

TABLE I-1.—EXPORTS OF DEVELOPED AND LESS DEVELOPED COUNTRIES, 1950 AND 1965 ^a

	Value (billions of dollars at current prices)		Compound annual rate of growth, 1950-65 (percent)
	1950	1965	
World exports (total).....	53.5	156.3	7.4
Exports of developed countries (total).....	35.9	122.5	8.5
To each other.....	25.0	95.5	9.4
To less developed countries.....	10.9	27.0	6.2
Exports of less developed countries (total).....	17.6	33.8	4.5
To developed countries.....	12.4	26.2	5.2
To each other.....	5.2	7.6	2.5
Exports of less developed countries, excluding major petroleum producers ^b (total).....	14.1	23.7	3.6
To developed countries.....	10.0	18.5	4.2
To each other.....	4.1	5.2	1.7

^a All figures exclude exports to and exports of Eastern Europe, the U.S.S.R., and mainland China.

^b Countries excluded are Algeria, Iran, Kuwait, Libya, Netherlands Antilles, Saudi Arabia, Trinidad and Tobago, and Venezuela.

Note: Figures may not add to totals shown because of rounding.

Source: Various statistical publications of the United Nations.

the primary products which make up the bulk of the exports of the less developed countries. Reasons for the relative lag in trade in primary products include economies in their use, the continuing development of synthetic substitutes, and the growing complexity and sophistication of final products, all of which tend to reduce the input of raw materials per unit of output.

It will therefore be accepted as a starting point for the present analysis that the increase in exports of the less developed countries will have to be largely in manufactured goods. Some countries exceptionally well endowed with natural resources may be able to meet their growing foreign exchange needs through sales of primary products in crude or processed form. The oil-exporting countries form a small and privileged group in this regard. Broadly viewed, however, there is little reason to suppose that the influences tending to retard the growth of trade in primary products have run their course. If this is a correct judgment, a solution commensurate with the growth needs of the less developed countries will presumably entail a rapid increase in their exports of manufactures to the advanced countries.

LABOR-INTENSIVE MANUFACTURES

This study seeks to identify the kinds of manufactures best suited to the growth of exports and to examine the pattern and prospects of trade in these items. By definition, the less developed countries have little accumulated capital or technical skill. Any comparative advantage which they may hold or attain in manufacturing for export, apart from strongly resource-based industries, is therefore likely to be in industries which are intensive in the use of relatively unskilled labor and sparing in the use of both physical and human capital.

Such a course encounters obvious problems and resistances on the side of the developed countries. But it also offers them the possibility of shifting scarce manpower from traditional lines of production