commensurate with the needs of their development, in the growth of international trade in manufactured and semimanufactured products.[6]

This view that industry is the key is commonly expressed by LDC spokesmen. The novelty in the UNCTAD approach lies in the assertion that industrial development can be fostered by export of manufactures, before a broad industrial base exists. Normally, the export of manufactured products on a large scale follows the long-term buildup of domestic industry.[7]

The South is making rapid strides in industrial development. From 1950 to 1962, its manufacturing output increased by nearly 8 percent a year; at the end of the period, volume of industrial production was 120 percent greater than in 1950. During the same period Northern industrial output grew by 80 percent. The powerful desire to industrialize quickly stems both from the close relation between industrialization and economic development cited above and from the foreign exchange problem that dominated discussions at UNCTAD. During the period 1955–63, value of world exports of manufactures increased at the rate of 8.1 percent annually, compared with a rate of 3.1 percent for commodities. Countries seeking rapid increases in export earnings are therefore naturally enticed by the prospects of trade in manufactured goods. Furthermore, Southern trade in manufactured products (excluding processed foods and refined metals), although still very small, grew at the rapid rate of 7.4 percent annually for the 8-year period. The contrast with the relative stagnation in commodity trade is not lost in the South.

Table 4 gives a regional summary of LDC exports of manufactured products for the years 1955, 1959, and 1963–64. Asia is by far the most important exporter, accounting for half of the total, and is also increasing its manufactured exports faster than other areas, thanks largely to the Hong Kong trade.

TABLE 4.—GROWTH OF WORLD EXPORTS OF MANUFACTURED GOODS,[a] BY REGION, 1955–64

[Dollar amounts in billions]

Region	1955	1959	1963	1964	Percent increase, 1955–64
World	45.5	61.1	86.3	98.7	117
Industrial countries	37.8	49.9	70.2	80.8	114
Eastern Europe	4.4	7.2	10.3	11.5	161
LDC's	3.0	3.2	4.8	5.5	83
Latin America	0.7	0.7	1.0	1.1	57
Middle East	0.1	0.2	1.8	1.8	100
Africa	0.8	0.9			
Asia	1.3	1.5	2.4	2.7	108

[a] Includes refined metals.

Source: UNCTAD, Handbook of International Trade Statistics, Doc. E/Conf. 46/12/Add. 1, February 28, 1964; United Nations, Monthly Bulletin of Statistics, various years.

Several points emerge from the study of the manufactured exports of LDC's.

[6] Final Act, par. 62, reprinted UNCTAD, Proceedings, vol. 1, p. 13. There was also a special principle favoring trade preference for the South in the draft Final Act, but it was not voted on.

[7] The exceptions are of two kinds: (a) Materials-oriented industries, of which minerals refining (Chile, Mexico), pressing vegetable oils (Nigeria, Senegal), and refining sugar (Taiwan) or petroleum (Iran) are typical; and (b) industries that benefit from low-cost labor, notably textiles and certain other light manufactures (Hong Kong, India, Mexico).