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FOREIGN FIRMS AND EXPORT PERFORMANCE
IN DEVELOPING COUNTRIES:
LESSONS FROM THE DEBT CRISIS

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ABSTRACT

This paper compares U.S.-owned affiliates with other firms in developing countries with respect to the shifts in sales from home to export markets in response to the debt crisis of the early 1980s. The U.S. affiliates in heavily indebted countries increased their exports and the share of their production exported more rapidly than other firms did after 1982, while affiliates in less indebted countries did neither. However, a large part of the shift in sales by affiliates in the heavily indebted countries involved sharp reductions in local sales, often larger than the growth in exports.

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FOREIGN FIRMS AND EXPORT PERFORMANCE IN DEVELOPING COUNTRIES:

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1. Introduction

In the backwash of the debt financing of the 1970s and the worldwide recession of the early 1980s, when many developing countries have run into serious debt-servicing difficulties, shifting production from domestic to export markets has been one means for these countries to get badly needed foreign currencies. In this paper, we examine the extent to which a number of developing countries have redirected their sales of manufactured goods to world markets and the role of multinational corporations (MNCs) in this shift. We are particularly interested in investigating whether affiliates of multinational firms are better equipped to redirect their sales than local firms in developing countries.

It is not difficult to think of reasons why multinationals should have an easier time switching markets than other firms. MNCs have internal markets already set up to supplement external markets. This could give them opportunities to switch their sales of finished products or components from local to overseas markets. MNCs also presumably have greater access than local firms to market information, distribution channels, and international marketing skills, all which facilitate access to export markets.

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There are a number of possible measures of "export performance" by countries and groups of firms that one could use. One is the rate of growth of exports. Another might be the growth of exports to developed country markets, the more competitive part of world markets and the ones in which the exporters would be sure to earn convertible currency. Still another would take account of the industries in which exports were originally concentrated and measure the degree to which the countries' or firms' export growth exceeded or fell short of what it would have been if it had simply kept up with the world growth of exports in each industry.

A somewhat different way of judging export performance would be to examine the proportion of output exported, or the propensity to export, assuming that one of the tasks of adjustment is that of shifting sales from domestic to export markets. An ambiguity in changes in the propensity to export is that a rise could be achieved by increasing exports from increasing production, by moving sales from local to export markets without changing production, or simply by reducing domestic sales or even reducing both export and domestic sales, but the latter more rapidly. Clearly, the last would be the least desirable form of adjustment from the point of view of the host country.

The debt crisis began in 1982 when Mexico realized that it could not fulfill its international payments obligations. A number of countries followed Mexico into default, and today several countries face severe debt problems. Of the countries considered by the IMF to be "heavily indebted," and by the World Bank to be "highly indebted," we study in our analysis below six for which data on U.S. multinationals' trade are available, and compare them with a less heavily indebted group of countries for which we also have MNC

data. We take 1977-1982 to represent the period before the debt crisis and 1982-1986 to represent the debt crisis era.

2. The Export Performance of Countries

The manufactured exports of the whole group of countries we are examining were increasing rapidly in nominal terms, expressed in U.S. dollars, in the five years before the debt crisis (Table 1). The countries that were not later labelled as heavily indebted raised their manufactured exports (in \$US) by over 15 per cent per annum between 1977 and 1982, while the heavily indebted countries increased their exports by a little under 10 per cent per annum. After 1982, the rate of increase was a little under 10 per cent per year for the more indebted group and 11 per cent for the less indebted, including Taiwan.

A somewhat different picture of the two periods is given by the third and fourth columns of the table, which show the same export growth in terms of the purchasing power over U.S. manufactured exports. In these terms, the less indebted countries are seen to have enjoyed substantial real export growth in manufactures between 1977 and 1982 and then even faster growth after 1982 than before: a rise in the growth rate by almost one third. The heavily indebted countries are shown to have had little real manufactures export growth in the 1977-82 period, and in three of the six countries, real exports of manufactured goods declined. However, as a group they enjoyed rapid real export growth after 1982, equal to that of the less indebted countries, on average. Two of the three countries with negative real export growth in the earlier period had more rapid export growth in 1982-86 than any of the less indebted countries, except Taiwan. However, three of the heavily indebted countries were still at the bottom of the export growth list after 1982.

Table 1

Average Annual Growth Rates of Manufactured Exports (Per Cent)
Twelve Developing Countries, 1977 to 1982 and 1982 to 1986

	Nominal Values		Purchasing Power over U.S. Manufactured Exports	
	1977-1982	1982-1986	1977-1982	1982-1986
All Developing Countries	11.2	8.6	2.5	6.6
Latin America	6.8	7.2	-1.4	5.1
Asia, except Middle East	14.9	10.5	5.9	8.4
Individual Countries				
<u>Heavily Indebted Countries</u>				
Brazil	11.3	4.4	2.7	2.4
Chile	6.6	3.3	-1.7	1.5
Colombia	2.3	13.3	-5.6	11.2
Mexico	8.0	26.9	-4.4	24.5
Venezuela	29.4	19.4	19.3	17.1
Five Latin American Countries	9.6	10.1	1.0	8.0
Philippines	10.1	3.6	1.6	1.7
SIX HEAVILY INDEBTED COUNTRIES	9.6	9.5	1.0	7.6
<u>Less Indebted Countries</u>				
Hong Kong	12.6	9.5	3.9	7.6
India	3.2	5.1	-4.8	3.1
Malaysia	14.2	4.9	5.2	2.9
Singapore	22.0	6.8	12.5	4.9
South Korea	17.4	12.3	8.3	10.1
Thailand	16.9	12.3	7.7	10.1
FOUR LESS INDEBTED COUNTRIES ^a	16.4	9.5	7.4	7.6
SIX LESS INDEBTED COUNTRIES	14.8	9.4	5.9	7.4
Taiwan	19.0	15.8	9.7	13.7
FIVE LESS INDEBTED COUNTRIES, incl. Taiwan	17.2	11.4	8.0	9.4
SEVEN LESS INDEBTED COUNTRIES, incl. Taiwan	15.8	11.0	6.8	9.0

^aHong Kong, Malaysia, Singapore, and South Korea

Source: Appendix Table A

3. The Export Performance of Manufacturing Affiliates of U.S. Firms

The export performance of U.S. affiliates in the same countries and in two geographical areas during the same two periods is described in Table 2. In the heavily indebted countries, these affiliates expanded their exports more rapidly than other firms in both periods, although the margin was somewhat reduced after 1982. In real terms, their export growth accelerated after the start of the debt crisis. However, this acceleration was entirely accounted for by affiliates in Mexico; in all the other countries of this group for which we can make the calculation, there was a deceleration of export growth after 1982. And that slowdown of growth was also evident for affiliates in all Latin American countries.

In the less indebted group of developing countries, the rate of export growth in real terms by U.S. affiliates was clearly lower after 1982 than before, although there were a couple of exceptions, in Singapore and Taiwan. Although the individual country data are somewhat skimpy, the comparisons with aggregate export growth in the less indebted countries suggest that the U.S. multinationals' affiliates led the countries' export growth before 1982, but lagged after that, and that is certainly the case for developing Asian countries as a group.

An important difference between the two groups of developing countries is that while U.S. firms are the major multinationals in Latin America, and therefore among the heavily indebted countries, but that is not the case among the other developed countries listed. In these, all Asian countries, Japanese firms play more of a role than U.S. firms. Thus, the U.S. affiliates are a good approximation of multinationals in general in Latin America, while in the Asian countries, a large part of the exports by multinationals were by

Table 2

Average Annual Growth Rates of Exports by U.S. Majority-Owned
Manufacturing Affiliates in Developing Countries,
by Region, State of Indebtedness, and Country,
1977 to 1982 and 1982 to 1986

	<u>Nominal Values</u>		<u>Purchasing Power Over U.S. Manufactured Exports</u>	
	<u>1977-1982</u>	<u>1982-1986</u>	<u>1977-1982</u>	<u>1982-1986</u>
All Developing Countries	15.3	7.4	6.3	5.3
Latin America	14.9	8.4	5.9	6.4
Asia, except Middle East	16.1-16.7	5.9-6.6	7.1-7.6	4.0-4.7
Individual Countries				
<u>Heavily Indebted Countries</u>				
Brazil	16.2	7.0	7.1	5.1
Chile	NA	NA	NA	NA
Colombia	9.0	-2.6	.6	-4.6
Mexico	16.0	26.7	7.0	24.3
Venezuela	NA	NA	NA	NA
Three Latin American Countries	16.0	14.4	7.0	12.3
Philippines	11.3	2.9	2.7	1.0
FOUR HEAVILY INDEBTED COUNTRIES	15.3	13.2	6.3	11.0
<u>Less Indebted Countries</u>				
Hong Kong	7.9	0.0	-.6	-1.8
India	NA	NA	NA	NA
Malaysia	31.2	5.9-7.8	21.0	4.0-5.7
Singapore	16.0	12.6	7.0	10.5
South Korea	15.2	7.0	6.2	5.1
Thailand	NA	NA	NA	NA
FOUR LESS INDEBTED COUNTRIES	16.5	7.4	7.4	5.3
Taiwan	9.7	10.5	1.2	8.4
FIVE LESS INDEBTED COUNTRIES, incl. Taiwan	15.3	8.0	6.3	5.9

^a Brazil, Colombia, and Mexico

^b Hong Kong, Malaysia, Singapore, and South Korea

Source: Appendix Table B

Japanese firms and are not included in our data.¹

4. The Export Propensities of Affiliates of U.S. MNCs

There has been a long-term trend toward greater export orientation among the foreign affiliates of U.S. firms. It has been present in affiliates in both developed and developing countries, but the export propensity of affiliates in developing countries was, in 1977, only a little over half that of those in developed countries, and in 1982, still less than two-thirds as large (Table 3). Between 1982 and 1986, however, the export propensities of LDC affiliates leaped, rising by almost 50 per cent, to over 80 per cent of that of affiliates in developed countries. That sudden, dramatic shift was centered in the heavily indebted countries, a fact that suggests the possibility that the debt crisis may have had some role in the transformation.

U.S. affiliates in the five Asian countries not in the heavily indebted class, for which we have complete data in Table 3, have had high export propensities throughout the period since 1977. There is little difference in export behavior between the first and last years, on average, although there are some substantial shifts in individual countries. All, except those in India, had export propensities above 50 per cent in all three years.

Among affiliates in the heavily indebted countries, the course of events was very different. They were far less export-oriented than those in the other group in 1977 (exports 10 per cent of sales, as compared with 80 per cent). Between 1982 and 1986, however, those in almost every heavily indebted country moved strongly toward exporting, to an export propensity in 1986 more than twice that of 1977. An indication that indebtedness, rather than geographical

¹Blomström, Kravis, and Lipsey (1988), Appendix Table 3.

Table 3

Export Propensities (Exports as Per Cent of Total Sales)
of U.S. Majority-Owned Manufacturing Affiliates in Developing Countries,
by Region, State of Indebtedness, and Country
1977, 1982, and 1986

	1977	1982	1986
All Developed Countries	33.1	36.6	39.2
All Developing Countries	18.1	22.0	32.5
Latin America	9.7	11.9	20.0
Asia, except Middle East	57.0	60 - 60.6	66.8
<u>Individual Countries</u>			
<u>Heavily Indebted Countries</u>			
Brazil	8.9	12.4	16.9
Chile	16.1	NA	27.8 ^a (32.1) ^d
Colombia	3.9	3.3	3.7 ^a
Mexico	10.4	10.8	34.5
Venezuela	0.4	NA	1.4
Three Latin American Countries ^b	9.0	11.3	21.5
Philippines	25.7	26.5	39.4
FOUR HEAVILY INDEBTED COUNTRIES	10.0	12.1	22.4
<u>Less Indebted Countries</u>			
Hong Kong	80.5	77.4	71.8
India	3.6	NA	3.7
Malaysia	76.2	81.5	83.7 - 89.8
Singapore	93.2	91.8	89.7
South Korea	68.4	62.8	58.0
Thailand	NA	NA	58.5
FOUR LESS INDEBTED COUNTRIES ^c	83.6	82.9	82.1-83.8
Taiwan	70.9	59.4	63.7
FIVE LESS INDEBTED COUNTRIES incl. Taiwan	80.4	77.5	77.8 - 79.2

^a1985 ^bBrazil, Colombia, and Mexico

^cHong Kong, Malaysia, Singapore, and South Korea ^d1987

Source: Appendix Tables B and C

location, was a determinant of this shift, is the fact that affiliates in the one heavily indebted Asian country in our list, The Philippines, shifted toward exporting as much as the Latin American affiliates did.

How was this shift in the orientation of sales carried out? It could conceivably have been done by increases in production dedicated to export markets. In fact, the increasing export propensities of U.S. manufacturing affiliates in developing countries as a group, and especially in Latin America and in heavily indebted countries, were to a large extent the result of decreasing sales, and particularly decreasing domestic sales, rather than increasing exports (see Table 4). While the exports of U.S. affiliates in Latin America increased by \$1.9 billion (or 42 per cent) between 1982 and 1986, their local sales decreased by almost \$9 billion, or 25 per cent over the same period. In developing Asia, in contrast, both exports and domestic sales grew, but export growth was much larger; the export growth did not come from declining domestic consumption.

The comparison between the heavily indebted countries and the others is the most significant here. Presumably, as a consequence of restrictive macroeconomic policies brought about by the debt problems of these countries, the local sales of U.S. manufacturing affiliates fell by \$5.7 billion, or over 20 per cent. Exports rose by about \$2.3 billion, so that about 40 per cent of what were formerly local sales were shifted to export markets. In contrast, the less indebted countries in the list increased both local sales and exports, but exports grew more rapidly.

5. Export Propensities of Countries

We would like to compare affiliate behavior with that of domestic firms

Table 4

Change in Total Sales, Local Sales, and Exports, 1982-1986,
U.S. Majority-Owned Manufacturing Affiliates in Developing Countries

	Sales	Local Sales	Exports
All Developing Countries	-5,249	-8,917	3,668
Latin America	-7,029	-8,829	1,800
Developing Asia	1,979	-23 to 47	1,932 - 2,002
Individual Countries			
<u>Heavily Indebted Countries</u>			
Brazil	-668	-1,323	655
Chile	-4	NA	NA
Colombia	-530	-524	-6
Mexico	-1,782	-3,403	1,621
Venezuela	-3,105	NA	NA
THREE LATIN AMERICAN COUNTRIES ^a	-2,980	-5,250	2,270
Philippines	-415	-468	53
FOUR HEAVILY INDEBTED COUNTRIES	-3,395	-5,718	2,323
<u>Less Indebted Countries</u>			
Hong Kong	83	87	-4
India	80	NA	NA
Malaysia	365	-97 to 25	340 - 462
Singapore	1,225	167	1,058
South Korea	174	93	81
Thailand	111	NA	NA
FOUR LESS INDEBTED COUNTRIES ^b	1,847	250 - 372	1,475 - 1,597
Taiwan	578	146	432
FIVE LESS INDEBTED COUNTRIES, incl. Taiwan	2,425	396 - 518	1,907 - 2,029

^a Brazil, Colombia, and Mexico

^b Hong Kong, Malaysia, Singapore, and South Korea

Source: Appendix Tables B and C

across regional and indebtedness groupings. However, we do not have regional production data and are limited to some comparisons between affiliates and their host countries for individual countries.

The production data we do have (gross output at producers' prices) are, for at least some of the countries, incomplete, and incomplete to a changing extent over time. The country export propensities derived using these output figures as denominators are almost certainly overstated, both because the output estimates are incomplete in coverage, often omitting small plants, and because they are in producers' prices, while exports add costs of transportation to the border and other costs incurred by intermediaries such as wholesalers.

The national export propensities for manufactures estimated from these data (Table 5) show clearly the much higher export orientation of Asian, as compared with Latin-American manufacturing industries, and the lower export orientation of the heavily indebted countries relative to the others. Most Asian countries' export propensities were increasing.

The average export propensity in heavily indebted countries, starting from a much lower level than those of the other group, rose by over 60 per cent between 1982 and 1986. Several of the individual countries showed increases of more than 50 per cent in those four years.

Thus, while export propensities in heavily indebted countries were still relatively low in 1986, some force had apparently encouraged a shift for domestic sales to exporting.

Although the country export propensities for Latin America (Table 5) appear higher than those for U.S. affiliates (Table 3) more often than not, that comparison is inconclusive because the denominators in the country

Table 5

Export Propensities (Exports as Per Cent of Value of Output)
in Twelve Developing Countries in Manufacturing
1977, 1982, and 1986

	1977	1982	1986
<u>Heavily Indebted Countries</u>			
Brazil	NA	NA	NA
Chile	25.3	21.3	24.0
Colombia	21.9	13.3	23.2
Mexico	4.9	4.3	NA
Venezuela	1.1	2.1	4.9
Latin America, 4 Countries ^a	7.6	6.1	NA
3 Countries ^b	11.5	8.5	13.8
Philippines	14.8	13.0	22.5
TOTAL 5 COUNTRIES	8.4	6.9	NA
TOTAL 4 COUNTRIES	12.2	9.5	15.3
<u>Other Developing Countries</u>			
Hong Kong	NA	61.5	66.0
India	12.1	7.0	NA
Malaysia	NA	44.2	52.6
Singapore	58.8	68.9	89.7
South Korea	29.7	29.8	32.1
Thailand	NA	15.2	NA
TOTAL 4 COUNTRIES ^c	NA	50.5	46.0
TOTAL 3 COUNTRIES ^d	23.4	22.7	NA
TOTAL 2 COUNTRIES ^e	35.2	37.5	40.3

^aChile, Colombia, Mexico, and Venezuela ^bChile, Colombia, and Venezuela

^cHong Kong, Malaysia, Singapore, and South Korea

^dIndia, Singapore, and South Korea

^eSingapore and South Korea

Source: Appendix Tables A and D

ratios are seriously understated. However, it does appear from the comparisons of changes that the U.S. affiliates raised their export propensities more between 1982 and 1986 than the countries did, and especially more than non-affiliates did.

In Asia, on the other hand, the country export propensities are almost all lower than those of U.S. affiliates, despite the overstatement of the country ratios. There was also some sign that the country ratios were coming closer to the affiliate ratios over time.

Another way of examining the role of the U.S. affiliates is through their shares in exports of manufactures. Within Latin America, and within the heavily indebted countries as a group, they increased their share substantially over the decade and in each of the periods (Table 6). Their increased share of exports in 1982 to 1986 is not visible in the individual country data for these years, where they appear mostly to have retained their 1982 shares. Thus, the rise in the combined 3 or 4 country ratios implies a shift towards the countries in which the multinationals played a larger part in export trade.

In the Asian (less indebted) countries, in contrast, U.S. affiliates were losing export shares. The decline was slight outside of Taiwan, and may well have been offset by increasing Japanese shares, but there was a substantial decrease in Taiwan and for the less indebted countries, including Taiwan, as a group.

It seems, then, that the strong export performance of U.S. affiliates relative to local firms after 1982 was not a worldwide phenomenon, but was concentrated in the heavily indebted countries. And that export performance of U.S. affiliates consisted more in the degree to which they shifted the direc-

Table 6

Exports by U.S. Majority-Owned Manufacturing Affiliates
as Per Cent of Value of Manufactured Exports, Twelve Developing Countries,
1977, 1982, and 1986

	1977	1982	1986
<u>Heavily Indebted Countries</u>			
Brazil	11.4	14.1	15.5
Chile	1.9	NA	NA
Colombia	1.9	2.6	1.4
Mexico	20.4	29.0	28.9
Venezuela	4.9	NA	1.6
Latin America, 3 Countries ^a	11.5	15.3	17.7
5 Countries	10.4	NA	16.2
Philippines	17.7	18.8	18.2
TOTAL 4 COUNTRIES	12.1	15.7	17.8
TOTAL 6 COUNTRIES	11.0	NA	16.3
<u>Other Developing Countries</u>			
Hong Kong	8.1	6.5	4.5
India	.3	NA	.3
Malaysia	9.3	18.5	19.2 - 20.6
Singapore	18.7	14.5	18.1
South Korea	1.4	1.2	1.0
Thailand	NA	NA	5.7
TOTAL 4 COUNTRIES ^b	7.6	7.8	7.4 - 7.5
Taiwan	6.2	4.2	3.4
TOTAL 5 COUNTRIES, incl. Taiwan	7.2	6.8	6.0 - 6.2

^a Brazil, Colombia, and Mexico

^b Hong Kong, Malaysia, Singapore, and South Korea

Source: Appendix Tables A and B

tion of their sales toward exports than in the rate of growth of their exports.

6. Export Performance by Industry Group

Since the U.S. affiliates in Latin America are active in a very different set of industries from those in Southeast Asia, their export performance could to some extent reflect the worldwide fortunes of their industries rather than the debt circumstances or macroeconomic policies of their host countries (It should be added, however, that the industry distribution of U.S. investment may itself be a reflection of the openness or import substitution orientation of the host countries). The 1982 export distributions of U.S. affiliates were as follows:

	<u>Latin America</u>	<u>Asia exc. Middle East</u>
Foods	15.0	1.1 - 2.5
Chemicals	21.7	3.2
Metals	7.6	.9
Non-elect. machinery	13.0	9.2 - 10.1
Elect. machinery	13.0	74.8
Transport equipment	14.3	3.9
Other manufacturing	15.5	5.4

Source: Appendix Tables B and E

For the affiliates in Asian countries, mostly less indebted, three quarters of exports were in electrical machinery, while exports by affiliates in Latin American countries were much more evenly distributed across the seven industry groups.

The growth rates of U.S. affiliate exports in the two areas, by industry, shown in Table 7, point up the fact that foods and metals, which accounted for 23 per cent of exports by Latin American affiliates, but for only 4-6 per cent

Table 7

Average Annual Growth Rates of Exports by U.S. Majority-Owned Manufacturing
Affiliates in Developing Countries, by Region and Industry
1977 to 1982 and 1982 to 1986

	Nominal Values		Purchasing Power over U.S. Exports	
	1977-1982	1982-1986	1977-1982	1982-1986
<u>All Developing Countries</u>				
Foods	4.2	1.0	-3.9	-1.0
Chemicals	22.8	-4.6	13.2	-6.3
Metals	5.7	-6.0	-2.5	-7.9
Non-Elect. Machinery	23.6	11.8	13.9	9.7
Elect. Machinery	16.7	6.4	7.6	4.4
Transport Equipment	17.3	31.3	8.2	28.9
Other Manufacturing	11.6	1.9	2.8	0.0
<u>Latin America</u>				
Foods	7.9	-3.7	-6	-5.4
Chemicals	28.4	-10.2	18.4	-12.0
Metals	5.1	-5.7	-3.2	-7.6
Non-Elect. Machinery	19.5	3.1	10.3	1.2
Elect. Machinery	12.2	14.9	3.5	12.6
Transport Equipment	12.0	38.4 - 40.7	3.2	35.8 - 38.1
Other Manufacturing	18.0	-6.3 - 0	8.9	-6.3 to -1.8
<u>Asia, Except Middle East</u>				
Foods	NA	NA	NA	NA
Chemicals	6.3	19.8 - 23.8	-1.9	17.6 - 21.5
Metals	-5.1	NA	-12.6	NA
Non-Elect. Machinery	26.3 - 28.7	18.0 - 23.4	16.4 - 18.6	15.8 - 21.1
Elect. Machinery	17.2 - 17.5	4.9	8.0 - 8.3	2.9
Transport Equipment	NA	NA	NA	NA
Other Manufacturing	-6	NA	-8.3	NA

Source: Appendix Table E

of Asian affiliates exports in 1982, were slow-growing industries in both periods. Machinery and transport equipment, fast-growing industries, were 40 per cent of Latin American affiliates exports and 88-89 per cent of exports by Asian affiliates. The sharpest contrast between the two areas was in chemicals, in which export growth accelerated for Asian affiliates, while in Latin America the industry switched from being the fastest growing in exports in 1977-82 to the slowest-growing in 1982-86.

It would appear that the Latin American affiliates would have done considerably better in exporting, on average, if they had been in the same industries as the Asian affiliates. Within industries, their exports did not seem to grow particularly slowly in 1977-82 relative to Asian or all developing-country affiliates, and even in 1982-86, they grew faster than developing-country affiliates in general in three out of seven industries.

While the growth rates of affiliate exports were not distinctively different between Latin America and Asia or developing countries in general, there was one respect in which there were clear regional differences. Export propensities of affiliates in Latin America were lower than those in Asia or developing countries in general in almost every industry in every period (Table 8). To some extent, that difference may have reflected the fact that Latin American markets were larger than Asian markets, but it may also reflect a difference in policies toward trade: a more inward orientation in Latin America. However, there was a distinct shift toward export orientation by Latin American affiliates in machinery, transport equipment, and "other manufacturing," some beginning in 1977-82, but, in the case of electrical machinery and transport equipment, accelerating in 1982 to 1986. Affiliates in Asia were also becoming increasingly export-oriented in 1982-86 in every

Table 8

Export Propensities (Exports as Per Cent of Sales) of
U.S. Majority-Owned Manufacturing Affiliates in Developing Countries,
by Region and Industry
1977, 1982, and 1986

	<u>1977</u>	<u>1982</u>	<u>1986</u>
<u>All Developing Countries</u>			
Foods	15.1	11.1	15.3
Chemicals	7.2	11.7	11.2
Metals	27.2	20.0	22.8
Non-Elect. Machinery	19.4	29.6	40.4
Elect. Machinery	53.7	64.4	71.0
Transport Equipment	7.5	11.1	35.5
Other Manufacturing	12.3	13.1	18.9
<u>Latin America</u>			
Foods	12.4	10.5	12.5
Chemicals	5.5	11.2	9.0
Metals	19.4	14.4	16.6
Non-Elect. Machinery	13.2	18.4	21.9
Elect. Machinery	17.2	22.8	34.4
Transport Equipment	7.3	8.9	34.9 - 37.3
Other Manufacturing	7.1	9.5	10.5 - 13.6
<u>Asia, Except Middle East</u>			
Foods	29.2 - 38.0	7.4 - 17.2	28.8
Chemicals	15.3	12.0	19.5 - 22.2
Metals	66.3	29.9	NA
Non-Elect. Machinery	70.8	69.3 - 76.3	76.8 - 83.5
Elect. Machinery	86.8 - 87.8	87.8	91.6
Transport Equipment	NA	NA	NA
Other Manufacturing	41.8 - 56.7	31.8 - 57.6	NA

Source: Appendix Tables E and F

industry for which we can make the calculation, but in some cases they had little room to increase the share of production they sold abroad because it was already so high.

The more inward initial orientation of Latin American affiliates may have given them more scope than Asian affiliates had for switching sales from domestic to foreign markets in 1982-86. However, data for Asian affiliates are too heavily suppressed to permit many comparisons. The largest absolute increase in exports in Latin America, in the transport equipment industry, was accompanied by a similar, but even larger, decline in domestic sales (Table 9). However, the next largest export increase, in electrical machinery, was accompanied by a much smaller decrease in domestic sales, suggesting that the export growth came out of increased production. In foods, chemicals, metals, and other manufacturing, exports and domestic production both stagnated or, more often, declined, so that we cannot say there was a shift of output from domestic to export markets.

The data are poor for Asian affiliates because there is so much suppression in the source, but there is little indication there of any major shifting. The growth of exports was accompanied either by a growth in domestic sales, or by declines in domestic sales that were too small to provide much export growth.

7. Conclusions

The distinctive feature of the export performance of U.S. multinationals' affiliates in heavily indebted countries after the debt crisis began was their sharp shift from selling in host-country markets to exporting. One aspect of this shift was the faster growth of their exports than of the exports of their

Table 9

Changes in Total Sales, Local Sales, and Exports,
U.S. Majority-Owned Affiliates in Developing Countries,
by Region and Industry, 1982 to 1986

	<u>Sales</u>	<u>Local Sales</u>	<u>Exports</u>
<u>All Developing Countries</u>			
Foods	-1,903	-1,933	30
Chemicals	-1,425	-1,210	-215
Metals	-941	-810	-131
Non-Elect. Machinery	586	96	682
Elect. Machinery	1,249	171	1,420
Transport Equipment	-593	-2,376	1,783
Other Manufacturing	-2,225	-2,321	96
<u>Latin America</u>			
Foods	-1,853	-1,757	-96
Chemicals	-1,770	-1,411	-359
Metals	-783	-709	-74
Non-Elect. Machinery	-170	-249	79
Elect. Machinery	412	-41	453
Transport Equipment	-510	-2,299 to -2,468	1,789 - 1,958
Other Manufacturing	-2,354	-2,184 to -2,353	-1 to -170
<u>Asia, Except Middle East</u>			
Foods	-108	-178 to -263	70 - 155
Chemicals	425	170 - 224	201 - 255
Metals	NA	NA	NA
Non-Elect. Machinery	739	65 - 112	627 - 674
Elect. Machinery	808	-127	935
Transport Equipment	NA	NA	NA
Other Manufacturing	NA	NA	NA

Source: Appendix Tables E and F

host-countries. Another was the sharp rise in their export propensities between 1982 and 1986, larger than for the host countries, although the host countries too were shifting their sales to export markets. In both these measures, the behavior of affiliates in the heavily indebted countries differed distinctly from that in the other, less indebted, developing countries, so that it cannot be explained as a general characteristic of the affiliates or of developing countries in general.

Much of the shift in markets by U.S. affiliates involved more a reduction in host country domestic sales rather than increases in exports, and their shares in exports did not rise substantially during this period. The implication is that the affiliates were quicker than domestic firms to reduce their local sales, and achieved much of their gains in export propensities that way. It would not be surprising that multinationals reacted this way if debt problems caused host countries to restrict the conversion of local currency income to U.S. dollars, since there would be little incentive for U.S. firms to accumulate depreciating local currencies.

Thus, the flexibility of the multinationals' affiliates, as compared with other firms in their host countries, in the face of the debt crisis was shown by their ability to increase exports from debt-ridden countries rapidly, their ability to change the orientation of these affiliates from domestic sales toward exports, but also by their ability to withdraw from the domestic markets when they became less attractive or more risky.

The results from this study also suggest that multinationals carry a potential to export from production facilities that were largely set up to serve local markets in host countries (i.e. those in Latin America), and that these firms are better equipped to convert import-substituting industries to

exporting than local firms are. Future research should investigate whether the firms' responses could be explained by changes in their host countries' exchange rates and in trade, balance-of-payments, and investment policies.

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Appendix Table A
Value of Manufactured Exports,^a by Developing Countries
1977, 1982, and 1986

	\$ Million			Nominal Values		Purchasing Power Over U.S. Exports
	1977	1982	1986	1977/1982	1986/1982	
Total Developing Countries	88,558	150,463	208,739	1.70	1.39	1.13
Latin America	23,950	33,309	44,097	1.39	1.32	0.93
Asia, exc. Middle East	47,159	94,220	140,523	2.00	1.49	1.33
<u>Heavily Indebted Countries</u>						
Brazil	8,735	14,907	17,767	1.71	1.19	1.14
Chile	1,688	2,328	2,665	1.36	1.14	.92
Colombia	2,080	2,339	3,859	1.12	1.65	1.53
Mexico	2,392	3,523	9,140	1.47	2.59	.98
Venezuela	206	748	1,522	3.63	2.03	2.42
Latin American Countries	15,101	23,845	34,953	1.58	1.47	1.05
Philippines	1,465	2,369	2,736	1.62	1.15	1.08
TOTAL, HEAVILY INDEBTED COUNTRIES	16,566	26,214	37,689	1.58	1.44	1.05
<u>Less Indebted Countries</u>						
Hong Kong	7,420	13,425	19,299	1.81	1.44	1.21
India	4,946	5,768	7,039	1.17	1.22	.78
Malaysia	3,664	7,119	8,643	1.94	1.21	1.29
Singapore	4,405	11,894	15,404	2.70	1.30	1.80
South Korea	9,463	21,072	33,508	2.23	1.59	1.49
Thailand	1,880	4,098	6,499	2.18	1.59	1.45
TOTAL, LESS INDEBTED COUNTRIES	31,778	63,376	90,392	1.99	1.43	1.33
TOTAL 4 COUNTRIES ^b	24,952	53,510	76,854	2.14	1.44	1.43
Taiwan	8,937	21,981	38,459	2.39	1.80	1.59
TOTAL incl. Taiwan	40,715	84,757	128,851	2.06	1.52	1.39
TOTAL 5 COUNTRIES						
inc. Taiwan	33,889	74,891	115,313	2.21	1.54	1.47
Price Index for U.S. Exports of Manufactures				1.500	1.078	1.43

^aManufactures defined to match the definition in U.S. Department of Commerce (1985). For details of the conversion of SITC commodity trade data to industry groups and total manufacturing, see Blomstrom, Kravis, and Lipsey (1988).

^bHong Kong, Malaysia, Singapore, and South Korea.

Source: UN Trade Tapes and Lipsey, Molinari, and Kravis (1989)

Appendix Table B
Exports by U.S. Majority-Owned Manufacturing Affiliates
in Developing Countries, 1977, 1982, and 1986

	\$ Million		Nominal Values		Purchasing Power Over U.S. Exports		
	1977	1982	1986	1982/1977	1986/1982	1986/1982	
All Developing Market Economies	5,486	11,168	14,836	2.04	1.33	1.36	1.23
Latin America	2,341	4,682	6,482	2.00	1.38	1.33	1.28
Asia, except Middle East	2,921	5,954-6,024	7,956	2.11-2.16	1.26-1.29	1.41-1.44	1.17-1.20
Individual Countries							
Heavily Indebted							
Brazil	994	2,105	2,760	2.12	1.31	1.41	1.22
Chile	32	(D)	162 ^a	NA	NA	NA	NA
Colombia	39	60	54	1.54	.90	1.03	.83
Mexico	488	1,023	2,644	2.10	2.58	1.40	2.39
Venezuela	10	(D)	25	NA	NA	NA	NA
TOTAL, 3 COUNTRIES ^b	1,521	3,188	5,456	2.10	1.71	1.40	1.59
Latin America	1,563	NA	5,645	1.71	1.12	1.14	1.04
Philippines	260	445	498	2.04	1.64	1.36	1.52
TOTAL, 4 COUNTRIES	1,781	3,633	5,956				
TOTAL, 6 COUNTRIES	1,823	NA	6,143				
Other Developing							
Hong Kong	600	878	874	1.46	1.00	.97	.93
India	17	(D)	22	NA	NA	NA	NA
Malaysia	339	1,318	1,658-1,780	3.89	1.26-1.35	2.59	1.17-1.25
Singapore	822	1,723	2,781	2.10	1.61	1.40	1.49
South Korea	128	260	341	2.03	1.31	1.35	1.22
Thailand	(D)	(D)	370	NA	NA	NA	NA
TOTAL, 4 COUNTRIES	1,889	4,179	5,654-5,776	2.15	1.33	1.43	1.23
Taiwan	558	889	1,321	1.59	1.49	1.06	1.38
TOTAL, incl. TAIWAN	2,447	5,068	6,975-7,097	2.04	1.36	1.36	1.26

(D) = Suppressed by Source to avoid disclosure
^a1987
^bBrazil, Colombia, and Mexico
Source: U.S. Department of Commerce (1981), (1985), and (1989)

Appendix Table C

Total Sales by U.S. Majority-Owned Manufacturing Affiliates
in Developing Countries, 1977, 1982, and 1986

	\$ Million		
	1977	1982	1986
All Developing Market Economies	30,278	50,863	45,614
Latin America	24,217	39,506	32,477
Asia, except Middle East	5,125	9,933	11,912
Individual Countries			
<u>Heavily Indebted</u>			
Brazil	11,218	17,037	16,369
Chile	199	383	379 ^c
Colombia	992	1,846	1,316
Mexico	4,679	9,438	7,656
Venezuela	2,793	4,848	1,743
TOTAL, 3 COUNTRIES ^a	16,889	28,321	25,341
TOTAL, 5 COUNTRIES	19,881	33,552	27,463
Philippines	1,010	1,678	1,263
TOTAL, 4 COUNTRIES	17,899	29,999	26,604
TOTAL 6 COUNTRIES	20,891	35,230	28,726
<u>Other Developing Countries</u>			
Hong Kong	745	1,134	1,217
India	467	508	588
Malaysia	445	1,617	1,982
Singapore	882	1,877	3,102
South Korea	187	414	588
Thailand	234	521	632
TOTAL, 4 COUNTRIES ^b	2,259	5,042	6,889
TOTAL, 6 COUNTRIES	2,960	6,071	8,109
Taiwan	787	1,497	2,075
TOTAL, 5 COUNTRIES, incl. TAIWAN	3,045	6,539	8,964
TOTAL, 7 COUNTRIES, incl. TAIWAN	3,747	7,568	10,184

^aBrazil, Colombia, and Mexico ^bHong Kong, Malaysia, Singapore, and South Korea
^c1987, 505

Source: U.S. Department of Commerce (1981), (1985), and (1989)

Appendix Table D

Value of Manufacturing Output in Producers' Prices,
Twelve Developing Countries, 1977, 1982, and 1986

	\$ Million		
	1977	1982	1986
<u>Heavily Indebted Countries</u>			
Brazil	NA	NA	NA
Chile	6,684	10,947	11,120
Colombia	9,490	17,570	16,617
Mexico	48,780	82,355	NA
Venezuela	18,345	34,998	30,787
Latin America, 4 Countries ^a	83,299	145,870	NA
Latin America, 3 Countries ^b	34,519	63,515	58,524
Philippines	9,897	18,175	12,139
TOTAL, 5 Countries	93,196	164,045	NA
TOTAL, 4 Countries	44,416	81,690	70,663
<u>Other Developing Countries</u>			
Hong Kong	NA	21,836	29,224
India	41,038	82,972	NA
Malaysia	NA	16,111	16,436
Singapore	7,486	17,272	17,170
South Korea	31,897	70,650	104,313
Thailand	NA	27,024	NA
TOTAL, 4 Countries ^c	NA	105,911	167,143
3 Countries ^d	80,421	170,894	NA
2 Countries ^e	39,383	87,922	121,483

^aChile, Colombia, Mexico, and Venezuela

^bChile, Colombia, and Venezuela

^cHong Kong, Malaysia, Singapore, and South Korea

^dIndia, Singapore, and South Korea

^eSingapore and South Korea

Source: United Nations (1981), (1988), and (1989).

Appendix Table E

Exports by U.S. Majority-Owned Manufacturing Affiliates in Developing Countries,
by Industry Group and Region, 1977, 1982, and 1986

	\$ Million			Nominal Values		Purchasing Power Over U.S. Exports	
	1977	1982	1986	1982/1977	1986/1982	1982/977	1986/1982
<u>All Developing Market Economies</u>							
Foods	696	857	887	1.23	1.04	.82	.96
Chemicals	464	1,296	1,081	2.79	.83	1.86	.77
Metals	453	596	465	1.32	.78	.88	.72
Non-Elect. Mach.	425	1,222	1,904	2.88	1.56	1.92	1.45
Elect. Mach.	2,372	5,134	6,554	2.16	1.28	1.44	1.19
Transp. Eq.	408	906	2,689	2.22	2.97	1.48	2.76
Other Mfg.	669	1,159	1,255	1.73	1.08	1.15	1.00
<u>Latin America</u>							
Foods	481	702	606	1.46	.86	.97	.80
Chemicals	292	1,018	659	3.49	.65	2.33	.60
Metals	278	355	281	1.28	.79	.85	.73
Non-Elect. Mach.	250	610	689	2.44	1.13	1.63	1.05
Elect. Mach.	342	609	1,062	1.78	1.74	1.19	1.61
Transp. Equip.	382	671	2,460-2,629	1.76	3.67-3.92	1.17	3.40-3.64
Other Mfg.	317	727	557-726	2.29	.77-1.00	1.53	.77-.93
<u>Asia, except Middle East</u>							
Foods	179	65-150	220	NA	NA	NA	NA
Chemicals	139	189	390-444	1.36	2.06-2.35	.91	1.91-2.18
Metals	69	53	NA	.77	NA	.51	NA
Non-Elect. Mach.	172	552-607	1,179-1,281	3.21-3.53	1.94-2.32	2.14-2.35	1.80-2.15
Elect. Mach.	2,001-2,024	4,478	5,413	2.21-2.24	1.21	1.47-1.49	1.12
Transp. Equip.	3-26	234	NA	NA	NA	NA	NA
Other Mfg.	335	326	≥261	.97	NA	.65	NA

Notes to Appendix Table E

Sources: U.S. Department of Commerce (1981), Tables III.F5, III.H3, III.H4, and III.H5; (1985), Tables III.D3, III.E3, III.E4, and III.E5; and (1989), Tables 29, 36, 37, and 38.

Appendix Table F

Sales by U.S. Majority-Owned Manufacturing Affiliates in Developing Countries,
by Industry Group and Region, 1977, 1982, and 1986

	1977	1982	1986
<u>All Developing Market Economies</u>			
Foods	4,608	7,711	5,808
Chemicals	6,466	11,056	9,631
Metals	1,667	2,979	2,038
Non-Elect. Mach.	2,191	4,131	4,717
Elect. Mach.	4,421	7,977	9,226
Transp. Equip.	5,461	8,157	7,564
Other Mfg.	5,465	8,854	6,629
<u>Latin America</u>			
Foods	3,870	6,717	4,864
Chemicals	5,278	9,096	7,326
Metals	1,435	2,473	1,690
Non-Elect. Mach.	1,899	3,315	3,145
Elect. Mach.	1,991	2,674	3,086
Transp. Equip.	5,249	7,558	7,048
Other Mfg.	4,494	7,673	5,319
<u>Asia, except Middle East</u>			
Foods	471-612	873	765
Chemicals	911	1,578	2,003
Metals	104	177	78-205
Non-Elect. Mach.	243	796	1,535
Elect. Mach.	2,306	5,099	5,907
Transp. Equip.	≤212	234-599	242-516
Other Mfg.	591-801	566-1,026	261-1,310

Source: U.S. Department of Commerce (1981), Table III.F5; (1985), Table III.D3 and (1989), Table 29.

Appendix Table G

Value of Manufactured Exports, Individual Developing Countries,
by Industry Group and Country, 1977, 1982 and 1986

	\$ Million			Nominal Value		Purchasing Power over U.S. Exports	
	1977	1982	1986	1986/1977	1986/1982	1982/1977	1986/1982
Brazil							
Foods	5,507	6,547	6,950	1.19	1.06	0.79	0.98
Chemicals	199	948	1,278	4.76	1.35	3.18	1.75
Metals	370	1,498	2,337	4.05	1.56	2.70	1.45
Non-elect. Mach.	395	993	881	2.51	0.89	1.68	0.82
Elect. Mach.	329	494	889	1.50	1.80	1.00	1.67
Transport Equip.	674	1,805	1,486	2.68	0.82	1.79	0.76
Other Mfg.	1,261	2,622	3,946	2.08	1.50	1.39	1.40
Chile							
Foods	185	461	639	2.49	1.39	1.66	1.29
Chemicals	79	85	111	1.08	1.31	0.72	1.21
Metals	1,184	1,383	1,413	1.17	1.02	0.78	0.95
Non-elect. Mach.	10	11	8	1.1	0.73	0.73	0.67
Elect. Mach.	4	10	4	2.5	0.4	1.67	0.37
Transport Equip.	10	31	52	3.1	1.68	2.07	1.56
Other Mfg.	216	347	438	1.61	1.26	1.07	1.17
Colombia							
Foods	1,613	1,698	3,162	1.05	1.86	0.70	1.73
Chemicals	53	95	143	1.79	1.51	1.19	1.40
Metals	39	56	90	1.44	1.61	0.96	1.49
Non-elect. Mach.	23	31	24	1.35	0.77	0.90	0.72
Elect. Mach.	16	46	21	2.88	0.46	1.92	0.42
Transport Equip.	18	17	26	0.94	1.53	0.63	1.42
Other Mfg.	318	396	393	1.25	0.99	0.83	0.92
Mexico							
Foods	910	1,046	1,161	1.15	1.11	0.77	1.03
Chemicals	306	628	663	2.05	1.06	1.37	0.98
Metals	431	622	1,166	1.44	1.87	0.96	1.74
Non-elect. Mach.	108	201	521	1.86	2.59	1.24	2.4
Elect. Mach.	76	73	2,269	0.96	31.08	0.64	28.33
Transp. Equip.	75	489	1,821	6.52	3.72	4.35	3.45
Other Mfg.	486	464	1,539	0.95	3.32	0.64	3.08
Venezuela							
Foods	52	55	229	1.06	4.16	0.71	3.86
Chemicals	73	151	217	2.07	1.44	1.38	1.33
Metals	32	452	830	14.13	1.84	9.42	1.70
Non-elect. Mach.	5	28	13	5.6	0.46	3.73	0.43
Elect. Mach.	2	5	13	2.5	2.6	1.67	2.41
Transp. Equip.	3	11	28	3.67	2.55	2.44	2.36
Other Mfg.	39	47	192	1.21	4.09	0.80	3.79

Appendix Table G (continued)

	\$ Million			Nominal Value		Purchasing Power over U.S. Exports	
	1977	1982	1986	1988/1977	1986/1982	1982/1977	1986/1982
Philippines							
Foods	682	920	912	1.35	0.99	0.90	0.92
Chemicals	55	118	261	2.15	2.21	1.43	2.05
Metals	93	103	244	1.11	2.37	0.74	2.20
Non-elect. Mach.	10	23	16	2.3	0.7	1.53	0.65
Elect. Mach.	29	124	349	4.28	2.81	2.85	2.61
Transport Equip.	13	22	32	1.69	1.45	1.13	1.35
Other Mfg.	583	1,059	922	1.82	0.87	1.21	0.81
Singapore							
Foods	694	1,145	1,309	1.65	1.14	1.10	1.06
Chemicals	328	2,016	1,631	6.15	0.81	4.10	0.75
Metals	384	1,191	743	3.10	0.62	2.07	0.58
Non-elect. Mach.	409	1,451	3,160	3.55	2.18	2.37	2.02
Elect. Mach.	1,198	3,203	4,881	2.67	1.52	1.78	1.41
Transport Equip.	295	555	737	1.88	1.33	1.25	1.23
Other Mfg.	1,097	2,332	2,943	2.13	1.26	1.42	1.17
Thailand							
Foods	1,010	1,920	2,480	1.90	1.29	1.27	1.20
Chemicals	23	72	153	3.13	2.13	2.09	1.97
Metals	272	437	332	1.61	0.76	1.07	0.70
Non-elect. Mach.	17	29	182	1.71	6.28	1.14	5.82
Elect. Mach.	65	319	705	4.90	2.21	3.27	2.05
Transport Equip.	3	14	25	4.67	1.79	3.11	1.66
Other Mfg.	490	1,306	2,623	2.67	2.01	1.78	1.86
India							
Foods	1,552	1,683	1,457	1.08	0.87	0.72	0.80
Chemicals	151	372	207	2.46	0.56	1.64	0.52
Metals	641	307	201	0.48	0.65	0.32	0.61
Non-elect. Mach.	139	202	200	1.45	0.99	0.97	0.92
Elect. Mach.	91	138	86	1.52	0.62	1.01	0.58
Transp. Equip.	161	258	105	1.60	0.41	1.07	0.38
Other Mfg.	2,211	2,808	4,783	1.27	1.70	0.85	1.58
Malaysia							
Foods	1,069	1,681	1,269	1.57	0.75	1.05	0.70
Chemicals	49	173	503	3.53	2.91	2.35	2.70
Metals	724	718	407	0.99	0.57	0.66	0.53
Non-elect. Mach.	39	130	169	3.33	1.30	2.22	1.21
Elect. Mach.	337	1,596	2,986	4.74	1.87	3.16	1.74
Transp. Equip.	33	123	67	3.73	0.54	2.48	0.51
Other Mfg.	1,413	2,698	3,241	1.91	1.20	1.27	1.11

Appendix Table G (concluded)

	\$ Million			Nominal Value		Purchasing Power over U.S. Exports	
	1977	1982	1986	1988/1977	1986/1982	1982/1977	1986/1982
Hong Kong							
Foods	147	197	236	1.34	1.20	0.89	1.11
Chemicals	65	130	194	2	1.49	1.33	1.38
Metals	198	320	436	1.62	1.36	1.08	1.26
Non-elect. Mach.	109	518	1,167	4.75	2.25	3.17	2.09
Elect. Mach.	1,238	2,140	3,419	1.73	1.60	1.15	1.48
Transport Equip.	17	36	36	2.12	1	1.41	0.93
Other Mfg.	5,646	10,084	13,811	1.79	1.37	1.19	1.27
South Korea							
Foods	893	978	1,401	1.10	1.43	0.73	1.33
Chemicals	237	752	1,225	3.17	1.63	2.12	1.51
Metals	1,038	3,683	3,994	3.55	1.08	2.37	1.01
Non-elect. Mach.	113	455	1,541	4.03	3.39	2.68	3.14
Elect. Mach.	1,063	2,298	6,409	2.16	2.79	1.44	2.59
Transport Equip.	632	2,962	3,739	4.69	1.26	3.12	1.17
Other. Mfg.	5,487	9,944	15,199	1.81	1.53	1.21	1.42

Source: United Nations World Trade Tables and Appendix Table A

Appendix Table H

Exports of Manufactures by Firms Other Than U.S. Multinationals' Affiliates,
Developing Countries, 1977, 1982, and 1986

	\$ Million			Nominal Values		Purchasing Power Over U.S. Exports	
	1977	1982	1986	1982/1977	1986/1982	1982/1977	1986/1982
All Developing							
Market Economies	83,072	139,295	193,805	1.68	1.39	1.12	1.29
Latin America	21,609	28,627	37,506	1.32	1.31	0.88	1.22
Asia, except Middle East	44,238	88,065	132,567	1.99	1.51	1.33	1.40
Individual Countries							
Heavily Indebted Countries							
Brazil	7,741	12,802	15,007	1.65	1.17	1.10	1.09
Chile	1,656	NA	NA	NA	NA	NA	NA
Colombia	2,041	2,279	3,805	1.12	1.67	.75	1.55
Mexico	1,904	2,500	6,496	1.22	2.60	.81	2.41
Venezuela	196	NA	1,497	NA	NA	NA	NA
3 Latin Am. Countries ^a	11,686	17,581	25,308	1.50	1.44	1.00	1.34
Philippines	1,205	1,924	2,238	1.60	1.16	1.07	1.08
4 HEAVILY IND. COUNT.	12,891	19,505	27,546	1.54	1.41	1.03	1.31
Less Indebted Countries							
Hong Kong	6,820	12,547	18,425	1.84	1.47	1.23	1.36
India	4,929	NA	7,017	NA	NA	NA	NA
Malaysia	3,325	5,801	6,863-6,985	1.74	1.18-1.20	1.16	1.09-1.11
Singapore	3,583	10,171	12,623	2.84	1.24	1.89	1.15
South Korea	9,335	20,812	33,167	2.23	1.59	1.49	1.47
Thailand	NA	NA	6,129	NA	NA	NA	NA
4 Less Ind. Count. ^b	23,063	49,331	71,078-71,200	2.14	1.44	1.43	1.34
Taiwan	8,379	20,492	37,138	2.45	1.81	1.63	1.68
5 LESS IND. COUNT., INCL. TAIWAN	31,442	69,823	106,216-108,338	2.22	1.55	1.48	1.44

^aBrazil, Colombia, and Mexico

^bHong Kong, Malaysia, Singapore, and South Korea