1 330	1 899	749	1 032	102	155	113	407	755	1 135
Exports f.o.b.	+73	+251	-265	-484	-223	+144	+69	+10	+40	+97	-24	+97	-37	-39
Imports c.i.f.	2 508	2 475	1 056	1 062	175	180	187	224	-	-	-	48	272	190
Balance	1 622	1 771	930	894	358	355	179	214	2	8	28	107	22	51
Venezuela	+886	+704	+126	+168	-183	-175	+8	+10	-2	-8	-28	-59	+250	+139
Exports f.o.b.	735	1 253	560	822	58	93	22	98	1	3	27	72	33	114
Imports c.i.f.	1 128	1 960	869	1 236	124	322	66	168	2	6	8	76	10	51
Balance	-393	-707	-309	-414	-66	-229	-44	-70	-1	-3	+19	-4	+23	+63
Mexico	1 243	1 882	534	627	218	480	153	200	46	123	25	59	146	196
Exports f.o.b.	1 353	2 134	483	685	234	447	144	242	29	94	33	73	247	292
Imports c.i.f.	-110	-252	+51	-58	-16	+53	+9	-42	+17	+29	-8	-14	-101	-96
Balance	461	558	319	234	66	138	23	53	2	21	1	9	7	44
Colombia	400	643	238	324	78	94	40	58	2	17	4	22	18	58
Exports f.o.b.	+61	-85	+81	-90	-12	+44	-17	-5	-	+4	-3	-13	-11	-14
Imports c.i.f.	291	866	111	342	70	232	34	33	-	21	8	128	43	52
Balance	383	630	131	213	81	155	55	61	1	6	7	40	29	109
Peru	-92	+236	-70	+129	-11	+97	-21	-28	-1	-15	+1	+88	+14	-57
Exports f.o.b.	135	211	79	86	34	48	6	1	-	25	1	24	13	18
Imports c.i.f.	104	244	53	93	23	57	15	28	-	3	1	16	3	27
Balance	+31	-33	+26	-7	+11	-9	-9	-27	-	+22	-	+8	+10	-9
Ecuador	944	1 368	123	162	330	505	270	130	64	51	25	29	132	340
Exports f.o.b.	1 232	1 170	203	270	314	276	184	153	56	14	18	42	285	278
Imports c.i.f.	-238	+198	-80	-108	+16	+229	+86	-23	+8	+37	+7	-13	-153	+62
Balance														
Argentina														
Exports f.o.b.														
Imports c.i.f.														
Balance														

Table 17 (continued 1.)

	Total			United States		EEC		EFTA		Eastern Europe		Japan		Latin America	
	1958	1968		1958	1963	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968
Chile	309	940	Exports f.o.b.	157	211	110	300	65	183	-	1	2	125	38	94
	413	743	Imports c.i.f.	213	285	75	137	39	72	2	3	12	13	55	190
	-24	+197	Balance	-56	-74	+35	+163	+26	+111	-2	-2	-10	+112	-17	-96
Uruguay	139	179	Exports f.o.b.	11	22	39	48	29	45	29	7	-	2	14	20
	152	165	Imports c.i.f.	16	37	28	29	16	19	8	2	-	1	62	44
	-13	+14	Balance	-5	-15	+11	+19	+13	+26	+21	+5	-	+1	-48	-24
Bolivia	50	156	Exports f.o.b.	16	55	2	10	25	70	-	-	-	5	6	13
	80	152	Imports c.i.f.	42	64	9	31	9	11	-	2	2	17	15	19
	-30	+4	Balance	-26	-9	-7	-21	+16	+59	-	-2	-2	-12	-9	-6
Paraguay	34	48	Exports f.o.b.	8	12	5	9	4	5	-	-	-	-	14	15
	39	73	Imports c.i.f.	11	18	6	16	2	6	-	-	-	-	9	16
	-5	-25	Balance	-3	-6	-1	-7	+2	-1	-	-	-	-	+5	-1
Total CACM	447	942	Exports f.o.b.	227	309	127	183	15	24	-	17	25	89	32	269
	509	1 042	Imports c.i.f.	284	399	84	142	33	60	-	1	18	77	45	318
	-62	-100	Balance	-57	-90	+43	+41	-18	-36	-	+16	+7	+12	-13	-49
Guatemala	107	222	Exports f.o.b.	69	62	24	35	5	9	-	3	3	24	5	73
	149	248	Imports c.i.f.	89	102	25	42	12	19	-	-	1	22	9	51
	-42	-26	Balance	-20	-40	-1	-7	-7	-10	-	+3	+2	+2	-4	+22
Costa Rica	92	172	Exports f.o.b.	46	81	31	24	2	4	-	2	-	2	6	42
	99	212	Imports c.i.f.	51	81	20	28	8	14	-	-	5	15	6	66
	-7	-40	Balance	-5	-	+11	-4	-6	-10	-	+2	-5	-13	-	-24
Honduras	69	180	Exports f.o.b.	43	79	6	50	2	1	-	-	2	7	10	42
	75	185	Imports c.i.f.	48	84	3	15	2	8	-	1	4	10	7	55
	-6	-5	Balance	-5	-5	+3	+35	-	-7	-	-1	-2	-3	+3	-13
Nicaragua	63	157	Exports f.o.b.	23	46	22	27	4	8	-	-	7	41	3	26
	78	185	Imports c.i.f.	43	70	12	23	3	9	-	-	3	14	8	63
	-15	-28	Balance	-20	-24	+10	+4	+1	-1	-	-	+4	+27	-5	-37
El Salvador	116	211	Exports f.o.b.	46	41	44	47	2	2	-	12	13	15	8	86
	108	212	Imports c.i.f.	53	62	24	34	8	10	-	-	5	16	15	83
	+8	-1	Balance	-7	-21	+20	+13	-6	-8	-	+12	+8	-1	-7	+3

Table 17 (concluded)

	Total		United States		EEC		EFTA		Eastern Europe		Japan		Latin America	
	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968	1958	1968
Total other Latin American countries	970	921	630	242	63	51	93	28	19	460	55	27	12	3
Exports f.o.b.	1 174	1 678	789	252	104	188	51	65	3	916	7	31	98	82
Imports o.i.f.	-204	-757	-159	-10	-41	-137	+42	-37	+16	-456	+48	-4	-86	-79
Balance	763	628	510	-	36	29	55	24	19	460	49	24	10	-
Cuba	888	1 148	620	-	70	124	34	40	2	916	-	3	91	2
Exports f.o.b.	-125	-520	-110	-	-34	-95	+21	-16	+17	-456	+49	+21	-81	-2
Imports o.i.f.	136	163	72	145	12	6	35	2	-	-	6	1	1	-
Balance	140	219	86	121	18	33	11	12	1	-	4	13	4	12
Dominican Republic	-4	-56	-14	+24	-6	-27	+24	-10	-1	-	+2	-12	-3	-12
Exports f.o.b.	32	94	29	75	-	7	-	1	-	-	-	-	1	3
Imports o.i.f.	103	267	56	104	10	23	5	12	-	-	3	12	3	68
Balance	-71	173	-27	-29	-10	-16	-5	-11	-	-	-3	-12	-2	-65
Paraguay	39	36	19	22	15	9	3	1	-	-	-	2	-	-
Exports f.o.b.	43	44	27	27	6	8	1	1	-	-	-	3	-	-
Imports o.i.f.	-4	-8	-8	-5	+9	+1	+2	-	-	-	-	-1	-	-
Balance														

3. External vulnerability and dependence

The tendency in Latin America's external sector has been for the region to increase its dependence and vulnerability vis-à-vis other countries.

First of all, the balance-of-payments deficit on current account has further increased. Despite the rapid growth of the region's exports, particularly during the second half of the decade, it failed to keep pace with that of imports, and thus brought about a large negative trade balance.

Secondly, the sharp rise in remittances of interest and profits abroad, which doubled from one decade to the next, accentuated the imbalance on current transactions. In most cases, more than half the deficit on current account can be accounted for by this factor.

Given this situation, the necessary growth of the capacity to import had to be financed largely by means of external borrowing, which resulted in a corresponding increase in external indebtedness.

The outcome, then, was a kind of vicious circle: the deficit on current account necessitated more external financing, the latter entailed a steady rise in payments abroad, which in turn put a strain on the capacity to import, which therefore meant calling upon more external financing.

There were big changes in the capital account over the decade; there was a decline in the share of net direct investment in the total volume of non-compensatory capital compared with the 1950s, and at the same time, medium- and long-term loans, along with short-term liabilities, increased substantially.

Even though the growth rate of private investment during the period under review was fairly modest, by 1969 it was over two and a half times more than in 1950, which means that it still has an important influence on decision-making in the Latin American economies at the expense of the national authorities, and it also has a bearing on the growth of payments abroad.

(a) The trend of the accumulated balance-of-payments deficit on current account

An analysis of statistics for Latin America's external sector clearly points to an accentuation of the imbalance on current balance-of-payments transactions.

Table 18 shows that, excluding Argentina, Uruguay and Venezuela, there was a sharp increase in the accumulated current account deficit in every country between 1960 and 1969, giving an over-all deficit of around 12,614.2 million dollars, 1.7 times higher than for the previous decade. Excluding Venezuela only, the over-all negative balance for the whole of Latin America is twice as high as at the end of the 1950s.

One of the main reasons for the increasing deficit is the ever-widening trade gap. As mentioned above, the growth of Latin American exports did not suffice to cover the rising demand for imports and resulted in the formation of large trade deficits. The only exceptions to the general tendency were Argentina, Brazil, Peru, Uruguay and Venezuela, where exports grew faster than imports. Excluding Venezuela, which is a special case, the accumulated trade deficit for the region as a whole amounted to about 2,812 million dollars at the end of the 1960s, 1.6 times more than for the previous decade.

The chief reason for this state of affairs seems to have been, not the unfavourable trade balance but the net remittances of profits and interest abroad, which, during the period 1960-1969, reached an accumulated total of 11,559 million dollars - 2.4 times higher than for the 1950s. In more than half the countries covered, net remittances more than doubled. Furthermore, whereas the average annual growth rate of exports was a mere 3.6 per cent, that of remittances abroad was 5.8 per cent. Excluding Venezuela, the figures are 3.9 per cent for exports and 9.5 per cent for remittances abroad.

Net remittances represented 15.3 per cent of export income during the 1960s, compared with 12.4 in the previous decade, or - excluding Venezuela - 12.4 per cent in the 1960s compared with 7.4 per cent in the 1950s. Costa Rica, Ecuador, Honduras, Panama and Venezuela did not follow this general trend.

/In most

In most countries, net remittance abroad constituted more than 50 per cent of the deficit on current account. For the whole of Latin America, excluding Cuba and Venezuela, factor payments amounted to 11,600 million dollars, while the deficit on current transactions reached 13,800 million dollars. During the first five years of the decade, foreign factor payments stood at 4,000 million dollars and the deficit on current account at 6,600 million; but over the next five years, the former shot up to 7,500 million dollars while the latter rose only to 7,200 million (see table 19).

It is therefore obvious that the heavy burden of remittances and other payments abroad means that the capacity to import depends to an enormous extent on the availability of new external financing, with all the evils that this brings in its train.

(b) External financing

During the 1960s, all the Latin American countries except Venezuela showed an over-all deficit on current account. Not including Cuba and Venezuela, the net inflow of capital to the region rose to approximately 13,800 million dollars, slightly more than double the figure for the 1950s (see table 20).

The three biggest recipients (Brazil, Argentina and Mexico) took 62 per cent of the net capital transfers to the region during the 1950s and, together with Venezuela, Peru and Chile, 86 per cent. In the following decade, the corresponding figures were only 55.7 per cent and 73.5 per cent respectively (see table 20a).

The sharp drop in the shares of Argentina, Brazil and Venezuela, and the steep rise in those of Chile, Mexico and Colombia are particularly striking.

Compared with the 1950s there was an increased inflow of external financing to most of the Latin American countries in the 1960s, when the net capital inflow increased faster than the value of imports and exports. Thus, whereas only three countries used external resources to cover more than 15 per cent of their imports of goods and services in the 1950s, there were ten (Bolivia, Chile, Colombia, Costa Rica, the Dominican Republic,

/Table 20a

Table 20 a
LATIN AMERICA: DISTRIBUTION OF NET CAPITAL
INFLOW, 1950-1959 AND 1960-1969

(Percentages)

Country	1950-59	1960-69
Argentina	17.0	2.7
Bolivia	2.5	3.2
Brazil	30.3	18.4
Costa Rica	1.1	3.1
Chile	4.5	11.4
Ecuador	0.6	2.8
Guatemala	1.8	2.5
Haiti	0.6	0.7
Honduras	0.8	1.3
Mexico	14.7	34.6
Nicaragua	0.5	2.2
Panama	3.1	2.6
Paraguay	0.5	1.2
Peru	7.7	6.4
Uruguay	3.6	0.4
Venezuela	11.9	-
Colombia	-	11.7
El Salvador	-	1.6
Dominican Republic	-	2.7

Source: Table 20.

/Ecuador, Haiti,

Ecuador, Haiti, Mexico, Nicaragua and Paraguay) in the 1960s. There were therefore fewer countries that depended on external financing to only a moderate or a very small extent (see table 20b).

Movements of compensatory capital did not vary greatly, rising from 1,002.2 million dollars in the 1950s to a mere 1,101.7 million in the next decade. Consequently, the flow of non-compensatory capital, plus error and omissions, was less than the deficit on current account in the 1950s and exceeded it during the following decade. During the 1960s, moreover, and especially in the latter half, Latin America received enough external financing to cover its balance-of-payments deficit and increase its foreign exchange reserves (see table 21).

As regards errors and omissions, the situation improved somewhat as the figure for the region as a whole dropped by about 50 per cent, probably corresponding to unregistered movements of capital. However, this item is still fairly large in Brazil, Uruguay and Venezuela, as well as in Mexico where it represents a capital inflow.

(c) External indebtedness

The changes in the composition of the capital account have for the most part been reflected in a sharp upswing in the guaranteed external public debt over the past twenty years. The average annual increase in each country's indebtedness was 441.8 million dollars during the 1950s, rising to 1,225.1 million between 1960 and 1968 - the last year on which data are available.

The total external debt of 2,213.3 million dollars in 1950 rose to 6,631.4 million in 1960 and 16,432.3 million in 1968, which means that it practically tripled in the space of ten years (see table 22).

The external debt is concentrated on seven countries: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. In Argentina and Brazil, it grew particularly fast during the 1950s - by over 1,000 million dollars a year - but more slowly than the regional average during the following decade. In Chile, Colombia, Mexico, Peru and Venezuela, on the other hand, it grew faster than the regional average for the 1960s.

Table 20 b

LATIN AMERICA: PERCENTAGE OF IMPORTS OF GOODS AND SERVICES FINANCED OUT OF
NET CAPITAL INFLOW, BY GROUPS OF COUNTRIES, 1950-1959 AND 1960-1969

(Percentages)

Percentages	1950-59	1960-69
Over 15 per cent	Panama (23.2) Bolivia (19.1) Peru (16.7)	Bolivia (26.8) Mexico (21.9) Costa Rica (21.7) Paraguay (21.5) Colombia (19.7) Chile (17.9) Ecuador (17.6) Nicaragua (17.2) Haiti (15.7)
From 5 to 15 per cent	Brazil (13.8) Guatemala (11.5) Uruguay (10.9) Argentina (10.5) Mexico (10.0) Paraguay (9.7) Haiti (9.5) Costa Rica (9.3) Honduras (9.1) Chile (8.0) Venezuela (6.2) El Salvador (5.6) Nicaragua (5.2)	Guatemala (14.1) Panama (13.8) Brazil (13.2) Honduras (11.9) Peru (10.8) El Salvador (9.7)
Under 5 per cent	Ecuador (4.3)	Uruguay (2.6) Argentina (2.3)
Net exporters of capital	Colombia El Salvador Dominican Republic	Venezuela

Source: Table 18 and 20.

/The share

The share of the remaining countries in the total external debt is negligible though the rate at which their indebtedness increased was higher than the regional average for the 1960s.

As can be seen, a policy of indebtedness involving increasing recourse to foreign financing pushes up servicing payments on foreign capital, which eat more and more into export earnings; and this means an increasing use of foreign financing to expand the capacity to import - a vicious circle which has been responsible in the spiralling indebtedness that has been clogging the wheels of Latin America's progress in the external sector over the last few decades.

(d) External financing

One of the most important components in Latin America's external financing is the movement of autonomous or non-compensatory foreign capital (see tables 23 and 24).

The accumulated total of non-compensatory capital in the 1960s was slightly more than double that of the previous decade. From one decade to the next, there was a slight reduction in net direct investment in absolute terms (from 5,500 million dollars to 4,600 million) but a sharp increase in short-, medium- and long-term loans. Net direct investment, which stood at 5,513.7 million dollars in the 1950s, dropped to 4,650.7 million in the next decade,^{5/} which meant that its share in the total volume of non-compensatory funds fell from 63.8 to 26.5 per cent. This decline, which was particularly noticeable from 1960 to 1964, affected the entire region, especially Chile and Venezuela, where foreign capital disinvestment reached a peak. In the second half of the decade, however, external investment recovered somewhat. Medium- and long-term loans were more than five times higher in the 1960s than in the 1950s and their share in the total rose from 19.3 per cent to 49.4 per cent. The growth rate was even higher from 1965 to 1969, above all in Chile and Venezuela.

^{5/} The figures for direct investment include reinvested profits, although only part of the latter really constitute an effective inflow of external financial resources.

Short-term liabilities also shot up during the 1960s; their share grew from 10.4 per cent in the 1950s to 16.6 per cent the following decade. There was a sharp drop in Argentina and Colombia and a sharp increase in Brazil, Chile and Venezuela. The over-all trend was more or less the same in both halves of the decade.

Official transfer payments also followed a favourable trend from one decade to the next, rising from 562.4 million to 1,295.7 million dollars. Their share of total non-compensatory capital, however, remained fairly low, never exceeding 7.4 per cent during the 1960s. There was a substantial decline in such payments in Chile and Bolivia during this period.

Though the capital outflow of non-compensatory domestic funds was up, its share in the total did not increase; Brazil, Mexico and Venezuela are the only countries for which the outflow was fairly substantial.

(e) External direct investment

External direct investment has grown appreciably over the past twenty years; the accumulated total in 1969 stood at 17,935 million dollars, two and a half times more than in 1950 (see table 22).

Nearly 90 per cent of this amount is concentrated in seven countries (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela), which together increased their assets under this head from 6,652 million dollars in 1950 to 15,867 million in 1969. In Brazil, direct investment rose from 1,343 million to 3,661 million dollars, and in Mexico from 566 million to 3,023 million. United States investment grew fastest in this group of countries; its share in total investment rose from 49.4 per cent during the 1950s to 59.3 per cent in the 1960s.

By contrast, the share of direct United States investment in the countries of the Central American Common Market, excluding Panama, dropped from 77 to 69.2 per cent, despite the fact that the total invested rose from 330 million to 910 million dollars during the period.

The share of United States investment in the other countries remained unchanged and the total growth of direct investment was roughly the same as in the Central American countries (330 million dollars for the 1950s to 890 million dollars in the 1960s).

Table 18
LATIN AMERICA: TRANSACTIONS ON THE CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS, 1950-1959 AND 1960-1969
(Cumulative values in millions of dollars)

Country	1950-59						1960-69					
	Exports of goods and services	Imports of goods and services	Trade balance	Net profit and interest payments abroad	Private transfer payments	Balance on current account	Exports of goods and services	Imports of goods and services	Trade balance	Net profit and interest payments abroad	Private transfer payments	Balance on current account
Argentina	11 058.8	12 078.0	-1 019.2	-193.5	-59.9	-1 272.6	15 324.7	14 603.7	721.0	-1 025.6	-38.5	-343.1
Bolivia	813.6	1 003.2	-189.6	-5.9	3.6	-191.9	1 175.5	1 517.7	-342.2	-75.7	11.1	-406.8
Brazil	15 613.0	16 439.0	-826.0	-1 354.0	-96.0	-2 276.0	17 412.0	17 552.0	-140.0	-2 354.0	168.0	-2 326.0
Colombia	6 121.2	5 784.4	336.8	-296.1	13.1	53.8	6 799.2	7 495.0	-695.8	-814.3	30.4	-1 479.7
Costa Rica	386.9	801.9	5.0	-92.2	5.3	-81.9	1 479.6	1 792.7	-313.1	-114.8	38.1	-389.8
Chile	4 495.4	4 222.9	272.5	-631.6	19.5	-339.6	7 934.6	8 062.5	-127.9	-1 382.3	68.5	-1 441.7
Ecuador	1 221.5	1 107.7	113.8	-165.4	3.4	-48.2	1 844.7	1 993.4	-148.7	-231.0	29.0	-350.7
El Salvador	1 108.1	1 024.8	83.3	-25.4	-0.9	57.0	1 844.5	2 046.9	-182.4	-66.3	50.5	-198.2
Guatemala	1 078.6	1 212.1	-133.5	-6.6	1.1	-139.0	2 063.2	2 278.6	-215.4	-149.9	46.9	-321.4
Haiti	498.0	515.9	-17.9	-34.8	3.5	-49.2	476.1	590.8	-114.7	-42.6	64.5	-92.8
Honduras	699.1	667.7	31.4	-85.1	-6.8	-60.5	1 281.5	1 346.6	-65.1	-100.6	5.9	-159.8
Mexico	11 077.2	11 003.5	73.7	-1 162.0	-12.9	-1 101.2	19 176.0	19 944.9	-768.9	-3 545.5	-45.9	-4 360.3
Nicaragua	703.4	691.1	12.3	-50.5	2.5	-35.7	1 452.2	1 637.6	-185.4	-115.0	18.7	-281.7
Panama	979.4	1 014.7	-35.3	-143.9	-56.0	-235.2	2 299.7	2 397.4	-97.7	-167.2	-65.9	-330.8
Paraguay	395.4	427.4	-32.0	-9.6	0.2	-41.4	572.5	709.3	-136.8	-34.4	18.4	-152.8
Peru	3 090.1	3 476.4	-386.3	-265.5	70.1	-581.7	7 631.0	7 500.2	130.8	-1 003.5	62.5	-810.2
Dominican Republic	1 325.0	1 198.4	126.6	-103.8	-19.4	3.4	1 026.0	2 048.9	-222.9	-184.2	59.1	-348.0
Uruguay	2 249.8	2 445.9	-196.1	-49.1	-22.1	-267.3	2 248.1	2 152.0	96.1	-152.3	0.2	-56.0
Venezuela	19 560.3	14 368.3	5 192.0	-5 606.4	-480.3	-894.7	25 576.2	16 934.0	8 642.2	-6 509.0	-897.6	1 235.6
Total, excluding Cuba	82 974.8	79 563.3	3 411.5	-10 281.4	-632.0	-7 501.2	118 494.3	112 604.2	5 890.1	-18 068.2	-376.1	-12 614.2
Total, excluding Cuba and Venezuela	63 414.5	65 195.0	-1 780.5	-4 675.0	-151.7	-6 607.2	92 858.1	95 670.2	-2 812.1	-11 559.2	521.5	-13 849.8

LATIN AMERICA: TRANSACTIONS ON THE CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS, 1960-1964 AND 1965-1969

(Cumulative values in millions of dollars)

Country	1960-1964					1965-1969						
	Exports of goods and services	Imports of goods and services	Trade balance	Net profit and interest payments abroad	Private transfer payments	Balance on current account	Exports of goods and services	Imports of goods and services	Trade balance	Net profit and interest payments abroad	Private transfer payments	Balance on current account
Argentina	6 793.7	7 164.7	-371.0	-401.6	-27.5	-800.1	8 531.0	7 439.0	1 092.0	-624.0	-11.0	457.0
Bolivia	386.7	569.3	-182.6	-7.7	6.6	-183.7	788.8	948.4	-159.6	-68.0	4.5	-223.1
Brazil	7 337.0	7 902.0	-565.0	-911.0	27.0	-1 449.0	10 075.0	9 650.0	425.0	-1 443.0	141.0	-877.0
Colombia	3 077.2	3 468.0	-390.8	-301.3	19.4	-672.7	3 722.0	4 027.0	-305.0	-513.0	11.0	-807.0
Costa Rica	569.1	663.7	-94.6	-33.7	16.1	-112.2	910.5	1 129.0	-218.5	-81.1	22.0	-277.6
Chile	2 885.6	3 508.5	-622.9	-435.3	35.5	-1 022.7	5 049.0	4 554.0	495.0	-947.0	33.0	-419.0
Ecuador	798.5	795.6	2.9	-101.9	9.5	-89.5	1 046.2	1 197.8	-151.6	-129.1	19.5	-261.2
El Salvador	754.5	811.5	-57.0	-25.3	10.8	-71.5	1 110.0	1 235.4	-125.4	-41.0	39.7	-126.7
Guatemala	774.7	877.1	-102.4	-36.9	8.0	-131.3	1 285.5	1 401.5	-116.0	-113.0	38.9	-190.1
Haiti	251.9	295.3	-43.4	-24.4	13.9	-53.9	224.2	295.5	-71.3	-18.2	50.6	-38.9
Honduras	431.9	453.9	-22.0	-9.2	-1.9	-33.1	849.6	892.7	-43.1	-91.4	7.8	-126.7
Mexico	7 840.0	7 981.9	-141.9	-1 221.5	-62.9	-1 426.3	11 336.0	11 963.0	-627.0	-2 324.0	17.0	-2 934.0
Nicaragua	543.0	581.3	-38.3	-17.1	5.4	-50.0	909.2	1 056.3	-147.1	-97.9	13.3	-231.7
Panama	829.4	912.5	-83.1	-45.2	-34.9	-163.2	1 470.3	1 484.9	-14.6	-122.0	-31.0	-167.6
Paraguay	234.7	283.7	-49.0	-9.7	8.5	-50.2	337.8	425.6	-87.8	-24.7	9.9	-102.6
Peru	3 075.0	2 883.2	191.8	-329.5	26.5	-111.2	4 556.0	4 617.0	-61.0	-674.0	36.0	-699.0
Dominican Republic	914.8	891.5	23.3	-88.0	16.3	-48.4	911.2	1 157.4	-246.2	-96.2	42.8	-299.6
Uruguay	1 027.4	1 161.6	-134.2	-46.1	-0.4	-180.7	1 220.7	990.4	230.3	-106.2	0.6	124.7
Venezuela	12 757.2	7 410.0	5 347.2	-3 015.0	-409.6	1 922.6	12 819.0	9 524.0	3 295.0	-3 494.0	-488.0	-687.0
Total, excluding Cuba	51 282.2	48 615.3	2 667.0	-7 060.4	-333.7	-4 727.1	67 152.0	63 988.9	3 163.1	-11 007.8	442.4	-7 887.1
Total, excluding Cuba and Venezuela	38 525.1	41 205.3	-2 680.2	-4 045.4	75.9	-6 649.7	54 333.0	54 464.9	-131.9	-7 543.8	445.6	-7 200.1

Page 45
CN.12/884/Add.1

Table 20

FINANCING OF THE DEFICIT ON CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS, 1950-1959 AND 1960-1969

(Cumulative values in millions of dollars)

Country	Total net external financing		Net non-compensatory movements of capital		Net compensatory movements		Net errors and omissions	
	1950-59	1960-69	1950-59	1960-69	1950-59	1960-69	1950-59	1960-69
Argentina	1 272.6	343.1	995.0	875.4	434.6	-437.1	-157.0	-95.2
Bolivia	191.9	406.8	234.5	469.0	24.1	-29.2	-66.7	-33.0
Brazil	2 276.0	2 326.0	1 550.0	3 011.0	991.0	-303.0	-265.0	-382.0
Colombia	-53.8	1 479.7	317.1	1 561.9	-14.8	-2.0	-356.1	-80.2
Costa Rica	81.9	389.8	51.5	373.1	-9.9	-3.6	40.3	20.3
Chile	339.6	1 441.7	353.3	1 481.5	12.0	-24.5	-25.7	-15.3
Ecuador	48.2	350.7	90.5	353.3	-23.8	-10.9	-18.5	8.3
El Salvador	-57.0	198.2	-11.9	238.6	9.8	9.4	-54.9	-49.3
Guatemala	139.0	321.4	158.6	395.4	-1.3	-13.7	-18.3	-60.3
Haiti	49.2	92.8	50.0	147.2	6.5	3.4	-7.3	42.2
Honduras	60.5	159.8	59.7	176.5	-6.1	-16.0	6.9	-0.7
Mexico	1 101.2	4 360.3	1 467.4	3 992.5	-369.1	-226.7	2.9	594.5
Nicaragua	35.7	281.7	63.6	306.7	-8.8	-16.1	-19.1	-8.9
Panama	235.2	330.8	142.7	361.7	0.0	0.0	92.5	-30.9
Paraguay	41.4	152.8	47.8	202.9	-4.7	-8.9	-1.7	-41.2
Peru	581.7	810.2	609.9	768.2	20.6	183.0	-48.8	-141.0
Dominican Republic	-3.4	348.0	21.7	361.5	1.6	42.4	-26.7	-55.9
Uruguay	287.3	56.0	111.5	253.7	106.3	71.2	49.5	-268.9
Venezuela	894.7	-1 235.6	2 009.9	-613.3	-165.8	-319.4	-949.4	-302.9
Latin America, excluding Cuba	7 501.9	12 614.2	8 322.8	14 616.8	1 002.2	-1 101.7	-1 823.1	-200.9
Latin America, excluding Cuba and Venezuela	6 607.2	13 849.8	6 312.9	15 230.1	1 168.0	-782.3	-873.7	-598.0

Table 21

Table 21
FINANCING OF THE DEFICIT ON CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS, 1960-1964 AND 1965-1969
(Cumulative values in millions of dollars)

Country	Total net external financing		Net non-compensatory movements of capital		Net compensatory movements		Net errors and omissions	
	1960-64	1965-69	1960-64	1965-69	1960-64	1965-69	1960-64	1965-69
Argentina	800.1	-457.0	1 093.4	-218.0	194.9	-632.0	-488.2	393.0
Bolivia	183.7	223.1	220.3	248.7	-17.9	-11.3	-18.7	-14.3
Brazil	1 449.0	877.0	1 173.0	1 838.0	648.0	951.0	-372.0	-10.0
Colombia	672.7	807.0	642.9	919.0	168.0	-170.0	-138.2	58.0
Costa Rica	112.2	277.6	109.6	263.5	30.6	-34.2	-28.0	48.3
Chile	1 022.7	419.0	688.5	793.0	305.5	-390.0	28.7	-44.0
Ecuador	89.5	261.2	86.5	266.8	-10.7	-0.2	13.7	-5.4
El Salvador	71.5	126.7	125.4	113.2	-20.6	90.0	-33.3	-16.5
Guatemala	131.3	190.1	172.6	222.8	-8.8	4.9	-32.5	-27.8
Haiti	53.9	38.9	19.5	27.7	2.8	0.6	31.6	10.6
Honduras	33.1	126.7	45.2	131.3	-3.0	-13.0	-9.1	8.4
Mexico	1 426.3	2 934.0	1 577.5	2 415.0	-127.7	-99.0	-23.5	618.0
Nicaragua	50.0	231.7	76.0	230.7	-15.0	-1.1	-11.0	2.1
Panama	163.2	167.6	198.0	163.7	0.0	0.0	-34.8	3.9
Paraguay	50.2	102.6	64.2	138.7	-1.8	-7.1	-12.2	-29.0
Peru	111.2	699.0	174.2	594.0	-98.0	281.0	35.0	-176.0
Dominican Republic	48.4	299.6	83.9	277.6	23.2	19.2	-58.7	2.8
Uruguay	180.7	-124.7	174.1	79.6	106.3	-35.1	-99.7	-169.2
Venezuela	-1 922.6	687.0	-1 439.3	826.0	-157.4	-162.0	-325.9	23.0
Latin America, excluding Cuba	4 727.1	7 887.1	5 285.5	9 331.3	1 018.4	-2 120.1	-1 576.8	675.2
Latin America, excluding Cuba and Venezuela	6 649.7	7 200.1	6 724.8	8 505.3	1 175.8	-1 958.1	-1 250.2	652.9

Table 22

LATIN AMERICA: OUTSTANDING EXTERNAL DEBT AND ACCUMULATED DIRECT EXTERNAL INVESTMENT, 1950-1969

(Millions of dollars)

Country	Outstanding external debt at the end of				Accumulated direct		Share of United States	
	1950		1960		external investment		investment in total	
	Total	Excluding amounts not utilized	Total	Excluding amounts not utilized	1950	1969	1950	1969
Argentina	1 938.6	5 865.2	14 257.5	10 175.2	6 652	15 867	42.4	59.3
Brazil	400.0a/ 409.4	1 478.1	2 221.1	1 714.1	800	1 892	44.5	65.8
Colombia	157.5	1 823.9	4 310.1	2 736.5	1 349	3 661	40.0	45.0
Chile	355.4	376.8	1 296.9	947.1	423	748	45.6	91.4
Mexico	509.1	565.9	1 842.9	1 268.5	620	1 022	87.1	82.8
Peru	107.2	1 038.4	3 047.9	2 428.5	566	3 023	73.3	54.0
Venezuela	-	268.1	1 018.9	672.7	270	1 002	53.7	70.2
Panama	13.0	314.1	519.7	398.5	2 630	4 519	37.8	59.0
	40.7	58.4	112.5	89.9	70	268	82.9	...
Guatemala	0.4	207.6	753.8	451.0	330	910	77.0	...
Costa Rica	12.0a/ 0.3	53.5	161.6	89.8	115	306	92.1	...
Honduras	1.3	56.1	162.3	122.0	105	238	57.1	...
El Salvador	22.4	23.6	114.1	51.2	70	143	88.6	...
Nicaragua	4.6	33.3	102.6	77.2	25	98	68.0	...
	221.0	411.1	213.2	110.8	15	125	60.0	...
Dominican Republic	10.0a/ 8.3	500.1	1 308.5	998.8	330	890	62.1	...
Haiti	5.7	5.7	220.8	171.6	112	196	94.6	...
Ecuador	31.2	39.7	43.5	43.0	15	48	86.7	...
Uruguay	105.5	100.8	274.3	163.1	20	222	70.0	...
Bolivia	50.0a/ 15.3	131.8	309.1	250.0	80	172	68.7	...
Paraguay	15.3	178.4	359.7	295.0	50	162	22.0	...
	2 213.2	22.3	101.1	76.1	53	90	11.3	...
Latin America, excluding Cuba	6 631.4	5 535.8	16 432.3	11 715.6	7 382	17 935	51.5	...

Source: D. Avramovic and R. Gulhari, Debt Servicing Capacity and Postwar Growth in International Indebtedness, Appendix II; S.R.N. Badri Rao, Recent Changes

in the External Public Indebtedness of Latin American Countries (IBRD, October 1963), table 1.

Note: The total external debt includes both utilized and non-utilized guaranteed loans and excludes the unguaranteed private debt and liabilities, to the IMF.
a/ Estimates.

Table 23
LATIN AMERICA: FORMS OF EXTERNAL FINANCING, 1950-1959 AND 1960-1969
(Cumulative totals in millions of dollars)

Country	Non-compensatory capital										Non-compensatory domestic funds or assets	
	Total		Net direct investment	Net long- and medium-term loans	Net short-term liabilities	Net official transfer payments	1950-59		1950-59		1960-69	
Argentina	706.0	1 045.6	519.6	572.6	155.2	695.7	30.6	-222.2	0.6	-C.5	289.0	-170.2
Bolivia	243.7	403.7	45.6	66.7	50.2	224.4	11.8	25.3	136.1	167.3	-9.2	-14.7
Brazil	1 636.0	3 542.0	994.0	1 324.0	522.0	1 060.0	92.0	901.0	20.0	257.0	-86.0	-531.0
Colombia	386.4	1 696.7	29.5	295.1	168.8	935.5	179.3	332.3	8.8	133.8	-69.3	-134.8
Costa Rica	58.4	433.6	21.5	110.9	17.0	176.9	-9.5	105.9	29.4	39.9	-6.9	-60.5
Chile	343.4	1 653.8	268.4	-36.1	7.2	1 319.0	-5.0	286.7	72.8	84.2	9.9	-172.3
Ecuador	113.8	387.4	49.0	152.6	44.0	150.3	2.4	12.7	18.4	71.8	-23.3	-34.1
El Salvador	22.2	242.5	0.5	72.7	15.0	91.8	1.5	48.3	5.2	29.7	-34.1	-3.9
Guatemala	173.1	404.8	58.6	132.6	30.3	158.2	13.1	59.4	71.1	54.6	-14.5	-9.4
Haiti	90.8	66.1	23.9	9.1	29.8	5.0	8.1	4.1	29.0	47.9	-40.8	-18.9
Honduras	59.0	195.7	37.1	36.0	9.3	87.4	0.7	32.6	11.9	39.7	0.7	-19.2
Mexico	1 566.0	4 494.6	962.0	1 494.9	351.7	2 363.7	217.2	640.2	35.1	-4.2	-98.6	-502.1
Nicaragua	61.5	332.2	19.6	90.6	16.0	122.4	10.4	85.5	15.5	33.7	2.1	-25.5
Panama	141.1	518.5	74.1	123.5	21.1	111.9	13.6	202.3	32.3	80.8	1.6	-156.8
Paraguay	53.1	209.3	10.6	26.4	8.4	113.8	19.5	39.8	14.6	29.3	-5.3	-6.4
Peru	630.8	1 009.1	334.2	180.3	170.0	592.9	85.1	147.1	41.5	88.8	-20.9	-240.9
Dominican Republic	52.8	348.0	14.3	69.2	7.0	190.6	30.2	-21.8	1.3	110.0	-31.1	13.5
Uruguay	126.4	243.8	81.5	10.6	2.7	78.1	32.7	110.3	9.5	44.8	-14.9	9.9
Venezuela	2 172.7	234.8	1 969.7	-81.0	39.0	196.7	162.7	132.0	1.3	-12.9	-162.8	-848.1
Latin America, excluding Cuba	8 637.2	17 542.2	5 513.7	4 650.7	1 664.7	8 674.3	896.4	2 921.5	562.4	1 295.7	-314.4	-2 925.4

/Table 24

Table 24

LATIN AMERICA: FORMS OF EXTERNAL FINANCING, 1960-1964 AND 1965-1969

(Cumulative totals in millions of dollars)

Country	Total		Non-compensatory capital				Non-compensatory domestic funds or assets			
			Net direct investment		Not long- and medium-term loans		Net short-term liabilities		Net official transfer payments	
	1960-64	1965-69	1960-64	1965-69	1960-64	1965-69	1960-64	1965-69	1960-64	1965-69
Argentina	1 180.6	-135.0	490.6	82.0	764.7	-69.0	-83.2	-139.0	8.5	-9.0
Bolivia	228.8	254.9	45.3	21.4	65.1	159.3	14.2	11.1	104.2	63.1
Brazil	1 311.0	2 231.0	590.0	734.0	357.0	703.0	235.0	666.0	129.0	128.0
Colombia	752.7	944.0	103.1	192.0	385.5	550.0	223.3	109.0	40.8	93.0
Costa Rica	127.4	306.2	44.0	66.9	54.7	122.2	10.6	95.3	18.1	21.8
Chile	806.8	847.0	72.9	-109.0	537.0	782.0	130.7	156.0	66.2	18.0
Ecuador	112.3	275.1	33.6	119.0	43.0	107.3	3.0	9.7	32.7	39.1
El Salvador	124.5	118.0	30.7	42.0	24.3	67.5	56.8	-8.5	12.7	17.0
Guatemala	181.0	223.8	40.3	92.3	42.8	115.4	56.4	3.0	41.5	13.1
Haiti	36.5	29.6	3.2	5.9	5.4	-0.4	0.9	3.2	27.0	20.9
Honduras	54.3	141.4	-7.9	43.9	35.1	52.3	5.9	26.7	21.2	18.5
Mexico	1 895.6	2 599.0	488.9	1 006.0	1 050.7	1 313.0	354.2	286.0	1.8	-6.0
Nicaragua	97.7	234.5	27.3	63.3	31.8	90.6	24.3	61.2	14.3	19.4
Panama	192.9	325.6	77.3	46.2	47.4	64.5	28.2	174.1	40.0	40.8
Paraguay	68.2	141.1	12.2	14.2	21.5	92.3	19.1	20.7	15.4	13.9
Peru	297.1	712.0	47.3	133.0	127.9	465.0	104.1	43.0	17.8	71.0
Dominican Republic	94.9	253.1	21.2	48.0	27.5	163.1	13.9	-35.7	32.3	77.7
Uruguay	159.1	84.7	10.6	...	42.6	35.5	86.0	24.3	19.9	24.9
Venezuela	-744.2	979.0	-500.0	419.0	-246.3	443.0	3.0	129.0	-0.9	-12.0
Latin America, excluding Cuba	6 977.2	10 565.0	1 630.6	3 020.1	3 417.7	5 256.6	1 286.4	1 635.1	642.5	653.2
									-1 691.7	-1 233.7

