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STUDY OF THE PROBLEMS OF RAW MATERIALS AND DEVELOPMENT

Evolution of banana prices since 1954 and the significance  
of bananas in world trade in 1970

Note by the Secretary-General

1. The present note has been prepared in response to a request by a number of Governments for separate information on the evolution of banana prices and the significance of bananas in world trade. 1/ The fruit price index used in the note on the evolution of basic commodity prices since 1950 (A/9544 and Corr.1) was computed as a weighted average of apples, bananas and oranges which are the main fruits entering international trade, while in the note on the significance of basic commodities in world trade in 1970 (A/9544/Add.1 and Corr.1 and 2) the Standard International Trade Classification Group 051 which is reported includes fresh fruit and fresh or dried nuts (not including oil nuts).
2. In contrast to the rise in the aggregate index of fruit prices of about 22 per cent, the price of bananas actually declined about 30 per cent between 1954 and the fourth quarter of 1973, as shown in table 1. The movement of the composite index of fruit during this period reflects the more favourable price movements of apples and oranges, which rose over 60 per cent and nearly 30 per cent respectively, more than offsetting the decline in banana prices. Between 1970 and the fourth quarter of 1973, the price increase recorded by bananas was 12 per cent as compared with the 40 per cent increase registered by the aggregate fruit index. The terms of trade of bananas in relation to manufacturers deteriorated by approximately 61 per cent between 1954 and the fourth quarter of 1973.
3. As shown in table 2, even though bananas accounted for only 0.2 per cent of the total of all goods entering into world trade, they are concentrated among a small number of developing exporting countries for which they play an important

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1/ Since there are no official data for fruit, including bananas, prior to 1954, the present series begins in that year.

role as an earner of foreign exchange. The great bulk of banana exports go to developed countries and they account for a very small share of these countries' import expenditure.

Table 1  
Evolution of banana prices since 1954

Period	Change in price measured in US dollars	Change in price in relation to unit value of exports of manufacturers	Change in price measured in Federal Republic of Germany marks
(Percentage change over selected periods)			
1954 to 1973-4Q	-30.1	-61.2	-57.6
1954 to 1960	-17.1	-23.0	-17.1
1960 to 1970	-24.5	-36.8	-34.2
1970 to 1973-4Q	11.7	-20.3	-22.2
1970 to 1971	-6.5	-11.8	-10.7
1971 to 1972	9.7	1.5	0.1
1972 to 1973	10.1	-4.8	-7.7
1972-4Q to 1973-4Q	11.7	-8.1	-11.1

Source: Centre for Development Planning, Projections and Policies of the Department of Economic and Social Affairs of the Secretariat, based on data supplied by the Statistical Office of the Department of Economic and Social Affairs.

Table 2

Significance of trade in bananas by major countries, 1970

Exports			Imports		
Country (ranked in order of importance in world export of bananas)	Share of country in world export of bananas  (Percentage)	Share of Bananas in total country exports	Country (ranked in order of importance in world import of bananas)	Share of country in world import of bananas  (Percentage)	Share of bananas in total country imports
All countries	100.0	0.2	All countries	100.0	0.2
Ecuador	19.7	46.9	United States	24.9 <sup>a/</sup>	0.5
Honduras	13.9	42.5	Japan	18.6	0.8
Costa Rica	12.8	28.9	Germany, Fed.		
Panama	11.7	57.3	Rep. of	10.7	0.3
Colombia	3.5	2.5	France	10.3	0.4
			United Kingdom	6.4	0.2
Martinique	2.9	49.7	Italy	5.8	0.3
Guatemala	2.8	5.0	Canada	4.5	0.3
Jamaica	2.7	4.3	Switzerland	1.7	0.2
Ivory Coast	2.7	3.0	Sweden	1.6	0.2
Brazil	2.1	0.4			
Guadeloupe	2.0	27.1			
Somalia	1.7	27.7			
The rest of the world	21.7 <sup>a/</sup>		The rest of the world	15.5	

Source: Centre for Development Planning, Projections and Policies of the Department of Economic and Social Affairs of the Secretariat, based on Food and Agriculture Organization of the United Nations, Trade Yearbook, 1972, (Rome, 1973).

<sup>a/</sup> Including re-exports accounting for about 6 per cent of the total.

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