

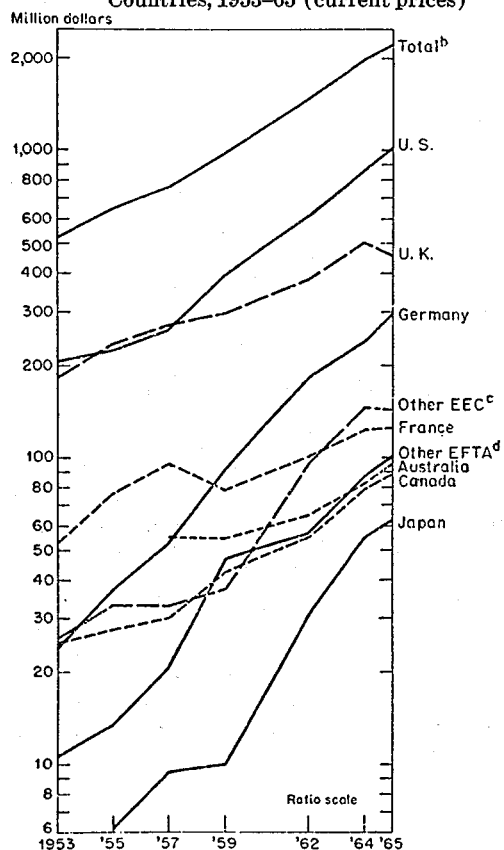
MARKET POTENTIALS

Past Growth, 1953-65

The rate of growth in imports of labor-intensive manufactures by developed from less developed countries in recent years has probably been much faster than had been expected. For instance, in a study published in 1964, Bela Balassa projected an annual rate of increase of 5.5 percent in exports of manufactures by less developed to developed countries over the period from 1960 to 1975, prices being assumed to remain constant.⁷ By contrast, the total of the labor-intensive items plotted in chart II-1 shows imports in 1965 $4\frac{1}{3}$ times as

CHART II-1

Imports of Labor-Intensive Manufactures by Developed from Less Developed Countries, 1953-65 (current prices)



Source: Compiled from publications of U.N. Statistical Office.

^a Imports of countries reporting on a c.i.f. basis have been adjusted to an approximate f.o.b. basis.

^b Excluding Australia, Japan and Switzerland.

^c Belgium-Luxembourg, Italy and the Netherlands.

^d Austria, Denmark, Norway and Sweden (Switzerland and Portugal not included).

⁷ Bela Balassa, "Trade Prospects for Developing Countries," Homewood, Ill., 1964, p. 66 and tables A3.1.1 and A12.