Distr.
GENERAL
E/ESCWA/SED/1994/4
6 October 1994
ORIGINAL: ENGLISH

...ENT SECTION

ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA

ANALYTICAL REVIEW OF DEVELOPMENTS AND ISSUES IN THE EXTERNAL TRADE AND PAYMENTS SITUATION OF COUNTRIES OF WESTERN ASIA

UNITED NATIONS
New York, 1995

95-0036

CONTENTS

LIST OF TABLES

CONTENTS *(continued)*

Page

LIST OF ANNEX TABLES

EXPLANATORY NOTES AND ABBREVIATIONS

The following symbols have been used in the tables throughout the report:

Two dots (..) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A hyphen (-) indicates that the item is not applicable.

A minus sign (-) before a figure indicates a deficit or decrease, except as indicated.

A full stop (.) is used to indicate decimals.

A slash (/) between years indicates a crop year or financial year (for example, 1989/1990).

A hyphen (-) between years (form example, 1986-1990), signifies the full period involved, from the beginning of the first to the end of the last year.

References to tons are to metric tons, and references to dollars($) are to Untied States dollars, unless otherwise stated.

Annual rates of growth or change, unless otherwise stated, refer to annual compound rates. In most cases, the growth rate forecasts for 1993 and 1994 are rounded to the nearest half of the percentage point.

One billion is equal to 1,000 million.

Details and percentages in tables do not necessarily add up to totals, because of rounding.

The following abbreviations have been used:

ADB	Asian Development Bank
AFDB	African Development Bank
AMS	Aggregate Measurement of Support
APEC	Asian-Pacific Economic Cooperation Forum
ASEAN	Association of South-East Asian Nations
BBC	British Broadcasting Corporation
bcm	billion cubic metres
boe/d	barrel of oil equivalent per day
CCFF	Compensatory and Contingency Financing Facility (of the International Monetary Fund)

CEAO	Communauté économique de l'A frique de l'ouest
CEPII	Centre déstudes prospectives et d'informations internationals
CFA	Communauté financiè africaine
CIS	Commonwealth of Independent States
CMEA	Council for Mutual Economic Assistance
COMESA	Common Market for Eastern and Southern Africa
COMTRADE	External Trade Statistics Database
CPI	Consumer Price Index
CSCE	Conference on Security and Cooperation in Europe
DSB	Dispute Settlement Body
DSU	Understanding on Rules and Procedures Governing the Settlement of Disputes
EC	European Community/Communities
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ECU	European currency unit
EFTA	European Free Trade Association
EMU	Economic and Monetary Union (Treaty on European Union, signed at Maastricht)
ERM	Exchange rate mechanism
ESAF	Enhanced Structural Adjustment Facility (of the International Monetary Fund)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign direct investment
FLIP	Fiscal Investment and Loan Programme (of Japan)
GATT	General Agreement on Tariffs and Trade

GCC	Gulf Cooperation Council
GDP	Gross national Product
GWP	Gross World Product
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
INSEE	Institut national de la statistique et des études conomiques
JEC	Joint Economic Committee (of the United States Congress Staff Study) (concerning NAFTA)
LNG	Liquified natural gas
mbd	million barrels per day
MER	Market Exchange Rate
MERCOSUR	Southern Cone Common Market
MFA	Multilibre Arrangement
MFN	Most Favoured Nation
MSPA	Macroeconomic and Social Policy Analysis Division (of the Department for Economic and Social Information and Policy Analysis of the United Nations Secretariat)
mtoe	Million tons of oil equivalent
NAFTA	North American Free Trade Agreement
NAIRU	Non-accelerating inflation rate of unemployment
NBER	National Bureau of Economic Research (Cambridge, Massachusetts)
NIE	Newly Industrialized Economy
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries

PARE	Price-adjusted rate of exchange
PLO	Palestine Liberation Organization
PPP	Purchasing Power Parity
PREALC	Programa Regional del Empleo para América Latina y el Caribé
Project LINK	International Research Group of Econometric Model Builders, with Headquarters at the Department for Economic and Social Information and Policy Analysis of the United Nations Secretariat
PTA	Preferential trade Area for Eastern and Southern African States
REER	Real Effective Exchange Rate
SDR	Special Drawing Rights
SEM	single European market
SII	Structural Impediments Initiative
SITC	Standard International Trade Classification
STF	Systemic Transformation Facility (of the International Monetary Fund)
TRIMs	Trade-related Investment Measures
TRIPs	Trade-related intellectual property rights
UDEAC	Union douanière et économique de l'Afrique centrale
UEMOA	Union économique et monétaire de l'Afrique de l'ouest
UN/DESIPA	Department for Economic and Social Information and Policy Analysis of the United Nations Secretariat
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDIR	United Nations Institute for Disarmament Research
UNSTAT	Statistical Division of the United Nations Secretarial

URV	Unit of Real Value
USTR	United States Trade Representative
VAT	Value-added Tax
VER	Voluntary export restraint
WA	World Bank Atlas
WAMU	West African Monetary Union
WTO	World Trade Organization

I. INTERNATIONAL SETTING

A. Merchandise trade

The rate of growth in the volume of world exports dropped sharply from 5.5 per cent in 1992 to 2.7 per cent in 1993 (the lowest rate since 1988), against a projected expansion of 5.8 per cent. The extent of the decline becomes more evident when compared with the 7.3 per cent and 8 per cent growth recorded in 1988 and 1989, respectively (table 1).

The usually strong correlation between the rates of growth of world output and world trade has become less evident in the last few years as the gap between the two has widened. The rate of growth of world output dropped from an average of 3.1 per cent over the period 1988 to 1990 to 0.6 per cent for 1991 to 1992. Over the same interval, the growth rate of world trade only dropped from 7 to 5 per cent. The gap narrowed in 1993, however, when world output picked up slightly to produce a growth rate of 1.1 per cent, and growth in world trade decelerated to 2.7 per cent.

The drop in the rate of growth of world exports essentially reflected the performance of developed market economies, whose exports grew by a mere 1.3 per cent in 1993, compared to 4.2 per cent in 1992. Notably, while the rate of growth of North American exports dropped from 7.4 per cent to 6.4 per cent, both Western Europe and Japan recorded negative rates of 1.1 per cent and 1.7 per cent in 1993, compared to positive growth of 3.4 per cent and 1.5 per cent, respectively, in 1992.

Developing countries, on the other hand, maintained their good performance of the last few years, recording an 8.3 per cent growth in the volume of their exports in 1993. At a more disaggregated level, overall performance improved significantly between 1992 and 1993 in Latin America (from 3.9 to 7.6 per cent), Africa (from 1.2 to 4.8 per cent), South and East Asia (from 11.4 to 13.6 per cent) and the Mediterranean countries (from -7.7 to 2.1 per cent). In contrast, growth in the volume of exports decelerated in West Asia (from 12.5 to 5 per cent) and in China (from 16.9 to 10.2 per cent).

Estimates for Eastern Europe indicate a further significant drop in exports following a relative improvement in 1992. This setback points to the serious difficulties still facing these economies in their efforts to shift to market-oriented trade relations with old partners and to establish new trade partnerships.

Forecasts for 1994 indicated a significant improvement in the volume of world exports, with a growth rate of 6.4 per cent, partially reflecting an expected rise from 1.3 to 5 per cent in the exports of developed market economies.

The volume of imports into developed market economies in 1993 grew by a mere 0.9 per cent, compared to 4.6 per cent in 1992. Performance was especially adverse in Western Europe and Japan, where positive growth rates of 3.4 and 1.5 per cent turned into negative rates of -1.1 and -1.7 per cent, respectively. Developing countries also reported a minor decline, from 11.9 to 11.1 per cent. However, it is worth noting that the rates of increase in the volume of imports into developing countries during the 1991 to 1993 period were exceptionally high compared with the overall 1984 to 1993 period (except for 1988).

Among developing regions, the drop in the rate of increase in imports was significant in Latin America (from 21.5 to 9.4 per cent) and in West Asia (from 16.6 to 4 per cent). For Africa, the decline from 3.3 to 2.5 per cent is significant in view of its unsatisfactory performance to start with. The decline in the surge of Latin American imports is due to the slow-down in the recovery process, while in West Asia the end of the import boom following the Gulf crisis and the drop in oil revenues explain the poor import performance.

Other developing areas, however, reported significant increases in their imports; in the Mediterranean subgroup the rate rose from 4 to 11.5 per cent; in China from 23.7 to 30 per cent, and in South and East Asia from 9.4 to 12.5 per cent.

Table 1. Average annual variation in world volume of merchandise trade, 1988 to 1994

(Percentage)

	1988	1989	1990	1991	1992	1993[a]	1994[b]
DEVELOPED MARKET ECONOMIES							
Exports	8.5	7.3	5.1	3.8	4.2	1.3	5.0
Imports	8.2	7.3	4.7	2.9	4.6	0.9	4.0
DEVELOPING COUNTRIES							
Exports	4.4	11.8	8.7	8.7	8.5	8.3	7.4
Imports	13.6	8.3	5.5	13.3	11.9	11.1	8.5
Latin America							
Exports	5.9	7.4	3.5	5.8	3.9	7.6	3.2
Imports	4.9	4.3	5.9	19.2	21.5	9.4	6.1
Africa							
Exports	-0.4	2.3	10.4	6.3	1.2	4.8	-1.1
Imports	8.7	-0.8	1.4	4.4	3.3	2.5	0.2
West Asia[c]							
Exports	3.4	18.9	1.2	4.6	12.5	5.0	5.0
Imports	4.3	3.3	-3.5	14.0	16.6	4.0	1.8
South and East Asia							
Exports	13.1	10.7	7.5	16.2	11.4	13.6	10.6
Imports	21.9	13.4	9.9	15.1	9.4	12.5	11.4
Mediterranean countries[d]							
Exports	0.9	2.5	8.3	2.9	-7.7	2.1	7.0
Imports	1.6	9.8	17.6	-8.2	4.0	11.5	10.1
CHINA							
Exports	10.2	8.4	14.4	18.3	16.9	10.2	13.0
Imports	19.1	6.2	-14.0	20.4	23.7	30.0	12.5
ECONOMIES IN TRANSITION							
Exports	4.5	-1.5	-9.5	-18.8	-11.3	..	..
Imports	3.8	4.3	-5.1	-18.6	-8.5	..	..
Eastern Europe							
Exports	4.3	-2.9	-6.2	-9.3	-0.1	-5.0	..
Imports	3.3	0.2	-8.9	2.3	3.5	1.7	..
Former Soviet Union							
Exports	4.9	0.1	-13.0	-31.0	-22.7	..	..
Imports	15.7	11.6	-8.4	-36.1	-18.7	..	..
WORLD EXPORTS	7.3	8.0	5.6	4.6	5.5	2.7	6.4

Source: United Nations, World Economic and Social Survey 1994 (New York, United Nations, 1994) (Sales No. E.94.II.C.1).

Notes:
- a Preliminary estimates.
- b Forecast.
- c Covers Bahrain, the Islamic Republic of Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, the Syrian Arab Republic, the United Arab Emirates and Yemen.
- d Covers Cyprus, Turkey, Malta and former Yugoslavia.

No estimates are available on the import performance of the former Soviet Union, but estimates for Eastern Europe show a decline in the growth of imports from 3.5 per cent in 1992 to 1.7 per cent in 1993.

Forecasts for 1994 indicated that the rate of increase in the volume of imports into developed market economies would rise from 0.9 per cent in 1993 to 4.4 per cent. This is based on the expectation of further consolidation of economic recovery in the United States of America and a pick up in the economies of Western Europe and Japan. In both Western Europe and Japan, imports were forecast to increase by 4.3 and 4.8 per cent, compared to declines of 1.1 and 1.7 per cent, respectively. The rate of increase in developing countries' imports, however, was forecast to decline from 8.3 to 7.4 per cent.

Available data indicate that the dollar value of world trade for the first half of 1993 was $1,797.4 billion, compared with $1,773.6 billion for the same period in 1992, i.e., higher by 1.3 per cent (annex table 1). The modest rate of increase during the first six months reflected the poor performance of the developed market economies, the value of whose exports dropped by 1.6 per cent. Figures for 1993 as a whole indicate a decline of 0.5 per cent in the value of these economies' exports, compared with an increase of 6.5 per cent in 1992 (table 2).

The increase in the value of China's exports by only 4.3 per cent in the first six months of 1993 and by 8.4 per cent for the year as a whole, compared with 17.4 per cent in 1992, has also contributed to the slow-down in world trade. Exports from Central Europe dropped by 9.1 per cent in the first six months of 1993, compared with an increase of 0.9 per cent in 1992. The increase in the value of exports from developing countries by 10.3 per cent, and from the former Soviet Union by 3.1 per cent, was insufficient to offset the poor export performance of the major trading nations.

The dollar value of imports into developed market economies dropped from $1,308.3 billion to $1,289.2 billion, or by 4.9 per cent, in the first half of 1993, and from $2,716 billion to $2,641.5 billion, or by 2.7 per cent, for the year as a whole, compared to a rate of increase of 6 per cent for 1992. Developing countries recorded an increase of 15 per cent in the first half of 1993, as the dollar value of their imports rose from $461.9 billion to $531.2 billion. In China and Eastern Europe, the value of imports continued to grow during the first six months of 1993, though at somewhat lower rates than in 1992, while the imports of the former Soviet Union declined by 37.8 per cent, from $20.3 billion to $12.6 billion, over the same interval.

B. Services trade

World trade in services continued its upward trend in 1992, with total exports amounting to $1,874 billion, compared with $1,756 billion in 1991 and only $760 billion in 1985, i.e., an increase of almost 150 per cent in seven years (table 3). It is worth noting that world commodity exports increased by only 89 per cent during the same period, reflecting the shift in favour of services, especially in industrial countries. However, the rates of increase of 4.8 per cent and 6.7 per cent in 1991 and 1992, respectively, were much lower than the average of 16 per cent in the years 1985 to 1989 and 20.2 per cent in 1990. The small recovery in 1992 resulted from a 12.2 per cent growth in exports of non-factor services (4.6 per cent in 1991), as exports of factor services grew by a mere 1.6 per cent (5 per cent in 1991).

Industrial countries remain by far the main contributors to world services trade, with an average share of 83.1 per cent during the period 1988 to 1992. Their total exports increased from $1,468 billion in 1991 to $1,553 billion in 1992, or by 5.8 per cent. Developing countries as a group increased their exports by 12.3 per cent, from $255.6 billion to $286.9 billion, or by almost double the world rate. In contrast to the situation in the industrial countries, where exports of services are generally evenly distributed between factor and non-factor services, in developing countries non-factor services are dominant, with a share of close to 70 per cent in recent years.

Developing countries' imports of services grew by 5.5 per cent in 1992, compared with 6.3 per cent in the previous year; consequently, their dollar value increased from $360.3 billion to $380.2 billion. Most of the growth was recorded in non-factor services, which grew by 72.2 per cent between 1985 and 1992, while factor services grew by only 32.3 per cent over the same period. While industrial countries recorded a small deficit in their services account, developing countries reduced their deficit from $104.7 billion in 1991 (the highest since 1985) to $93.3 billion in 1992, which was more in line with previous years.

Table 2. Average annual variation in the value of world merchandise trade, 1989 to 1993

(Percentage)

	1989	1990	1991	1992	January-June 1992/93	1993
Developed market economies						
Exports	8.4	14.9	1.0	6.5	-1.6	-0.5
Imports	9.1	14.2	-1.2	6.0	-4.9	-2.7
Developing countries						
Exports	12.1	13.3	4.5	9.2	10.3	..
Imports	10.3	12.9	9.0	14.3	15.0	..
China						
Exports	10.6	18.2	15.7	17.4	4.3	8.4
Imports	7.0	-9.8	19.6	25.9	23.1	29.4
Central and Eastern Europe						
Exports	-17.1	-16.2	-35.6	0.9	-9.1	..
Imports	-17.3	-11.2	-32.5	12.4	9.4	..
Former Soviet Union						
Exports	-1.3	-4.6	-55.6	5.5	3.1	..
Imports	6.9	5.3	-64.0	-4.0	-37.8	..
World exports	7.9	13.0	-0.6	7.0	1.3	..

Source: United Nations, Monthly Bulletin of Statistics (New York, United Nations), various issues.

C. Global and regional cooperation

The year 1993 was special for international and regional cooperation. The world witnessed the signing and/or implementation of three landmark agreements: the single European market (SEM) on the first day of the year, the North American Free Trade Agreement (NAFTA) on 17 November, and—perhaps most significant—the conclusion of the Uruguay Round on 15 December after seven years of protracted and complex negotiations. The first two are discussed in this section; however, a separate chapter (III) is devoted to the Uruguay Round in view of its special importance.

Table 3. World trade in services, 1985 to 1992

	Value (millions of US dollars)						Annual rate of variation (percentage)				
	1985	1988	1989	1990	1991	1992	1985-1988	1988-1989	1989-1990	1990-1991	1991-1992
EXPORTS											
Industrial countries	594 806	993 344	1 152 428	1 399 489	1 468 149	1 552 996	18.6	16.0	21.4	4.9	5.8
Non-factor services	305 178	486 989	528 736	647 409	677 082	753 905	16.9	8.6	22.4	4.6	11.3
Factor services	289 628	506 355	623 692	752 080	791 067	799 091	20.5	23.2	20.6	5.2	1.0
Developing countries	146 363	189 586	215 170	246 145	255 569	286 934	9.3	13.5	14.4	3.8	12.3
Non-factor services	95 357	129 879	146 317	168 984	177 214	204 409	12.0	12.7	15.5	4.9	15.3
Factor services	51 006	59 707	68 853	77 161	78 355	82 525	4.0	15.3	12.1	1.6	5.3
International organizations	18 821	24 159	25 598	30 106	32 281	34 361	8.7	6.0	17.6	7.2	6.4
Non-factor services	824	1 183	1 338	1 956	1 515	1 561	12.8	13.1	46.2	-22.6	3.0
Factor services	17 997	22 976	24 260	28 150	30 766	32 800	8.5	5.6	16.0	9.3	6.6
World	759 990	1 207 089	1 393 196	1 675 741	1 755 999	1 874 292	16.4	15.4	20.3	4.8	6.7
Non-factor services[a]	401 359	618 051	676 391	818 349	855 811	959 875	15.3	9.4	21.0	4.6	12.2
Factor services[b]	358 631	589 038	716 805	857 392	900 188	914 417	17.5	21.7	19.6	5.0	1.6
IMPORTS											
Industrial countries	578 653	985 073	1 139 165	1 395 452	1 458 010	1 558 914	19.4	15.6	22.5	4.5	6.9
Non-factor services	288 383	480 101	519 145	635 211	652 246	733 335	18.5	8.1	22.4	2.7	12.4
Factor services	290 270	504 972	620 020	760 241	805 764	825 579	20.3	22.8	22.6	6.0	2.5
Developing countries	244 775	265 706	300 152	339 130	360 316	380 243	3.7	13.0	13.0	6.3	5.5
Non-factor services	141 469	154 906	178 621	207 286	229 800	243 557	4.7	15.3	16.1	10.9	6.0
Factor services	103 306	110 800	121 531	131 844	130 516	136 686	2.3	10.0	8.5	-1.0	4.7
International organizations	19 394	26 370	26 899	32 822	35 061	38 621	10.8	2.0	22.0	6.8	10.2
Non-factor services	5 639	8 315	8 540	10 701	12 843	15 332	13.8	2.7	25.3	20.0	19.4
Factor services	13 755	18 055	18 359	22 121	22 218	23 289	9.5	1.7	20.5	0.4	4.8
World	842 822	1 277 148	1 466 216	1 767 404	1 853 387	1 977 778	14.9	14.8	20.5	4.9	6.7
Non-factor services	435 491	643 321	706 306	853 198	894 889	992 223	14.1	9.8	20.8	4.9	10.9
Factor services	407 331	633 827	759 910	914 206	958 498	985 555	15.8	19.9	20.3	4.8	2.8

Source: International Monetary Fund (IMF), Balance of Payments Statistics Yearbook, vol. 44, part 2 (Washington, D.C., IMF, 1993).

a Non-factor services include shipment, other official goods and services, transportation, travel and other private goods and services.

b Factor services include direct investment income, other investment income and private transfers.

These developments have boosted global confidence regarding growth prospects and have generated a worldwide interest in regional blocs; they have also resulted in an increased number of countries seeking accession to GATT and showing a readiness to reconsider their rules and regulations to enable them to integrate themselves within the world economy.

1. NAFTA

NAFTA, encompassing Canada, Mexico and the United States, has created a trading bloc of 370 million people producing some $6,000 billion worth of goods and services a year. The immediate effect of the Agreement is the elimination of 60 per cent of existing United States and Mexican tariffs and quotas by 1 January 1994; the remainder will be phased out over the next 5 to 15 years, though tariffs could be reimposed temporarily if imports surge. There are individual specifications regarding rules of origin, automobiles, textiles and apparel, agriculture, trucking and government procurement.

Foreign investors from NAFTA member countries will generally be treated no less favourably than domestic investors, though there will be exceptions and varying phase-out periods. Mexico has agreed to open most of its petrochemical and electricity-generation sectors to United States investors, though restrictions are to continue on foreign investment in all activities related to oil and gas industries.

There are also two important "side agreements", one on the environment and the other on labour. With respect to the former, an agency is to be established to investigate environmental abuses by any of the three partners; in the latter case, an agency is to be established to investigate labour abuses if two of the three members agree. Fines or trade sanctions could be imposed under both agreements. Analysts have found it difficult to assess the eventual impact of the Agreement on members and non-members. Some of the studies undertaken in the United States projected favourable or neutral outcomes for the American economy, while others have reached mostly negative conclusions.[1]

2. The single European market

On 1 March 1994, Austria, Finland and Sweden agreed to terms for joining the European Union (EU) as of January 1995. Special terms had been negotiated by all three countries: Sweden was allowed to phase in its contributions to the EU budget; Finland was promised special aid to its farmers to compensate them for their relatively disadvantaged position—i.e., harsher weather conditions and longer delivery distances than in the rest of the EU; and Austria was allowed to continue enforcing its restrictions on heavy truck traffic on its Alpine passes until the year 2001, with an option to extend the restrictions for another three years. Later in March of 1994, the EU also agreed on terms for Norway's membership after settling the question of fishing rights.

Because agriculture is highly subsidized in these countries, one condition for their membership was their agreement to lower their food prices on 1 January 1995 to the level set by the EU Common Agricultural Policy as of that date. The EU has offered roughly $4 billion in aid to each of the new entrants to assist them in the transition process.

The 12 member countries are still encountering obstacles in their effort to abolish all controls at internal land, sea and airport borders. Excluding the United Kingdom of Great Britain and Northern Ireland, Denmark and Ireland, which exempted themselves from the objective of eliminating passport controls, the members have set and missed three deadlines following the initial one of 1 January 1993.

---

[1] United Nations, World Economic and Social Survey 1994 (New York, United Nations, 1994), pp. 76-79.

3. Latin American integration

Economic integration is making rapid strides in the Latin American region. In early 1994, Brazil launched an initiative for a South American free trade area, and Mexico signed an agreement with Costa Rica. The eventual aims of the latter include removing tariffs and most non-tariff barriers, offering national treatment to each other's investors, setting rules for intellectual property rights, and easing the movement of workers between the two countries.

Liberalization agreements are also in effect between other States in the region, i.e., Argentina and Brazil, Argentina and Paraguay, Argentina and Uruguay, Chile and Mexico, and Colombia and Venezuela. As part of this new emphasis on "open regionalism", intra-Latin American trade has swelled. In 1992, trade among the largest 11 South American economies grew by about 28 per cent and within the Andean region by 20 per cent, with Bolivia, Colombia, Ecuador and Venezuela cutting almost all their mutual tariffs to zero. In the Southern Cone Common Market (MERCOSUR), which comprises Argentina, Brazil, Paraguay and Uruguay, regional trade increased by almost 25 per cent in 1993, reaching roughly $9 billion compared with about one third that amount in 1990.

Now under discussion in the United States Congress are proposals to put all Latin American exports to the United States and Canada on a par with Mexico's. The proposals are designed to give those countries access to the NAFTA market for three years; the parity, however, might be granted to only a few of the region's exports, including textiles.[2]

---

[2] Ibid., p. 77.

II. DEVELOPMENTS IN THE EXTERNAL TRADE AND PAYMENTS SITUATION IN THE ESCWA REGION

A. Merchandise trade

1. Overall performance

Because the countries of the ESCWA region are mainly oil exporters, their external sectors are highly sensitive to exogenous factors—mainly changes in world economic activity and in the level of oil prices. Such factors often eclipse regional and domestic factors.

Oil prices collapsed in 1985, and recovery in the region's exports did not occur until 1990, when their value rose to $103.7 billion as a result of the increase in world demand for oil and in oil prices in the wake of the Gulf crisis. In 1991, as world demand for oil declined and prices returned to their pre-Gulf crisis levels, and with the withdrawal of both Iraq and Kuwait from the oil market, the region's total exports dropped to $89.8 billion. In 1992, however, as Kuwait recovered a large part of its pre-war production and export capacity and all of the other Gulf Cooperation Council (GCC) countries (apart from Bahrain) increased their exports, the value of exports from the region rose by about $10 billion to $99.1 billion, despite the sanctions against Iraq and the decline in other ESCWA member countries' exports (annex table 2).

In 1992, aggregate imports into the region amounted to $87.1 billion, their highest level since 1985, propelled by reconstruction activity in Kuwait, buoyant economic conditions in other GCC countries (especially Saudi Arabia), the restructuring programmes in Egypt and Jordan with their attendant gradual liberalization of imports, the high level of public investments in the Syrian Arab Republic (which has been generating higher demand for imports of capital goods and equipment), and the beginning of reconstruction in Lebanon.

Tentative, preliminary data for 1993 indicated a decline in the region's total exports despite the recovery in Kuwait's oil exports. The explanation was mainly linked to lower oil prices (the average decline was from $18.4 per barrel in 1992 to $16.3 per barrel in 1993) and the slump in world oil demand. Export performance by other ESCWA member countries in 1993 was not expected to differ significantly from 1992. Imports were also expected to be lower—mainly because of the decline in imports in most GCC countries,[3] while the liberalization of trade in other ESCWA member countries was not expected to generate a higher level of imports than in 1992.

(a) Exports

The aggregate dollar value of exports from the ESCWA region (excluding Iraq) increased by 10.3 per cent in 1992 to $99.1 billion. This was a significant improvement over 1991, when exports declined by 12.4 per cent, but still short of the level ($103.7 billion) attained in 1990—the highest since 1983 (table 4 and annex table 2). The improvement was entirely attributable to the GCC countries, whose total exports rose by 12 per cent, i.e., from around $81 billion to $90.7 billion. Apart from Bahrain, where the value of exports dropped by 5 per cent, the exports of all GCC countries recorded increases. The rate of increase in Kuwait's exports was exceptionally high as the country recovered a large part of its pre-Gulf crisis oil

[3] A number of foreign companies reported a significant decline in demand among these countries.

production level,[4] with the value of total exports increasing more than twelvefold from $0.5 billion to $6.7 billion. The rate of increase in the remaining four GCC countries ranged between 4 and 11.4 per cent (in Saudi Arabia and Oman, respectively). The increase recorded by Saudi Arabia was for the third year running, as its oil exports continued to rise to make up for the complete absence of Iraq and the partial absence of Kuwait from the world oil market. The increase in oil exports more than made up for the decline in Saudi Arabia's non-oil exports from $4.1 billion in 1991 to $3.2 billion in 1992.[5]

Other ESCWA member countries, including the Republic of Yemen (the region's least developed country), recorded an overall decline of 5.3 per cent in 1992, with the aggregate dollar value of their exports dropping from $8.9 billion to $8.4 billion. This mainly reflected a 15.1 per cent drop in Egypt's exports following a rise of 40.1 per cent in 1991, and declines of a lesser extent in the Republic of Yemen (6.1 per cent) and the Syrian Arab Republic (1.6 per cent). In contrast, Lebanon and Jordan recorded increases of 14.1 and 7.8 per cent, respectively.

Two factors contributed to the drop in Egypt's exports: the decline in cotton exports, as 20 countries are reported to have refused to enter into contracts to buy Egyptian cotton in 1992; and the decline in oil exports.[6] The drop in Syrian exports resulted from the decline in oil and cotton prices; the later fell from $1.7 to $0.98 per kilogram, thus offsetting the positive effect of the increases in output and productivity.[7] Jordan's exports recorded another increase (7.8 per cent), from $1.1 billion to $1.2 billion, having declined by 3.2 per cent in 1990. The increase resulted from higher domestic exports and re-exports. Among the former, the increase in the value of exports of consumer and capital goods by $55.1 million and $5.3 million, respectively, more than compensated for the decline in exports of raw materials by $25.4 million. The increase in the value of re-exports by $23.6 million also resulted from the increase in both consumer and capital goods exports, while re-exports of raw materials declined.[8]

The exports of the Republic of Yemen continued their declining trend, which started in 1990 following a peak in 1989. After declining by 7 per cent, from $763 million in 1989 to $711 million in 1990, a further and sharp drop of 28.8 per cent was recorded in 1991. This brought the country's total exports down to $506 million. In 1992, total exports declined further to $475 million, or by 6.1 per cent.

(b) Imports

The total imports of the region (excluding Iraq) increased significantly, with their dollar value rising from $74.6 billion in 1991 to $87.1 billion in 1992, or by 16.8 per cent, to record their highest level since 1985 (table 4 and annex table 2). While all ESCWA member countries participated in the increase, the GCC countries where responsible for most of it, as their imports rose from $55.4 billion to $65.2 billion.

---

[4] Kuwait's production of crude oil rose from an average of 0.193 million barrels per day (mbd) in 1991 to 1.1 mbd in 1992, i.e., to 44 per cent of its pre-crisis capacity (Al-Hayat newspaper [in Arabic], 4 April 1994).

[5] Organization of Petroleum Exporting Countries, Annual Statistical Bulletin, 1992, tables 4 and 5, pp. 5-6.

[6] Al-Hayat newspaper (in Arabic), 10 May 1993 and 29 August 1993.

[7] Al-Hayat newspaper (in Arabic), 2 March 1993.

[8] Central Bank of Jordan, Monthly Statistical Bulletin, vol. 29, No. 12 (December 1993), table 36, p. 58.

Table 4. ESCWA region: average annual variation in export and import values

(Percentage)[a]

	Exports (f.o.b)					Imports (c.i.f)				
	1985-1988	1988-1989	1989-1990	1990-1991	1991-1992	1985-1988	1988-1989	1989-1990	1990-1991	1991-1992
ESCWA region	-5.3	30.5	15.8	-12.4	10.3	-0.3	-0.02	3.6	6.4	16.8
Major oil exporters[b]	-6.0	29.7	16.2	-13.6	12.0	-1.4	4.6	-0.6	7.4	17.8
Iraq	1.0	32.1	-34.9	..	..	-2.1	7.4	-5.4	..	..
GCC countries	-7.3	29.2	27.4	-3.8	12.0	-1.3	4.2	5.2	19.2	17.8
Bahrain	-5.9	17.4	32.7	-9.4	-5.0	-5.8	20.9	18.4	9.4	1.6
Kuwait	-9.5	47.8	-39.4	-92.4	1 067.1	-2.5	4.3	-37.8	94.2	18.5
Oman	-13.1	20.4	32.6	-6.5	11.4	-11.3	2.4	18.9	19.1	18.0
Qatar	-4.8	24.7	40.0	6.4	6.9	3.6	4.7	16.9	11.0	1.3
Saudi Arabia	-4.8	19.5	56.6	9.9	4.0	-2.7	-2.9	13.8	13.8	16.3
United Arab Emirates	-6.0	41.6	26.7	-8.0	4.3	9.2	17.5	11.9	13.2	28.0
Other ESCWA member countries	3.8	39.3	12.6	-0.3	-5.3	3.0	-12.7	17.2	3.6	14.0
Egypt	4.9	21.0	0.7	40.1	-15.1	16.4	-14.1	23.8	-15.6	7.8
Jordan	9.5	6.0	-3.2	6.5	7.8	0.7	-23.4	22.0	-3.5	29.7
Lebanon	16.2	-23.1	2.5	-1.2	14.1	5.2	-6.0	13.9	45.4	11.5
Syrian Arab Republic	-6.3	123.7	35.0	-22.6	-1.6	-17.5	-6.0	20.5	24.7	10.8
The region's least developed country:										
Republic of Yemen										
Yemen	9.4	38.2	-6.8	-28.8	-6.1	-4.2	-2.4	-18.6	25.6	27.8
Democratic Yemen	63.5	37.7	-16.5	..	..	-5.3	1.2	-14.8	..	..
	-36.5	39.5	48.7	..	..	-1.6	-10.4	-27.6	..	..

Source: ESCWA, compiled from national and international sources.

a Compound rates of growth, based on terminal years.

b GCC countries plus Iraq.

The boom in private-sector activity continued to generate strong demand for imports in most GCC countries. In Bahrain and Qatar imports grew only marginally, by 1.6 and 1.3 per cent, respectively; however, imports rose sharply in the other four GCC States, led by the United Arab Emirates with 28 per cent—more than double its previous year's rate of 13.2 per cent. Kuwait's imports rose by 18.5 per cent, following their sharp rise of 94.2 per cent in 1991, to meet reconstruction requirements and reconstitute depleted stocks. Consequently, the country's imports exceeded pre-invasion levels, recording $7.5 billion, the highest level since 1985. Oman also increased its imports by 18 per cent with their value rising from $3.2 billion to $3.8 billion. Saudi Arabia's imports rose by 16.3 per cent, having increased by 13.8 per cent in each of 1990 and 1991. Consequently, the Kingdom continued to dominate the region's import trade, accounting for 36.6 per cent of the total, while the combined value of its exports and imports accounted for 44.5 per cent of the region's total trade, followed by the United Arab Emirates with a 20 per cent share.

The other ESCWA member countries as a group increased their imports from $19.2 billion in 1991 to $21.9 billion in 1992, or by 14 per cent. Jordan achieved the highest rate of expansion (29.7 per cent) following a decline of 3.5 per cent in the year before, with total imports rising from $2.5 billion to $3.3 billion—partially as a result of the implementation of the economic reform programme agreed upon with the International Monetary Fund (IMF), in which liberalization of imports is an important component. In Lebanon, as reconstruction and rehabilitation efforts picked up momentum and stabilization deepened, imports recorded another increase for the fourth year running; however, the rate of increase in 1992 (11.5 per cent) was only one fourth that of the year before (45.4 per cent), with total imports increasing from $3.7 billion to $4.2 billion. The Syrian Arab Republic increased its imports for the third year running, but the rate of increase dropped from an average of 22.6 per cent in 1990 and 1991 to 10.8 per cent in 1992, with total imports rising from $3.1 billion to $3.5 billion. This increase was attributed to the economic boom the Syrian's have been experiencing since the implementation of investment Law No.10/1991 and the large public investments in the areas of telephones/communications and sewage systems, both of which have increased the demand for imports of capital goods.[9] In Egypt, after a decline of 15.6 per cent in 1991, imports rose by 7.8 per cent in 1992 as their dollar value increased from $7.8 billion to $8.4 billion. The lifting of restrictions on the import of 94 items in October 1992—one of the requirements of the IMF economic reform and restructuring programme—helped to bring about the increase.[10]

The Republic of Yemen recorded a relatively large increase in imports for the second year running, as the 1992 figure rose from $2 billion to $2.6 billion, or by 30 per cent.

2. Export/import ratios

The region's ability to finance imports from export proceeds, as reflected in the export/import ratio, declined further in 1992. The ratio dropped in terms of current imports from 1.44 in 1990 to 1.21 in 1991, and further to 1.14 in 1992 (table 5). This decline reflected faster growth in imports relative to exports. In terms of 1989 imports, the ratio dropped from 1.54 in 1990 (its highest level since 1985) to 1.33 in 1991, before recovering to 1.47 in 1992. Both the GCC countries and other ESCWA member countries shared these developments, though the decline in the 1992 ratio was much higher in the latter (15.2 per cent) than in the former (4.8 per cent).[11] The GCC countries' export/import ratio declined in terms of current imports from 1.47 to 1.39, but increased in terms of 1989 imports from 1.84 to 2.06. In other ESCWA member

---

[9] Al-Hayat newspaper (in Arabic), 2 March 1993.

[10] Al-Hayat newspaper (in Arabic), 31 October 1992.

[11] While both exports and imports of the GCC countries increased, the latter rose at a higher rate than the former. In the other ESCWA member countries as a group, exports declined by 5.3 per cent while imports increased by 14 per cent.

countries the export/import ratio dropped in terms of both current and 1989 imports, from 0.47 to 0.39 and from 0.57 to 0.54, respectively.

Table 5. ESCWA region: export/import ratios, 1989 to 1992

(Current and 1989 imports)

	1989	1990	1991	1992
ESCWA region				
Current imports	1.31	1.44	1.21	1.14
1989 imports	1.31	1.54	1.33	1.47
GCC countries				
Current imports	1.50	1.84	1.47	1.39
1989 imports	1.50	1.26	1.84	2.06
Other ESCWA member countries*				
Current imports	0.50	0.49	0.47	0.39
1989 imports	0.50	0.57	0.57	0.54

Source: Annex table 2 of the present report.

* Non-oil-exporting diversified economies plus the region's least developed country (the Republic of Yemen).

B. Direction of trade[12]

1. Aggregate trade

In 1993, as in 1992, no significant changes were apparent in the overall distribution of exports from the region. The developed market economies maintained their combined lead as the region's major export outlet; however, having peaked in 1991 at 54 per cent, their share declined in 1993 to 48.5 per cent (table 6). The other developing countries, whose share had been on the rise since 1990, consolidated their position further in 1993, absorbing 26.8 per cent of the region's exports, compared with an average of 23 per cent in 1991 and 1992. Intraregional exports, having peaked at an average of 11.6 per cent in 1988 and 1989, dropped to 10.4 per cent in 1990 and further to 9 per cent in 1991 as a result of the situation which prevailed in the wake of the Gulf crisis and war. In 1992, the share of intraregional exports was back at its 1990 level (10.4 per cent), but dropped slightly to 10.1 per cent in 1993. Because of the political and economic problems confronting the countries in transition (the former centrally planned economies, including Eastern Europe and the former Soviet Union) their importance as markets for the region continued to decline. After recording their highest level (2.9 per cent) in 1989 and 1990, their share in total exports declined, reaching 0.8 per cent in 1993. The share of China as a market for the region's exports continued to be marginal, but rose from 0.1 per cent in 1985 to an average of 0.6 per cent from 1991 to 1993.

[12] The data used in this section are derived from statistics reported by the International Monetary Fund (IMF) in its Direction of Trade Statistics Yearbook, 1993, and Direction of Trade Statistics Monthly Bulletin (December 1993). The data may differ in some significant respects from data used in other sections and derived from national and international sources. Moreover, data for 1993 are partial and preliminary.

Table 6. ESCWA region: direction of trade, selected years

(Percentage share)

	Exports (f.o.b.)							Imports (c.i.f.)						
	1985	1988	1989	1990	1991	1992	1993	1985	1988	1989	1990	1991	1992	1993
ESCWA region	7.7	11.7	11.4	10.4	9.0	10.4	10.1	8.6	9.2	10.4	10.4	7.7	6.0	6.9
Other developing countries	23.1	23.9	21.7	22.8	23.0	23.0	26.8	11.6	14.1	13.0	12.6	15.3	14.6	17.3
Asia (excluding ESCWA member countries)	15.7	17.6	16.2	17.3	18.9	19.1	22.6	8.3	11.2	10.2	10.0	13.1	12.2	14.7
Africa (excluding North Africa)	1.6	1.5	1.4	1.7	1.6	1.5	1.6	0.6	0.6	0.5	0.7	0.7	0.5	1.8
North Africa (excluding Egypt)	0.6	0.9	0.7	0.8	0.7	0.7	0.7	0.5	0.3	0.3	0.4	0.3	0.3	0.5
Latin America	5.1	3.8	3.4	3.0	1.8	1.7	1.9	2.1	2.0	2.1	1.5	1.2	1.6	0.3
Developed market economies	55.0	49.9	50.8	52.0	54.0	53.6	48.5	61.5	56.9	57.5	57.8	60.7	63.6	62.0
European Communities (EC)	26.5	19.8	18.6	16.8	18.3	18.7	17.2	35.0	33.1	33.4	31.6	34.0	35.2	34.8
United States of America	4.3	12.1	14.1	15.0	12.4	11.9	11.0	11.0	12.3	13.6	11.5	15.9	16.8	16.0
Japan	24.2	18.1	18.1	20.2	23.3	23.0	20.3	15.5	11.5	10.6	14.7	10.8	11.6	11.2
Former centrally planned economies: Eastern Europe and the former Soviet Union	1.8	1.9	2.5	2.4	1.5	1.5	0.8	3.7	3.8	2.6	1.9	1.4	1.2	1.5
China	0.1	0.5	0.4	0.3	0.6	0.7	0.5	1.1	1.7	1.8	2.0	1.5	1.7	2.0
Rest of the world	13.2	12.8	13.2	12.1	11.9	10.8	13.3	13.5	14.2	14.5	15.3	13.4	12.9	10.3
World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Annex tables 3 and 4 of the present report.

Notes: Data for 1993 are for January through October only, as available in international sources. Totals may not add precisely because of rounding.

At a more disaggregated level, the individual developed market economies experienced both increases and decreases. Japan, which became the region's main export partner (mainly for oil) in 1990, with a share of 20.2 per cent, consolidated its position further in 1991 and 1992, absorbing about 23 per cent of all exports; however, its share fell back to 20.3 per cent in 1993 due to economic recession. The European Communities (EC) came next, though their share declined from 18.7 per cent in 1992 to 17.2 per cent in 1993. The share of the United States dropped as well, from 11.9 per cent in 1992 to 11 per cent in 1993, following a peak of 15 per cent in 1990.

Among developing regions, Asia (excluding the ESCWA member countries) continued to take the lead because of its increasing reliance on oil from the Gulf to feed its booming economies. Its share, apart from 1989, rose steadily from 15.7 per cent in 1985 to 19.1 per cent in 1992, and to 22.6 per cent in 1993.

Exports to other developing regions continued to be minimal, with only minor changes since 1985; one exception was Latin America's share, which declined sharply between 1985 (5.1 per cent) and 1992 (1.9 per cent) as the region went through a severe recession following the debt crisis.

As was the case with exports, no significant changes were evident in the overall geographical distribution of the region's imports. Developed market economies remained the region's main supplier, although their share dropped slightly from 63.6 per cent in 1992 to 62 per cent in 1993. More complete data for 1993 might show a lower share, as many American, European and Japanese companies reported declines in their exports to the region, especially to the Gulf States after the peak of the immediate post-Gulf-war boom. Other developing countries (mainly those in Asia, excluding ESCWA member countries) have been assuming greater importance as suppliers to the region. Their share increased from an average of 13.3 per cent between 1988 and 1990 to 15.3 per cent in 1991 and 17.3 per cent in 1993 (the highest since 1985). Intraregional imports remained depressed, with their share much below the 1989 to 1990 average of 10.4 per cent. The share of the former centrally-planned economies (Eastern Europe and the former Soviet Union), which started to decline after 1989 as a result of the economic and financial difficulties associated with the transition process, reached its lowest level, 1.2 per cent, in 1992, but recovered slightly to 1.5 per cent in 1993.

Among the developed market economies, the European Communities (EC) maintained its lead with a share of close to 34.8 per cent. The United States continued to consolidate the position it achieved after the Gulf war, when its share in total imports increased from 11.5 per cent in 1990 to 15.9 per cent in 1991 and then to 16.8 per cent in 1992, before declining slightly to 16 per cent in 1993. The appreciation of the Yen seems to have negatively affected imports from Japan, as its share dropped from 14.7 per cent in 1990 to 10.8 per cent in 1991 before recovering slightly to 11.6 and 11.2 per cent in 1992 and 1993, respectively.

Among other developing countries, Asian (excluding ESCWA) countries have been supplying a rising share of the region's imports. Their share increased from an average of 8.3 per cent between 1988 and 1990 to 13.1 per cent in 1991 and 14.7 per cent in 1993. The share of African countries (excluding North Africa), which averaged around 0.6 per cent from 1989 to 1992, trebled to 1.8 per cent in 1993. The North African countries maintained a minimal share, not exceeding 0.5 per cent, while the share of Latin American countries continued to fall, reaching its lowest level (0.3 per cent) in 1993, compared with 1.6 per cent in 1992.

2. Intraregional trade

Following its decline to 9 per cent in 1991, the share of intraregional exports in total exports rose to 10.4 per cent in 1992 then fell slightly to 10 per cent in 1993 (table 7), but remained lower than the pre-Gulf crisis average of 11.2 per cent. The decline in the relative importance of intraregional trade in some GCC countries (Oman, Qatar and the United Arab Emirates) exceeded the small improvements recorded by Saudi Arabia and Bahrain; consequently, the share of the group (excluding Kuwait) declined from 10 to 9.5 per cent. In the other ESCWA member countries (excluding the Republic of Yemen, due to lack of data), the share of intraregional exports rose from 14.3 to 15.1 per cent. The improvement was mainly achieved by the Syrian Arab Republic, where the share of intraregional exports increased from about 20 to 25.5 per cent, compared with only 3.4 per cent in 1985 and an average of 14.3 per cent during the period 1988 to 1990. Lebanon also achieved a slight improvement in its already very significant share, from 51.4 to 52.9 per cent, while the share of both Egypt and Jordan dropped slightly.

Intraregional imports increased from 6 per cent of the total in 1992 to 6.9 per cent in 1993, but remained much lower than the immediate pre-Gulf crisis period average of more than 10 per cent. Both the GCC countries (excluding Kuwait and Oman, due to lack of data) and other ESCWA member countries contributed to the overall increase. The share of intraregional imports in the GCC group rose from 6.5 to 7.2 per cent, mainly reflecting the increase in the share of Bahrain's intraregional imports from 35.3 to 46.8 per cent, and a slight rise in Saudi Arabia's share from 2.8 to 3.1 per cent; the share of the United Arab Emirates, on the other hand, declined from 8.5 to 6.8 per cent. The share of other ESCWA member countries (excluding the Republic of Yemen, due to lack of data) rose from 4.3 to 6.2 per cent. All members of the group participated in the increase except Jordan, where the reported share of intraregional imports dropped from 8.4 to 6.9 per cent, compared with 20 per cent in 1991 and an average of 25.9 per cent between 1988 and 1990.[13] In the case of Lebanon, intraregional imports rose from 12.8 to 22 per cent of the total; in the Syrian Arab Republic from 3.4 to 4.5 per cent; and in Egypt from 1.4 to 1.5 per cent.

The ESCWA member States' participation in intraregional trade in 1993 followed the pattern of previous years: the major oil exporters (GCC countries plus Iraq) remained dominant, with a more than four-fifths share of intraregional exports (table 8). This share, however, fell somewhat after the mid-1980s, from 87.6 per cent in 1985 to an average of 86.4 per cent between 1988 and 1990 and to 83.7 per cent in 1991 and 1992. The GCC countries (excluding Kuwait) increased their participation from 80 per cent in 1992 to 83.2 per cent in 1993. Saudi Arabia's contribution rose from 35.1 to 37.8 per cent, while the other GCC countries' participation remained virtually unchanged. The participation of other ESCWA member countries (excluding the Republic of Yemen) increased slightly from 16.3 to 16.8 per cent, compared with 16.5 per cent in 1991 and an average of 13.6 per cent from 1988 to 1990. The entire increase, however, was accounted for by the Syrian Arab Republic.

The dominant position of the major oil exporters, mainly the GCC countries, was also evident in intraregional imports. After a reported drop to 70.2 per cent in 1991 (from 80.2 per cent in 1989 and 76.2 per cent in 1990) as the result of a sharp decline in Iraq's participation because of the Gulf crisis, the share of this group (excluding Iraq) rose again, to 74.1 per cent in 1992 and 75.1 per cent in 1993. All GCC countries (excluding Kuwait and Oman, due to lack of data) participated in the increase; however, the largest expansion, from 23 to 31.9 per cent, was reported for Bahrain.

The share of other ESCWA member countries (excluding the Republic of Yemen) declined slightly, from 25.9 per cent in 1992 to 24.9 per cent in 1993 (table 8), on account of the reported decline in Jordan's share from 8.1 to 3.5 per cent. The share of Lebanon rose from 7.5 to 15.5 per cent, and small improvements were recorded in the case of Egypt and the Syrian Arab Republic.

[13] It should be noted that the figures reported by the IMF for 1991 and 1992 exclude Jordan's imports of oil and oil products from Iraq, which amounted to $427 million in 1992 and $403 million in the first 11 months of 1993 (table 7).

Table 7. ESCWA region: share of intraregional trade in total trade, 1985 and 1988 to 1993

(Percentage)

	Exports (f.o.b.)							Imports (c.i.f.)						
	1985	1988	1989	1990	1991	1992	1993[a]	1985	1988	1989	1990	1991	1992	1993[a]
ESCWA REGION	7.7	11.7	11.4	10.4	9.0	10.4	10.0	8.6	9.2	10.4	10.4	7.7	6.0	6.9
Major oil exporters	7.2	11.1	10.9	9.9	8.4	10.0	9.5	8.5	9.5	10.8	10.7	7.1	6.5	7.2
Iraq	2.6	5.2	4.4	44.8	88.2	..	..	5.8	7.7	8.9	8.0	..	..	..
GCC countries	7.8	12.1	12.1	10.5	8.1	10.0	9.5	9.1	9.9	10.8	10.8	7.0	6.5	7.2
Bahrain	26.8	26.8	26.7	20.2	18.7	21.6	25.1	48.9	48.9	48.8	45.4	43.9	35.3	46.8
Kuwait	10.2	7.4	6.5	5.9	10.2	..	..	5.2	13.3	12.7	13.2	0.6	..	..
Oman	—	57.3	67.0	61.3	36.6	33.7	33.3	22.9	23.3	28.0	26.7	21.9	21.1	..
Qatar	3.1	9.8	9.0	6.5	6.1	6.5	6.4	5.5	9.4	11.2	11.9	10.3	12.8	12.7
Saudi Arabia	8.1	8.4	8.8	9.2	5.8	7.3	7.8	3.3	4.1	4.6	3.8	2.4	2.8	3.1
United Arab Emirates	6.1	6.2	5.3	4.1	3.5	8.3	5.4	8.5	6.6	7.7	8.0	5.4	8.5	6.8
Other ESCWA member countries	15.5	18.2	16.1	15.7	14.8	14.3	14.5	9.1	8.4	9.1	9.5	9.6	4.3	6.2
Egypt														
Jordan	4.5	8.5	8.7	6.4	6.8	5.3	5.1	2.2	2.0	1.6	1.4	2.9	1.4	1.5
Lebanon	48.2	33.6	34.9	40.2	24.8	18.0	12.4	25.4	25.1	27.5	25.1	20.0	8.4[b]	6.9[b]
Syrian Arab Republic	63.5	55.9	51.1	48.3	42.9	51.4	53.0	7.8	7.2	12.1	16.6	14.7	12.8	22.0
	3.4	11.0	14.8	17.0	19.9	19.9	24.4	3.7	4.1	4.7	4.9	3.8	3.4	4.5
The region's least developed country														
Republic of Yemen	10.9	6.9	4.2	2.8	6.0	..	..	17.3	17.9	17.0	20.4	20.1	..	..
(a) People's Democratic Republic of Yemen	2.6	9.6	6.3	3.3	6.5	..	..	29.2	11.0	20.2	25.1	35.3	..	..
(b) Yemen Arab Republic	43.0	6.0	3.7	2.8	5.9	..	..	10.6	21.3	15.0	18.2	15.3	..	..

Source: Annex tables 3 and 4 of the present report.

Notes: Totals may not add precisely because of rounding.

a Data for 1993 are from January to October only, as available in international sources.

b The calculations exclude Jordan's import from Iraq of oil and oil products, which amounted to $427 million in 1992 and $403 million in the first 11 months of 1993 (Central Bank of Jordan, Monthly Statistical Bulletin, various issues).

This picture, dominated as it is by the major oil exporters, will continue as long as oil remains the main tradable commodity in the region and as long as re-exports (especially in the trade of the GCC States) remain important.

The general weakness in trade links that has characterized intraregional trade relations was more in evidence in 1992. In virtually all ESCWA member countries, at least three fourths of intraregional exports were directed towards the first three partners, and in two countries only one partner was involved (table 9).

The weighted average of the share of the first, second and third leading trading partners in intraregional exports increased significantly between 1989 and 1992, rising from 57.1 to 63.2 per cent, from 74.3 to 80 per cent, and from 82.3 to 90.6 per cent, respectively.

These developments mainly reflect changes in the geographic pattern of intraregional trade following the Gulf crisis. In two countries, Iraq and Yemen, exports to the region went to one country; and more than 90 per cent of Oman's exports went to its leading market in the region.

The increase in the degree of geographical concentration was also evident in intraregional imports. The cumulative share of the first, second and third partners increased between 1989 and 1992 from 54.4 to 69.6 per cent, from 70 to 80.1 per cent, and from 75.6 to 87.2 per cent, respectively. Nine out of the 12 countries experienced greater concentration of their intraregional imports—most notable among these were Iraq and Kuwait, though Egypt, Lebanon, Qatar and the United Arab Emirates deserve mention as well.

C. Trade in services

1. Overall performance[14]

World exports of non-factor services (shipment, other transportation, travel, other official services and other private services) increased from $676.4 billion in 1989 to $960 billion in 1992, or by 42 per cent; However, the relative position of Western Asia and the major contributors (developed market economies and other developing countries) remained almost the same (table 10). Developed market economies increased their share slightly from 78.2 to 78.5 per cent. Western Asia maintained its share at 1.7 per cent, while other developing countries reported a slight decline from 19.9 to 19.6 per cent. As for the main components of non-factor services, changes in their relative importance between 1989 and 1992 were marginal. For Western Asia, however, the shares of shipment and other official services declined, while other items reported marginal increases.

World exports of factor services (direct investment income, other investment income and private transfers) increased from $716.8 billion to $914.4 billion, i.e., by 27.3 per cent, during the same period; however, the percentage share of Western Asia, already small, went down by almost 50 per cent, from 2.9 to 1.5 per cent. The decline in other investment income resulted from the liquidation of a large part of Kuwaiti and Saudi Arabian investments abroad to meet financial obligations associated with the Gulf war. The share of other developing countries increased from 6.7 to 7.5 per cent, and that of developed market economies from 87 to 87.4 per cent.

[14] Due to the lack of data, only eight countries are covered: Bahrain, Egypt, Jordan, Kuwait, Oman, the Republic of Yemen, Saudi Arabia and the Syrian Arab Republic.

Table 8. ESCWA region: participation in intraregional trade, 1985 and 1988 to 1993

(Percentage)

	Exports (f.o.b.)							Imports (c.i.f.)						
	1985	1988	1989	1990	1991	1992	1993[a]	1985	1988	1989	1990	1991	1992	1993[a]
Major oil exporters[b]	87.6	86.8	86.3	86.2	83.5	83.8	83.2	75.7	76.5	80.2	76.2	70.2	74.1	75.1
Iraq	4.4	6.1	5.5	4.4	2.9	3.7	..	10.1	11.2	14.6	10.4	1.8	1.4	..
GCC countries	83.2	80.7	80.8	81.8	80.6	80.0	83.2	65.6	65.3	65.7	65.8	68.4	72.8	75.1
Bahrain	12.4	7.7	7.4	5.2	6.5	6.3	6.9	25.4	20.2	20.0	22.7	27.3	23.0	31.9
Kuwait	18.1	7.5	7.2	4.3	0.5	0.1	..	5.3	12.9	11.3	7.0	0.4	0.7	..
Oman	..	28.2	29.6	25.2	29.1	23.8	23.4	11.9	7.9	8.8	9.5	11.3	14.6	..
Qatar	1.9	2.5	2.3	1.9	2.2	2.0	2.0	1.0	1.8	2.1	2.6	3.0	2.9	3.6
Saudi Arabia	36.8	24.3	24.8	36.5	33.0	35.1	37.8	13.0	13.7	13.4	11.9	12.9	13.4	17.0
United Arab Emirates	14.0	10.5	9.4	8.7	9.4	12.7	13.1	9.1	8.7	10.3	12.0	13.5	18.2	22.5
Other ESCWA member countries	12.4	13.2	13.7	13.8	16.5	16.3	16.8	24.3	23.5	19.8	23.8	29.8	25.9	24.9
Egypt	1.4	2.2	2.2	1.5	2.9	2.7	2.6	2.0	2.7	1.7	1.7	3.7	2.7	3.2
Jordan	5.4	4.2	3.9	3.3	2.4	3.3	1.9	11.4	10.9	8.2	8.5	7.8	8.1[c]	3.5[c]
Lebanon	4.2	4.3	2.5	2.1	2.3	2.9	3.0	2.6	2.7	3.8	5.6	8.6	7.5	15.5
Syrian Arab Republic	0.8	1.8	4.5	6.4	8.1	7.0	9.3	2.3	1.4	1.4	1.5	1.7	1.8	2.7
The region's least developed country	0.6	0.7	0.5	0.4	0.8	0.4	..	5.8	5.8	4.8	6.5	8.0	5.8	..
Republic of Yemen														
(a) Democratic Yemen	0.1	0.2	0.1	0.1	0.1	0.4	..	3.6	1.2	2.2	2.6	3.3	3.6	..
(b) Yemen Arab Republic	0.5	0.5	0.4	0.3	0.7	0.1	..	2.2	4.6	2.6	3.9	4.7	2.3	..
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled by the ESCWA secretariat on the basis of data provided in the International Monetary Fund, Direction of Trade Statistics Yearbook, (Washington, D.C., IMF, 1993).

Notes: Total may not add precisely because of rounding.

a Data for 1993 are for January through October only, as available in international sources.

b GCC countries plus Iraq.

c The calculations exclude Jordan's imports from Iraq of oil and oil products, which amounted to $427 million in 1992 and $403 million in the first 11 months of 1993 (Central Bank of Jordan, Monthly Statistical Bulletin, various issues).

Table 9. ESCWA region: cumulative share of leading intraregional trading partners,* 1992 compared to 1989

(Percentage)

	Export trading partners						Import trading partners					
	1989			1992			1989			1992		
	First	Second	Third	First	Second	Third	First	Second	Third	First	Second	Third
Bahrain	71.2	81.9	85.8	71.4	86.4	92.0	96.6	98.7	99.3	95.2	97.1	98.3
Egypt	33.9	61.9	73.9	44.4	62.1	75.0	36.9	57.2	74.6	69.7	79.0	85.5
Iraq	62.7	82.7	90.6	100.0	—	—	37.9	58.6	74.6	100.0	—	—
Jordan	54.7	75.6	82.6	31.6	61.0	72.8	63.5	73.7	82.9	67.0	75.9	84.4
Kuwait	54.3	71.4	76.7	57.1	85.7	100.0	35.1	49.8	62.0	98.2	100.0	0.0
Lebanon	35.1	58.5	77.9	40.4	60.0	73.4	53.6	70.6	78.4	79.4	84.6	92.7
Oman	72.8	86.4	90.1	93.3	96.8	98.5	86.5	93.7	95.7	89.6	96.0	98.4
Qatar	39.3	68.6	89.0	60.1	86.3	91.1	42.1	69.4	76.5	34.3	67.1	78.0
Saudi Arabia	46.2	64.3	74.9	43.1	67.6	90.3	14.6	28.5	41.8	22.0	40.9	55.9
Syrian Arab Republic	40.3	70.4	81.8	58.5	82.0	88.4	38.3	75.1	86.2	28.6	56.9	83.2
United Arab Emirates	53.2	66.8	76.4	71.2	87.1	92.6	40.3	53.4	66.4	68.5	79.5	89.3
Yemen Arab Republic	55.5	85.4	94.6	35.43	66.84	77.9	69.8	79.6	87.3	35.0	69.1	78.4
People's Democratic Republic of Yemen	49.6	79.1	90.6	100.0	0.0	0.0	47.0	65.6	77.6	53.5	76.6	91.0
Region (weighted average)	57.1	74.3	82.3	63.2	80.0	90.6	54.4	70.0	75.6	69.5	80.1	87.2

Source: ESCWA secretariat compilations based on data provided in the International Monetary Fund, Direction of Trade Statistics Yearbook (1992) and Direction of Trade Quarterly Bulletin (December 1993) (Washington, D.C., IMF).

* Calculated as the sum total of each country's cumulative trade with its first, second and third trading partners, respectively, divided by the total intraregional trade of the countries listed in the table.

Table 10. Position of Western Asia in world services transactions, 1989 and 1992

(Percentage share)

	Western Asia region*		Other developing countries		Developed-market economies		International organizations		World (US$ 1 million=100%)	
	1989	1992	1989	1992	1989	1992	1989	1992	1989	1992
A. Credit										
1. Non-factor services	1.7	1.7	19.9	19.6	78.2	78.5	0.2	0.2	676 391	959 875
Shipment	0.7	0.5	23.1	22.3	76.2	77.2	0.0	0.0	84 319	106 509
Other transportation	3.1	3.2	18.2	19.6	78.6	77.2	0.0	0.0	111 990	145 979
Travel	1.1	1.3	25.2	23.6	73.7	75.1	0.0	0.0	202 844	282 343
Other official services	2.7	2.0	14.5	13.4	80.0	81.5	2.8	3.1	46 899	54 337
Other private services	1.8	1.7	16.0	16.7	82.2	81.6	0.0	0.0	230 338	370 797
2. Factor services	2.9	1.5	6.7	7.5	87.0	87.4	3.4	3.6	716 805	914 416
Direct investment income	0.2	0.3	1.9	4.2	97.9	95.5	0.0	0.0	113 999	109 625
Other investment income	3.7	1.8	7.1	7.4	84.9	86.4	4.3	4.4	562 974	748 485
Private transfers	0.0	0.0	14.7	14.6	85.3	85.3	0.0	0.0	39 832	56 306
B. Debit										
1. Non-factor services	4.4	4.2	20.9	20.4	73.5	73.9	1.2	1.5	706 306	992 223
Shipment	4.5	4.5	33.4	34.3	62.2	61.2	0.0	0.0	118 091	151 738
Other transportation	0.9	0.9	20.6	20.9	78.4	78.2	0.0	0.0	114 973	148 710
Travel	1.6	1.2	16.3	17.9	82.1	80.9	0.0	0.0	202 595	282 539
Other official services	20.6	23.8	15.7	11.6	49.3	42.9	14.4	21.7	59 693	70 678
Other private services	4.5	4.5	19.8	17.2	75.7	78.3	0.0	0.0	210 954	338 558
2. Factor services	0.7	0.8	15.3	13.1	81.6	83.8	2.4	2.3	759 910	985 555
Direct investment income	1.5	2.7	24.5	30.8	74.0	66.5	0.0	0.0	74 966	72 355
Other investment income	0.6	0.6	14.5	11.7	82.0	85.0	2.9	2.7	639 760	851 144
Private transfers	1.2	1.3	10.6	11.4	88.2	87.3	0.0	0.0	45 184	62 056

Source: Compiled by the ESCWA secretariat on the basis of data given in the International Monetary Fund, Balance of Payments Statistics Yearbook, vol. 44, part 2 (1993).

* Covers 8 (out of 12) countries for which data were reported, namely, Bahrain, Egypt, Jordan, Kuwait, Oman, the Republic of Yemen (figures for the Yemen Arab Republic and the People's Democratic Republic of Yemen are combined for 1989), Saudi Arabia and the Syrian Arab Republic.

World imports of non-factor services increased from $706.3 billion to $992.2 billion, or by 40.5 per cent, between 1989 and 1992. However, both Western Asia and other developing countries recorded marginal declines, from 4.4 to 4.2 per cent and from 20.9 to 20.4 per cent, respectively, while the share of developed market economies rose from 73.5 to 73.9 per cent. At a more disaggregated level, the only increase recorded by Western Asia was in the share of other official services, from 20.6 to 23.8 per cent of world imports of this item, or more specifically, an increase from $59.7 billion to $70.7 billion.

World imports of factor services increased from $760 billion to $985.2 billion, or by 29.7 per cent. The share of Western Asia rose marginally from 0.7 to 0.8 per cent and that of developed market economies from 82 to 85 per cent, while the share of other developing countries dropped from 14.5 to 11.7 per cent. Outlays by Western Asia on direct investment income rose from 1.5 to 2.7 per cent.

Following the sharp decline in the region's total exports of services to $23.3 billion and $22.2 billion in 1990 and 1991, respectively, a large increase was reported in 1992, with exports recorded at $30.4 billion (table 11). The decline in both 1990 and 1991 was mainly in factor services, but the $8.2 billion increase in 1992 was evenly distributed between factor services and non-factor services. Before the Gulf crisis, GCC countries dominated the region's export of services with an average share of around 80 per cent. This share dropped to 57.7 per cent in 1990 and 61.2 per cent in 1991, however, due to the large liquidation of investments abroad. Then, in 1992, the shares of both GCC and other ESCWA member countries recorded improvements of 45.3 and 25.5 per cent, respectively; however, the share of the GCC subgroup was still below its pre-crisis level.

The region's aggregate imports of services, which jumped from $35 billion in 1990 to $48.2 billion in 1991, or by 37.5 per cent, rose further in 1992 to reach $49.3 billion. Most of the increase in 1991 was in non-factor services which rose from $29.6 billion to $43.7 billion due to outlays related to the Gulf crisis. In contrast, the increase in 1992 reflects the increase in imports of factor services, from $4.4 billion to $8 billion, while imports of non-factor services dropped from $43.7 billion to $41.3 billion.

Imports by GCC countries also dominated the region's total imports of services, with an average share of 78 per cent during the period 1985 to 1990. Their share rose to 85.3 per cent in 1991 because of the very sharp increase in their imports from $26.2 billion to $41.1 billion, but dropped to 76.3 per cent in 1992.

2. Structure

The distribution of the region's earnings from exports of services by major component or category showed important differences between 1989 and 1991, mainly as a result of developments related to the Gulf crisis. Earnings from non-factor services increased from 36.1 per cent of the total in 1989 to 47.2 per cent in 1991, i.e., by 30.7 per cent. Three categories—other transportation, travel and other private services—were responsible for the increase, but mainly the latter, whose contribution rose from 12.8 to 21 per cent (table 12). The drop in the share of factor services earnings from 63.9 to 52.8 per cent mainly reflected the fall in other investment income, caused by the liquidation of a large part of some GCC countries' investments abroad to allow them to meet financial obligations associated with the Gulf crisis. This is evident in the drop in the GCC countries' share in exports of factor services from 61.4 to 49.4 per cent. The main source of earnings for the other ESCWA member countries is usually from non-factor services, and this rose from 21.2 to 31.1 per cent of the region's total earnings between 1989 and 1991, mainly because of the increase from $4.4 billion to $7.1 billion in Egypt's earnings from other private services (annex table 6).

Table 11. ESCWA region: aggregate trade in services, 1985 to 1992

	Annual rate of variation (percentage)							Value (millions of US dollars)							
	1985-1986	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1985	1986	1987	1988	1989	1990	1991	1992
A. CREDIT															
ESCWA region	2.4	-8.0	8.6	6.7	-28.4	-4.6	36.8	29 795	30 515	28 086	30 509	32 543	23 287	22 212	30 393
Non-factor services	-10.4	-5.6	9.7	4.6	6.1	-1.2	32.8	10 815	9 693	10 234	11 227	11 741	12 455	12 298	16 326
Factor services	9.75	-14.3	8.0	7.9	-47.9	-8.5	41.9	18 980	20 822	17 852	19 282	20 802	10 832	9 914	14 067
GCC countries[a]	2.8	-12.4	6.2	7.5	-44.4	-7.0	45.2	24 092	24 760	21 690	23 025	24 762	13 760	12 796	18 581
Non-factor services	-21.3	-0.2	-1.3	8.2	-18.9	-0.6	45.8	5 709	4 495	4 484	4 425	4 789	3 883	3 861	5 628
Factor services	10.2	-15.1	8.1	7.4	-50.5	-9.6	45.0	18 383	20 265	17 206	18 600	19 973	9 877	8 935	12 953
Other ESCWA member countries[b]	1.9	11.0	16.9	1.5	31.6	-1.1	25.5	5 395	5 499	6 105	7 134	7 239	9 525	9 416	11 812
Non-factor services	2.8	10.8	17.7	-0.5	32.6	-1.6	26.8	4 847	4 983	5 519	6 496	6 466	8 571	8 437	10 698
Factor services	-5.8	13.6	8.9	21.2	23.4	2.6	13.8	548	516	586	638	773	954	979	1 114
The region's least developed country: The Republic of Yemen	-16.6	13.7	20.3	13.4	..	..	..	307	256	291	766	840	..	..	..
Non-factor services	-16.7	7.4	32.5	11.1	..	..	..	258	215	231	306	340	..	..	..
Factor services	-16.3	46.3	-26.7	29.5	..	..	..	49	41	60	44	57	..	..	..

Table 11. *(continued)*

	Annual rate of variation (percentage)							Value (millions of US dollars)							
	1985-1986	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1985	1986	1987	1988	1989	1990	1991	1992
B. DEBIT															
ESCWA region	-18.4	-3.6	-9.8	21.4	-4.1	37.5	2.3	42 377	34 591	33 344	30 083	36 528	35 031	48 177	49 271
Non-factor services	-17.8	-4.3	-11.0	20.6	-5.2	47.5	-5.6	36 988	30 416	29 114	25 916	31 260	29 647	43 740	41 307
Factor services	-22.5	1.3	-1.4	26.4	2.2	-17.6	79.5	53 897	4 175	4 230	4 167	5 268	5 384	4 437	7 964
GCC countries[a]	-20.3	-5.3	-13.9	24.4	-7.2	57.1	-8.6	34 902	27 817	26 341	22 667	28 188	26 163	41 110	37 575
Non-factor services	-18.9	-5.2	-15.5	25.7	-6.3	65.2	-13.4	31 100	25 213	23 909	20 198	25 384	23 771	39 263	34 012
Factor services	-31.5	-6.5	1.4	13.6	-14.7	-22.8	92.9	3 802	2 604	2 434	2 469	2 804	2 392	1 847	3 563
Other ESCWA member countries[b]	-9.0	1.4	3.1	12.0	19.1	-20.3	65.5	6 992	6 364	6 451	6 650	7 447	8 867	7 068	11 696
Non-factor services	-10.8	-2.7	6.9	0.4	15.7	-23.8	62.9	5 452	4 861	4 730	5 058	5 077	5 875	4 477	7 295
Factor services	-2.4	14.5	-7.5	48.9	26.3	-13.4	69.9	1 540	1 503	1 721	1 592	2 370	2 992	2 591	4 401
The region's least developed country:															
The Republic of Yemen	-15.4	34.2	39.5	9.7	..	..	..	483	409	549	766	840	..	..	..
Non-factor services	-21.6	38.6	39.2	13.0	..	..	..	436	342	474	660	746	..	..	..
Factor services	42.6	11.9	41.3	-11.3	..	..	..	47	67	75	106	94	..	..	..

Source: International Monetary Fund (IMF), Balance of Payments Statistics Yearbook, vol. 3, part 2 (1992).

a Covers Bahrain, Kuwait, Oman and Saudi Arabia only, due to the lack of data on Qatar and the United Arab Emirates.
b Covers Egypt, Jordan and the Syrian Arab Republic only, due to the lack of data on the other ESCWA member States.

Table 12. ESCWA region: structure of international transactions in services, and contribution to foreign exchange earnings and uses in Western Asia, 1989 and 1991

	Credit (percentage)		Debit (percentage)		Net earnings/uses (millions of US dollars)	
	1989	1991	1989	1991	1989	1991
I. ESCWA REGION	100.0	100.0	100.0	100.0	-3 985	-27 735
Non-factor services	36.1	47.2	85.6	87.3	-19 519	-36 481
Shipment	1.8	0.8	14.4	11.0	-4 665	-6 163
Other transportation	10.8	13.4	3.0	1.7	2 440	3 090
Travel	6.9	8.4	8.8	5.0	-978	-356
Other official services	3.8	3.6	33.7	46.4	-11 066	-25 953
Other private services	12.8	21.0	25.7	23.2	-5 250	-7 097
Factor services	63.9	52.8	14.4	12.7	15 534	8 746
Direct investment income	0.6	0.7	3.0	3.4	-900	-1 754
Other investment income	63.3	52.1	10.0	8.1	16 960	11 200
Private transfers	—	—	1.4	1.2	-525	-699
II. GCC COUNTRIES						
Non-factor services	14.9	16.1	69.3	77.9	-20 449	-40 495
Shipment	1.5	0.5	9.2	7.8	-2 872	-4 396
Other transportation	2.4	2.4	1.2	0.8	364	269
Travel	0.9	1.5	6.5	3.7	-2 067	-1 694
Other official services	0.7	0.8	31.0	45.1	-11 087	-26 079
Other private services	9.4	10.9	21.4	20.4	-4 762	-8 594
Factor services	61.4	49.4	7.7	6.4	17 169	11 389
Direct investment income	..	..	2.9	3.4	-1 064	-1 968
Other investment income	61.4	49.4	3.4	1.8	18 727	14 029
Private transfers	..	..	1.4	1.2	-495	-671
III. OTHER ESCWA MEMBER COUNTRIES*						
Non-factor services	21.2	31.1	16.3	9.4	1 337	4 014
Shipment	0.4	0.3	5.3	3.3	-1 589	-1 767
Other transportation	8.4	11.0	1.7	0.9	2 076	2 821
Travel	5.9	6.9	2.3	1.3	1 130	1 338
Other official services	3.1	2.8	2.7	1.3	265	126
Other private services	3.4	10.1	4.3	2.7	-545	1 497
Factor services	2.5	3.4	6.7	6.3	-1 598	-2 643
Direct investment income	0.6	0.7	0.1	0.0	164	214
Other investment income	2.0	2.7	6.6	6.3	-1 730	-2 829
Private transfers	0.1	0.0	0.0	0.0	-30	-28

Source: International Monetary Fund (IMF), Balance of Payments Statistics Yearbook, vol. 3, part 2 (1992).

* Including the region's least developed country, the Republic of Yemen.

On the debit side, the region's imports of non-factor services accounted for 87.3 per cent of total imports in 1991, compared to 85.6 per cent in 1989, while those of factor services dropped from 14.4 to

12.7 per cent. Within non-factor services, the share of other official services rose from 33.7 to 46.4 per cent.

As in exports, the GCC countries dominate the region's imports of both factor and non-factor services; these accounted for 84.3 per cent of total imports in 1991 compared to 77 per cent in 1989. The 1991 figure reflects the increase in imports of other official services, which rose from 31 to 45.1 per cent (or from $12.3 billion to $27.1 billion), the main contributor being Saudi Arabia, which increased its outlays on this item from $10.7 billion to $24.4 billion (annex table 6).

The above developments resulted in a sharp increase in the region's overall deficit in services from around $4 billion in 1989 to $27.8 billion in 1991. The deficit in non-factor services rose from $19.5 billion to $36.5 billion, while the surplus in factor services fell from $15.5 billion to $8.7 billion. The increase in the deficit in non-factor services was caused by the large increase in the deficit of the GCC countries, as the other ESCWA member countries increased their surplus from $1.3 billion to $4 billion. The decline in the surplus in factor services, on the other hand, resulted from a drop in the surplus of GCC countries and from an increase in the deficit of the other ESCWA member countries.

3. Position of individual countries[15]

Saudi Arabia continued to dominate both receipts and payments in the region's international trade in services, accounting for between 38 and 40 per cent of the former and between 58 and 69 per cent of the latter during the period 1989 to 1992. The Gulf crisis contributed to raising its share in payments from 58.3 per cent in 1989 to 69.3 per cent in 1991; this share fell back to 60.6 per cent in 1992. With respect to receipts, Saudi Arabia's share fell from 40 per cent in 1989 to about 38 per cent in 1991 and 1992. The second and third largest contributors to services payments and earnings, though on a much lower scale, have been Egypt and Kuwait, respectively. The former's share in total payments dropped from 13.1 per cent in 1989 to 9.4 per cent in 1991, but increased again to 15.5 per cent in 1992, while Kuwait's share dropped from 13.7 per cent in 1989 to 9.6 and 9 per cent in 1991 and 1992, respectively (table 13). On the credit side, Egypt increased its share from 15.9 per cent in 1989 to 29.3 per cent in 1992.

Saudi Arabia has been the main contributor to payments for non-factor services, followed by Egypt and Kuwait; Egypt has been the main contributor in the case of factor services, followed by Saudi Arabia and the Syrian Arab Republic. The large Saudi Arabian share in non-factor services originates in other official services, other private services and shipment, while Egypt's main contribution comes from transportation, shipment and other private services. Kuwait's main contribution comes from travel and other transportation. In factor services, the main contributors are as follows: Saudi Arabia in direct investment income; Egypt, the Syrian Arab Republic and Kuwait in other investment income; and Bahrain in private transfers.

With respect to earnings from non-factor services, Egypt and Saudi Arabia lead by far. At a more disaggregated level, it is possible to point to Kuwait in shipment, to Egypt in other transportation, and to Saudi Arabia and Egypt in travel and other private services. For factor services, the entire earnings from direct investment income and private transfers accrued to Egypt, and the bulk of other investment income to Saudi Arabia and Kuwait.

[15] Due to the lack of data, this section covers the following seven ESCWA member countries only: Bahrain, Egypt, Jordan, Kuwait, Oman, Saudi Arabia and the Syrian Arab Republic.

Table 13. ESCWA region: payments and receipts by major category of international transactions in services and by country, 1989, 1991 and 1992[a]

(Percentage share)

	Bahrain	Egypt	Jordan	Kuwait	Oman	Saudi Arabia	Syrian Arab Republic	Total (US$ 1 million=100 per cent)
TOTAL TRANSACTIONS								
Debit								
1989	3.6	13.1	3.8	13.7	3.2	58.3	4.3	35 688
1991	2.8	9.4	2.7	9.6	2.6	69.3	3.6	58 312
1992	3.5	15.5	3.5	9.0	3.2	60.6	4.7	49 271
Credit								
1989	3.9	15.9	4.0	31.7	1.2	40.5	2.8	32 147
1991	4.0	26.0	4.8	22.3	1.3	38.0	3.6	30 577
1992	4.2	29.3	5.1	17.8	0.9	38.2	4.5	30 393
NON-FACTOR SERVICES								
Debit								
1989	1.8	10.8	3.7	13.5	1.8	65.8	2.6	30 514
1991	1.4	6.5	2.2	9.7	1.9	76.3	2.0	14 427
1992	2.3	11.8	3.2	9.2	2.2	68.6	2.7	41 307
Credit								
1989	7.7	38.7	10.9	11.8	0.5	22.6	7.8	11 402
1991	6.5	49.1	9.4	6.8	0.4	20.4	7.4	14 427
1992	6.3	48.8	8.9	9.1	0.1	19.1	7.7	16 326
SHIPMENT								
Debit								
1989	6.2	22.2	6.0	17.7	4.7	38.0	5.2	5 025
1991	6.4	18.5	4.4	10.5	5.2	48.9	6.1	6 406
1992	5.5	15.8	5.5	15.7	5.8	44.1	7.6	6 750
Credit								
1989	..	4.4	3.5	80.3	..	—	5.8	564
1991	..	13.6	0.4	63.8	..	—	22.2	243
1992	..	7.2	0.8	86.8	..	—	5.2	554
OTHER TRANSPORTATION								
Debit								
1989	10.9	27.8	22.6	31.7	..	..	7.0	1 064
1991	14.7	25.6	16.6	32.1	..	..	11.0	1 019
1992	21.5	16.5	22.1	30.6	..	..	9.3	1 339
Credit								
1989	6.2	64.1	7.8	14.2	0.3	2.1	5.3	3 479
1991	6.4	71.1	6.1	8.3	0.3	3.2	4.6	4 109
1992	8.3	66.4	7.0	10.6	0.3	2.5	4.9	4 689

Table 13. *(continued)*

	Bahrain	Egypt	Jordan	Kuwait	Oman	Saudi Arabia	Syrian Arab Republic	Total (US$ 1 million=100 per cent)
TRAVEL								
Debit								
1989	2.5	2.8	13.4	72.0	1.5	..	7.8	3 126
1991	3.4	7.7	9.6	68.9	1.6	..	8.8	2 919
1992	4.1	26.8	10.3	49.8	1.4	..	7.6	3 422
Credit								
1989	5.3	43.9	24.9	6.5	2.2	..	17.2	2 189
1991	6.3	53.6	12.4	9.9	1.8	..	16.0	2 563
1992	3.5	15.6	3.5	9.0	3.2	60.6	4.6	3 678
OTHER OFFICIAL SERVICES								
Debit								
1989	..	3.5	0.9	4.9	..	89.1	1.6	12 031
1991	..	1.4	0.6	6.9	..	90.4	0.7	27 052
1992	..	1.5	1.1	3.9	..	92.2	1.3	14 708
Credit								
1989	0.2	68.7	1.5	18.3	..	—	11.3	1 209
1991	0.2	58.5	1.7	21.5	..	—	18.1	1 099
1992	..	60.4	1.3	20.5	..	—	17.8	1 097
OTHER PRIVATE SERVICES								
Debit								
1989	0.6	14.7	0.7	0.6	3.0	80.1	0.3	9 268
1991	0.4	9.8	1.7	0.5	4.2	83.2	0.3	13 510
1992	1.1	16.2	1.0	0.3	3.1	78.2	0.1	15 088
Credit								
1989	13.6	9.2	9.6	—	..	63.4	4.2	3 961
1991	7.9	33.0	11.9	—	..	43.9	3.3	6 413
1992	7.2	31.5	10.1	..	..	47.6	3.6	6 308
FACTOR SERVICES								
Debit								
1989	14.3	26.8	4.6	14.6	11.4	13.9	14.4	5 174
1991	12.3	28.9	6.1	8.8	8.0	21.1	14.8	7 404
1992	9.6	35.1	4.9	8.0	8.3	18.9	15.2	7 964
Credit								
1989	1.8	3.4	0.2	42.6	1.6	50.3	0.1	20 745
1991	1.8	5.4	0.7	36.0	2.1	53.7	0.4	16 150
1992	1.7	6.6	0.8	28.0	1.9	60.4	0.6	14 067

Table 13. *(continued)*

	Bahrain	Egypt	Jordan	Kuwait	Oman	Saudi Arabia	Syrian Arab Republic	Total (US$ 1 million=100 per cent)
DIRECT INVESTMENT INCOME								
Debit								
1989	..	2.3	..	..	31.8	65.9	..	1 089
1991	..	0.4	..	..	20.6	79.1	..	1 975
1992	..	0.7	..	..	22.5	76.8	..	1 954
Credit								
1989	..	100.0	..	..	..	—	—	189
1991	..	100.0	..	..	..	—	—	221
1992	..	100.0	..	..	..	—	—	318
OTHER INVESTMENT INCOME								
Debit								
1989	6.8	37.5	6.6	21.3	6.9	—	20.9	3 557
1991	5.1	44.5	9.5	13.8	3.9	—	23.2	4 724
1992	4.2	48.7	7.5	12.2	4.2	—	23.2	5 234
Credit								
1989	1.8	2.5	0.2	43.0	1.6	50.8	0.1	20 554
1991	1.8	4.0	0.7	36.6	2.1	54.4	0.4	15 924
1992	1.8	4.3	0.8	28.7	2.0	61.9	0.5	13 731
PRIVATE TRANSFERS[b]								
Debit								
1989	93.8	6.2	..	—	..	—	—	528
1991	95.3	4.7	..	—	..	—	..	704
1992	69.9	30.1	..	—	..	—	—	775
Credit								
1989	—	100.0	..	—	..	—	..	3
1991	—	100.0	..	—	..	—	..	5
1992	—	100.0	..	—	..	—	..	18

Source: International Monetary Fund (IMF), Balance of Payments Statistics Yearbook, vol. 3, part 2 (1992).

a Iraq, Lebanon, Qatar, the United Arab Emirates and the Republic of Yemen are excluded due to the lack of data.

b Covers labour income and property income.

D. Balance of payments and reserves

1. Balance-of-payments developments

The combined current account balance of the ESCWA region (excluding Iraq, Lebanon, Qatar, the Republic of Yemen and the United Arab Emirates for lack of data) recorded a deficit of $19.6 billion in

1992—a considerable improvement in relative terms compared with the $37.8 billion deficit recorded the previous year. This was achieved despite the sharp deterioration in the trade surplus from $20.3 billion to $7.7 billion; the improvement was a result of a sharp curtailment of the deficits both in services from $31 billion to $19 billion, and in unrequited transfers from $27.1 billion to $8.3 billion (table 14).

The drop in the overall trade surplus by almost two thirds resulted from a faster increase in GCC imports relative to exports, and from a decline in other ESCWA member countries' exports compared with a large increase in their imports. The improvement in the deficit in services and unrequited transfers resulted from the settlement of most of the GCC countries' (mainly Saudi Arabia's and Kuwait's) financial obligations in connection with the Gulf war and payments to repatriated workers.

The deficit in the current account was covered by net capital inflows of $29.5 billion. A negative and large "errors and omissions" entry offset more than one third of the net capital inflows, leaving a negligible overall surplus. The positive change in reserves, amounting to $3 billion, compared with $2.2 billion in 1991, resulted mainly from "exceptional financing" in the amount $2.9 billion.

The GCC countries continued to dominate the region's external transactions. The drop in the current account deficit of these countries (excluding Qatar and the United Arab Emirates for lack of data) by around 50 per cent, from $40.8 billion in 1991 to $21.7 billion in 1992, largely explains the improvement in the region's overall current account situation. The improvement in the GCC countries' current account resulted from a decline in their deficit in services from $32.1 billion to $19 billion, and in that of unrequited transfers from $35.7 billion to $17.4 billion. These improvements were more than sufficient to offset the decline in the trade surplus from $27.1 billion to $14.8 billion, which essentially reflected the deterioration in the trade surplus of Saudi Arabia from $22.1 billion to $13 billion. Kuwait, on the other hand, turned a deficit of $5.8 billion in 1991 into a slightly positive balance in 1992.

Improvement in the services account deficit of the GCC group was mainly attributable to Saudi Arabia, where the deficit fell from $27.6 billion to $18.2 billion; in the case of unrequited transfers, the improvement was brought about by lower deficits in both Kuwait ($8 billion) and Saudi Arabia ($6 billion).

Net capital inflow to the GCC countries amounted to $28.7 billion, which was $5.2 billion less than the 1991 figure, but still exceeded the current account deficit by $7 billion. However, because of the large ($10.8 billion) and negative "errors and omissions" entry, the overall balance showed a deficit of $3.7 billion; this was reflected in a corresponding fall in reserves, the brunt of which was borne by Saudi Arabia, where reserves fell by $5.7 billion. In contrast, Kuwait's reserves increased by $1.9 billion (annex table 7).

Non-oil diversified economies (excluding Lebanon and the Republic of Yemen, due to lack of data) also contributed to the decline in the region's trade surplus, as their overall trade deficit increased from around $6 billion to $7.1 billion. Jordan was the main contributor, with its deficit rising by around $0.7 billion, while the surplus of the Syrian Arab Republic retreated from $1.1 billion to $0.2 billion. The group also recorded a sharp decline in its surplus in the services account, from $1.4 billion to only $0.1 billion, mainly reflecting the deterioration in Egypt's earnings from tourism and other private services and the increase in its deficit from other investment income, as well as a slight increase in Jordan's deficit.

The $1.4 billion increase in the non-oil diversified economies group's net earnings from unrequited transfers was mainly attributable to Egypt ($1.6 billion) and to a much lesser extent to the Syrian Arab Republic, with their combined figures offsetting the decline in transfers accruing to Jordan. The group achieved an overall balance-of-payments surplus of $3.8 billion; this, together with a positive "exceptional financing" entry of $2.9 billion, produced an increase in their reserves amounting to $6.7 billion, $6.2 billion of which accrued to Egypt, $0.4 billion to Jordan, and $0.1 billion to the Syrian Arab Republic.

Table 14. ESCWA region: Summary of balance-of-payments flows, 1985 and 1988 to 1992[a]

(Millions of US dollars)

	1985	1988	1989	1990	1991	1992
TRADE BALANCE (F.O.B)	13 712	2 666	17 013	32 932	20 311	7 688
GCC countries	24 306	12 700	23 646	39 888	27 074	14 810
Other ESCWA member countries	-8 942	-8 658	-5 516	-5 777	-5 986	-7 122
Least developed member country[b]	-1 652	-1 376	-1 117	-1 179	-777	..
SERVICES (NET)	-15 081	-1 867	-6 541	-15 519	-30 999	-18 921
GCC countries	-13 309	-1 935	-5 890	-15 713	-32 135	-19 038
Other ESCWA member countries	-1 596	484	-208	658	1 379	117
Least developed member country	-176	-417	-443	-464	-243	..
BALANCE ON GOODS AND SERVICES	-1 369	800	10 472	17 413	-10 688	-11 233
GCC countries	10 997	10 766	17 756	24 175	-5 061	-4 228
Other ESCWA member countries	-10 538	-8 174	-5 724	-5 119	-4 607	-7 005
Least developed member country	-1 828	-1 792	-1 560	-1 643	-1 020	..
NET UNREQUITED TRANSFERS	-2 795	-3 700	-6 565	-9 515	-27 064	-8 331
GCC countries	-11 260	-11 077	-13 102	-17 790	-35 703	-17 437
Other ESCWA member countries	7 155	6 684	5 971	7 016	7 718	9 106
Least developed member country	1 310	693	566	1 259	921	..
BALANCE ON CURRENT ACCOUNT	-4 163	-2 900	3 907	7 898	-37 752	-19 564
GCC countries	-263	-312	4 654	6 385	-40 764	-21 663
Other ESCWA member countries	-3 382	-1 490	247	1 897	3 111	2 101
Least developed member country	-518	-1 098	-994	-384	-99	..
NET CAPITAL FLOWS	11 668	142	-2 624	-12 175	28 901	29 494
GCC countries	8 924	-2 417	-3 525	-1 203	31 505	28 715
Other ESCWA member countries	2 418	1 767	-13	-11 337	-2 872	779
Least developed member country	326	792	914	365	268	..
ERRORS AND OMISSIONS	-7 132	-1 368	-1 285	-39	2 126	-9 814
GCC countries	-7 728	-1 167	-1 826	-414	1 107	-10 761
Other ESCWA member countries	538	-205	485	358	1 056	947
Least developed member country	58	4	56	17	-37	..
OVERALL BALANCE	372	-4 127	-2	-4 316	-6 725	119
GCC countries	933	-3 896	-697	4 768	-8 152	-3 708
Other ESCWA member countries	-427	72	719	-9 082	1 295	3 827
Least developed member country	-134	-303	-24	-2	132	..

Table 14. *(continued)*

	1985	1988	1989	1990	1991	1992
COUNTERPART ITEMS, EXCEPTIONAL FINANCING AND OTHERS	363	65	156	12 781	4 485	2 889
GCC countries	—	—	—	—	—	—
Other ESCWA member countries	350	7	139	12 781	4 485	2 889
Least developed member country	13	58	17	—	0.0	..
CHANGE IN RESERVES (MINUS EQUALS INCREASE)	-735	4 062	-154	-8 464	2 240	-3 008
GCC countries	-933	3 896	697	-4 768	8 152	3 708
Other ESCWA member countries	77	-79	-824	-3 698	-5 780	-6 716
Least developed member country	121	245	7	2	-132	..

Source: Compiled by the ESCWA secretariat, based on data provided in national and international sources.

Notes: Totals may not add precisely because of rounding.

a Excluding Iraq and Lebanon for all years, and excluding Qatar, the Republic of Yemen and the United Arab Emirates for 1992, due to lack of data.

b Republic of Yemen.

2. International reserves

The international reserves of the region (excluding Iraq, the Syrian Arab Republic and the Republic of Yemen due to lack of data) rose from $36.4 billion in 1991 to $37.9 billion in 1992, and further to $39.9 billion in 1993, despite the exclusion of Oman and incomplete data on Qatar and the United Arab Emirates (annex table 8). The improvement was mainly attributed to a rise of $2.1 billion in the reserves of Egypt, and of $1.3 billion in those of Lebanon. The remaining countries for which data were available recorded stable or lower reserves in 1993, except Saudi Arabia, whose reserves showed an increase of $1.5 billion. It is worth mentioning that the narrowing of the gap between the levels of overall reserves held by the GCC countries and the other ESCWA member countries continued in 1993. This gap, representing a ratio of more than 9 to 1 in 1985, began to narrow in 1988, with the process accelerating after the Gulf crisis as the GCC countries started to draw down their reserves to meet crisis-related obligations, while countries such as Egypt and the Syrian Arab Republic benefited from transfers. The improvements in the case of Egypt and Lebanon could also be closely linked to stabilization and economic reform policies pursued by the two countries.

The increase in international reserves in 1992, however, was lower than the increase in total imports; consequently, the region's ability to provide for imports and other external obligations, as indicated by the reserves/imports ratio dropped in terms of current imports from 5.9 months in 1991 to 5.2 months in 1992 (table 15). However, while the reserves/imports ratio of the GCC countries recorded a further decline, that of the other ESCWA member countries showed marked improvement, rising in terms of current imports from 7.2 to 9.3 months, and from 8.7 to 12.8 in terms of 1989 imports.

Table 15. ESCWA region: reserves/imports ratios, 1989 to 1992[a]

(1989 imports and current imports)

	1989	1990	1991	1992
ESCWA REGION				
1989 imports	6.32	5.57	6.46	6.74
Current imports	6.32	5.21	5.86	5.23
GCC COUNTRIES				
1989 imports	7.57	4.00	6.78	5.74
Current imports	7.57	5.83	5.41	3.39
OTHER ESCWA MEMBER COUNTRIES[b]				
1989 imports	5.90	6.69	8.69	12.80
Current imports	5.90	5.71	7.16	9.30

Source: ESCWA compilations, based on data given in national and international sources.

a Number of months covered by available reserves.

b Including the region's least developed country, the Republic of Yemen.

III. THE URUGUAY ROUND: RESULTS AND IMPACT

A. Multilateral trade negotiations and the General Agreement on Tariffs and Trade (GATT): background

The United States played a leading role in the formation of the GATT system. By the end of the Second World War the United States had come to two major conclusions about world trade: first, that the collapse in world trade and the subsequent rise in trading blocs during the Depression of the 1930s had been major contributing factors to the start of the Second World War; and second, that the tariff escalation triggered by the Hawley-Smoot Act of 1930 had caused the deepening of the Depression and the polarization of world trade.[16]

In the light of the above, a number of steps were taken to lay the foundations of the world economic system, including the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development in 1945, and later the signing of the Geneva Agreement, which founded GATT. The GATT Agreement was signed by 23 countries at the Geneva Conference in 1947 and went into effect in January 1948.

The General Agreement on Tariffs and Trade is a multilateral trade agreement which both sets out rules of conduct for international trade relations and provides a forum for multilateral negotiations geared towards solving trade problems and towards the gradual elimination of tariffs and other barriers to trade. The GATT Agreement is based upon principles of non-discrimination and reciprocity. With the exception of customs unions and free trade areas, all contracting parties are generally bound by the GATT Agreement's most favoured nation (MFN) clause. Protection is to be given to domestic industries only through customs tariffs, thereby prohibiting import quotas and other restrictive trade practices.

Prior to the Uruguay Round, GATT held seven rounds of multilateral trade negotiations: the Geneva Negotiations in 1947, the Annecy Negotiations in 1949, the Torquay Negotiations in 1950 and 1951, the Geneva Negotiations in 1955 and 1956, the Dillon Round between 1959 and 1962, the Kennedy Round between 1963 and 1967, and the Tokyo Round between 1973 and 1979.

The major objective of the first five rounds was the reduction of tariffs, while the Kennedy and Tokyo rounds opened up a wider range of trade topics.

(a) Geneva Negotiations (April to October 1947)

It was at this initial conference that the original 23 signatories finalized the GATT Agreement. Negotiations also focused on reducing tariffs on a country-by-country and product-by-product basis. Countries with already low tariffs agreed to bind many of those rates against increase. Through most favoured nation (MFN) treatment, the bilateral tariff reductions were enjoyed by all contracting parties.

(b) Annecy Negotiations (April to October 1949)

Bilateral negotiations to reduce tariffs were completed by 147 pairs of countries.

---

[16] President Hoover took a number of anti-Depression measures during the Great Depression; one of these was the Hawley-Smoot Tariff Bill, which raised the average *ad valorem* duty from 26 to 50 per cent and brought retaliation from other countries, Encyclopedia Britannica, Macropædia, vol. 18 (Knowledge in Depth) (Chicago and elsewhere, Encyclopedia Britannica, Inc., 1980), p. 989.

(c) Torquay Negotiations (September 1950 to April 1951)

The inclusion of Germany, an important exporter of industrial goods, along with a total of 40 other participating countries allowed for a more comprehensive round of trade negotiations through which more reductions in tariffs and bindings of tariff rates were achieved.

(d) Geneva Negotiations (1956)

The main objectives and achievements of these Negotiations were reductions in and bindings of tariffs.

(e) Dillon Round (September 1960 to July 1962)

While the main objective was to achieve a general reduction in tariffs, the negotiations also included modifications to tariffs of the European Communities countries to align them with the Community's common tariff.

The Round, in which 47 countries participated, included two phases: the first involved "compensation" negotiations with the European Communities to realign individual country tariffs with the common tariff, and the second was intended to yield additional tariff concessions.

The rounds of negotiations described above did not address agricultural products or issues facing developing countries. However, at the Dillon Round, GATT agreed to discuss these topics separately as part of its programme for the expansion of trade.

(f) Kennedy Round (May 1964 to June 1967)

The scope of the Kennedy Round objectives was wider than those of the previous rounds since it addressed both tariff and non-tariff barriers, greater access for agricultural products, and tariff concessions for developing countries not conditional on reciprocity.

In addition to discussing tariff reduction, the Round established uniform rules for the application of anti-dumping measures and also reached an agreement on basic minimum and maximum prices for major wheats, with provisions for the developing countries.

Under President Kennedy's Trade Expansion Act of 1962, the United States was able to participate for the first time in across-the-board tariff negotiations as opposed to product-by-product negotiations. The GATT Trade Negotiations Committee set a goal of reducing industrial tariffs by 50 per cent. Also important were the increased focus on non-tariff barriers and the extensive participation of developing countries (35 of a total of 50 countries) as the most favoured nation clause gave them access to concessions granted by other countries to each other without the need to reciprocate.

(g) Tokyo Round (September 1973 to April 1979)

The Tokyo Round expanded its objectives to include the following: negotiate on tariffs in the general terms possible; reduce non-tariff barriers and bring them under international discipline; examine possibilities for the elimination of all barriers to trade in certain sectors; improve the international framework for the conduct of world trade; and address the adequacy of the multilateral safeguard system, treating tropical products as a special category.

This Round was the most comprehensive and complex of the GATT negotiations up to that point, with even greater developing-country participation. The Tokyo Declaration emphasized the importance of developing countries in the negotiations so as to ensure their participation. The gains made with respect to non-tariff barriers were important. Agreement was also reached on monitoring and restricting subsidies, and on technical barriers, import licensing, anti-dumping measures, and unfair government procurement and customs valuation practices. It was also during this Round that GATT firmly established its role as a regulatory watchdog rather than just a forum for the reduction of trade barriers. Accordingly, the major achievements of the Round included the following: tariffs were reduced and brought closer in line with each other; a permanent legal basis was provided within GATT for the trade of developing countries; accords were reached on restricting certain non-tariff barriers; the anti-dumping code was strengthened; agricultural agreements were reached on meat and dairy products; and finally, tariff and non-tariff concessions were made with respect to tropical products.[17]

The seven rounds of negotiations preceding the Uruguay Round managed to lower world tariff levels from about 40 per cent in the 1940s to under 10 per cent. The Tokyo Round is judged to have been of only modest success. In that Round, however, attention began to shift from the already relatively low world tariff level to more complicated trade problems such as agricultural trade protection and unfair trade practices; this constituted the background for the launching of the Uruguay Round.

B. The Uruguay Round negotiations

The Uruguay Round was launched by a decision of GATT contracting parties meeting at the ministerial level in Punta del Este (Uruguay) from 15 to 20 September 1986. The Punta del Este Declaration falls into two parts, the first concerned with trade in goods and the second (discussed here for the first time) with trade in services.[18]

The broad agenda of non-traditional trade policy issues complicated the Uruguay Round negotiations. A significant increase in the number of countries participating also added to their complexity: 107 countries took part in the Uruguay Round negotiations, up from 99 in the Tokyo Round and only 23 in the first GATT Round in 1947.

The Uruguay Round was scheduled to be completed by the end of 1990, but it took three more years before it was finalized in December 1993.

1. Negotiations on trade in goods

(a) Objectives

(a) Bring about the further liberalization and expansion of world trade for the benefit of all countries, especially the less developed contracting parties, by the reduction and elimination of tariffs and non-tariff restrictions;

(b) Strengthen the role of GATT by bringing about a wider coverage of world trade under agreed-upon, effective and enforceable multilateral disciplines.

---

[17] Federal Reserve Bank of New York, Research Paper No. 9119: The Uruguay Round of GATT Trade Negotiations, June 1991, appendix, pp. 1-5.

[18] Focus: GATT newsletter, No. 41 (October 1986).

To attain these objectives, the negotiations aimed to accomplish the following:

(a) Reduce or, as appropriate, eliminate tariffs;

(b) Reduce or, as appropriate, eliminate non-tariff measures;

(c) Achieve the fullest possible liberalization of trade in tropical products in both their processed and semi-processed forms;

(d) Achieve the fullest possible liberalization of trade in natural-resource-based products in both their processed and semi-processed forms;

(e) Formulate modalities in the area of textiles and clothing that would permit the eventual integration of this section into GATT on the basis of strengthened GATT rules and disciplines;

(f) Achieve greater liberalization of trade in agriculture and bring all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines, taking into account the general principles governing the negotiations, by doing the following:

(i) Improving market access through the reduction of import barriers;

(ii) Improving the competitive environment by increasing discipline on the use of all direct and indirect subsidies and other measures affecting agricultural trade either directly or indirectly;

(iii) Minimizing the adverse effects that sanitary and phytosanitary regulations and barriers often have on agricultural trade.

(b) <u>The main principles governing negotiations</u>

(a) The developed countries do not expect reciprocity for commitments made by them to reduce or remove tariffs and other barriers to the trade of developing and least developed contracting parties. Developed contracting parties shall therefore not seek, and neither shall developing contracting parties be required to make, concessions that are inconsistent with their development, financial and trade needs;

(b) Developing contracting parties expect that their capacity to make contributions or negotiated concessions will improve with the progressive development of their economies and improvements in their trade situation;

(c) Special attention shall be given to the particular situations and problems of the least developed countries and to the need to encourage positive measures to facilitate expansion of their trading opportunities.

(c) <u>Standstill and rollback</u>

Each participant agrees to the immediate application of commitments regarding standstill and rollback. Under the former, a participant is not to take any trade-restricting or -distorting measures inconsistent with the provisions of the GATT Agreement or the instruments negotiated within the framework of GATT or under its auspices; not to take any trade-restricting or -distorting measures in the legitimate exercise of its GATT rights that would extend beyond that which is necessary to remedy specific situations; and not to take any trade measures designed to improve its negotiating position.

Under the agreement on rollback, all trade-restricting or -distorting measures inconsistent with the provisions of the GATT Agreement shall be phased out or brought into conformity with it within an agreed-upon time frame, but by no later than the date of the formal completion of the negotiations; there shall be a progressive and equitable implementation of this commitment through consultations among the participants concerned; and there shall be no GATT concessions requested for the elimination of these measures.

Each participant agrees that the implementation of these commitments shall be subject to multilateral surveillance to ensure that they are being met.

(d) Safeguards

A comprehensive agreement on safeguards is of particular importance with respect to strengthening the GATT system and achieving progress in the multilateral trade negotiations. The agreement shall clarify and reinforce the disciplines of the GATT Agreement and should apply to all contracting parties.

(e) Multilateral trade negotiations and arrangements

Negotiations aimed to improve, clarify or expand, as appropriate, the agreements and arrangements negotiated in the Tokyo Round.

(f) Subsidies and countervailing measures

Negotiations on subsidies and countervailing measures shall be based on a review of all existing articles and agreements on these matters, with the objective of improving GATT disciplines relating to all subsidies and countervailing measures that affect international trade.

(g) Dispute settlement

In order to ensure the prompt and effective resolution of disputes to the benefit of all contracting parties, negotiations shall aim to improve and strengthen the rules and procedures of the dispute-settlement process, while recognizing the contribution that would be made by more effective and enforceable GATT rules and disciplines. Negotiations shall include the development of adequate arrangements for overseeing and monitoring the procedures that facilitate compliance with adopted recommendations.

(h) Trade-related aspects of intellectual property rights, including trade in counterfeit goods

In order to reduce the distortions in and impediments to international trade, and taking into account the need to promote the effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade, the negotiations aimed to clarify GATT provisions and, where appropriate, to elaborate new rules and disciplines.

Negotiations also aimed to develop a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, taking into account the work already undertaken in the GATT.

These negotiations aimed not to prejudice other complementary initiatives that might be developed and/or carried out by the World Intellectual Property Organization or others to deal with these matters.

(i) Trade-related investment measures

Following an examination of the operation of GATT articles related to the trade restrictions and distorting effects of investment measures, negotiations should, as appropriate, elaborate further provisions that may be necessary to prevent such adverse effects on trade.

(j) The functioning of the GATT system

Negotiations aimed to develop the following understandings and arrangements: (i) to enhance surveillance in the GATT to make possible the regular monitoring of the trade policies and practices of the contracting parties and their impact on the functioning of the multilateral trading system; and (ii) to increase the contribution of the GATT to words achieving greater coherence in global economic policy-making by strengthening its relationship with other international organizations responsible for monetary and financial matters.

In addition, the Declaration covered subjects related to participation in and the organization of the negotiations.

2. Negotiations on trade in services

Negotiations in this area aimed to establish a multilateral framework of principles and rules for trade in services, including the elaboration of possible disciplines for individual sectors, with a view to expanding such trade under conditions of transparency and progressive liberalization and as a means for promoting the economic growth of all trading partners and the development of developing countries. Such a framework should respect the policy objectives of national laws and regulations applying to services and should take into account the work of relevant international organizations.[19]

C. The Final Act[20]

The Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, embodying the results of the Uruguay Round, is 450 pages long and contains legal texts which spell out the results of the negotiations. In addition to the texts of the agreements, the Final Act contains texts of ministerial decisions and declarations which further clarify certain provisions of some of the agreements.

The Final Act covers all the negotiated areas cited in the Punta del Este Declaration, with two important exceptions. The first is the results of the "market access negotiations", in which individual countries have made binding commitments to reduce or eliminate specific tariff and non-tariff barriers to merchandise trade. These concessions are to be recorded in national schedules, which will form an integral part of the Final Act. The second exception is the "initial commitments" on the liberalization of trade in services; these commitments are also to be recorded in national schedules.

---

[19] Ibid.

[20] Much of the information in this section of the document is excerpted or paraphrased from GATT, "The Final Act of the Uruguay Round", News of the Uruguay Round of Multilateral Trade Negotiations, NUR 080 (Geneva, GATT, 15 December 1993).

1. Agreement establishing the Multilateral Trade Organization

The agreement establishing the World Trade Organization or WTO (formerly Multilateral Trade Organization, or MTO)[21] envisages a single institutional framework encompassing the GATT as modified by the Uruguay Round (or GATT 1994), all agreements and arrangements concluded under its auspices, and the complete results of the Uruguay Round. In the structure of the WTO, the highest authority is a Ministerial Conference composed of representatives of all member States, who meet at least once every two years. A general council will be established to oversee the operation of the Agreement and the related ministerial decisions on a regular basis. This general council will act as a dispute-settlement body and a trade-policy-review mechanism; it will concern itself with the full range of trade issues covered by the WTO, and which will also establish subsidiary bodies such as a goods council, a services council and a trade-related intellectual properties rights (TRIPs) council. The WTO framework will ensure a "single undertaking" approach to the results of the Uruguay Round; membership in the WTO will thus entail accepting all the results of the Round without exception.

2. General Agreement on Tariffs and Trade 1994

(a) Agreement on Agriculture

Negotiations in the area of agriculture resulted in the following: the Agreement on Agriculture itself; concessions and commitments members are to undertake on market access, domestic support and export subsidies; the Agreement on Sanitary and Phytosanitary Measures; and the Ministerial Decision concerning Least Developed and Net-Food-Importing Developing Countries. The individual components are described below:

(a) The results of the negotiations provide a framework for the long-term reform of policies related to both agricultural trade and domestic agriculture over the years to come. It makes a decisive move towards the objective of increased market orientation in agricultural trade;

(b) In the area of market access, non-tariff border measures are replaced by tariffs (tariffication). However, all tariffs on agriculture are to be reduced by an average of 36 per cent over a period of six years in the case of developed countries, and over a period of 10 years in the case of developing countries, with minimum reductions for each tariff line being required. Least developed countries are not required to reduce their tariffs.

In order to facilitate the implementation of tariffication in particularly sensitive situations, a "special treatment" clause was introduced into the Agreement on Agriculture which allows a country, under carefully and strictly defined conditions, to maintain import restrictions up to the end of the implementation period.

A separate section in this context reflects the special and differential treatment applied to developing countries—an integral element of all commitments taken in the Uruguay Round, including those relating to agriculture. Specifically, the provisions apply to a primary agricultural product that is the predominant staple in the traditional diet of the developing country invoking this clause of the Agreement;

(c) Domestic support measures that have, at most, a minimal impact on trade ("green box" policies) are excluded from reduction commitments. Such policies include general government services in the area

---

[21] The name was changed to the World Trade Organization upon the signing of the final documents of the Uruguay Round by 121 countries on 15 April 1994 in Marrakesh, Morocco.

of research, disease control, infrastructure and food security; they also include direct payments to producers, income support, structural adjustment assistance, and direct payments under environmental programmes and regional assistance programmes. In addition to the "green box" policies, certain government assistance measures to encourage agricultural and rural development in developing countries which make up only a low proportion of the value of production may be excluded.

Members are required to reduce the value of mainly direct export subsidies to a level 36 per cent below the 1986-to-1990 base period level over the six-year implementation period, and to reduce the quantity of subsidized exports by 21 per cent over the same period. In the case of developing countries, the reductions are two thirds those of developed countries over a 10-year period; no reductions apply to the least developed countries;

(d) The Agreement on Sanitary and Phytosanitary Measures is concerned with food safety and animal- and plant-related health regulations. In order to avoid arbitrary measures in this respect or discrimination among members, the Agreement encourages contracting parties to base their measures on international standards, guidelines and recommendations where they exist. The Agreement spells out procedures and criteria for the assessment of risk and the determination of appropriate levels of sanitary and phytosanitary protection;

(e) The Ministerial Decision concerning Least Developed and Net-Food-Importing Developing Countries was taken to protect the least developed and net-food-importing developing countries (under reasonable terms and conditions) from experiencing negative effects related to the supply of food imports. The special Decision sets out objectives with regard to the provision of basic foodstuffs in full grant form and through aid for agricultural development, as well as through the short-term financing of commercial food imports by the International Monetary Fund and the World Bank. The Committee on Agriculture, set up under the Agreement on Agriculture, will monitor the follow-up activities related to the Decision.

(b) Agreement on Textiles and Clothing

Much of the trade in this area is currently subject to bilateral quotas negotiated under the Multifibre Arrangement (MFA). The integration of this sector into the GATT would take place as follows: on 1 January 1995, each party would integrate into the GATT products (from a specific list in the Agreement) which accounted for not less than 16 per cent of its total volume of imports in 1990; on 1 January 1998, products which accounted for not less than 17 per cent of 1990 imports would be integrated; finally, all remaining products would be integrated at the end of the transition period on 1 January 2005.

All MFA restrictions in place on 31 December 1994 will be carried over into the new Agreement and maintained until such time as the restrictions are removed or the products are integrated into GATT.

All other non-MFA restrictions not justified under a GATT provision should be either brought into conformity with GATT within one year after the Agreement enters into force or phased out progressively during a period not exceeding the duration of the Agreement (i.e., by 2005).

In the context of a major review of the operation of the Agreement, to be conducted by the Council for Trade in Goods before the end of each stage of the integration process, the Council shall by consensus take such decisions as it deems appropriate to ensure that the balance of rights and obligations in this Agreement is not upset.

A textiles monitoring body (TMB) will be established to oversee the implementation of commitments and to prepare reports for the major reviews mentioned above. The Agreement also has provisions for the special treatment of certain categories of countries—for example, those which have not been MFA members since 1986, new entrants, small suppliers and least developed countries.

(c) Agreement on Technical Barriers to Trade

This Agreement extends and clarifies the Agreement on Technical Barriers to Trade reached in the Tokyo Round. It seeks to ensure that technical negotiations and standards, as well as testing and certification procedures, do not create unnecessary obstacles to trade. Innovative features of the revised Agreement include its coverage of processing and production methods related to the characteristics of the products themselves. The coverage of conformity-assessment procedures is expanded and the disciplines are made more precise. Notification provisions applying to local governmental and non-governmental bodies are elaborated in more detail here than in the Tokyo Round Agreement.

(d) Agreement on Trade-Related Aspects of Investment Measures (TRIMs)

This Agreement recognizes that certain investment measures restrict and distort trade. Therefore, an illustrative list of TRIMs agreed to be inconsistent with GATT articles on this subject is appended to the Agreement. The latter requires mandatory notification of all non-conforming TRIMs and their elimination within two years for developed countries, within five years for developing countries, and within seven years for least developed countries.

(e) Agreement on Implementation of Article VI (Anti-Dumping)

Article VI of the GATT Agreement provides for the right of contracting parties to apply anti-dumping measures if imports cause injury to a domestic industry in the importing contracting party. The Anti-Dumping Agreement concluded at the end of the Tokyo Round provided a more detailed list of rules on this subject. There were some changes later, however, as the Uruguay Round negotiations resulted in a revision and extension of the Agreement.

In particular, the revised Agreement provides for greater clarity and more detailed rules in relation to the methods used to determine whether a product is being or has been dumped, the criteria to be taken into account in a determination that dumped imports cause injury to a domestic industry, the procedures to be followed in initiating and conducting anti-dumping investigations, and the implementation and duration of anti-dumping measures. In addition, the new Agreement clarifies the role of dispute-settlement panels in disputes relating to anti-dumping actions taken by domestic authorities.

The Agreement adds relatively specific provisions for determining whether a product is being exported at a dumped price in order to avoid arbitrarily inflated margins of dumping. The Agreement strengthens the requirement for the importing country to establish a clear causal relationship between dumped imports and injury to domestic industry.

Clear-cut procedures have been established on how anti-dumping cases are to be initiated and how such investigations are to be conducted. A significant improvement over the previous Agreement is the addition of a new provision under which anti-dumping measures shall expire five years after the date of imposition, unless a determination is made that, in the event of termination of the measures, dumping and injury would be likely to continue or recur.

Another new provision requires the immediate termination of anti-dumping investigations in cases where the authorities determine that margin of dumping is less than 2 per cent of the export price of the product or that the volume of dumped imports from an individual country accounts for less than 3 per cent of the imports of the product in question.

(f) Agreement on Implementation of Article VII (Customs Valuation)

The decision on customs valuation gives customs administrations the right to request further information from importers when they have reason to doubt the accuracy of the declared value of imported goods. If, despite additional information, the administration maintains a reasonable doubt, it may be deemed that the customs value of the imported goods cannot be determined on the basis of the declared value, and customs would be permitted to establish the value, taking into account the provisions of the Agreement.

(g) Agreement on Pre-Shipment Inspection

Pre-shipment inspection (PSI) is the practice of employing specialized private companies to check the shipment details—i.e., price, quantity and quality—of goods ordered overseas to prevent capital flight, commercial fraud and customs duty evasion.

The Agreement recognizes that GATT principles and obligations apply to the activities of pre-shipment inspection agencies mandated by Governments. The obligations include non-discrimination, transparency, the protection of confidential business information, the avoidance of unreasonable delay, the use of specific guidelines for conducting price verification, and the avoidance of conflicts of interest by PSI agencies.

(h) Agreement on Rules of Origin

This Agreement aims at the long-term harmonization of rules of origin and also seeks to ensure that such rules do not themselves create unnecessary obstacles to trade. The Agreement provides for a harmonization programme to be initiated after the completion of the Uruguay Round and to be concluded within three years. It would be based upon a set of principles which include making the rules of origin objective, understandable and predictable. Until the completion of the harmonization programme, contracting parties would be expected to ensure that their rules of origin do not have restricting, distorting or disruptive effects on international trade. An annex to the Agreement sets out a "common declaration" with respect to the application of rules of origin in connection with goods which qualify for preferential treatment.

(i) Agreement on Import Licensing Procedures

The revised Agreement requires parties to publish sufficient information for traders to allow them to know and understand the basis on which licences are granted. It is assumed that automatic licensing procedures do not have trade-restriction effects. For non-automatic licensing procedures, their administrative burden should be limited to what is necessary. The Agreement also sets a maximum of 60 days for applications to be considered.

(j) Agreement on Subsidies and Countervailing Measures

The Agreement on Subsidies and Countervailing Measures is intended to build on the Agreement on Interpretation and Application of Articles VI, XVI and XIII which was negotiated in the Tokyo Round.

The Agreement addresses subsidies that are specific to industries rather than general subsidies, and divides them into three categories as follows:

(a) Subsidies that enhance the competitiveness of exports or import-competing industries. These are to be prohibited under the Agreement and are subject to the new dispute-settlement procedures;

(b) Subsidies that adversely affect the interests of other member countries, defined by the Agreement as actionable subsidies. Members affected by them may take up the matter with the dispute settlement body;

(c) Subsidies which are either non-specific or involve assistance to industrial research or to disadvantaged regions, and are defined by the Agreement as non-actionable.

The Agreement also covers the use of countervailing measures against subsidized imports. It lays down rules for initiating countervailing cases and for investigation by national authorities. Countervailing duties normally have to be terminated within five years. The least developed countries and developing countries with per capita incomes of under $1,000 are exempted from this provision. For other developing countries, the prohibition of export subsidies are scheduled to take effect eight years after the establishment of WTO; for countries in transition, it should be phased out within a period of seven years from the Agreement's date of entry into force.

(k) Agreement on Safeguards

Article XIX of the General Agreement allows a GATT member country to take temporary action to protect (safeguard) a domestic industry from "serious injury" due to a sudden, large increase in imports. The article has, however, often been used as a pretext for protection, and its provisions have often been skirted around through so-called "grey area" measures. Strengthening article XIX was a major objective of the Tokyo Round, but little was achieved. The Agreement established a prohibition against the grey area measures and set a definite time limit (the sunset clause) to the duration of action that could be taken under the article. Accordingly, all safeguard measures taken under article XIX shall be terminated not later than eight years after the date on which they were first applied, or five years after the establishment of WTO, whichever comes later. It lays down criteria for determining "serious injury" to domestic industry, and provides that safeguard measures can be applied only to the extent necessary to prevent or remedy the injury. The duration of safeguard measures should generally not exceed four years, though this could be extended to a maximum of eight years. Safeguard measures should not be applied to a product from a developing country member if the share of the developing country member in the imports of the product concerned does not exceed 3 per cent, and if developing country members with a less than 3 per cent import share collectively account for no more than 9 per cent of the total imports of the product concerned. A developing country member has the right to extend the period of application of a safeguard measure for a period of up to two years beyond the normal maximum.

3. General Agreement on Trade in Services

In view of the growing importance of trade in services for the growth and development of the world economy, the Uruguay Round negotiations sought to bring services under multilateral rules and disciplines. The services agreement, which forms part of the Final Act, rests on three pillars: the first is a framework agreement containing basic obligations which apply to all member countries; the second concerns national schedules of commitments containing further specific national commitments which will be the subject of a continuing process of liberalization; and the third is a number of annexes addressing the special situations of individual services sectors.

Part one of the basic Agreement defines services as being covered by multilateral rules, and as including services supplied by one country to another, services supplied by the territory of one country to the consumers of another (such as tourism), and services provided through the presence of service-providing entities of one country in the territory of another (for example construction projects and consultancies).

Part two sets out general obligations and disciplines. The most-favoured nation (MFN) obligation is extended to trade in services. MFN status may not be possible for every type of services however, and therefore envisages that parties may indicate specific MFN exemptions which have to be reviewed after five years and generally are not limited to a 10-year period. Since domestic regulations, not border measures, provide the most significant influence on services trade, provisions spell out that all such measures of general application should be administered in a reasonable, objective and impartial manner. The basic Agreement further emphasizes transparency, which all parties are required to enhance through the publication of all laws and regulations concerning trade in services.

The Agreement goes far beyond basic principles. One of its major components contains rules and disciplines relating to particular services (telecommunications, financial services and air transport services) and the movement of labour. The Agreement on Labour Movement permits countries to negotiate specific commitments applying to the movement of people providing services. This Agreement does not apply to measures affecting persons seeking access to the employment market of a member country or to measures regarding citizenship, residence or employment on a permanent basis.

A third major component of the agreement provides the basis for a progressive liberalization of trade in services which would not involve general obligations (like trade in goods), but would rather constitute commitments made through successive rounds of negotiations and the development of national schedules on market access. Countries are free to decide which services they would include in the offer, and may also impose limitations on market access and national treatment with the agreement of other participants. The Agreement also allows parties, through negotiations, to withdraw or modify their schedules after three years.

(a) <u>Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods</u>

This Agreement recognizes that the infringement of intellectual property rights and the lack of a multilateral framework of principles, rules and disciplines for dealing with international trade in counterfeit goods have been a growing source of tension in international economic relations. The Agreement addresses the applicability of GATT principles and those of relevant international intellectual property agreements, the provision of adequate enforcement measures for intellectual property rights, and multilateral dispute settlement.

Under its basic principles, the Agreement extends the requirement of MFN treatment to intellectual property for the first time. It then takes up each type of intellectual property and, building on existing international agreements, lays down guidelines and requirements. Among the major features of the Agreement are the following: it requires parties to comply with the substantive provisions of the Berne Convention for the Protection of Literary and Artistic Work; it ensures that computer programs will be protected as literary works; it seeks to protect the rights of authors of computer programs and producers of sound recordings to authorize or prohibit the commercial rental of their work and to protect live performances from unauthorized recording and broadcast (bootlegging). In the area of trade marks, the Agreement defines what types of signs should be eligible for protection; this is also extended to industrial designs.

The Agreement sets out the obligation of member Governments, under their domestic laws, to adequately protect the intellectual property rights of foreigners as well as those of their own nationals. The settlement of disputes in this respect is to be carried out using the GATT dispute-settlement procedures.

For developed countries, the Agreement envisages a one-year transition period to bring national legislation and practices into conformity with the guidelines of the Agreement. Developing countries and economies in transition have five years, and the least developed countries 11 years.

(b) Government Procurement Agreement

The Final Act contains an agreement related to the procedures for the accession to the Government Procurement Agreement, which is designed to facilitate the membership of developing countries. It envisages consultations between the existing members and the applicant Governments, which would be followed by the establishment of accession working parties to examine the offers made by applicant countries (in other words, the public entities whose procurement would be opened up to international competition), and to help determine the export opportunities for the applicant countries in the markets of the existing signatories.

D. The impact of the Uruguay Round

1. Overall impact

(a) Agriculture

The agricultural package which emerged from the Uruguay Round comprises four main elements: the tariffication of all non-tariff border measures; a 36 per cent reduction in tariffs, including those resulting from tariffication; a reduction of 36 per cent in budgetary outlays on export subsidies and a 21 per cent reduction in the quantities of subsidized exports; and a 20 per cent reduction in "amber" domestic support measures under the aggregate measure of support (AMS)[22] clause.

In judging the impact of the reform on the developed economies, it is vital to distinguish between domestic and world prices. Tariff cuts and reductions in government support have mutually reinforcing effects on world prices. Specifically, a reduction in tariffs has the direct effect of reducing the price paid for agricultural goods in the domestic market. However, if the lower domestic price leads to higher consumption, the world price is likely to rise. Meanwhile, the reduction in subsidies means that domestic producers receive less for their product; this, in turn, leads to a reduction in supply and an increase in the prices in world markets. Therefore, tariff reductions and subsidy cuts should mutually reinforce each other in boosting world prices. At the commodity level, the prices of dairy products, sugar and wheat will rise most, while those of coarse grain and meat products will rise least. Different sources give different results with respect to the effects of agricultural trade liberalization on rice prices.

Table 16 provides an assessment of the price effects of agricultural reform. The assessment is based on three modelling exercises undertaken by the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and the OECD World Agricultural Liberation Study (WALRAS). The first exercise considers the one-third reduction in support, while the other two consider complete liberalization.

[22] The Uruguay Round Agreement on Agriculture introduces the concept of the aggregate measure of support (AMS), first floated during the Kennedy Round. The AMS calculation places government policies into either a "green" or an "amber" box. Green-box policies are those deemed not to be trade-distorting, while amber-box policies are trade distorting and in need of reform.

Table 16. Price effects of agricultural reforms

(Percentage change in world price levels)

	Wheat grain	Coarse grain	Rice	Meat	Dairy	Sugar
World Bank/ Organization for Economic Cooperation and Development	5.9	3.6	-1.9	4.7	7.2	10.2
United Nations Conference Trade and Development (UNCTAD)	6.7	4.5	14.3	--	0.0	9.0
OECD World Agricultural Liberation Study (WALRAS)	8.0	5.7	--	3.3	4.7	0.0

Source: P. Evans and J. Walsh, "The EIU guide to the new GATT" (London, The Economist Intelligence Unit, 1994), p. 68.

The overall assessment indicates similar conclusions for all three exercises. Since agricultural prices will be higher, overall net importers are likely to suffer, while net exporters will gain. Accordingly, the main beneficiaries are likely to be North America, Europe and Latin America, since they are net exporters of temperate products, while developing countries will suffer as importers of these products.

Trade revenues are only part of the story; the reforms will also have serious effects on supply. In countries where production is kept artificially high by subsidies (i.e., OECD countries), output is likely to fall. OECD farmers, will lose out, but domestic prices (and EU subsidies) will fall, helping both consumers and the budget deficit. In developing countries, higher prices will raise the living cost of the urban population, but will also increase the income of domestic producers. This should induce an increase in the production of temperate products as substitutes for more costly imports—and perhaps even their export into the more open OECD markets. In turn, higher world prices might induce some countries to shift from being net importers to being net exporters.

In terms of total welfare gains and losses, the fact that the OECD countries are characterized by expensive subsidies and a small agricultural workforce implies that there will be significant benefits for both taxpayers and consumers.

The situation in the developing countries is somewhat more complicated. Net importers will invariably be worse off, and gains for exporters will be outweighed by higher import costs. Losses are likely to be widespread both in Africa and Asia in the short to medium term, though when higher world prices induce increased production, these countries may benefit; the extent of this benefit in the long run will depend not only upon the physical attributes of individual countries but also on the level of regulation. Regions where agricultural trade and production already operate in a fairly open environment, such as Latin America, are likely to adapt most quickly, while African countries are less likely to be able to adapt.

In sum, two main characteristics determine the beneficiaries and losers in the short to medium term: whether they are net exporters or net importers, and whether they tend to export or import those goods which are likely to rise in price. Specifically, importers of meat, dairy products, wheat, coarse grains and vegetable oil will lose, while exporters of these products will gain. At the same time, exporters of coffee, cocoa and tea will lose.[23] The large winners will be North America and Europe and to a lesser extent Latin America, while there will be a great many losers in Africa and Asia;

(b) Industry

There are three main components of the Uruguay Round reform pertaining to non-agricultural merchandise trade:

(a) Tariff binding and tariff reductions;

(b) The lessening of tariff escalation (under the present system, the producer of later stages in a production process tends to be subject to higher tariffs);

(c) The reduction of non-tariff barriers (NTBs) through tariffication.

Given the importance and complexity of NTBs, the assessment of their impact will be treated separately.

(i) Tariff binding and tariff reductions

The aim of tariff binding is to increase market access through greater security (i.e., exporters know that the tariffs on their goods cannot rise). As a result of the Uruguay Round, 98 per cent of the value of all developed countries' imports from all sources are now bound. More importantly, 17 per cent of industrial goods imported into developed countries and 19 per cent of such goods from developing countries are now bound at the zero tariff level.

Tariff barriers are already low in the United States and the European Union, at 3.9 and 4.3 per cent, respectively, reflecting the liberalization negotiated in previous GATT rounds. It is in the developing countries that average tariff barriers remain high, standing, for example, at 51 per cent in China and 106 per cent in India. Pre-Uruguay Round tariffs averaged 6.4 per cent in the developed countries, with an agreed-upon reduction of 38 per cent. This reduction must take place in a maximum of five steps; the first starts on the day the country gains WTO status, with the subsequent steps entering into effect on 1 January each year thereafter. The overall size of the reduction is understated because of the figures relating to the textile and clothing sector, where the offered tariff reduction is only 20 per cent; however, this is in addition to the agreed phase-out of the Multifibre Arrangement (MFA).

Because the quantitative restrictions on imports (quotas) will be replaced by tariffs that will be subject to the agreed-upon reduction, the removal of quotas will lead to a greater increase in market access than the tariff reductions. Therefore, it is the actual reduction in the end-user price of the tariffed good which is the stimulus to trade, rather than the percentage reduction.

(ii) The lessening of tariff escalation

The Uruguay Round negotiations have succeeded in bringing down both the overall level of tariffs and the extent to which they increase with the stage of production. This is particularly important for developing

[23] The most likely explanation is that these items are subject to an export tax in many countries, especially in Latin America, to provide the Government with funds to invest in industry. Now, and following the finalization of the Uruguay Round, it must to be gradually eliminated.

countries that are making efforts to diversify and reduce their dependence on the raw materials and other goods used in the early stages of the production process. Tariff escalation has reduced the ability of developing countries to diversify.

Since tariff levels in the world's major markets are already low, expected actual income gains from the reduction in tariffs on manufactured goods alone are relatively small. According to OECD/World Bank estimates, gains from non-agricultural tariff reform are likely to be worth only 15 per cent of those of agricultural reform.[24] Such figures exclude gains made from the reduction of non-tariff barriers and knock-on gains from agricultural and services sector reform. The OECD countries gain the most by far because of their predominance in the market. China, however, is expected to be the biggest single gainer from manufacturing reform alone, with real income an estimated 0.8 per cent higher 10 years after implementation, followed by the countries in upper-income Asia with gains of about 0.7 per cent. The estimated gain of the European Communities is equivalent to 0.2 per cent of gross domestic product (GDP).

There are a number of macroeconomic features of the adjustment process that need to be mentioned at this point:

a. Import prices

The rural sector will benefit from lower import prices. This is particularly important for developing countries—especially in Asia, where pre-Uruguay Round tariffs are high. The gains will be sufficient in most cases to offset the losses in the urban sector caused by the increased access to their domestic markets. Elsewhere in the developing world this is not the case; with the exception of Brazil, tariffs are lower than those in Asia, so the impact of equivalent percentage reductions is smaller on import prices.

b. Domestic prices

The overall effect on domestic prices may be quite marked. According to recent research, full elimination of post-Tokyo Round tariffs in developing countries will lead to a cut in prices in developed countries of 0.6 per cent: specifically, the European Communities will experience a cut of 1 per cent, the United States 0.2 per cent, Japan 0.6 per cent, and Australia 1.1 per cent.[25]

c. Labour market

According to the results of research done in the United States, the overall scale of labour-force adjustment should be relatively small.[26] The results suggest that full liberalization would lead to only 0.28 per cent of the United States labour force needing to change sectors; this figure rises to 0.43 per cent in Japan and to 0.65 per cent in the European Communities. However, it is likely that a significant dislocation of labour will take place within particular sectors. This analysis also points to only a relatively small dislocation of labour in the developing countries.

In order to identify the winners and losers following trade liberalization in manufacturing, it is important to know the following: the sectors in which trade will be stimulated most; which countries have

---

[24] Deardorft and Stern, The Multilateral Trading System: Analysis and Options for Change, R.M. Stern (ed), 1993 (as quoted in "The EIU guide to the new GATT", London, The Economist Intellegence Unit, 1994, pp. 74-75).

[25] Ibid.

[26] Ibid.

a comparative advantage in these sectors; which countries are the most important markets; and who currently has the greatest ties to these markets.

The biggest overall absolute reductions in tariff barriers are to be found in textiles and clothing; leather, rubber and footwear; and chemicals. Imports of wood, pulp, paper and furniture from developing countries also come in for a particularly large absolute tariff reduction. It should be noted that the tariff reduction for textiles and clothing does not include the phasing out of the MFA; taken alone, it represents a great underestimation of the true size of the market opening in this sector.

Estimates made by the GATT secretariat suggest that, as a result of the tariff reductions, developed countries' imports of industrial products will grow by some 2.6 per cent.[27] However, because multilateral tariff reduction decreases the inherent preference that exists within a free-trade area, imports from other countries within the free-trade areas are expected to fall by 0.7 per cent. This is important for the countries currently outside free-trade areas. The biggest gainers will be those countries which currently hold full MFA status, from which developed countries' imports are expected to increase by 4.7 per cent. The biggest increases in imports are likely to be in the categories of other manufactured goods (4.7 per cent), leather, rubber and footwear (4.3 per cent), textiles and clothing (3.6 per cent), and non-electrical machinery (3.1 per cent).

While most of the increase in imports will come from developed countries, most developing countries are net losers from the reforms related to trade in manufactured goods. However, developing countries which have a "revealed comparative advantage" would benefit.[28] Based on an analysis carried out in this respect, developing countries have a revealed comparative advantage in textiles, clothing, food, raw materials and fuels, while developed countries have such an advantage in chemicals, other semi-manufactured goods, machinery and transport equipment, and consumer goods.[29] Not surprisingly, the developing countries' revealed comparative advantage tends to lie in those sectors where a lot of labour is required, or where natural resource endowments are central to production. Accordingly, the winners at a regional level include the following: Asia from textiles and clothing; Latin America and Western Europe from iron and steel industries; and North America from the manufacture of machinery and transport equipment (including automotive products and office and telecommunications equipment) and from chemical products. In Western Europe, there are also likely to be gains in the chemical, other semi-manufactured goods and consumer goods industries. Asian industry has a comparative advantage not only in textiles and clothing, but also in office and telecommunications equipment, other consumer goods, and machinery and transport equipment.

(iii) The reduction of non-tariff barriers (NTBs) through tariffication

Non-tariff industrial barriers encompass a whole array of measures including voluntary export restraints (VERs), orderly market arrangements, tariff quotas, surcharges, variable levies, prohibitions, licensing, import monitoring, anti-dumping and countervailing actions, price controls, and measures invoked under the MFA. The fact that there is such a wide range of measures makes NTBs difficult to monitor and observe.

---

[27] P. Evans and J. Walsh, "The EIU guide to the new GATT" (London, the Economist Intelligence Unit, 1994), p. 76.

[28] A "revealed comparative advantage" score is derived by calculating the ratio of a country's exports of an industrial product to its total exports and comparing this with the same product's share of total world exports. When the former is greater than the latter, it can be said that the country holds a revealed comparative advantage (Ibid., p. 77).

[29] Ibid.

Developed countries use NTBs most extensively to protect their food, iron and steel, vehicle, and clothing and textile industries.

Under the Uruguay Round provisions, three types of NTB reductions are taking place:

(a) Using domestic data, NTBs on agricultural imports have been quantified as tariffs and are to be subject to the tariff reductions specified under the Agricultural Agreement;

(b) The MFA is being phased out over a 10-year period;

(c) The Agreement on Safeguards calls for the phasing out of VERs, orderly marketing arrangements, or any other similar measures over a four-year period.

A number of studies have been undertaken to estimate the effects of NTB removal. Because a number of different models and assumptions have been employed, their conclusions tend to differ substantially. According to one study,[30] the elimination of NTBs (other than the MFA and the agricultural NTBs) will result in the following: the imports of the developed countries will grow by 2 per cent, with much of this being met from the developed countries themselves, as exports are expected to rise by about 1.8 per cent. The largest increases in imports will be experienced by France, Japan, Australia, Italy and the United States. Those gaining the most in terms of exports are France, Italy, Japan, Australia, Belgium and Luxembourg. Dislocation of employment, as measured by the gross number of workers who change employment, is quite significant. About 648,000 workers in the developed countries are expected to change jobs, along with 334,000 workers in the developing countries. Employment in a number of sectors is also expected to increase.

The phasing-out of the MFA

In most cases the MFA quotas are more restrictive than the tariffs on clothing and textile imports. Consequently, the removal of the MFA quotas will reinforce the increase in clothing and textiles trade which will result from the cuts in tariffs. The boost to trade is likely to be significant, as tariff equivalents of the MFA quotas on textiles and clothing are thought to be around 22 per cent and 28 per cent, respectively.[31]

Countries which have important clothing and textile export sectors are the obvious gainers from the phasing out of the MFA. Long-standing exporters such as Hong Kong and South Korea already account for a significant proportion of world trade in these items; however, the bigger gainers are likely to be new exporters such as Bangladesh and China.

According to the revealed comparative advantage formula, the following countries and areas are likely to benefit significantly from the increased clothing trade: Bangladesh, China, Greece, Hong Kong, India, Macau, Mauritius, Pakistan, Portugal, Sri Lanka, Tunisia and Turkey.

---

[30] Deardorft and Stern, The Multilateral Trading System: Analysis and Options for Change, Robert M. Stern (ed), 1993 (as quoted in "The EIU guide to the new GATT" (London, The Economist Intelligence Unit, 1994), p. 82).

[31] According to a 1989 study by USITC as quoted in "The EIU guide to the new GATT" (London, The Economist Intelligence Unit, 1994), p. 83.

(c) Services

The GATT 1994 Agreement on Services is designed to provide foreign services suppliers with secure market access and the same treatment as domestic suppliers. It is not—and has never been—intended to be purely a mechanism by which services-sector companies based in the developed world can build or expand their market share in the developing world. Indeed, it allows developing countries to limit access where they deem this desirable. The Uruguay Round Agreement on Services will ensure that firms from the developed countries have greater market access, but which and whose service industries will gain most will depend on the particular developing country in question. Because data on services-sector trade are scarce, a country-by-country analysis of the impact of the Uruguay Round Agreement on Services is difficult. It is fairly certain that the developed countries will make the biggest gains, although some developing countries are also likely to benefit—especially in labour-intensive services and in areas where local knowledge and contacts are needed, such as in tourism.[32]

2. The impact on ESCWA member countries

Among the ESCWA member countries, only Kuwait (since 1963), Egypt (since 1970) and most recently Bahrain are contracting parties to the GATT. Qatar, the United Arab Emirates and the Republic of Yemen maintain a de facto application of the GATT pending a final decision as to their future commercial policy. Jordan and Saudi Arabia have recently applied for accession. Among non-ESCWA Arab countries, Morocco (since 1987) and Tunisia (since 1990) are contracting parties, while Algeria maintains a de facto application of the GATT.[33]

The role of the region in the Uruguay Round negotiations, as in previous GATT negotiations, was minimal, not only because of its small presence, but also because of its lack of a serious perspective on the impact of the results of the negotiations on its economies. The main outcome of direct significance to the region was the exclusion of oil from the Uruguay Round Agreement on Industrial Goods, which gives the main oil-importing countries the opportunity to impose any regulations they deem to be in their interest (one example being the carbon tax). The exclusion of oil represents a great disadvantage with respect to the region's interests because of the predominance of oil in its total exports. This aside, the countries of the region are also set to experience some of the advantages and disadvantages of the Round's agreements on agriculture, industry and services. While a full evaluation of these advantages and disadvantages cannot be made in the absence of detailed sectoral/country studies, an overall assessment is none the less attempted below.

(a) Agriculture

According to a study undertaken by the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, all Arab countries except Morocco, Tunisia, Sudan and Mauritania are net food importers. Their imports of agricultural products in 1991 totalled $19.4 billion against exports of $4.9 billion, for a deficit of $14.5 billion.[34] For the ESCWA region, food imports in 1991 totalled $10.3 billion and accounted for 15.5 per cent of all imports, while food exports totalled $2.1 billion or 2.5 per cent of

---

[32] P. Evans and J. Walsh, "The EIU guide to the new GATT" (London, The Economist Intelligence Unit, 1994).

[33] GATT activities 1991 (newsletter), pp. 151-152.

[34] General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, "The expected impact of GATT on Arab economies and the joint Arab role in dealing with them" (in Arabic), a paper submitted to the Arab Expert Group Meeting on the impact of GATT on Arab countries, held by the League of Arab States in Cairo from 4 to 7 July 1994.

total exports.[35] Accordingly, the increase in the world food prices following the elimination of agricultural subsidies (agreed upon by the world's main food exporters) will increase the region's import bill and negatively affect its balance of payments. The largest increases are expected in the prices of basic items such as wheat, dairy products, sugar and meat, and are likely to range between 24 and 33 per cent above the average price levels of 1984 through 1986.

In 1991, Arab countries imported the equivalent of $4.8 billion of grain (56 per cent of which was wheat), $2.2 billion worth of dairy products, $1.4 billion of sugar, and $1.4 billion of edible oil. The estimated overall losses for Arab countries from the liberalization of trade in agricultural goods will be around $887 million a year. Egypt will be the main loser, followed by Iraq, Saudi Arabia, Algeria and the Syrian Arab Republic.[36]

On the export side, the exclusion of fish and fish products from the Uruguay Round Agreement on Agriculture and their inclusion in the Agreement on Manufactured Goods go against the interests of the fish-exporting countries of the region, as they will only benefit from tariff reduction. The region's overall exports of agricultural products to developed countries, especially the European Communities, will also be at risk, subject to what happens to existing preferential arrangements. However, countries of the region which are members of GATT will be better off than non-member countries, as they will benefit from other concessions provided by the GATT Agreement.

The Agreement on Trade-Related Intellectual Property Rights is expected to have a negative impact on the region's agricultural sector, as it restricts the development of production methods, especially in areas where the application of genetic engineering is required.

With respect to agricultural exports, competitiveness among the countries of the region which are members of GATT is expected to increase as a result of tariff reduction, the elimination of subsidies, and the removal of non-tariff barriers. Their membership will also provide them with some protection from the agricultural implications of the Agreement on Trade-Related Intellectual Property Rights, as well as guarantees that these countries will not be forced to resort to standardization and qualification practices which create unjustified obstacles to trade liberalization in agricultural products.[37]

(b) Industry

The ESCWA member countries are also net importers of manufactured goods; in 1991 these goods totalled $49.1 billion, or 73.6 per cent of total imports, while exports amounted to $10.4 billion, or 12.3 per cent of the total.

Developed countries are expected to be the biggest winners after the liberalization of trade in manufactured goods; however, many developing countries, including countries of the ESCWA region, are not expected to benefit, at least in the short and medium terms. As a result of the industrialization process and restructuring programmes, many ESCWA member countries are experiencing expansion in industrial output. However, there is a widespread fear that at this stage, the liberalization of world trade—including opening of markets and the elimination of subsidies—will jeopardize their efforts and lead them to export

---

[35] ESCWA, Analytical review of developments and issues in the external trade and payments situation of countries of Western Asia (December 1993) (E/ESCWA/SED/1993/15).

[36] See note 34.

[37] Ibid.

at any cost in order to avoid the consequences of the drop in the prices of basic goods. In addition, non-tariff barriers will continue on their main exports of textiles and processed foods.

As is the case in agriculture, the region's industrial goods exports will lose their current privilege of preferential treatment in the markets of developed countries—especially the European Communities, their main trading partner. More seriously, many of their industries will be negatively affected by the restrictions of the Agreement on Trade-Related Intellectual Property Rights, especially in the area of technology transfer. The industries which are most likely to suffer are food processing, pharmaceuticals, chemicals and electronics.

However, the most important and main export-oriented industries in the region—namely, textiles and clothing and petrochemicals—are expected to benefit. The textiles and clothing industry constitutes a large source of employment and requires less sophisticated technology; exports of these goods in 1991 represented around 27 per cent of all Syrian exports and 16 per cent of those of Egypt, and the gradual tariff reductions and quota increases are expected to boost their exports in the future.

The GCC countries and Iraq are the main producers of petrochemicals; their exports will specifically benefit from a tariff cut of 30 per cent. A study by the United Kingdom's Chemical Industries Association suggests that the gain in trade terms will be around $11 billion in world petrochemicals trade in 2002, a boost of 3 to 3.5 per cent. While this will not fall exclusively to Gulf firms, the more competitive of them are likely to benefit significantly.[38] Competition from other producers such as China and the Republic of Korea is not expected to harm the Gulf much, because of the region's advantage of closer geographical distance to European markets and cheaper feedstock.

Chemical exports from the region (mainly Egypt) will benefit from the 44 per cent reduction in tariffs granted to developing countries; however, Jordan's export of chemical fertilizers might face some restrictions, as European countries are currently cutting down on their use for environmental reasons.[39]

(c) Services

The ESCWA region is a net importer of services; in fact, it is considered one of the world's largest. However, some member countries such as Egypt and Jordan have been experiencing noticeable growth in their services sector. In 1991, the region's total exports of services equalled $30.6 billion and total imports $58.3 billion, for a deficit of $27.7 billion.[40] The services sector, however, is still generally a weak sector in all countries of the region and faces a wide range of difficulties both domestically and in penetrating overseas markets.

The domestic services market in almost all countries of the region is highly protected through the restriction of activities to national companies and citizens; the impact of opening up these closed and relatively underdeveloped markets to much more advanced foreign competition is therefore likely to be negative in the short and medium term. Moreover, since scientific and technological progress has been confined mainly to developed countries, the GATT Agreement on Trade-Related Intellectual Property Rights (TRIPs) is expected to have serious restrictive impact on the social and economic development of the region.

---

[38] P. Evans and J. Walsh, "The EIU guide to the new GATT" (London, The Economist Intelligence Unit, 1994), pp. 116-117.

[39] Ibid.

[40] ESCWA, Analytical Review of Developments and Issues in the External Trade and Payments Situation of Countries of Western Asia (E/ESCWA/SED/1993/15).

Member countries therefore need to benefit from all the concessions provided by the agreement on services to developing countries and countries with balance-of-payments difficulties in order to gradually open up their markets and achieve quantitative and qualitative development.

ANNEX

Annex table 1. World merchandise trade, 1988-1993
(Millions of US dollars)

	1988	1989	1990	1991	1992	January-June 1992	January-June 1993	1993
World exports	2 814 216	3 037 490	3 433 179	3 411 065	3 649 841	1 773 588	1 797 403	..
Developed market economy countries								
Export	1 979 133	2 145 217	2 465 564	2 489 677	2 652 376	1 308 345	1 289 239	2 639 365
Imports	2 079 216	2 268 893	2 591 455	2 562 739	2 716 001	1 335 805	1 269 894	2 641 541
Developing countries								
Export	626 197	701 635	795 163	831 141	907 600	424 898	468 836	..
Imports	622 780	689 194	776 103	852 653	974 715	461 929	531 173	..
China								
Export	47 521	52 538	62 091	71 844	84 635	35 635	37 171	91 721
Imports	55 264	59 140	53 345	63 791	80 315	33 052	40 679	103 943
Countries in Central and Eastern Europe								
Export	98 328	81 467	68 276	43 973	44 345	21 068	19 176	..
Imports	90 205	74 628	66 244	44 725	50 265	22 108	24 191	..
Former Soviet Union								
Export	110 559	109 173	104 177	46 274	48 815	21 212	21 866	..
Imports	107 229	114 567	120 651	43 458	41 728	20 270	12 607	..

Source: United Nations, Monthly Bulletin of Statistics, various issues.

Annex table 2. ESCWA region: overall trade flows, 1985 and 1988 to 1992
(Millions of US dollars)

	Exports (f.o.b.)						Imports (c.i.f.)					
	1985	1988	1989	1990	1991	1992	1985	1988	1989	1990	1991	1992
Total ESCWA region	79 951	67 861	88 594	103 731	89 864	99 123	68 292	67 672	67 664	72 233	74 566	87 108
Major oil exporters[a]	74 864	62 179	80 675	94 817	80 976	90 705	51 721	49 560	51 856	53 711	55 375	75 425
Iraq	10 731	11 052	14 600	9 500	..	..	7619	7146	7 675	7 241	..	..
GCC countries	64 133	51 127	66 075	85 296	80 976	90 705	44 102	42 414	44 181	46 470	55 375	65 234
Bahrain	2 897	2 411	2 831	3 758	3 404	3 368	3 107	2 593	3 134	3 711	4 061	4 125
Kuwait	10 479	7 765	11 476	6 956	528	6 690	6 531	6 046	6 303	3 923	6 332	7 505
Oman	4 972	3 268	3 933	5 215	4 874	5 428	3 153	2 202	2 255	2 681	3 194	3 769
Qatar	3 541	1 696	2 115	2 960	3 150	3 366	1 139	1 267	1 326	1 550	1 720	1 743
Saudi Arabia	27 480	23 737	28 369	44 417	48 794	50 760	23 623	21 784	21 153	24 069	27 391	31 864
United Arab Emirates	14 764	12 250	17 351	21 990	20 226	21 093	6 549	8 522	10 010	11 199	12 677	16 228
Other ESCWA member countries	5 087	5 682	7 919	8 914	8 888	8 418	16 571	18 112	15 808	18 522	19 191	21 874
Egypt	1 838	2 120	2 565	2 582	3 617	3 071	5 495	8 657	7 434	9 202	7 754	8 357
Jordan	790	1 036	1 098	1 063	1 132	1 220	2 732	2 786	2 133	2 603	2 512	3 257
Lebanon	400	629	484	496	490	559	2 066	2 408	2 263	2 578	3 748	4 180
Syrian Arab Republic	1 637	1 345	3 009	4 062	3 143	3 093	3 967	2 231	2 097	2 526	3 151	3 490
The region's least developed country:												
Republic of Yemen	422	552	763	711	506	475	2 311	2 030	1 981	1 613	2 026	2 590
(a) Yemen	108	472	650	543	-[b]	-[b]	1 632	1 384	1 401	1 193	-[b]	-[b]
(b) Democratic Yemen	314	81	113	168	-[b]	-[b]	679	647	580	420	-[b]	-[b]

Source: ESCWA, based on national and international sources.

a. Gulf Cooperation Council (GCC) countries plus Iraq.

b. On 22 May 1990 the People's Democratic Republic of Yemen and the Yemen Arab Republic merged to form a single State, the Republic of Yemen.

Annex table 3. ESCWA region: geographic distribution of exports (f.o.b.), 1985 and 1988 to 1993[a]

(Percentage shares)

Year	ESCWA	Other developing regions: Total[c]	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
ESCWA region													
1985	7.7	23.1	15.7	5.1	1.6	0.6	25.6	4.3	24.2	1.8	0.1	13.2	100
1988	11.7	23.9	17.6	3.8	1.5	0.9	19.0	12.1	18.1	1.9	0.5	12.8	100
1989	11.4	21.7	16.2	3.4	1.4	0.7	18.6	14.1	18.1	2.5	0.4	13.2	100
1990	10.4	22.8	17.3	3.0	1.7	0.8	16.8	15.0	20.2	2.4	0.3	12.1	100
1991	9.0	23.0	18.9	1.8	1.6	0.7	18.3	12.4	23.3	1.5	0.6	11.9	100
1992	10.4	23.0	19.1	1.7	1.5	0.7	18.7	11.9	23.0	1.5	0.7	10.8	100
1993	10.1	26.8	22.6	1.9	1.6	0.7	17.2	11.0	20.3	0.8	0.5	13.3	100
Major oil exporters													
1985	7.2	24.1	16.5	5.4	1.6	0.6	24.8	4.5	25.7	0.4	0.1	13.2	100
1988	11.1	25.0	18.3	4.2	1.6	0.9	18.0	12.7	19.5	0.6	0.5	12.6	100
1989	10.9	23.2	17.3	3.8	1.4	0.7	17.1	15.0	19.7	0.6	0.4	13.1	100
1990	9.9	24.3	18.5	3.3	1.8	0.7	15.3	15.9	22.1	0.7	0.3	11.5	100
1991	8.4	24.5	20.5	2.0	1.6	0.4	16.5	13.3	25.6	0.4	0.7	10.6	100
1992	10.0	24.2	20.3	1.9	1.6	0.4	15.8	12.7	25.3	0.1	0.7	11.2	100
1993	9.5	28.3	24.1	2.1	1.6	0.5	14.2	11.4	22.4	0.2	0.5	13.4	100
Bahrain													
1985	26.8	28.4	19.9	--	8.5	--	1.4	9.7	11.8	--	0.2	21.7	100
1988	26.7	32.6	24.1	--	8.5	--	1.4	9.7	11.8	--	0.2	17.6	100
1989	26.8	28.4	19.9	--	8.5	--	1.4	9.7	11.8	--	0.2	21.7	100
1990	20.2	33.4	23.3	--	10.0	0.1	2.8	6.8	13.1	--	0.1	23.6	100
1991	18.7	38.6	28.6	--	9.9	0.1	4.3	2.9	12.9	--	--	22.6	100
1992	21.6	37.6	26.9	--	10.6	0.1	5.6	2.1	8.8	--	0.1	24.3	100
1993	21.7	34.9	23.6	--	10.5	0.3	5.2	2.8	9.8	--	0.1	25.5	100
Iraq													
1985	2.6	23.1	4.3	17.4	0.1	1.3	43.6	4.3	5.5	2.4	0.1	18.4	100
1988	5.2	20.2	4.3	13.5	0.1	2.3	28.8	15.0	7.8	2.2	0.1	20.7	100

Annex table 3. *(continued)*

Year	ESCWA	Other developing regions: Total[c]	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
1989	4.4	21.3	4.7	13.2	0.5	2.9	27.2	19.0	8.9	1.9	0.5	16.8	100
1990	4.8	19.3	6.6	10.2	0.6	1.9	24.2	28.3	7.8	2.2	0.6	12.8	100
1991	88.2	0.3	--	0.3	--	--	10.1	--	--	--	0.3	1.1	100
Kuwait													
1985	10.2	29.8	27.6	--	1.6	0.6	30.2	1.8	18.0	--	0.1	9.7	100
1988	7.4	32.7	27.8	1.0	1.9	1.9	25.5	5.5	17.3	2.1	0.8	8.7	100
1989	6.5	32.7	27.8	2.3	1.8	0.8	23.6	8.6	19.2	1.4	0.5	7.5	100
1990	5.9	35.7	30.8	1.9	2.3	0.7	23.9	7.0	19.1	0.5	0.5	7.4	100
1991	10.2	11.1	11.1	--	--	--	55.0	8.3	12.3	--	--	3.1	100
1992	--	13.4	13.4	--	--	--	30.3	11.0	42.6	--	0.1	2.6	100
1993	--	8.1	8.0	--	0.1	--	10.1	43.2	37.1	--	0.2	1.3	100
Oman													
1985	--	27.8	24.9	1.6	1.3	--	17.5	6.8	38.9	--	--	9.0	100
1988	57.0	19.7	18.2	--	1.4	0.1	11.5	4.6	0.9	--	--	6.0	100
1989	67.0	13.7	12.6	--	0.9	0.1	7.7	3.4	1.1	--	0.4	6.7	100
1990	61.3	16.1	11.8	--	4.1	0.2	10.3	3.7	2.1	--	--	6.5	100
1991	36.6	23.8	21.0	0.3	2.3	0.2	2.1	1.6	27.2	--	5.0	3.7	100
1992	33.7	29.3	26.5	0.3	2.5	--	2.3	2.5	23.8	--	5.4	3.0	100
1993	32.2	38.2	35.2	0.5	2.5	--	2.0	2.8	17.0	--	3.6	4.2	100
Qatar													
1985	3.1	15.6	8.5	6.6	0.5	--	43.2	0.2	33.3	--	0.2	4.4	100
1988	9.8	28.0	22.2	5.8	--	--	3.5	--	49.8	--	2.1	6.8	100
1989	9.0	21.7	15.7	5.9	0.1	--	4.7	2.1	56.1	--	1.6	4.8	100
1990	6.5	25.7	16.8	8.9	--	--	2.3	1.6	59.5	--	0.7	3.7	100
1991	6.1	26.6	17.0	5.6	--	--	2.3	0.9	61.4	--	2.3	4.3	100

Annex table 3. *(continued)*

Year	ESCWA	Other developing regions: Total[c]	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
1992	6.5	24.8	20.2	4.5	0.1	--	2.6	2.1	59.0	--	1.9	3.1	100
1993	6.3	30.0	24.6	5.2	0.1	--	2.5	2.0	54.6	--	0.6	4.0	100
Saudi Arabia													
1985	8.1	27.7	20.8	4.4	1.6	0.9	22.6	5.5	30.0	0.1	--	6.0	100
1988	8.4	25.2	19.4	4.0	1.2	0.6	22.6	22.2	17.3	0.1	0.5	3.7	100
1989	8.8	22.0	18.2	2.4	1.1	0.3	19.7	26.3	17.8	0.3	0.4	4.7	100
1990	9.2	24.7	18.9	3.3	1.6	0.9	17.7	24.0	19.0	0.7	0.2	4.5	100
1991	5.8	25.5	20.9	2.7	1.3	0.6	23.6	21.4	17.7	0.6	0.2	5.2	100
1992	7.3	23.9	19.4	2.7	1.2	0.6	22.5	20.2	18.4	0.2	0.2	7.3	100
1993	8.1	29.2	24.2	3.0	1.3	0.7	22.3	15.8	16.3	0.2	0.2	7.9	100
United Arab Emirates													
1985	6.1	13.6	6.9	4.8	1.9	--	13.6	4.0	34.8	--	--	27.9	100
1988	6.2	23.2	19.0	1.6	2.0	0.6	5.2	4.0	34.8	--	0.5	26.1	100
1989	5.3	22.4	19.1	1.7	1.6	0.1	8.3	3.8	31.1	--	0.3	28.8	100
1990	4.1	21.9	19.6	0.8	1.2	0.3	8.2	3.7	35.1	0.4	0.2	26.4	100
1991	3.5	21.9	19.4	1.0	1.3	0.3	8.5	2.9	39.4	--	0.3	23.5	100
1992	8.3	22.7	20.4	0.7	1.4	0.3	7.4	3.2	35.9	0.1	0.3	22.1	100
1993	5.6	25.6	23.0	0.9	1.4	0.3	5.5	2.8	31.3	0.3	0.4	8.5	100
Other ESCWA member countries													
1985	15.5	6.8	4.5	0.6	0.8	0.9	37.7	0.7	2.5	23.0	0.2	13.6	100
1988	18.2	12.0	9.8	0.1	1.1	1.0	29.5	5.6	3.8	15.4	0.8	14.7	100
1989	16.1	7.7	5.6	0.1	0.9	1.1	33.0	5.9	3.0	20.2	0.3	13.6	100
1990	15.7	7.8	5.2	--	1.0	1.6	31.9	6.7	1.8	19.5	0.4	16.2	100
1991	14.8	9.3	4.9	0.1	0.9	3.4	34.0	4.5	2.2	11.9	0.5	22.8	100
1992	14.3	12.2	7.8	0.2	1.1	3.1	45.3	5.1	1.2	13.8	0.3	7.8	100

Annex table 3. *(continued)*

Year	ESCWA	Other developing regions: Total[c]	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
1993	15.1	13.0	8.8	0.3	1.3	2.6	44.4	7.3	1.6	6.1	0.6	11.9	100
Egypt													
1985	4.5	4.4	3.1	1.0	--	0.3	43.9	0.9	3.1	19.3	--	23.9	100
1988	8.5	9.7	8.1	0.3	0.3	1.0	37.1	6.3	4.7	16.2	0.1	17.4	100
1989	8.7	8.6	6.8	0.3	0.3	1.2	42.5	5.2	3.6	16.1	0.2	15.1	100
1990	6.4	4.7	1.1	--	0.8	2.8	15.4	8.6	2.7	19.1	0.2	42.9	100
1991	6.8	7.0	1.8	--	0.8	4.4	28.3	7.6	1.4	9.8	--	39.1	100
1992	5.3	14.2	9.1	0.3	1.1	3.7	54.8	8.7	1.7	8.8	--	6.5	100
1993	5.0	15.2	10.2	0.3	1.1	3.6	51.6	10.7	1.8	8.5	0.3	7.0	100
Jordan													
1985	48.2	22.5	20.3	1.2	0.8	0.1	4.4	--	2.2	5.7	0.8	16.2	100
1988	33.6	27.5	23.5	0.3	2.8	0.9	6.8	0.3	1.5	3.6	4.0	22.7	100
1989	34.9	20.3	17.3	--	3.0	--	4.0	0.7	2.9	5.0	1.8	30.4	100
1990	40.2	43.9	37.2	0.2	5.1	6.4	3.6	0.6	2.1	2.6	2.6	4.4	100
1991	24.7	38.8	32.5	0.4	2.7	3.2	3.1	0.4	1.8	3.6	5.4	22.2	100
1992	18.0	38.9	34.6	0.6	3.5	0.2	8.8	1.8	2.3	3.9	2.5	23.8	100
1993	16.8	31.6	25.8	0.8	4.8	0.1	5.3	1.4	1.7	1.3	3.5	38.4	100
Lebanon													
1985	63.5	5.4	0.4	--	2.5	2.5	15.3	4.5	0.3	4.3	--	6.7	100
1988	55.9	3.9	0.8	0.1	2.3	0.7	19.9	6.1	0.5	0.5	--	13.2	100
1989	51.1	5.4	1.0	--	3.2	1.2	22.4	5.9	1.2	0.5	--	13.5	100
1990	48.3	4.9	1.9	0.1	2.1	0.8	23.2	4.5	0.8	1.4	--	16.9	100
1991	42.9	5.1	1.1	0.1	2.3	1.6	22.7	5.3	0.3	3.7	--	19.9	100
1992	51.4	6.6	1.2	0.1	3.9	1.4	19.2	4.9	0.4	3.2	--	14.3	100
1993	52.9	4.9	1.6	0.2	1.8	1.3	14.8	4.1	5.3	3.8	0.2	14.1	100

Annex table 3. *(continued)*

Year	ESCWA	Other developing regions: Total[c]	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
Syrian Arab Republic													
1985	3.4	2.2	--	--	0.4	1.8	45.8	--	0.1	43.3	--	5.2	100
1988	11.0	2.3	0.1	--	0.2	2.0	33.8	1.7	--	39.6	0.1	11.5	100
1989	14.8	2.0	0.1	--	0.1	1.8	31.0	2.4	0.1	40.8	0.1	8.8	100
1990	17.0	1.8	0.1	--	--	1.7	41.4	1.0	0.1	33.0	--	5.8	100
1991	19.9	3.6	0.1	0.1	--	3.4	45.7	0.5	0.1	21.1	0.1	9.0	100
1992	19.9	3.6	0.3	0.1	--	3.2	45.7	1.1	0.2	24.6	--	4.9	100
1993	25.5	2.9	0.6	0.1	--	2.2	53.4	4.1	0.4	4.2	7.9	1.6	100
The region's least developed country: the Republic of Yemen													
1985	10.9	13.4	8.1	--	5.3	--	58.6	0.5	15.1	--	0.6	0.9	100
1988	6.9	21.5	19.8	--	1.7	--	38.0	16.4	12.8	--	--	4.4	100
1989	4.2	10.3	8.4	--	1.6	0.3	48.0	21.4	10.2	--	0.1	5.8	100
1990	2.8	9.7	8.1	--	1.4	0.2	52.7	22.9	5.1	--	0.1	6.6	100
1991	6.0	14.1	10.6	--	2.1	1.4	43.9	9.6	12.6	--	--	13.8	100
(a) Democratic Yemen													
1985	2.6	15.7	9.1	--	6.5	--	66.3	0.4	13.9	--	0.7	0.4	100
1988	9.6	12.2	5.6	--	6.6	--	54.4	9.5	8.6	--	--	5.7	100
1989	6.3	12.3	3.2	--	9.1	--	61.2	0.4	12.5	--	0.5	6.8	100
1990	3.3	23.6	11.1	--	12.3	0.2	47.0	11.1	5.9	--	--	9.1	100
1991	6.5	43.7	4.3	--	25.1	14.3	--	--	--	--	--	49.8	100
(b) Yemen													
1985	43.0	4.6	4.2	--	0.4	--	28.7	0.9	19.6	--	0.1	3.1	100
1988	6.0	24.4	24.2	--	0.2	--	33.0	18.5	14.2	--	--	3.9	100
1989	3.7	10.0	9.5	--	0.1	0.4	45.3	25.7	9.7	--	--	5.6	100

Annex table 3. *(continued)*

Year	ESCWA	Other developing regions					EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
		Total[c]	Asia	Americas	Africa	North Africa							
1990	2.8	8.1	7.8	--	0.1	0.2	53.5	24.4	5.1	--	--	6.1	100
1991	5.9	11.6	11.1	--	0.1	0.4	47.6	10.4	13.7	--	--	10.8	100

Sources: ESCWA compilations, based on data given in the International Monetary Fund (IMF), Direction of Trade Statistics Yearbook 1993 and Direction of Trade Statistics Monthly Bulletin (March 1994).

Notes: Definition of markets:

Eastern Europe: Bulgaria, Czechoslovakia, Hungary, Poland and Romania.

EC: European Communities comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom.

ESCWA: Economic and Social Commission for Western Asia countries comprises Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, the Republic of Yemen, Saudi Arabia, the Syrian Arab Republic and the United Arab Emirates.

Major oil exporters: Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Other ESCWA member countries: Egypt, Jordan, Lebanon and the Syrian Arab Republic.

The region's least developed country: On 22 May 1990 the People's Democratic Republic of Yemen and the Yemen Arab Republic merged to form a single State, the Yemen Arab Republic.

Other developing regions: Defined to include Asia (excluding ESCWA member countries), Latin America, Africa (excluding North Africa), and North Africa (excluding Egypt).

a 1993 covers January to October only.
b European Communities.
c Totals may not add precisely because of rounding.

Annex table 4. ESCWA region: geographic distribution of imports (c.i.f.), 1985 and 1988 to 1993[a]

(Percentage shares)

Year	ESCWA	Other developing regions					EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
		Total	Asia	Americas	Africa	North Africa							
ESCWA region													
1985	8.6	11.6	8.3	2.1	0.6	0.5	35.0	11.0	15.5	3.7	1.1	13.5	100
1988	9.2	14.1	11.2	2.0	0.6	0.3	33.2	12.3	11.5	3.8	1.7	14.2	100
1989	10.4	13.0	10.2	2.1	0.5	0.3	33.4	13.6	10.6	2.6	1.8	14.5	100
1990	10.4	12.6	10.0	1.5	0.7	0.4	31.6	11.5	14.7	1.9	2.0	15.3	100
1991	7.7	15.3	13.1	1.2	0.7	0.3	34.0	15.9	10.8	1.4	1.5	13.4	100
1992	6.0	14.6	12.2	1.6	0.5	0.3	35.2	16.8	11.6	1.2	1.7	12.9	100
1993	6.9	17.3	14.7	1.8	0.5	0.3	34.8	16.0	11.2	1.5	2.0	10.3	100
Major oil exporters													
1985	8.5	12.6	9.6	2.4	0.5	0.2	34.3	11.5	18.5	2.3	1.1	11.2	100
1988	9.5	15.5	12.6	2.0	0.5	0.3	31.4	13.2	13.5	2.1	1.9	12.9	100
1989	10.8	13.9	11.4	2.3	0.4	0.3	32.2	13.9	12.5	1.3	1.9	13.5	100
1990	10.8	14.3	11.8	1.6	0.6	0.4	32.6	13.5	12.9	0.8	2.1	13.0	100
1991	7.0	16.7	14.9	1.0	0.6	0.3	34.6	17.4	12.9	0.5	1.4	9.4	100
1992	6.5	16.1	13.9	1.4	0.5	0.3	35.2	17.1	14.1	0.4	1.7	8.9	100
1993	7.2	19.0	16.7	1.5	0.5	0.3	33.0	16.1	13.3	0.3	2.1	8.9	100
Bahrain													
1985	48.9	6.3	5.8	0.4	0.1	--	21.1	7.4	9.9	--	0.4	6.0	100
1988	48.9	6.3	5.8	0.4	0.1	--	21.1	7.4	9.9	--	0.4	6.0	100
1989	48.8	6.3	5.8	0.4	0.1	--	21.1	7.4	9.9	--	0.4	6.1	100
1990	45.4	5.6	5.1	0.4	0.1	--	16.8	18.5	6.7	--	0.3	6.7	100
1991	43.9	7.1	6.6	0.4	0.1	0.1	22.4	13.8	4.6	--	0.3	7.9	100
1992	35.3	8.2	7.1	0.9	0.1	0.1	23.1	12.2	5.3	--	0.3	15.6	100
1993	46.8	9.6	8.1	1.2	0.1	0.3	18.6	12.6	5.9	--	0.9	5.6	100
Iraq													
1985	5.8	9.7	2.4	6.6	0.2	0.4	34.5	4.5	13.7	9.9	1.3	20.6	100
1988	7.7	7.6	3.2	3.9	--	0.5	32.9	13.5	4.8	8.1	0.9	24.5	100
1989	8.9	8.0	2.9	4.1	--	1.0	36.0	12.7	5.3	3.5	0.7	24.9	100
1990	8.0	9.4	4.5	3.6	--	1.3	41.8	10.7	4.5	2.7	0.6	22.3	100
1991	--	--	--	--	--	--	40.0	--	--	--	--	60.0	100

Annex table 4. *(continued)*

Year	ESCWA	Other developing regions: Total	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
Kuwait													
1985	5.2	14.0	12.8	1.0	0.1	0.1	33.0	8.8	27.1	0.8	1.6	9.5	100
1988	13.3	17.8	15.8	1.7	0.2	0.1	26.9	12.1	13.3	1.5	3.0	12.1	100
1989	12.7	8.5	6.7	1.5	0.3	0.1	29.4	13.0	12.7	1.4	3.4	18.9	100
1990	13.2	16.5	14.7	1.6	0.2	--	33.4	10.9	11.4	1.3	1.8	11.5	100
1991	0.6	7.0	7.0	--	--	--	24.8	34.8	12.4	0.1	0.5	19.8	100
1992	--	6.0	5.3	0.7	--	--	42.2	27.9	16.2	--	1.2	6.5	100
1993	--	3.9	3.9	--	--	--	39.6	23.6	24.2	--	2.0	6.8	100
Oman													
1985	22.9	8.8	8.1	0.7	--	--	36.7	5.7	20.2	--	0.4	5.3	100
1988	23.3	12.0	11.0	0.9	0.1	--	31.6	8.8	16.8	0.1	0.4	7.0	100
1989	28.0	10.0	9.2	0.7	0.1	--	28.5	8.5	15.7	0.1	0.5	8.7	100
1990	26.7	10.2	9.4	0.4	0.4	--	27.4	5.2	18.7	0.1	0.4	9.3	100
1991	21.9	12.9	12.2	0.3	0.3	--	31.4	6.8	20.4	--	0.3	6.3	100
1992	21.1	13.9	13.3	0.3	0.3	--	31.9	7.1	20.3	--	0.2	5.5	100
1993	..	..	..	..	..	..	..	..	..	..	..	..	..
Qatar													
1985	.5	11.3	9.4	1.8	0.1	--	43.3	6.5	18.2	--	0.5	14.7	100
1988	9.4	14.9	11.5	3.3	0.1	--	35.1	9.3	17.6	--	0.9	12.8	100
1989	11.2	15.0	11.7	3.1	0.2	--	37.6	8.8	18.8	--	1.0	7.6	100
1990	11.9	13.2	10.8	2.1	0.2	--	41.9	9.5	14.6	--	1.0	7.9	100
1991	10.3	13.0	10.8	1.9	0.2	--	44.2	8.7	12.4	--	0.4	11.0	100
1992	12.8	12.3	9.5	2.5	0.3	--	38.3	10.8	16.7	--	0.5	8.6	100
1993	12.7	11.8	9.6	2.1	0.2	--	45.1	8.7	13.4	--	0.7	7.6	100

Annex table 4. *(continued)*

Year	ESCWA	Other developing regions: Total	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
Saudi Arabia													
1985	3.3	14.5	11.7	1.7	0.9	0.1	36.2	17.0	19.0	0.6	0.9	9.5	100
1988	4.1	17.8	14.5	2.0	0.9	0.4	33.5	16.3	16.0	0.9	1.8	9.6	100
1989	4.6	15.4	12.9	1.6	0.6	0.3	32.8	18.2	14.2	0.9	1.9	12.0	100
1990	3.8	14.4	11.3	1.6	1.0	0.5	34.1	16.7	15.3	0.8	1.8	13.1	100
1991	2.4	15.3	12.8	1.3	0.8	0.5	38.5	20.9	12.4	0.8	1.2	8.5	100
1992	2.8	14.2	11.1	1.9	0.7	0.5	37.5	21.0	14.2	0.7	1.3	8.3	100
1993	3.1	16.5	13.1	2.2	0.7	0.5	35.3	20.2	12.9	0.5	1.6	9.7	100
United Arab Emirates													
1985	8.5	14.5	12.9	1.0	0.5	0.1	35.2	11.0	20.0	0.4	1.8	8.6	100
1988	6.6	20.1	18.4	1.1	0.5	0.1	30.3	9.5	16.4	0.7	3.3	13.1	100
1989	7.7	22.6	21.0	1.1	0.4	0.1	31.1	9.7	15.0	1.1	2.9	9.9	100
1990	8.0	19.8	18.3	1.0	0.5	--	29.0	9.1	14.2	0.5	5.0	14.3	100
1991	5.4	26.1	24.9	0.7	0.4	0.1	31.3	10.0	14.8	0.3	2.8	9.3	100
1992	8.5	24.6	23.5	0.7	0.4	--	31.3	8.7	15.3	0.2	3.1	8.5	100
1993	6.8	28.8	27.7	0.7	0.4	--	29.8	9.0	13.2	0.2	3.3	8.8	100
Other ESCWA member countries													
1985	9.1	8.1	4.2	1.4	0.7	1.8	37.7	9.3	5.6	8.2	1.1	20.9	100
1988	8.4	9.9	7.0	1.8	0.8	0.3	38.4	9.5	5.7	8.8	1.3	18.0	100
1989	9.1	8.9	6.4	1.5	1.0	0.2	37.3	12.3	4.0	7.0	1.4	20.0	100
1990	9.5	8.1	5.1	1.5	1.1	0.4	28.7	5.9	19.7	4.9	1.4	21.8	100
1991	9.6	11.0	7.3	2.1	1.1	0.5	32.3	11.1	4.1	4.4	1.8	25.7	100
1992	4.3	10.7	7.9	2.0	0.5	0.3	35.4	16.2	5.1	3.4	1.6	23.3	100
1993	6.2	13.0	9.5	2.4	0.7	0.4	39.2	15.7	5.7	4.3	1.8	14.0	100

Annex table 4. *(continued)*

Year	ESCWA	Other developing regions					EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
		Total	Asia	Americas	Africa	North Africa							
Egypt													
1985	2.2	6.5	4.2	1.8	0.4	0.1	42.2	13.0	5.2	9.3	0.4	21.2	100
1988	2.0	9.7	6.5	2.5	0.5	0.1	40.8	11.9	5.0	9.2	0.7	20.7	100
1989	1.6	9.2	6.4	2.0	0.7	0.1	38.6	17.6	3.9	8.6	0.8	19.7	100
1990	1.4	4.6	2.0	1.8	0.6	0.3	22.7	2.0	37.2	5.0	1.0	26.1	100
1991	2.9	7.6	3.4	3.2	0.6	0.4	27.6	16.1	4.1	4.0	1.3	36.4	100
1992	1.4	8.1	5.8	1.7	0.3	0.3	31.4	22.4	4.2	2.4	1.3	28.8	100
1993	1.5	13.4	9.5	2.9	0.7	0.3	39.1	21.6	6.1	3.5	1.4	13.4	100
Jordan[d]													
1985	25.3	4.0	2.6	1.0	0.2	0.2	29.6	11.9	6.3	4.6	1.3	17.0	100
1988	25.1	8.7	6.4	1.3	0.6	0.4	29.7	12.1	4.7	5.4	1.7	12.6	100
1989	27.5	3.3	2.1	1.2	--	--	29.2	13.7	3.7	2.9	1.8	17.9	100
1990	25.1	10.6	7.5	1.3	1.5	0.3	28.6	17.3	3.1	3.3	1.4	10.6	100
1991	20.0	16.1	11.5	1.9	2.1	0.7	29.9	10.4	3.6	3.9	1.7	14.4	100
1992	8.4	21.6	16.4	3.0	2.1	0.1	35.1	8.9	6.2	3.9	2.5	13.4	100
1993	6.9	19.6	15.5	1.9	2.1	0.1	33.7	12.1	6.0	4.7	2.4	14.6	100
Lebanon													
1985	7.8	6.2	2.9	2.9	0.3	0.1	51.1	7.5	5.2	8.9	0.9	12.4	100
1988	7.2	13.0	10.4	2.2	0.3	0.1	46.2	5.6	3.6	9.8	1.3	13.3	100
1989	12.1	10.6	9.1	1.1	0.4	--	45.1	4.5	3.4	8.6	1.3	14.1	100
1990	16.6	12.4	10.5	1.0	0.6	0.2	40.7	4.2	3.8	8.7	1.2	12.4	100
1991	14.7	12.2	10.7	0.8	0.5	0.2	46.8	4.9	3.2	5.6	1.4	11.2	100
1992	12.8	13.0	10.9	1.5	0.3	0.2	45.6	8.4	3.7	1.7	1.7	13.1	100
1993	22.0	12.0	9.9	1.6	0.3	0.2	44.3	8.7	3.1	3.0	1.7	5.2	100

Annex table 4. (*continued*)

Year	ESCWA	Other developing regions: Total	Asia	Americas	Africa	North Africa	EC[b]	United States	Japan	Eastern Europe and the Former Soviet Union	China	Rest of the world	World
Syrian Arab Republic													
1985	3.7	9.9	1.7	0.7	0.1	7.4	33.9	6.1	2.8	12.5	0.8	30.3	100
1988	4.1	3.5	1.3	1.1	0.1	1.0	36.2	6.4	11.2	16.9	1.3	20.4	100
1989	4.7	3.0	0.7	1.2	0.1	1.0	42.0	7.9	4.2	9.1	1.3	27.8	100
1990	4.9	5.4	1.7	1.9	0.5	1.3	40.4	10.7	3.3	6.7	1.3	27.3	100
1991	3.8	6.0	2.8	2.2	0.1	0.9	38.8	8.4	4.4	7.0	2.7	28.9	100
1992	3.4	9.4	5.8	2.8	--	0.8	40.9	5.1	9.1	8.7	2.3	21.1	100
1993	4.5	7.1	4.1	1.9	--	1.1	38.2	5.5	7.2	8.8	2.9	25.8	100
The region's least developed country: the Republic of Yemen													
1985	17.3	16.9	12.4	0.4	3.9	0.1	30.0	4.2	11.9	0.9	3.0	15.8	100
1988	17.9	15.6	11.4	0.1	4.1	0.1	34.1	4.0	6.0	1.6	3.4	17.4	100
1989	17.0	19.3	13.5	0.7	4.8	0.2	27.6	4.3	5.0	0.8	3.1	22.9	100
1990	20.4	16.9	12.0	0.6	4.1	0.3	27.5	5.1	4.2	0.7	3.4	21.8	100
1991	20.1	20.9	15.7	0.6	4.3	0.3	21.7	8.3	5.5	1.4	3.1	19.1	100
(a) Democratic Yemen													
1985	29.2	16.6	11.2	--	5.4	--	29.4	1.4	5.9	0.5	4.2	12.8	100
1988	11.0	14.2	6.9	--	7.2	0.2	26.2	1.1	5.6	--	5.8	36.1	100
1989	20.2	16.8	9.1	0.4	7.4	--	19.6	1.1	4.2	--	3.1	35.0	100
1990	25.1	16.3	8.9	0.4	6.5	0.5	21.1	0.6	1.2	--	0.6	35.1	100
1991	35.3	15.5	4.9	0.5	9.4	0.7	0.6	--	--	3.3	--	45.3	100
(b) Yemen													
1985	10.6	17.0	13.1	0.7	3.2	..	30.3	5.7	15.3	1.1	2.3	17.7	100
1988	21.3	16.3	13.7	0.1	2.5	0.1	38.1	5.5	6.3	2.4	2.1	8.0	100
1989	15.0	20.8	16.3	0.9	3.3	0.4	32.6	6.3	5.5	1.4	3.1	15.3	100
1990	18.2	17.2	13.4	0.7	2.9	0.2	30.6	7.2	5.6	1.0	4.7	15.4	100
1991	15.3	22.5	19.0	0.7	2.7	0.2	28.2	10.8	7.2	0.9	4.0	11.0	100

Annex table 4. *(continued)*

Sources: ESCWA compilations, based on data given in the International Monetary Fund (IMF), Direction of Trade Statistics Yearbook 1993 and Direction of Trade Statistics Monthly Bulletin (March 1994).

Notes: Definition of markets:

Eastern Europe: Bulgaria, Czechoslovakia, Hungary, Poland and Romania.

EC: European Communities comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom.

ESCWA: Economic and Social Commission for Western Asia countries comprises Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, the Republic of Yemen, Saudi Arabia, the Syrian Arab Republic and the United Arab Emirates.

Major oil exporters: Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Other ESCWA member countries: Egypt, Jordan, Lebanon and the Syrian Arab Republic.

The region's least developed country: On 22 May 1990 the People's Democratic Republic of Yemen and the Yemen Arab Republic merged to form a single State, the Yemen Arab Republic.

Other developing regions: Defined to include Asia (excluding ESCWA member countries), Latin America, Africa (excluding North Africa), and North Africa (excluding Egypt).

a 1993 covers January to October only.
b European Communities.
c Totals may not add precisely because of rounding.
d The calculations exclude Jordan's imports of oil and oil products from Iraq, which amounted to $427 million in 1992 and $403 million in the first 11 months of 1993 (see: Central Bank of Jordan, Monthly Statistical Bulletin, various issues).

Annex table 5. ESCWA region: leading partners in intraregional trade, 1992[a]
(Percentage share)

Country	Exports	Imports
Bahrain	United Arab Emirates (72.8), Saudi Arabia (17.36), Oman (4.23), Qatar (3.86)	Saudi Arabia (95.77), United Arab Emiarates (1.93), Oman (1.13), Jordan (0.71)
Egypt	Saudi Arabia (47.21), Jordan (18.91), Syrian Arab Republic (13.75), Yemen (9.16)	Saudi Arabia (76.82), Syrian Arab Republic (7.23), Jordan (4.75), Yemen (3.36)
Jordan	Saudi Arabia (48.23), United Arab Emirates (18.12), Syrian Arab Republic (9.89), Yemen (7.75)	Saudi Arabia (34.01), Egypt (32.51), Syrian Arab Republic (18.49), United Arab Emirates (5.18)
Kuwait	Oman (57.14), Syrian Arab Republic (218.57), Jordan (14.29)	Syrian Arab Republic (98.15), Jordan (1.85)
Oman	United Arab Emirates (96.92), Bahrain (1.71), Saudi Arabia (1.11), Qatar (0.21)	United Arab Emirates (89.43), Saudi Arabia (6.38), Bahrain (2.38), Qatar (0.8)
Qatar	United Arab Emirates (60.14), Saudi Arabia (26.2), Egypt (4.71), Oman (3.96)	United Arab Emnirates (36.11), Saudi Arabia (34.59), Bahrain (11.48), Jordan (6.33)
Saudi Arabia	Bahrain (43.44), United Arab Emirates (24.71), Egypt (22.81), Yemen (2.47)	United Arab Emirates (25.11), Syrian Arab Republic (21.61), Egypt (17.16), Jordan (12.82)
Syrian Arab Republic	Saudi Arabia (56.63), Kuwait (15.50), Jordan (13.78), United Arab Emirates (5.04)	Egypt (38.75), Saudi Arabia (38.47), Jordan (14.48), United Arab Emirates (4.98)
United Arab Emirates	Oman (73.17), Saudi Arabia (16.44), Qatar (5.58), Bahrain (2.45)	Saudi Arabia (71.68), Bahrain (11.54), Qatar (10.18), Jordan (3.30)
Yemen	Saudi Arabia (48.64), Egypt (22.96), United Arab Emirates (17.12), Jordan (5.84)	Saudi Arabia (56.15), Egypt (14.99), United Arab Emirates (13.42), Jordan (10.95)

Source: ESCWA compilations, based on data given in the International Monetary Fund (IMF), Direction of Trade Statistics Yearbook 1993.

a The first four partners, where four or more exist.

Annex table 6. ESCWA region: gross earnings from and payments for international transactions in services by major item and by country, 1989 and 1991
(Millions of US dollars)

	Credit		Debit	
	1989	1991	1989	1991
A. Non-factor services	11 741	1 427	31 260	50 908
Bahrain	872	934	555	708
Egypt	4 412	7 086	3 284	3 364
Jordan	1 239	1 351	1 131	1 122
Kuwait	1 345	985	4 118	4 943
Oman	58	61	560	947
Republic of Yemen	339	..	746	..
Democratic Yemen	135	..	339	..
Yemen	204	..	407	..
Saudi Arabia	2 582	2 945	20 073	38 822
Syrian Arab Republic	894	1 065	793	1 002
A.1. Shipment	586	243	5 251	6 406
Bahrain	–	..	311	411
Egypt	25	33	1 115	1 188
Jordan	20	1	299	284
Kuwait	487	155	888	672
Oman	..	..	237	333
Republic of Yemen	22	..	226	..
Democratic Yemen	10	..	51	..
Yemen	12	..	175	..
Saudi Arabia	–	–	1 923	3 135
Syrian Arab Republic	32	54	252	383
A.2. Other transportation	3 520	4 109	1 080	1 019
Bahrain	216	261	116	150
Egypt	2 230	2 923	296	261
Jordan	273	249	240	169
Kuwait	494	341	337	327
Oman	10	13	..	..
Republic of Yemen	41	..	16	..
Democratic Yemen	41	..	16	..
Yemen	..	..	..	..
Saudi Arabia	72	131	..	..
Syrian Arab Republic	184	191	75	112
A.3. Travel	2 242	2 563	3 220	2 919
Bahrain	116	162	77	98
Egypt	962	1 373	87	225
Jordan	546	317	419	281
Kuwait	143	253	2 250	2 012
Oman	48	48	47	47
Republic of Yemen	53	..	94	..
Democratic Yemen	7	..	13	..
Yemen	46	..	81	..
Saudi Arabia	..	..	..	..
Syrian Arab Republic	374	410	246	256

Annex table 6. *(continued)*

	Credit		Debit	
	1989	1991	1989	1991
A.4. Other private goods and services	4 145	6 413	9 395	13 510
Bahrain	538	509	51	48
Egypt	364	2 114	1 359	1 324
Jordan	382	765	68	228
Kuwait	–	–	54	63
Oman	..	..	276	567
Republic of Yemen	184	..	127	..
Democratic Yemen	63	..	13	..
Yemen	121	..	114	..
Saudi Arabia	2 510	2 814	7 429	11 239
Syrian Arab Republic	167	211	31	41
B. Factor services	20 802	16 150	5 268	7 404
Bahrain	378	283	738	912
Egypt	711	865	1 389	2 143
Jordan	39	114	236	448
Kuwait	8 840	5 822	756	654
Oman	322	333	592	589
Republic of Yemen	57	..	94	..
Democratic Yemen	14	..	13	..
Yemen	43	..	81	..
Saudi Arabia	10 433	8 668	718	1 562
Syrian Arab Republic	22	65	745	1 096
B.1. Direct investment income	189	221	1 089	1 975
Bahrain	..	..	..	..
Egypt	189	221	25	7
Jordan	–	..	..	..
Kuwait	–	–	–	–
Oman	..	..	346	406
Republic of Yemen	–	..	..	..
Democratic Yemen	–	..	..	..
Yemen	..	..	..	..
Saudi Arabia	–	–	718	1 562
Syrian Arab Republic	–	–	..	..
B.2. Other investment income	20 611	15 924	3 651	4 724
Bahrain	378	283	243	241
Egypt	520	639	1 330	2 103
Jordan	39	114	236	448
Kuwait	8840	5 822	756	654
Oman	322	333	247	182
Republic of Yemen	57	..	94	..
Democratic Yemen	14	..	13	..
Yemen	43	..	81	..
Saudi Arabia	10 433	8 668	–	–
Syrian Arab Republic	22	65	745	1 096

Annex table 6. *(continued)*

	Credit		Debit	
	1989	1991	1989	1991
B.3. Private transfers[a]	3	5	528	704
Bahrain	–	–	495	671
Egypt	3	5	33	33
Jordan	..	..	..	..
Kuwait	–	–	–	–
Oman	..	..	..	..
Republic of Yemen	–	..	–	..
Democratic Yemen	–	..	–	..
Yemen	..	..	..	..
Saudi Arabia	–	–	–	–
Syrian Arab Republic	..	..	..	..

Source: International Monetary Fund, Balance of Payments Statistics Yearbook, vol. 3, part 2, 1992.

a Covers labour income and property income.

Annex table 7. ESCWA region: major balance-of-payments flows, 1985 and 1988 to 1992
(Millions of US dollars)

	Trade balance	Services (net)	Balance on goods and services	Unrequited transfers (net)		Balance on current account	Capital flows (net)		Errors and ommissions	Overall balance	Counterpart items, exceptional financing and other			Total change in reserves[b]
				Private	Official		Long-term	Short-term			Counterpart items	Exceptional financing	Other	
ESCWA region[a]														
1985	13 712	-15 081	-1 369	-2 792		-4 163	11 668		-7 132	372		363		-735
1988	2 666	-1 867	800	-3 700		-2 900	142		-1 368	-4 127		65		4 062
1989	17 013	-6 541	10 472	-6 565		3 907	-2 624		-1 285	-2		156		-154
1990	32 932	-15 519	17 413	-9 515		7 898	-12 175		-39	-4 316		12 781		-8 464
1991	20 311	-30 999	-10 688	-27 064		-37 752	28 901		2 126	-6 725		4 485		2 240
1992	7 688	-18 921	-11 233	-8 331		-19 564	29 494		-9 814	119		2 889		-3 008
GCC countries														
1985	24 306	-13 309	10 997	-11 260		-263	8 924		-7 728	933	--	--	--	-933
1988	12 700	-1 935	10 766	-11 077		-312	-2 417		-1 167	-3 896	--	--	--	3 896
1989	23 646	-5 890	17 756	-13 102		4 654	-3 525		-1 826	-697	--	--	--	697
1990	39 888	-15 713	24 175	-17 790		6 385	-1 203		-414	4 768	--	--	--	-4 768
1991	27 074	-32 135	-5 061	-35 703		-40 764	31 505		1 107	-8 152	--	--	--	8 152
1992	14 810	-19 038	-4 228	-17 437		-21 663	28 715		-10 761	-3 708	--	--	--	3 7087
Bahrain														
1985	101	52	153	-235	120	38	5	-452	766	357	--	--	--	-933
1988	101	-60	42	-193	368	216	205	-419	93	95	--	--	--	3 896
1989	38	-45	-7	-199	102	-104	94	-359	180	-189	--	--	--	697
1990	421	-363	58	-272	459	245	-97	553	-132	569	--	--	--	-4 768
1991	-193	-342	-535	-303	102	-736	-58	-283	974	-103	--	--	--	8 152
1992	-313	-510	-823	-271	100	-993	-14	380	545	-82	--	--	--	3 708

Annex table 7. *(continued)*

	Trade balance	Services (net)	Balance on goods and services	Unrequited transfers (net)		Balance on current account	Capital flows (net)		Errors and ommissions	Overall balance	Counterpart items, exceptional financing and other			Total change in reserves[b]
				Private	Official		Long-term	Short-term			Counterpart items	Exceptional financing	Other	
Kuwait														
1985	5 047	1 676	6 723	-1 044	-529	5 150	-712	-1 623	-2 271	544	--	--	--	-357
1988	2 262	4 085	6 347	-1 179	-140	5 028	-620	-6 150	-254	-1 996	--	--	--	-95
1989	5 871	5 212	11 083	-1 283	-211	9 589	-943	-6 753	-638	1 255	--	--	--	189
1990	3 297	293	3 590	--	--	3 590	--	--	--	3 590	--	--	--	-569
1991	-5 804	--	-5 804	-10 026	-10 026	-15 830	5 500	5 500	--	-10 330	--	--	--	103
1992	85	979	1 064	-870	-1 067	-873	-174	14 484	-11 562	1 875	--	--	--	82
Oman														
1985	1 943	-1 025	918	-907	-26	-15	309	149	-323	120	--	--	--	-120
1988	1 235	-825	410	-762	42	-310	273	-52	-379	-468	--	--	--	468
1989	1 917	-819	1 098	791	16	323	162	-139	-64	282	--	--	--	-282
1990	2 969	-971	1 998	-845	-57	1 096	-249	-261	-282	304	--	--	--	-304
1991	1 545	-1 662	-117	--	--	-0117	558	558	133	574	--	--	--	-574
1992	2 047	-1 285	762	-1 118	-10	-366	152	120	256	163	--	--	--	-163
Qatar														
1985	1 959	-1 410	549	--	--	549	-648	--	--	-99	--	--	--	99
1988	943	-1 204	-261	--	--	-261	-353	--	--	-614	--	--	--	614
1989	1 361	-1 373	-12	--	--	-12	-25	--	--	-37	--	--	--	-282
1990	1 835	-1 602	233	--	--	233	-39	--	--	194	--	--	--	-304
1991	1 430	-1 332	98	-241	-241	-143	--	--	--	-143	--	--	--	-574
1992	..	..	..	..	..	..	..	..	..	..	..	..	..	-163

Annex table 7. *(continued)*

	Trade balance	Services (net)	Balance on goods and services	Unrequited transfers (net)		Balance on current account	Capital flows (net)		Errors and ommissions	Overall balance	Counterpart items, exceptional financing and other			Total change in reserves[b]
				Private	Official		Long-term	Short-term			Counterpart items	Exceptional financing	Other	
Saudi Arabia														
1985	7 029	-11 513	-4 484	-5 199	-3 249	-12 932	8 904	3 319	--	-709	--	--	--	709
1988	4 510	-2 842	1 668	-6 510	-2 499	-7 341	2 729	3 092	--	-1 520	--	--	--	1 520
1989	9 068	-7 776	1 292	-8 264	-2 200	-9 172	-2 -75	7 739	--	-3 508	--	--	--	3 508
1990	22 806	-11 070	11 736	-11 602	-4 401	-4 267	160	-1 270	--	-5 377	--	--	--	5 377
1991	22 096	-27 599	-5 503	-13 746	-6 489	-25 738	26 385	-597	--	50	--	--	--	-50
1992	12 991	-18 222	-5 231	-12 700	-1 501	-19 431	--	13 767	--	-5 664	--	--	--	5 664
United Arab Emirates														
1985	8 227	-1 089	7 138	--	-191	6 947	-327	--	-5 900	720	--	--	--	-720
1988	3 649	-1 089	2 560	--	-204	2 356	-1 122	--	-627	627	--	--	--	-627
1989	5 391	-1 089	4 302	--	-272	4 030	-1 226	--	-1 304	1 500	--	--	--	-1 500
1990	8 560	-2 000	6 560	--	-1 072	5 488	--	--	--	5 488	--	--	--	-5 488
1991	8 000	-1 200	6 800	--	-5 000	1 800	--	--	--	1 800	--	--	--	-1 800
1992	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other ESCWA member countries														
1985	-10 594	-1 772	-12 366	8 465		-3 900	2 744		596	-561	363			198
1988	-10 034	68	-9 966	7 377		-2 588	2 559		-201	-231	65			166
1989	-6 633	-651	-7 302	6 537		-747	901		541	695	156			-851
1990	-6 956	194	-6 762	8 275		1 513	-10 972		375	-9 084	12 781			-3 696
1991	-6 763	1 136	-5 627	8 639		3 012	-2 604		1 019	1 427	4 485			-5 912
1992	-7 122	117	-7 005	9 106		2 101	779		947	3 827	2 889			-6 716

Annex table 7. *(continued)*

	Trade balance	Services (net)	Balance on goods and services	Unrequited transfers (net)		Balance on current account	Capital flows (net)		Errors and ommissions	Overall balance	Counterpart items, exceptional financing and other			Total change in reserves[b]
				Private	Official		Long-term	Short-term			Counterpart items	Exceptional financing	Other	
Egypt														
1985	-5 214	-958	-6 172	3 216	791	-2 165	1 716	-335	585	-199	--	350	--	-151
1988	-6 608	1 125	-5 483	3 770	666	-1 047	1 486	-178	-362	-101	--	7	--	94
1989	-5 934	452	-5 482	3 295	881	-1 306	1 748	-1 387	414	-531	--	122	--	409
1990	-6 699	1 480	-5 219	4 284	1 119	184	-9 372	-1 667	631	-10 224	--	12 781	--	-2 556
1991	-5 975	2 444	-3 531	4 054	1 3809	1 903	-1 775	-2 567	730	-1 709	--	4 485	--	-2 776
1992	-5 501	1 237	-4 264	6 104	972	2 812	-1 085	917	716	3 360	--	2 889	--	-6 249
Jordan														
1985	-1 638	-209	-1 847	846	740	-260	303	-55	-30	-43	--	--	--	43
1988	-1 412	-233	-1 645	800	552	-293	37	337	123	204	--	--	--	-204
1989	-774	-21	-795	565	613	383	185	-105	..	463	--	--	--	-463
1990	-1 237	-36	-1 273	570	588	-115	422	38	75	420	--	--	--	-420
1991	-1 095	-96	-1 191	1 124	476	409	271	924	420	2 024	--	--	--	-2024
1992	-1 780	-154	-1 934	781	386	-767	-10	1 006	161	390	--	--	--	-390
Syrian Arab Republic														
1985	-2 090	-429	-2 519	350	1 212	-957	-120	909	-17	-185	--	--	--	185
1988	-638	-408	-1 046	360	536	-150	297	-212	34	-31	--	--	--	31
1989	1 192	-639	553	395	222	1 170	-472	18	71	787	--	17	--	-770
1990	2 159	-786	1 373	375	80	1 828	-795	37	-348	722	--	--	--	-722
1991	1 084	-969	115	450	234	799	-35	310	-94	980	--	--	--	-980
1992	159	-966	-807	550	313	56	173	-222	70	77	--	--	--	-77

Annex table 7. *(continued)*

	Trade balance	Services (net)	Balance on goods and services	Unrequited transfers (net)		Balance on current account	Capital flows (net)		Errors and ommissions	Overall balance	Counterpart items, exceptional financing and other			Total change in reserves[b]
				Private	Official		Long-term	Short-term			Counterpart items	Exceptional financing	Other	
The region's least developed country: Republic of Yemen														
1985	-1 652	-176	-1 828	1 189	121	-518	176	150	58	-134	--	13	--	121
1988	-1 376	-416	-1 792	567	126	-1 098	707	85	4	-303	--	58	--	245
1989	-1 117	-443	-1 560	414	152	-994	829	85	56	-24	--	17	--	7
1990	-1 179	-464	-1 643	1 378	-119	-384	331	34	17	-2	--	--	--	2
1991	-777	-243	-1 020	796	125	-99	268	268	-37	132	--	--	--	-132

Source: ESCWA compliations, based on data given in the international Monetary Fund (IMF), Balance of Payments Statistics Yearbook, vol. 44, part 2, 1993; and national sources.

a Excluding Iraq and Lebanon for all years, and Qatar, the Republic of Yemen and the United Arab Emirates for 1992, due to lack of data.
b Minus signifies an increase.
c Including the region's least developed country, the Republic of Yemen.

Annex table 8. ESCWA region: international reserves[a]
(Millions of US dollars)

Country	1985	1988	1989	1990	1991	1992	1993	1994[b]
ESCWA region	41 513.6	37 972.8	35 627.7	31 363.7	36 377.2	37 929.9	39 903.3	34 369.8
GCC countries								
	37 470.2	30 319.6	27 862.2	22 554.0	24 932.0	21 108.5	19 825.5	17 145.9
Bahrain	1 666.3	1 258.3	1 056.6	1 241.5	1 521.2	1 405.1	1 308.8	1 229.0
Kuwait	5 580.4	2 035.7	3 210.5	1 949.2	3 520.5	5 215.6	4 320.3	3 531.3
Oman	1 166.2	1 122.5	1 422.6	1 740.7	1 731.0	1 677.2[c]	..	..
Qatar	487.4	516.0	574.9	672.6	709.2	724.8	703.3[c]	732.9
Saudi Arabia	25 181.0	209 769.0	16 959.0	11 897.0	11 903.0	6156.0	7 656.0	4 751.0
United Arab Emirates	3 388.9	4 618.1	4 638.6	4 765.0	5 547.1	5 893.8	5 837.1[d]	6 901.7
Other ESCWA member countries	4 043.4	7 653.2	7 765.5	8 809.7	11 445.2	16 857.4	20 077.8	17 223.9
	1 370.0	2 057.0	2 199.0	3 325.0	5 980.0	11 426.0	13 520.0	13312.0
Egypt	612.6	247.9	573.2	949.4	929.6	868.6	693.9	489.5
Jordan	1 463.2	4 759.0	4 635.0	4 213.9	4 535.6	4 562.8	5 863.9	3 422.4
Lebanon	112.0	222.0	..	..	..	..	..	..
Syrian Arab Republic	485.5	367.3	358.3	321.4[e]	..	..	..	..
Republic of Yemen								

Source: International Monetary Fund (IMF), International Financial Statistics (August 1993 and June 1994).

a End of period data on gold (national valuation) and foreign exchange reserves holdings by monetary authorities; reserve position in the International Monetary Fund plus Special Drawing Rights (SDRs), where applicable. The annual changes depicted in this table, however, may differ from those reported as "change in reserves" in the balance of payments, due to differences in coverage.

b 1994 data cover January to April only, except for Qatar, where data cover January and February only.

c End of July.

d End of third quarter.

e End of first quarter.