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VALUE, PRICE AND VOLUME CHANGES IN NATIONAL PRODUCTS

Memorandum prepared by the Statistical Office

1. In view of the discussions at previous sessions of the Committee^{1/} and in the General Assembly^{2/} of the effect of differential price changes on the scale of assessments, the Statistical Office has compiled the attached table. This table summarizes the data in the detailed documents in order to show for each country:
 - (a) The change in the absolute value of the net national product;
 - (b) The change in the price level in terms of US dollars;
 - (c) The change in the quantum (volume) of the net national product.
2. The table covers all Member States except those which were at the 0.04 level, in the 1968-1970 scale. Part A of the table brings together the relevant data for countries which in the 1968-1970 scale accounted for 83.52 per cent. Part B shows the data for countries which in the 1968-1970 scale accounted for 14.20 per cent. The countries omitted accounted for 2.44 per cent.
3. It may be noted that the years 1966-1968 were years of substantial price changes in certain large contributors and of devaluations in a large number of countries. In a number of cases, the expression of the national product in dollars at the new exchange rates has served to eliminate in part the effect of domestic inflation on the national product. Nevertheless, there were wide differences in the rate of price increases even after the data were converted to dollars at appropriate exchange rates.

^{1/} See Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 11 (A/7611), para. 16.

^{2/} See document A/7816, paras. 4 and 10.

4. The arraying of these data has been facilitated by the improvements in national statistics in many countries, which now provide "implicit" price indexes that are correlative with the national product and which were not available in past years. In other cases, the national data have become sufficiently detailed to permit the Statistical Office to derive such indexes.

5. The Committee will wish to note that the total price change in dollar terms for the years 1966-1968 over the years 1963-1965 amounted to an increase of approximately 7 per cent for the Member States as a whole. The range of the changes for the individual countries was, however, very wide, ranging from those which because of devaluation showed reductions in the price level to those countries where price inflation was substantial and was not offset by devaluation. Thus, the price level of India in dollar terms fell by 14 per cent, and that of Brazil rose by 25 per cent. It may be noted that the change in quantum (volume) of net national product for the Member States as a whole amounted to an increase of 18 per cent, and the change in value amounted to an increase of 26 per cent. These quantities may be compared with the over-all price increase of approximately 7 per cent.

6. The Committee will wish to consider the extent to which the scale should reflect price changes which have operated with substantially different effects in the Member States. The attached table permits the quantum (volume) change to be separated from the price change in each country.

SUMMARY OF STATISTICS

A. Large contributors^{a/}

<u>Country</u>	<u>1968-1970</u> <u>scale</u>	<u>NNP</u>	<u>Price level</u> ^{b/} (1963-1965 = 100)	<u>NNP</u> (<u>volume</u>)
Australia	1.52	126	108	117
Belgium	1.10	126	114	111
Canada	3.02	133	114	117
China	4.00	118	105	112
France	6.00	126	109	116
India	1.74	91	86	106
Italy	3.24	127	110	115
Japan	3.78	152	114	133
Netherlands	1.16	136	117	116
Poland	1.47	123	100	123
Sweden	1.25	129	116	111
USSR	17.05	126	100	126
United Kingdom of Great Britain and Northern Ireland	6.62	114	106	108
United States of America	31.57	127	109	117
Total	83.52			

a/ Countries assessed for 1 per cent or more in the 1968-1970 scale.

b/ Price level in US dollars, taking account of exchange rate changes.

B. Contributors from 0.05 to 0.99 per cent

<u>Country</u>	<u>1968-1970 scale</u>	<u>NNP</u>	<u>Price level^{c/} (1963-1965 = 100)</u>	<u>NNP (volume)</u>
Algeria	0.10	118	110	107
Argentina	0.93	124	112	111
Austria	0.57	126	111	114
Brazil	0.89	143	125	114
Bulgaria	0.18	129	99	130
Burma	0.06	111	105	106
Ceylon	0.06	111	99	112
Chile	0.23	146	112	130
Colombia	0.20	128	111	115
Congo (Democratic Republic of)	0.05	81	78	104
Cuba	0.19	105	91	115
Czechoslovakia	0.92	129	108	119
Denmark	0.62	132	117	113
Finland	0.49	117	107	109
Ghana	0.08	113	107	106
Greece	0.29	133	111	120
Guatemala	0.05	112	98	114
Hungary	0.52	114	95	120
Indonesia	0.34	117	105	111
Iran	0.22	133	102	130
Iraq	0.07	117	99	118
Ireland	0.17	118	107	110
Israel	0.20	129	111	116
Jamaica	0.05	118	102	116
Kuwait	0.07	138	115	120
Lebanon	0.05	118	98	120
Luxembourg	0.05	115	99	116

^{c/} Price level in US dollars, taking account of exchange rate changes.

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B. Contributors from 0.05 to 0.99 per cent (continued)

<u>Country</u>	<u>1968-1970 scale</u>	<u>NNP</u>	<u>Price level^{d/} (1963-1965 = 100)</u>	<u>NNP (volume)</u>
Malaysia	0.11	122	109	112
Mexico	0.87	138	112	123
Morocco	0.10	111	102	109
New Zealand	0.36	108	99	109
Nigeria	0.14	114	106	108
Norway	0.43	131	113	116
Pakistan	0.37	137	117	117
Peru	0.10	125	108	116
Philippines	0.54	122	105	116
Portugal	0.16	135	116	116
Romania	0.36	131	101	130
Saudi Arabia	0.05	132	111	119
Singapore	0.05	132	117	113
South Africa	0.52	130	111	117
Spain	0.92	137	114	120
Sudan	0.05	112	100	112
Thailand	0.13	140	110	127
Turkey	0.35	140	115	122
United Arab Republic	0.20	122	112	109
Uruguay	0.09	108	107	101
Venezuela	0.45	121	106	114
Yugoslavia	0.40	114	100	114
Total	14.20			

^{d/} Price level in US dollars, taking account of exchange rate changes.
